

IMPLEMENTATION AGREEMENT

made on the date stated below pursuant to the Civil Code of the Czech Republic

between

People in Need (Člověk v tísní, o.p.s.)

Local office address: Stand no 3060, President Avenue 41, Mongu, Western Province, Zambia
registered office at Šafaříkova 24, Prague 2, 120 00, Czech Republic

Identification number (IČ): 25 75 52 77

represented by Stefania Lagonigro, Country Director, People in Need Zambia

(hereinafter referred to as "**PIN**")

and

Česká zemědělská univerzita v Praze (ČZU)

registered office Kamýcká 129, Praha-Suchbát 165 00, Czech Republic

Identification number (IČO): 60460709

represented by prof. Ing. Petr Sklenička, CSc., Rector

(hereinafter referred to as the "**Recipient**")

(PIN and the Recipient are hereinafter collectively referred to as the "**Parties**")

Banking details

Account Name and address: Česká zemědělská univerzita v Praze

Account Number: xxxxx

Bank name and address: xxxxx

SWIFT code: GIBACZPXXXX

IBAN: xxxxx

Country: Czech Republic

I. PURPOSE OF THIS AGREEMENT

1. The purpose of this Agreement is the implementation and fulfilment of the Project objectives described in the Project: **Strengthening Climate-Resilient Agricultural Markets in Western and Southern Provinces of Zambia** (hereinafter referred to as the "**Project**").
2. In accordance with the provisions of this Implementation Agreement, the General Conditions (**Annex A**), Project Description (**Annex B**), Budget (**Annex C**), Content of Reports (**Annex D**), Essential Principles of PIN Code of Conduct and Key Policies (**Annex E**), Recipient's Activities Overview (**Annex F**), Financial Guidelines (**Annex G**), Procurement Guidelines (**Annex H**) (hereinafter all together referred to as the "**Agreement**"), the Recipient undertakes to ensure and carry out the implementation of the Project and PIN undertakes to provide funds for this implementation. If there are discrepancies between this Implementation Agreement and the General Conditions and/or the Financial Guidelines, the Implementation Agreement shall always prevail.

The Recipient must use its procurement guidelines, as presented to PIN. When applying the procurement guidelines, the Recipient is obliged to comply also with the Donor's procurement rules (stricter rule applies).

II. BUDGET, REPORTING SCHEDULE AND TERMS OF PAYMENTS

1. Budget

The Recipient is obliged to implement the Project in accordance with the Budget. Subject to conditions of the Agreement the funds provided under this Budget by PIN shall not exceed **2,498,641 CZK** (hereinafter referred to as the "Funds"). PIN originally received the Funds from the Donor: **Czech Development Agency**. The breakdown for the budget during the course of the project is:

2025: Total budget of 600,001 CZK

2026: Total budget of 949,320 CZK (Estimated)

2027: Total budget of 949,320 CZK (Estimated)

The Recipient shall not increase the total Budget. The Recipient is not allowed to make any adjustments within the Budget except of the adjustments between the individual budget-lines within one main budget category. The allowed adjustments shall not exceed **15%** of original amount of any of modified budget-headers. Irrespective of the previous two sentences administrative/indirect costs may not be changed.

The Recipient shall obtain a written approval from PIN prior to making any expenditure exceeding the flexibility mentioned in the preceding Sub-Paragraph of this Article.

The Recipient is obliged to return without delay any Funds which must be repaid by PIN to the Donor for the reasons accountable to the Recipient if requested by PIN. Further, if the Donor decreases any payment to PIN for the reasons accountable to the Recipient PIN may decrease at the same extent any payment due to the Recipient or the Recipient is obliged to return without delay a corresponding amount upon request of PIN. The General Conditions shall not be hereby affected.

The Budget shall include the Recipient's total budget for the Project, broken down into a specific (annual) budget for the first calendar year - i.e., the period from 01/01/2025 to 31/10/2025 - and indicative budgets for the subsequent years, 2026 and 2027. Notwithstanding any other provisions of the Agreement, only the specific budget for the first year is binding; the budgets for 2026 and 2027 are for reference purposes only. Should the Donor provide financing for 2026 and/or 2027 that differs from the indicative budgets, PIN reserves the right to request the Recipient to revise the indicative budgets and Project accordingly.

The final versions of the specific budgets for 2026 and 2027, along with the corresponding payment schedules and annual activity plans, shall be agreed upon by the Recipient and PIN through amendments to the Agreement. These amendments will be based on the Donor's decision regarding Project financing for the respective years.

Notwithstanding any other provisions of the Agreement, if the Donor reduces or completely terminates funding, PIN shall not be obligated to pay the Recipient the full amount specified for the entire Project. Each amendment must be concluded within 30 days of PIN receiving the Donor's financing decision. The Recipient shall not have the right to refuse to conclude such amendments, even if the Donor's reduced funding results in a lower indicative budget. Failure to conclude the relevant amendment does not relieve the Recipient of their obligation to continue implementing the Project in accordance with the Agreement. Furthermore, such failure shall be considered a breach of the Agreement.

2. Administrative Costs

The overall administrative costs of the Project shall not exceed **0%** of the total eligible direct costs, not subsequently disclaimed, as defined in Article 2 of the Financial Guidelines (Annex G) expended and reported according to the Agreement by the Recipient on the implementation of the Project.

The administrative costs shall be covered from the Funds and shall be transferred to the Recipient as a part of – already included in – the regular payments of the Funds according to Article II, paragraph 4 of this Agreement and only if the conditions for payments laid down in the Agreement are met. The Recipient shall not be entitled to the payment of administrative costs belonging to any amount of the Funds which was declared by PIN and/or the audit firm charged with carrying out of the audits of the Project and/or the Donor ineligible and/or used in contradiction with the Agreement; any administrative costs paid in excess shall be returned to PIN.

The provisions of Article II., Paragraph 3. of this Agreement (Co-financing by the Recipient), as the case may be, shall not apply to administrative costs.

3. Co-financing by the Recipient

Not applicable.

4. Instalments and Reporting

Subject to other provisions of the Agreement the Funds shall be provided by PIN according to the following schedule:

1st. instalment (advance) – The recipient shall receive **480,0001 CZK (80%)** as an advance payment no later than 10 days after signing of the agreement.

Final instalment (after final report) – up to **120,000 CZK** will be calculated according to total incurred eligible and duly justified reported costs and not exceeding together with the previous instalments the amount of total Budget. The final instalment shall be disbursed within 15 days after the submission of the final report demonstrating the completion of all outputs, together with the corresponding invoice submitted within the stipulated deadline.

Final report (narrative and financial – in format set out in Annex D) shall be prepared covering the whole Project implementation period for 2025 i.e. **01/01/2025** to **31/10/2025** and submitted to PIN no later than **15 days** i.e. **15/11/2025** after end of the Project implementation period as defined in Paragraph 1 of Article III.

5. Currency conversion

For reporting purposes - any **conversion** of the real costs borne in other currencies than the currency of this Agreement into currency of this Agreement shall be done by the exchange rate used by the Recipient to convert first instalment from the currency of this Agreement into currency in which expenses of Project are borne. Exchange rate used must be supported by official proof (such as bank statement, list of daily exchange rates from bank, receipt from exchange office etc.).

III. PROJECT IMPLEMENTATION PERIOD

1. The overall Project duration is from **01/01/2025** to **31/12/2027**. The Recipient undertakes to implement the Project activities within the Project implementation period from **01/01/2025** to **31/10/2025**.
2. The activities carried out by the Recipient in accordance with the Project on and after the date of the beginning of the Project implementation period but before the date of conclusion of this Agreement shall be considered by PIN as fulfilment of the Agreement, if in compliance with the Agreement.

3. Any costs incurred prior to or after the Project implementation period are disallowed and cannot be covered from the Funds.
4. If the Project implementation period is insufficient for satisfactory completion of the Project objectives, the Agreement may be amended to extend the implementation period. The Recipient must request the extension in writing at latest 30 days prior to the expiration of the Project implementation period, explaining the circumstances which substantiate the extension.

IV. WARRANTIES

1. **Forbidden practices:** The Recipient hereby declares and warrants that the Recipient rejects corrupt, fraudulent, collusive and/or coercive practices and the Recipient has neither been engaged in such practices nor have been irrevocably convicted of an offence or a crime concerning its professional conduct.
2. **Employment and subcontracting:** The Recipient shall respect social rights and provide its employees with proper working conditions based on international labour standards. The Recipient shall not engage in the employment of children. Where applicable, the Parties shall also consider environment and avoid contractors and sub-contractors of any connection with a party to a conflict, involvement in the supply of transport of illicit arms and/or land-mines, or involvement in the unethical exploitation of natural resources. PIN may conduct on-site visits or use equivalent methods to ensure compliance of the Recipient with these principles.
3. **Code of Conduct:** The Recipient hereby declares and warrants that the Recipient has read and understood the Essential Principles of PIN Code of Conduct and Key Policies which form inseparable part of this Agreement and are attached as Annex E, and agrees to uphold the standards of conduct required.
4. **Preventing transactions with sanctioned groups and individuals:** The Recipient will ensure that it will not promote or engage in any violence, terrorism or money laundering nor will it make commitments, disbursements or other support to any entity that engages these activities. The Recipient bears responsibility for ensuring, during the entire Agreement period, compliance with economic sanctions laws and regulations, including the laws enforced by the United States Department of Treasury's Office of Foreign Assets Control ("**OFAC**"), the United States Department of State, such as Executive Order 13224, as well as any similar laws defined by the European Union ("**EU**"), the United Nations ("**UN**") or the Czech government.

The Recipient may not have transactions with, or support, any organizations and/or individuals who commit, threaten, or support terrorism, including those named on the following lists:

- **European Union** – [Consolidated list of sanctions](#)
- **United Nations** – [United Nations Security Council Sanctions List](#)
- **World Bank** – [World Bank Listing of Ineligible Firms & Individuals](#)
- **U.S. Treasury Department** – [Specially Designed Nationals and Blocked Persons List](#)
- **HM Treasury's Office of Financial Sanctions Implementation** – [Financial sanctions: consolidated list of targets](#)
- **UK Home Office** – [Proscribed terrorist groups or organisations](#)

5. **Trafficking in Persons:** For the duration of this Contract/Agreement the Recipient and his employees, consultants or volunteers may not
 - a) engage in trafficking in persons as defined in the Protocol to Prevent, Suppress, and Punish Trafficking in Persons, especially Women and Children, supplementing the UN Convention against Transnational Organized Crime;
 - b) procure commercial sex act during the period of this Agreement;
 - c) use of forced labor in the performance of this Agreement.
6. **Conflict of interest:** The Parties shall take all necessary precautions to avoid or end conflicts of interests and the Recipient shall inform PIN without delay of any situation constituting or likely to lead to any such conflict. It is obligation of PIN to notify the donor in writing and without delay. There is a conflict of interests where the impartial and objective exercise of the functions of any person under this Agreement is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with another person.
7. **Intellectual Property Rights:** Unless agreed by the Parties otherwise in writing, ownership of the results of the Agreement performance, including but not limited to industrial and intellectual property rights of the reports and other documents relating to it, shall be vested in PIN. The Recipient undertakes to ensure that it has all the rights to use any pre-existing industrial and intellectual

property rights for the Agreement performance by the Recipient. To avoid any doubts, PIN hereby acquires without further charge the right to use the results of the Project and pre-existing rights comes from the Project in any manner unlimited by the amount, time and territory and may authorize third persons to do so. The Parties further agree that the Recipient shall be entitled to use the results of the Project for its own use, in particular for publication and educational purposes.

8. **Misconduct Reporting:** Any known or suspected cases of unacceptable behaviour which interfere or threat to materially interfere with the provisions of these Warranties must be reported without undue delay to PIN to one of the following addresses:
- for suspicion of fraud, corruption, theft, embezzlement etc.: fraud@peopleinneed.cz
 - for safeguarding and PSEAH cases: psea@peopleinneed.cz
 - for any other serious complaints (incl. terrorism financing or money laundering): report@peopleinneed.cz.

All information will be treated with the upmost confidentiality.

9. **Investigation:** The Recipient undertakes to investigate and to fully cooperate with any investigation into the events described in the previous paragraph, whether led by the Recipient, PIN, the Donor or any of their authorized representatives. The investigation may include inspections, on-spot checks and any other means necessary to investigate the events. PIN shall have the right to start its own investigation into the events at its own discretion if the Recipient's investigation processes are not adequate or investigation is not duly started.
10. **Consequences for Non-Compliance:** The misrepresentation of the Recipient in regard of any of the above-mentioned warranties or the involvement of the Recipient in any of these situations described shall constitute the right of PIN to terminate this Agreement immediately as in case of a substantial breach of this Agreement. In case of such termination PIN shall have the right for reimbursement of damages.
11. **Downstream Partners:** Where further partnering and/or sub-granting to other implementing partners is permitted by PIN in writing, these Warranties must be included in all agreements with the partners.

V. CONTACT PERSONS

Unless the parties agree otherwise the contact persons shall be:

For PIN

Name: xxxxx Phone: 260 xxxxxx E-mail: xxxxx

For the Recipient:

Name: xxxxx Phone: 420 xxxxx E-mail: xxxxx

V. FINAL PROVISIONS

1. This Agreement shall come into force and take effect on the date it is signed by the authorized representatives of both Parties. The Parties agree that any performance rendered by either Party prior to the effective date shall be deemed to have been made under this Agreement and shall be set off against the respective obligations hereunder. Accordingly, neither Party shall have any claims against the other for unjust enrichment in relation to such prior performance.
2. The relations between the Parties shall be governed by Czech law. In matters not expressly covered by the Agreement, legal relations arising and resulting from it shall be governed by the relevant provisions of the Civil Code and other generally binding legal regulations.

3. Any amendments or additions to the Agreement may be made only by written agreement of the Parties. Such agreements shall be drawn up in the form of dated, numbered and signed amendments to the Agreement by both Parties.
4. If the ground of invalidity applies only to a provision of the Agreement, only that provision shall be considered invalid unless it is clear from its nature, content or the circumstances in which it was agreed that it cannot be separated from the rest of the Agreement.
5. The Agreement is concluded in electronic form. If this Agreement is concluded in paper form, it shall be drawn up in three counterparts with the validity of the original, with PIN receiving one and CZU two of them.
6. The Parties unconditionally agree to the publication of the full text of the Agreement so that the Agreement can be the subject of information provided in accordance with the Act No. 106/1999 Coll., on free access to information, as amended.
7. The Parties declare that they have read the Agreement before signing it and agree to its contents without reservation. The Agreement is an expression of their true, genuine, free and serious will. In witness of the true and genuine nature of these declarations, the authorized representatives of the Parties append their signatures below.

Place and date of signature:

Signed in Lusaka, on

Signed in Prague, on



On behalf of PIN
Name: Stefania Lagonigro
Position: Country Director

On behalf of the Recipient
Name: Prof. Ing. Petr Sklenička, CSc.
Position: Rector

ANNEXES ATTACHED TO THIS AGREEMENT:

ANNEX A: GENERAL CONDITIONS

ANNEX B: PROJECT DESCRIPTION

ANNEX C: BUDGET

ANNEX D: TEMPLATE OF REPORTS, FUND REQUEST AND FORECAST OF EXPENDITURES

ANNEX E: ESSENTIAL PRINCIPLES OF PIN CODE OF CONDUCT AND KEY POLICIE

ANNEX F: RECIPIENT'S ACTIVITIES OVERVIEW

ANNEX G: FINANCIAL GUIDELINES

ANNEX H: PIN PROCUREMENT GUIDELINES

Annex A

PIN General Conditions

PREAMBLE

These PIN General Conditions form an inseparable part of the Partnership/Implementation/Contribution Agreement (as **Annex A**) which, together with other Annexes (Project – **Annex B**, Budget – **Annex C**, Content of Reports – **Annex D**, Essential Principles of PIN Code of Conduct and Key Policies – **Annex E**, Recipient's Activities Overview – **Annex F** and Financial Guidelines – **Annex G** (as the case may be) or other annexes, shall be hereinafter referred to as the "**Agreement**".

The Agreement relates to all activities performed within the implementation of the project funded by Donor, as described in Annex B (hereinafter referred to as the "**Project**").

For the purposes of these PIN General Conditions, the Partner is also considered to be the Recipient.

I. REPORTING REQUIREMENTS

1. The Recipient shall submit periodic reports to PIN (as specified in Article II., par. 4 of the Implementation Agreement or Partnership Agreement and Article II., par. 2 of the Contribution Agreement) documenting both progress (narrative report) and expenditures (financial report) (hereinafter together referred to as the "**Reports**") of the implementation of the Project. The content of the Reports is described in **Annex D** to the Implementation/Contribution/Partnership Agreement.
2. The fact that PIN does not express its opinion over the Reports may not be considered as the approval of such report.
3. If the Reports are late or unsatisfactory, PIN may suspend, either partially or in whole, payment of the funds under the Agreement until the problem is rectified. The Report is considered unsatisfactory especially if it contains not eligible costs, including but not limited to, costs not accompanied by appropriate accounting documents, not verifiable costs and/or premature costs (i.e. not in accordance with the time-plan of the Project implementation); further, any of such costs may be disapproved and excluded by PIN from the financial reports. Moreover, in such cases, PIN is entitled to suspend, either partially or in whole, the implementation of the Project by the Recipient.
4. If any of the Report is considered by PIN unsatisfactory, either partially or in whole, PIN shall ask the Recipient for explanation and remedying of the defects. The Recipient undertakes to submit upon request of PIN any additional documentation such as but not limited to the Recipient's internal procedures documentation, policies or contractual documentation or procurement files relating to the Project activities as well as to submit all Project's outputs/results carried out by the Recipient.

The Recipient shall remedy the defects within 7 days unless PIN provides a longer additional period. PIN shall judge the reports after remedying the defects and will further proceed in accordance with this paragraph in case the defects are not remedied properly. PIN is entitled, upon its decision, to award a partial approval with respect to specified parts of the reports and further proceed under this paragraph only with respect to the parts of the reports deemed defective by PIN. The approval of any report by PIN is without prejudice to the right of the PIN's auditor and/or Donor to declare subsequently all or some of the reported costs of the Recipient ineligible.

5. The Recipient is obliged to decrease the payment request by the amount the previous instalment(s) remain unspent.

6. In justified cases, PIN has the right to provide a specific instalment in higher amount than assumed by schedule in Article II., par. 4 of the Implementation/Contribution/Partnership Agreement, if requested by the Recipient. In any case the total amount of funds provided by PIN on the basis of the Agreement shall not exceed the amount of funds specified by Article II., Paragraph 1 of the Implementation/Contribution/Partnership Agreement.
7. If the Project activities are being implemented through a sub-contractor, the Recipient is responsible for ensuring that the sub-contractor provides the Recipient with sufficient information about the progress of the Project and expenditure of funds to comply with the reporting requirements.
8. The Reports shall be prepared in the language of the Implementation/Contribution/Partnership Agreement.

II. ACCOUNTING REQUIREMENTS

1. The Recipient shall keep accurate and systematic accounts and records of all payments, incomes and expenditures. These accounts and records shall be in accordance with principles and standards of the country where the Recipient has its seat and shall be kept also after the completion of the Project or termination of the Agreement for at least 7 years after the final balance instalment is provided and in any case until the closure of any on-going audit, verification or litigation.
2. The Recipient shall be obliged to submit on PIN's or Donor's request the accounting documents including Recipient's audits to PIN or Donor in accordance with Article V., par. 2 of the General Conditions (also ex post).

III. CONFIDENTIALITY

1. Subject to Article V. of the General Conditions and to the Financial Guidelines, The Agreement and its details or any information related to PIN activities, contracting parties or beneficiaries shall be kept confidential and shall not be disclosed to others, without prior written consent of PIN.
2. The obligation under this Article shall survive the expiration or termination of the Agreement. The Donor shall under all circumstances preserve the right to have access to all documents communicated between the Recipient and PIN.

IV. VISIBILITY

1. The fact that the funds are coming from PIN and the Donor of PIN shall be acknowledged at the Project site, indicated on materials and equipment financed under the Agreement and any other appropriate location by a visible presentation agreed on between PIN and Recipient and according to current local situation. In case of disagreement the Recipient shall follow instructions of PIN so that the requirements of the Donor are met.
2. The Recipient authorizes PIN and the Donor to publish its name and address, nationality, the purpose of provided funds, duration and location as well as the maximum amount of the provided funds and rate of funding of the Project's costs. A derogation from publication of this information may be granted if it could endanger the Recipient or harm its commercial interests.
3. If required by the Donor any publication by the Recipient shall include also the disclaimer that the contents of the relevant document are the sole responsibility of the Recipient not reflecting the position of the Donor.

V. MONITORING AND ON-SITE VISITS

1. The Recipient shall monitor the progress of the implementation of the Project throughout its duration to ensure that planned activities are being implemented and that funds are used properly. The Recipient must consult regularly with PIN and notify PIN promptly and in writing of any significant problems or changes that could affect the successful and timely implementation of the Project.
2. The Recipient shall give the donor, PIN, the European Union or any other person or organization authorized by the donor, PIN or the European Union (hereinafter jointly referred to as the “**Authorized Persons**”) full and on-the-spot access to any location where this Agreement is or was performed, and all books, documents and records related to the Project and its implementation upon the request of Authorized Persons and to submit these books, documents or records to Authorized Persons for inspection (also ex post).
3. Authorized Persons may make on-site visits to monitor Project implementation and to verify information provided in the periodic reports submitted by the Recipient. Recipient shall allow access for on-site visits and field or headquarters audits, and any checks, inspections and verifications to be carried out by the Authorized Persons. Parties shall abstain from any obstructive practice, which could hamper such right of the Authorized Persons.
4. Concerning any insufficiencies discovered by PIN and/or other authorized persons within such inspections, the provision of Article I., par. 4. hereof shall apply.
5. PIN, the Donor and other persons authorized by them may at any time conduct an evaluation of the Project implementation. If either party carries out or commissions an evaluation in the course of the Project, it must provide the other party and the Donor with a copy of the evaluation report.

VI. FURTHER OBLIGATIONS

1. The Recipient undertakes to ensure planning, organizing, and administering the Project in accordance with the terms of the Agreement. The Recipient shall implement the Project with due care and efficiency and in accordance with local law.
2. The Recipient undertakes to carry out the Project in its own name. The Recipient is authorized to subcontract a limited portion of the Project, however the bulk of the Project shall be undertaken by the Recipient. Only the Recipient shall be responsible to PIN for performance of the Agreement.
3. The Recipient shall be obliged to return to PIN any funds declared by PIN and/or the audit and/or the Donor as ineligible and/or otherwise used in contradiction with the Agreement, unless PIN decreased any instalment of the funds paid to the Recipient by this amount. Subject to Article IX., par. 5 of the General Conditions any unspent funds received under the Agreement shall be returned to PIN after expiration of the Project implementation period, at latest 30 days after the deadline for the final report submission. PIN may deduct any payments due to PIN under the Agreement from any payments to be paid to the Recipient. In case the Recipient does not return the funds which are to be paid back to PIN under the Agreement, the Recipient shall be obliged to pay the contractual penalty in the amount of 0,2% of the due payment for every day of delay.
4. The Recipient agrees to indemnify PIN and its members of Board, management and employees for all loss incurred by them in connection with any claim made against them arising out of the Recipient's performance of the Agreement. The Donor shall bear no liability towards the Recipient.
5. In addition to the right specified in Article I., par. 3 of the General Conditions, PIN shall be entitled to suspend, either partially or in whole, the payment of the funds and/or the implementation of the Project

by the Recipient if the Recipient breaches its obligation under the Agreement and if the breach of the obligation by the Recipient may endanger the successful implementation of the Project or in case the Donor suspends the implementation of the Project or in case of other serious reasons. Any suspension under the Agreement shall be terminated by PIN when reasons for such suspension cease to exist. In case PIN suspends the implementation of the Project by the Recipient under the Agreement, the Recipient shall immediately take all necessary steps to minimize the incurrence of any costs during the period of suspension of the implementation of the Project. Any otherwise eligible expenditures made during the period of suspension and not proved by the Recipient to have been inevitable and necessary shall be deemed as made in contradiction with the Agreement.

6. PIN shall be entitled to monitor the internal procedures of the Recipient and have access to the internal policies and other documents. If any due diligence conducted by Authorized Persons shows irregularities and deficiencies, the Recipient is obliged to adopt these recommendations and measures in full without undue delay. Non-compliance with these recommendations shall be considered a substantial breach of this Agreement.
7. PIN and the Donor cannot be held liable for damage or injury sustained by the staff or property of the Recipient. The Recipient shall assume sole liability towards third parties, including liability for damage or injury of any kind sustained by them while the Project is being carried out by the Recipient.

VII. DATA PROTECTION

1. In the event any personal data of individuals are concerned in the course and in connection with the Parties' performance under the Agreement, the Parties agree to comply with all applicable personal data protection laws in the territory of the collection, use, storage and transfer of personal data, in particular with the provisions of the Regulation (EU) 2016/679 of the European Parliament and of the Council, on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).
2. In the event when the Recipient processes any PIN personal data on behalf of PIN in the course and in connection with its performance under the Agreement, the Recipient undertakes to enter into an additional Data Processing Agreement in accordance with Article 28 of the General Data Protection Regulation.
3. The Recipient is aware that the personal data of its representatives provided in this Agreement will be stored in PIN internal systems for the purpose of the implementation of the Project under this Agreement, and for the period of the Agreement duration and further for the period required by the donor funding the project, or by the legislation binding for PIN. Other information relating to the processing of these data by PIN are provided on PIN website: <https://www.peopleinneed.net/personal-data-protection-policy-1s>.

VIII. AMENDMENTS AND MODIFICATIONS

No amendment or modification of the Agreement shall have any force or effect unless it is in writing and signed by an authorized representative of the contractual parties.

IX. TERMINATION

1. Each contractual party is authorized to terminate (withdraw from) the Agreement by a written notice if the other party substantially breaches the Agreement.
2. PIN is further entitled to terminate (withdraw from) the Agreement by a written notice:

- a) if the Recipient does not remedy deficiencies found out by the inspection according to Article V. of the General Conditions within one month from PIN's written request asking for remedy, unless PIN provides a longer additional period,
 - b) if the Recipient does not remedy deficiencies in reports according to Article I. of the General Conditions within 7 days, in accordance with Article I. Paragraph 4 hereof,
 - c) if the Recipient breaches other obligations under the Agreement and does not remedy such breach within one month from PIN's written request asking for remedy, unless PIN provides a longer additional period,
 - d) in case of force majeure (such as civil disorder, military action, an extreme unexpected fluctuation of the exchange rates used for reporting to the original donor or for converting the funds paid on the basis of the Agreement, or any similar cause beyond the control of the party) which makes impossible the implementation of the Project,
 - e) if the Agreement is based on material misrepresentation or omission fact by the Recipient,
 - f) if the Recipient or its staff are involved in any of the situations described in Annex E and Article IV. of the Agreement,
 - g) if the Recipient no longer satisfies the criteria based on which the Agreement has been awarded to it in case there was a tender for awarding the contract,
 - h) if any Donor of PIN terminates and/or substantially modifies financing of the Project,
 - i) if all the other Project partners together with PIN agree that the Recipient causes obstacles for a proper implementation of the Project, in case there are more Project partners.
3. In the event the Agreement is terminated, the Recipient shall immediately terminate any sub- contract or other obligations that it may have entered into involving funds provided under the Agreement and shall settle all outstanding liabilities and all claims resulting from the termination of sub-contracts and other obligations.
 4. In the event the Agreement is terminated under this Article, within the period of 30 days from submission of the final reports, PIN shall settle the funds required justifiably by the Recipient, without prejudice to provisions of Article I. par. 4 of the General Conditions, last sentence. However, such settlement shall be decreased by ineligible costs including but not limited to costs not accompanied by appropriate accounting documents, not verifiable costs and/or premature costs (i.e. not in accordance with the time-plan of the Project implementation); therefore, any of such ineligible costs may be excluded by PIN from the said final settlement.
 5. Any balance of funds received from PIN that is unused by the Recipient and found to be unnecessary to liquidate Recipient's outstanding obligations shall be returned to PIN immediately. The Recipient is further obliged to return immediately any funds used in contradiction with the Agreement (including the policies and situations described in **Annex E**) and the relevant laws. Shall the case be and the Donor requires to return any or all funds, the Recipient is obliged to do so upon PIN/Donor request. Within 30 days from the termination of the Agreement under this Article the Recipient shall submit to PIN the Reports.
 6. The termination is effective upon delivery of the notice to the other party.
 7. The party not in breach shall not be deprived of its rights for the compensation of damage. If the Agreement is terminated by PIN under the Article IX, par. 1 of the General Conditions or for any reason under par. 2, except for the case of force majeure and except in case the Donor terminates or modifies its financing, PIN shall always have the right to claim damages, and the Recipient may require to settle eligible costs only relating to such activities whose results might be used by PIN when completing the Project.

X. ELIGIBLE COSTS

The eligibility of costs is defined in the Financial Guidelines – Annex G to the Implementation/Contribution/Partnership Agreement.

XI. FINAL PROVISIONS

1. The Agreement is governed by Czech law. Any dispute arising from the performance of the Agreement shall be decided by the courts of the Czech Republic. Unless provided otherwise by Czech law, the local court authorized to decide on such dispute shall be the court in the territory of which PIN has its registered seat.
2. Should the Agreement be translated to a language other than English for signature, the English language version will prevail in the event of differences between the two versions.
3. This Agreement contains the entire agreement of the parties related to the subject matter hereof, and no representation, inducements, promises or agreements, oral or otherwise, between the parties not included herein (including the Annexes) shall be of any force or effect. This Agreement may be supplemented, amended or modified only in writing.
4. Should any provision of this Agreement be invalid, void or unenforceable, then such provision shall not invalidate, render void or make unenforceable the entire Agreement. In such case, the contracting parties shall substitute such invalid, void or unenforceable provision by another provision, which will, by its content and purpose, as nearly as possible have the content and achieve the purpose of the invalid, void and/or unenforceable provision.
5. The Agreement does not establish a joint venture, agency or partnership of any kind under any law between the Parties, nor does it create any employer/employee relationship.
6. The Agreement and the funds attached to it may not be assigned to a third party in any manner whatsoever without the prior written consent of PIN.
7. The Agreement shall be made in two copies and each party shall receive one copy.
8. The Agreement shall be effective on the day of its conclusion after signature by both contractual parties.
9. The parties declare that the Agreement is expression of their free and true will and that they have read the Agreement in full. In witness thereof they attach their signatures.



Česká rozvojová agentura

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CZECH REPUBLIC

Czech Development Agency

Strengthening Climate-Resilient Agricultural Markets in Western and Southern Provinces of Zambia

IMPLEMENTATION PERIOD: 1/2025-12/2027

MAIN APPLICANT: People in Need

Title page

Project title: Strengthening Climate Resilient Agricultural Markets in Western and Southern Province of Zambia		Project number: will be assigned by the grant provider
Main donor of the project: Relevant only for trilateral projects N/A	Project location: country/country/location in which the project is Mongu, Limulunga and Kaoma districts in Western Province and Choma district in Southern Province, Zambia	
Sectoral orientation of the project: Agriculture and rural development	Title of the call for proposals: More productive and resilient farmers in Zambia's Southern and Western provinces	
Estimated project start date: month / year 1/2025	Estimated project end date: month / year 12/2027	
Total amount of funds for the project from CZDA (CZK) and the amount for each year of implementation: 2025-2027: 30 000 000, - CZK 2025: 8 000 000, - CZK 2026: 12 000 000, - CZK 2027: 10 000 000, - CZK	Total amount of funds for the project including co-financing - please indicate the co-financing percentage in % and in CZK: 2025-2027: 33,333,350, - CZK, co-financing: 3,333,350, - CZK (10%) 2025: 8,888,890, - CZK, co-financing: 888,890, - CZK (10%) 2026: 13,333,340, - CZK, co-financing: 1,333,340, - CZK (10%) 2027: 11,111,120, - CZK, co-financing: 1,111,120, - CZK (10%)	
Project lead applicant: organisation / responsible person (name, address, contacts): name, type, postal and web address of the organisation; name and position of the responsible investigator, telephone, e-mail Člověk v tísni, o.p.s. (People in Need) 24 Šafaříkova 635 120 00 Prague 2 Czech Republic www.clovekvtisni.cz Responsible person: xxxxx Regional Programme Quality and Development Advisor for Africa Tel: +420 xxxxx Email: xxxxx		
Partner organisation(s) involved in the project (address, contacts) name, type, postal and web address of the organisation; brief characteristics of the organisation, contact person, telephone, e-mail Musika Development Initiatives 36, Acacia Drive Avondale, Lusaka, Zambia www.musika.org.zm		

Characteristics:

Musika is a Zambian non-profit company whose mission is to stimulate and promote private investment in the Zambian agricultural market. Musika's goal is to achieve poverty reduction by ensuring that agricultural markets work for all stakeholders and especially for the rural poor in Zambia.

Contact person:

xxxxxx

Managing Director

Tel: +260 xxxxxx

Email: [xxxxx](#)

Impulse Africa

36A Sable Road

Kabulonga, Lusaka, Zambia

<https://www.impuls.africa/>

Characteristics:

Impuls Africa is a company registered in Zambia that specialises in providing agricultural consultancy services in the SADC region. Owned by a cooperative of over 100 farmers and an experienced agribusiness in Zambia, the Impuls team brings over 75 years of combined experience in agriculture and livestock services.

Contact person:

xxxxx

Managing Director

Tel: xxxxx

Email: [xxxxx](#)

Czech University of Agriculture in Prague (CFA)

Faculty of Tropical Agriculture

3 Kamýcká 129

165 00 Prague - Suchbát

Czech Republic

<https://www.czu.cz/cs>

Characteristics:

The Czech University of Agriculture in Prague is a public university (according to the Act 111/1998 Coll., on Higher Education), through the Faculty of Tropical Agriculture provides comprehensive educational and research activities for rural development in tropical countries.

Contact person:

xxxxx

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Tel: +420 xxxxx

E-mail: [xxxxx](#)

Place, date, name and signature of the project lead:

xxxxxx

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PROJECT DOCUMENT

1. PROJECT SUMMARY

Zambia is at risk of various natural hazards, which are being exacerbated by the climate crisis. In 2024, Zambia was hit by the worst drought in the past 40 years driven by El Niño-induced dry spell. Significant rainfall deficits in most parts of the country sharply reduced national crop production and water availability. This had an enormous impact on rural communities that rely mostly on rain-fed agricultural production as their main source of livelihood. Furthermore, there are significant structural barriers that limit the growth of the agriculture sector in Zambia including lack of diversified production, reliance on unsustainable agricultural and landscape management practices, lack of access to quality inputs, technologies, affordable finance and profitable markets for rural farmers and inadequate extension networks.

To address the issues described above, a consortium of **People in Need (PIN)**, **Musika**, **Impuls Africa** and the **Czech University of Life Sciences (CZU)** designed an intervention that will strengthen climate adaptation and contribute to alleviation of poverty and enhanced food security of climate vulnerable communities in Western and Southern provinces of Zambia. The consortium is uniquely positioned to implement the proposed project through direct presence of PIN, Musika and Impuls Africa in the target locations, networks of target farmers and producer groups, existing partnerships with local private and public sector actors and a track record of successful initiatives. Importantly, the consortium partners will engage several private companies from Zambia and the Czech Republic to drive private sector investments in the agriculture sector with a focus on climate-resilient value chains that will contribute to diversified production and strengthen climate adaptation of rural farmers.

2. PROBLEM ANALYSIS

2.1 Context analysis

The proposed intervention will significantly contribute to poverty alleviation and livelihood resilience and develop sustainable, scalable and replicable solutions to the following root problems and barriers faced by farming communities in Western and Southern provinces of Zambia:

1) **Rural poverty:** 40.8% of households in Zambia live in extreme poverty¹. In rural areas, poverty levels remain at 76.6% with most households relying on rain-fed and subsistence agriculture with access to an average of 2.4 ha of land. Farming communities that live in extreme poverty and rely on rain-fed production systems are disproportionately affected by climate change and are the least able to deal with shocks caused by climate-related disasters.

2) **Food and nutrition insecurity:** El Niño-induced dry spell that occurred at the peak of the last agriculture season between December 2023 and March 2024 led to the worst drought in Zambia in the last 40 years. According to the latest data from the IPC (food insecurity classification) report², more than 774,000 people in Western Province and 1,146,000 people in Southern Province are currently in IPC Phase 3+ (crisis or emergency levels of food insecurity). This represents 52% and 44% of the total population of the Western and Southern provinces, respectively. The current vulnerability in Zambia is largely driven by climate related shocks, the high incidence of poverty, and

¹ 8th National Development Plan: <https://www.sh.gov.zm/wp-content/uploads/2022/09/EIGHTH-NATIONAL-DEVELOPMENT-PLAN-2022-2026-05-07-2022.pdf>

² https://www.ipcinfo.org/fileadmin/user_upload/ipcinfo/docs/IPC_Zambia_Acute_Food_Insecurity_Jul2024_Mar2025_Report.pdf

a prevailing macroeconomic instability including high input and food prices driven by exogenous shocks. IPC report predicts that the situation will further deteriorate at least until the next harvest in April 2025. It is expected that the prices of commodities will continue to increase and that the forecasted El Niño may have negative impacts on labour opportunities since most communities rely on agriculture and livestock as their main source of food and income. Rural households are likely to be affected most due to increased cost of inputs thus reducing cultivable area. As a result of the macroeconomic hardships, prices of agricultural inputs, especially fertilizer, are expected to increase. The effects of climate change manifesting in erratic rainfall patterns will continue to negatively impact rainfed agricultural production. This will also have an impact on the sustainability of water availability. There are likely to be increased water shortages for both domestic and livestock use, due to the drying of water sources and the decreasing groundwater availability. Based on the 2024 Global Hunger Index (GHI) released annually by Alliance2015 (of which PIN is a member), Zambia ranks 115th out of 127 countries with sufficient data to calculate 2024 GHI scores³. With a score of 30.7 in the 2024 GHI (increase from 28.5 in 2023), Zambia is facing a serious crisis. In addition, Zambia has one of the highest rates of chronic malnutrition in the world with 34.6% of children under the age of five being stunted (29% in Western and Southern provinces)⁴. Moreover, 4.2% of children under 5 years of age suffer from acute forms of malnutrition (wasting)⁵.

3) Lack of access to renewable and clean sources of energy: Climate change has enormous impacts on the energy sector with the central electricity grid relying mainly on hydropower. With the ongoing drought, water levels in the Kariba and Itzhi-Tezhi dams are low, which leads to energy rationing and prolonged load shedding. The largest source of energy in Zambia is biomass. 75% of the country's energy supply comes from charcoal and firewood⁶. Frequent droughts and rising temperatures also lead to gradual drying up of biomass, increasing the uncertainty for majority of Zambians who rely on traditional fuels to satisfy their domestic energy needs⁷. Access to energy is crucial for poverty alleviation, economic growth and improved living standards. According to PIN's Energy Poverty Study, only 33% of the Zambian population have access to electricity (6% in Western and 21% in Southern) and only 15% have access to clean fuels for cooking. A major barrier to clean cooking is the upfront cost of cooking devices, for example an entry level charcoal stove costs 1.65 USD and charcoal can be purchased in small quantities as low as 0.50 USD, whereas an entry level LPG stove, 5kg cylinder and fuel costs 85 USD. This is especially the case for the most vulnerable groups of the population (women and youth) who are unable to afford clean energy. Most Zambians use solid fuels such as charcoal, crop waste or dried dung for cooking, all of which represent a primary risk factor for deaths and ill-health from indoor air pollution. In addition to health risks, massive use of firewood, charcoal and other solid fuels to satisfy energy demand also leads to high levels of deforestation. Zambia's deforestation rate is estimated to be around 1.5% per annum with 250,000 to 300,000 ha deforested annually⁸ (among the highest rates of deforestation in the world).

4) Low agricultural productivity and limited livelihood diversification: Although it provides employment and income for more than 70% of Zambian population, the agriculture sector is one of the least productive and efficient sectors in the country contributing to only 5.8% of the

³ Global Hunger Gap Index: <https://www.globalhungerindex.org/zambia.html>

⁴ <https://www.dhsprogram.com/pubs/pdf/FR361/FR361.pdf>

⁵ Global Hunger Gap Index: <https://www.globalhungerindex.org/zambia.html>

⁶ Zambia Climate Change Response Strategy: https://www.adaptationundp.org/sites/default/files/downloads/zambiacclimate_change_response_strategy.pdf

⁷ Zambia Climate Change Response Strategy: https://www.adaptationundp.org/sites/default/files/downloads/zambiacclimate_change_response_strategy.pdf

⁸ National Policy on Climate Change 2016, Ministry of National Development Planning

national GDP between 2011 and 2020⁹. Agricultural sector growth of 0.4% per annum (in relation to national GDP) has been lower than the annual national population growth rate of 2.8 percent, yet it is the mainstay of a larger proportion of the population. Implicitly, the incomes of households that are dependent on this sector have been declining. Further, the sector is characterised by low productivity, limited mechanisation and is largely rainfall dependent¹⁰. Moreover, majority of farmers in Western and Southern provinces practice extensive, slash-and-burn agriculture, which further deteriorates poor conditions of local soils, depletes them of necessary nutrients and organic content, affects water retention and contributes to GHG emissions. This affects agriculture production particularly on sandy and depleted soils of Western and Southern provinces.

5) Underdeveloped markets (particularly for climate resilient value chains¹¹) and lack of market linkages: Household Commercialization Index shows that Western and Southern provinces are among the 3 least commercialized provinces of Zambia with 11.2% and 26.3% of commercialization respectively (0 represents full subsistence; the closer to 100, the higher the degree of commercialization)¹². On average, households that cultivate larger areas have higher Household Commercialization Index because they are more likely to produce a surplus. However, households cultivating 5 hectares or more constitute only about 7% of all smallholder farmers in Zambia. Farming households that are land constrained are not able to produce enough surplus for sale. The reasons for low market participation range from low production volumes due to low yields to lack of market linkages and low awareness of opportunities for value addition, particularly in alternative value chains.

6) Limited availability of affordable financial services: In Western and Southern provinces, only 12% of farming households have been able to acquire loans for investments into small businesses, clean energy and innovations¹³. Out of available loan/credit sources, only a few sources are more prominent in Western and Southern provinces, namely out-grower schemes, informal moneylenders and community-based savings groups. Key constraints to finance access include low financial understanding and awareness of available services on the demand side and poorly designed/unaffordable products¹⁴ and limited reach in rural areas on the supply side. Improved access to finance is crucial to address the issue of low capital of smallholder farmers to invest in clean energy and innovative technologies, to adopt good agronomy practices, and to establish profitable businesses in alternative and climate resilient value chains. Access to agriculture insurance is equally important to help offset external shocks including effects of climate-related disasters and to alleviate farmers' concerns in early stages of livelihood diversification and application of innovative practices.

Cross-cutting issues:

Climate vulnerability: Even during a normal cropping season, Southern Province and southern districts of Western Province receive the lowest rainfall in the country with mean annual rainfall ranging from 650 mm to 800 mm. The regional rainfall distribution in Southern Province indicates

⁹ 8th National Development Plan: <https://www.sh.gov.zm/wp-content/uploads/2022/09/EIGHTH-NATIONAL-DEVELOPMENT-PLAN-2022-2026-05-07-2022.pdf>

¹⁰ 8th National Development Plan: <https://www.sh.gov.zm/wp-content/uploads/2022/09/EIGHTH-NATIONAL-DEVELOPMENT-PLAN-2022-2026-05-07-2022.pdf>

¹¹ i.e. value chains for climate smart products and solutions such as organic fertilizers, biochar, alternative (drought tolerant, nutrition-sensitive) crops, etc. To strengthen climate resilient food and livelihoods systems, PIN takes a systemic approach to livelihoods to improve food and nutrition security in climate-change vulnerable areas. This means analyzing the root causes of poverty and nutrition insecurity, using a gender-lens to look at the challenges faced by the target group, and using a participatory process to identify opportunities and potential solutions.

¹² Rural Agricultural Livelihoods Survey, 2019, Indaba Agricultural Policy Research Institute

¹³ Rural Agricultural Livelihoods Survey, 2019, Indaba Agricultural Policy Research Institute

¹⁴ e.g. with collaterals, high interest rates, repayment calendars that do not consider agriculture seasons, etc.

that the seasonal rainfall gradually decreases from circa 800 mm in the north to below 650 mm in the south-western parts of the province. Due to these climate conditions, most of the areas in Southern and Western provinces are drought-prone areas, thus require adoption of approaches and livelihoods that are resilient to changing climate and support adaptation. Climate change has gradual effect on rainfall patterns in the provinces and exacerbates already difficult climate conditions in the regions. Frequent droughts, dry spells and flash floods affect production and have a negative impact on food security and nutrition of vulnerable populations. Mulenga et al. (2021) measured vulnerability and resilience of rural households using income-based poverty transitions. The analysis showed that in Western and Southern provinces, approximately 76% and 24% of rural smallholder farmers were vulnerable and resilient to climate change, respectively¹⁵. Ngoma et al. (2021) further revealed that due to climate change, rainfall in Zambia was projected to decline by 3% and 0.6% by 2050 and 2100, while temperature was projected to increase by 1.9°C and 2.3°C by 2050 and 2100¹⁶. These changes in temperature and rainfall will likely reduce water availability by 13% in 2100 in the country; with significant differences between regions (the southern and western parts are likely to become the most affected).

Gender: Female farmers face additional challenges and bottlenecks as they conduct most of the agricultural activities; however, men are the ones in possession of a majority of households' productive assets and income. For example, results from the Rural Agricultural Livelihoods Survey (2019) show that only 4% of females who grow maize in male-headed households are able to make decisions on how to use the income from their sales. Moreover, women are less likely to acquire loans from financial institutions. 15% of female-headed households have been able to access loans from formal institutions compared to 17% for men with female-headed households relying more on informal moneylenders and community-based savings groups¹⁷. Moreover, women are more impacted by energy poverty as they are, in most households, responsible for fetching firewood, producing charcoal and preparing meals. Due to lack of access to clean fuels, women spend several hours per day obtaining energy sources and are exposed to dangerous fumes when cooking on traditional biomass, leading to prevalence of respiratory diseases. In addition, women-headed households are also more vulnerable to the impacts of climate change as they are more likely to live in extreme poverty due to entrenched gender disparities, inequality and social exclusion.

2.2 Baseline

In line with Annex 4 Logical framework, PIN will lead the implementation of the baseline study that will be based on the following methodology: Baseline study will be conducted at the onset of the project to collect baseline data for selected project indicators. The baseline assessment will cover a representative sample of the target population using confidence level of 95% and confidence interval of 5. Baseline data will be compared with endline survey to determine the project's impact and achievement of project objectives. Baseline and endline data will be collected by trained enumerators who will be supervised by PIN MEAL team. All quantitative data will be collected using a digital data collection software to minimize data entry errors and ensure confidentiality of data storage.

The following methodology will be used to collect baseline data for the following key project performance indicators at the impact and outcome levels:

Impact level indicator 1: % of the target population that shifted from a poor Food Consumption Score (FCS) to higher thresholds, disaggregated by gender and age

¹⁵ https://www.researchgate.net/publication/362713548_BUILDING_BACK_BETTER_VULNERABILITY_AND_CLIMATE_RESILIENCE_IN_RURAL_ZAMBIA

¹⁶ <https://www.canr.msu.edu/fsp/publications/research-papers/rp%20146.pdf>

¹⁷ Rural Agricultural Livelihoods Survey, 2019, Indaba Agricultural Policy Research Institute

Source: Household survey done with women (whole area of intervention, 95%/5%)	
Who collects the data: PIN project & MEAL team, hired enumerators	
Target: 30%	
<p>I would like to ask you about all the different foods that your household members have eaten in the last 7 days, either inside or outside the home.</p> <p>Q1: How many days in the past 7 days have most of your household members (half or more of the household members) eaten main staples (maize, maize porridge, rice, sorghum, millet pasta, bread and other cereals, cassava, potatoes and sweet potatoes, other tubers)?</p> <p>Q2: How many days in the past 7 days have most of your household members (half or more of the household members) eaten pulses (beans, groundnuts, cashew nuts)?</p> <p>Q3: How many days in the past 7 days have most of your household members (half or more of the household members) eaten vegetables/leaves?</p> <p>Q4: How many days in the past 7 days have most of your household members (half or more of the household members) eaten fruits?</p> <p>Q5: How many days in the past 7 days have most of your household members (half or more of the household members) eaten meat and fish (beef, goat, poultry, pork, eggs and fish)?</p> <p>Q6: How many days in the past 7 days have most of your household members (half or more of the household members) eaten milk and other dairy products?</p> <p>Q7: How many days in the past 7 days have most of your household members (half or more of the household members) eaten sugar /sugar products and honey?</p> <p>Q8: How many days in the past 7 days have most of your household members (half or more of the household members) eaten oil, butter?</p> <p>Q9: How many days in the past 7 days have most of your household members (half or more of the household members) eaten condiments (spices, tea, coffee, salt, fish powder, small amounts of milk for tea)?</p>	
<p>Calculation:</p> <ol style="list-style-type: none"> 1. For each respondent, multiply the consumption frequency obtained for each food group by its 'weight' (see slide 26 of WFP's training module below to understand the 'weight' of each food group). 2. For each respondent, sum the weighed food group scores, thus creating his/her food consumption score (FCS). 3. According to the FCS's value, indicate the percentage of households with "poor" FCS (0-21 scores), "borderline" FCS (21,5 - 35 scores), and "acceptable" FCS (more than 35 scores). 4. To calculate the percentage of households with "acceptable" FCS, divide the number of households with FCS higher than 35 scores by the total number of surveyed households. Multiply the result by 100 to convert it to a percentage. 	
<p>Disaggregation:</p> <ul style="list-style-type: none"> – Female HHHs – Disabilities – Age 	

Specific objective indicator 1: % of target farming households that gained additional, environmentally and economically sustainable sources of income (disaggregated for female-headed households, age, disability)	
Source: Household survey (whole area of intervention, 95%/5%)	
Who collects the data: PIN project & MEAL team, hired enumerators	
Max. Score (100%): 3 points (1 pt – additional; 1 pt – environmentally sustainable; 1 pt – economically sustainable)	
Passing score (100%): 3 points	
Target: 50%	
Q1: Can you please tell me whether in the past 3 months your household performed any of the following activities for either a) self-consumption, b)	Environmentally sustainable:

<p>generated financial income, or c) exchange for other goods from the following activities?</p> <ul style="list-style-type: none"> a) Agriculture b) Agroforestry c) Charcoal production d) Logging e) Biochar f) Organic fertilizers (bioslurry) g) Black soldier fly larvae h) Fish feed production i) Livestock production j) Cultivation of alternative crops (legumes, vegetables, orange maize, etc.) m) Other, please specify 	<p>If at least one of the environmentally sustainable livelihoods is practiced either for self-consumption, income generation or exchange for other goods – 1 point</p> <p>Additional: For ML & EL if the HH adds at least 1 additional environmentally sustainable livelihood compared to the previous survey – 1 point</p>
<p>Q2: What type of agriculture do you do?</p> <ul style="list-style-type: none"> d) Using chemical fertilizers d) Using bioslurry d) Using slash and burn approach d) Other, specify 	<p>Disaggregate – self-consumption vs. financial income generation</p>
<p>Q3: What type of livestock production do you do?</p> <ul style="list-style-type: none"> c) Intensive c) Semi-intensive c) Free-range 	
<p>Q4: Does your household earn enough income to cover your basic needs and costs?</p>	<p>Economically sustainable: If Q5 and Q7 is no and the answer to at least one of the remaining questions (Q4 and Q6) is yes – 1 point</p>
<p>Q5: Does your household have any debts that you think you will not be able to repay?</p>	
<p>Q6: Does your household have any savings?</p>	
<p>Q7: Do you have difficulties finding customers for your product / service? (for those using the sustainable livelihood for income generation)</p>	
<p>Disaggregation:</p> <ul style="list-style-type: none"> – Female HHHs – Disability – Age 	

Specific objective indicator 2: % of target population declaring that their household income is more secure/increased thanks to the project (disaggregated for female-headed households, age, disability)	
Source: Household survey (whole area of intervention, 95%/5%)	
Max. score (100%): 2 points Passing score (50%): 1 points Target: 60%	
Who collects the data: PIN project & MEAL team, hired enumerators	
Baseline:	
Q2: Please estimate your household’s overall income for each of the past three months. Choose the range into which your household’s income belongs in month 1, month 2, and month 3	Increased N/A
Q3: Does your household earn enough income to cover your basic needs and costs?	Secure: If Q4 and Q6 is no and the answer to at least one of the remaining questions (Q3 and Q5) is yes – 1 point
Q4: Does your household have any debts that you think you will not be able to repay?	
Q5: Does your household have any savings?	
Q6: Do you have difficulties finding customers for your product / service? (for those using the sustainable livelihood for income generation)	
Midline / Endline:	
Q1: Do you think that your household’s financial income has increased, decreased or remained the same in the past (3) years?	Increased: If increased compared to the

Q2: Please estimate your household's overall income for each of the past three months. Choose the range into which your household's income belongs in month 1, month 2, and month 3	previous survey – 1 point (see the calculation guidance below)
Q3: Does your household earn enough income to cover your basic needs and costs?	Secure: If Q4 and Q6 is no and the answer to at least one of the remaining questions (Q3 and Q5) is yes – 1 point
Q4: Does your household have any debts that you think you will not be able to repay?	
Q5: Does your household have any savings?	
Q6: Do you have difficulties finding customers for your product / service? (for those using the sustainable livelihood for income generation)	
Calculation (Increased income): <ol style="list-style-type: none">Calculate the average salary income in ZMW for the BL (average of salary for the previous 3 months). Since the salary is given in ranges (e.g., cl)<ol style="list-style-type: none">Calculate the average income minimum (average of the lowest value range for the past 3 months) by using the lower salary range numbers and this formula: (Estimated income for month 1 + Estimated income for month 2 + Estimated income for month 3)/3<ol style="list-style-type: none">If less than 300, set the minimum to 0 ZMWIf 2100+, set the minimum to 2101 ZMWIf nothing, set the minimum to 0 ZMWCalculate the average income maximum (average of the highest value range for the past 3 months) by using the higher salary range numbers and this formula: (Estimated income for month 1 + Estimated income for month 2 + Estimated income for month 3)/3<ol style="list-style-type: none">If less than 300, set the maximum at 300 ZMWIf 2100+, set the maximum at 2400 ZMW (to keep with the selected range of 300 ZMW)If nothing, set the maximum to 0 ZMWCalculate the average BL income with this formula: (Average income minimum + Average income maximum)/2Calculate the average for all respondents with this formula: SUM of all Average income/# of respondentsCalculate the average salary value in ZMW for the EL (average of salary for the previous 3 months) by following the same instructions as for the BLCalculate the increase in ZMW using this formula: EL average (for all respondents) - BL average (for all respondents)Check if at least 60% of respondents increased their average income from the BL	
Example for 1 respondent: <u>BL Respondent XY</u> Salary for month 1: less than 300 ZMW Salary for month 2: 1201-1500 ZMW Salary for month 3: 2100 + ZMW Average income minimum: (0+1201+2101)/3=1100.7 ZMW Average income maximum: (300+1500+2400)/3=1400 ZMW Average income: (1100.7+1400)/2=1250.4 ZMW	<u>EL Respondent XY</u> Salary for month 1: Nothing Salary for month 2: 2100 + ZMW Salary for month 3: 2100 + ZMW Average income minimum: (0+2101+2101)/3=1400.7 ZMW Average income maximum: (0+2400+2400)/3=1600 ZMW Average income: (1400.7+1600)/2=1500.4 ZMW
<u>Salary increase for Respondent XY in ZMW</u> 1500.4 ZMW > 1250.4 ZMW <i>Result: The income has increased compared to baseline and the target was met</i>	

Disaggregation:

- Female HHH
- Disability
- Age

3. COMPLEMENTARITY

3.1 Complementarity with SDGs and Czech Aid strategy

The proposed project is in line with the priorities of the **Czech Development Cooperation Strategy**¹⁸ (2018-2030) by contributing to sustainable management of natural resources and strengthening climate change adaptation, including through transfer of innovative know-how and technologies. Moreover, in line with the priorities of the strategy, the project increases access to affordable, reliable and clean sources of energy. Finally, responding to the priorities of the strategy, the project will contribute to the alleviation of poverty and rural development by strengthening nutrition-sensitive and climate-resilient agriculture production and food systems. This will be done hand in hand with the promotion of approaches and practices that will contribute to landscape restoration and protection of biodiversity.

In addition, the project will contribute to the achievement of the **Sustainable Development Goals 2, 7, 9 and 15**. Specifically, it will contribute to the attainment of the following SDG targets:

- Target 2.1: By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round.
- Target 2.3: By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.
- Target 7.1: By 2030, ensure universal access to affordable, reliable and modern energy services.
- Target 9.3: Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.
- Target 15.3: By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world.

Good governance

The proposed project integrates principles of good governance by working with local government structures to promote utilization of available domestic resources in a more effective and accountable manner. For example, the project will tap into the opportunities stemming from the Constituency Development Fund (CDF) to mobilize resources for local infrastructure development and/or rehabilitation (including water irrigation systems, processing and storage equipment, etc.). This will be done by facilitating interface meetings between the representatives of the Ministry of Local Government, that oversees the CDF, and target producer groups to present funding proposals from local communities and lobby for investments into local infrastructure development projects. Enhanced utilization of CDF will also improve the transparency of the funding allocations and serve as a positive example for other regions across Zambia.

¹⁸ https://www.czechaid.cz/wp-content/uploads/2016/09/Strategie_ZRS_CR_2018-2030.pdf

Furthermore, on the level of the project consortium, the partners will promote transparency of the project implementation and participation of target groups, project participants and other key stakeholders through PIN's Community Feedback and Response Mechanism (CFRM). Accountability to project participants and stakeholders is PIN's key commitment as a humanitarian and development actor. PIN Zambia has an established CFRM in place, which provides several channels for project participants and stakeholders to raise complaints and feedback. The CFRM mechanism will also allow the participants to shape the project implementation. During all project activities, programme staff will consistently inform the project audience of the available CFRM channels (e.g., CFRM phone line, CFRM email and CFRM suggestion boxes). Exact channels for voicing of complaints and suggestions will be selected together with the project participants at the beginning of the implementation, considering local context, access for vulnerable groups, experience of programme team and, importantly, needs and preferences of target groups and project stakeholders. PIN will distribute CFRM cards listing the contact numbers and emails, and display posters advertising the CFRM mechanism, both in English and local Lozi and Tonga languages. The complaints are received by PIN MEAL Officer who is responsible for logging the complaints and sharing them further with the Country Director as per the existing protocol. PIN always handles all personal data with the utmost discretion and confidentiality and respects the complainant's preference for anonymity. PIN team will aim to address all complaints and act on suggestions and feedback within a maximum of 10 working days.

Environment

Environmental considerations are at the forefront of the proposed project. Recent studies and climate projections demonstrate high climate vulnerability of Western and Southern provinces, which translates into urgent need to address pressing environmental issues. The proposed project will promote and increase adoption of climate smart agricultural practices and clean energy solutions, which will strengthen climate change adaptation and achieve mitigation co-benefits. Increased adoption of promoted approaches and nature-based solutions as well as development of climate-resilient value chains (bioslurry, biochar, agroforestry, sustainable livestock production, fish feed and alternative crops) will contribute to improved soil health and landscape restoration. Moreover, all promoted practices including in cultivation, processing, storage and marketing will take into account environmental considerations and promote approaches that will contribute to ecosystem restoration.

Human rights and gender equality

The proposed intervention will significantly contribute to gender equality by promoting and developing value chains, which are culturally suitable for women (bioslurry, biochar, fish feed, vegetables, cowpeas) and have a potential to improve nutrition and food security of female farmers and children (integration of legumes, orange maize, vegetables and Black Soldier Fly Larvae into diets). Importantly, the SMEs supported as part of the project will be led exclusive by women and youth. To better understand barriers and opportunities for economic and social inclusion of women and other vulnerable groups within the target value chains (including youth, people with disabilities, etc.) as well as their existing climate vulnerabilities, PIN will conduct a Gender Equality and Social Inclusion (GESI)-sensitive climate vulnerability assessment to evaluate existing climate vulnerabilities and identify solutions. The results of the assessment will be disseminated to key local and international stakeholders and shape all subsequent intervention activities, guarantee their inclusivity and ensure a gender-transformative approach of the proposed project. Moreover, Impuls Africa is currently working with over 1,800 female farmers on a similar project focused on climate resilience, formal market access and access to finance in Central and Eastern provinces. The

consortium will capitalize on proven approaches and best practices to strengthen economic empowerment of female farmers.

No.	Indicator according to OECD methodology	principal objective	significant objective	not targeted
1	Participatory Development / Good Governance (<i>Participativní rozvoj a řádná správa věcí veřejných</i>)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2	Aid to environment (<i>Podpora životního prostředí</i>)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Biodiversity (<i>Biodiverzita</i>)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4	Climate change – mitigation (<i>Činnosti vedoucí ke snížení dopadu lidského působení na klimatickou změnu</i>)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5	Climate change – adaptation (<i>Adaptace na změnu klimatu</i>)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Desertification (<i>Opatření proti desertifikaci</i>)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7	Disaster Risk Reduction (<i>Snížení rizika katastrof</i>)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8	Disability (<i>Zapojení osob se zdravotním postižením</i>)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9	Gender equality (<i>Rovnost žen a mužů</i>)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10	Nutrition (<i>Potravinová a výživa</i>)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11	Reproductive, maternal, newborn and child health (<i>Péče o matku a dítě</i>)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

3.2 Complementarity with programmes of other donors/actors, complementarity with government priorities

Significant National Plans and Strategies: The proposed intervention contributes to the implementation of the **8th National Development Plan**¹⁹ (8NDP) launched by the Government of the Republic of Zambia in 2022, which outlines a new set of development plans towards Vision 2030, in which Zambia aims to become a middle-income country by 2030. Specifically, the project is in line with the Strategic Development Area 3 “Environmental Sustainability”, whereby sustainable agriculture, sustainable food production and low carbon consumption and promotion of green and renewable energy are among the priorities aimed at strengthening climate change adaptation and mitigation.

The proposed intervention contributes to the accomplishment of **Zambia’s updated Nationally Determined Contribution** (NDC)²⁰ to the 2015 Paris Agreement on Climate Change, specifically, the priorities outlined in the programme area of renewable energy and energy efficiency. The action directly contributes to the achievement of NDC’s programme area objective of promoting a switch from conventional and traditional sources of energy to sustainable and renewable energy sources and practices. This will lead to attaining the results stipulated in Zambia’s NDC, namely, reduced GHG impacts and improved air quality, reduced indoor air pollution and reduced energy deficits. In

¹⁹ <https://www.sh.gov.zm/wp-content/uploads/2022/09/EIGHTH-NATIONAL-DEVELOPMENT-PLAN-2022-2026-05-07-2022.pdf>

²⁰ https://unfccc.int/sites/default/files/NDC/2022-06/Final%20Zambia_Revised%20and%20Updated_NDC_2021.pdf

line with the updated 2021 NDC, the project promotes investments into low-carbon and carbon-neutral energy technologies, which are expected to reduce the energy intensity of Zambia's economic development, the carbon intensity of energy production, GHG emissions, and the long-term costs of mitigation. In addition, the project directly contributes to achievement of objectives outlined in the NDC's programme area of sustainable agriculture including promotion and implementation of conservation agriculture activities, which lead to adaptation benefits and enhanced climate resilience, especially in rural areas. This will lead to attaining the results stipulated in Zambia's NDC, namely, creation of alternative livelihoods contributing to reduced rural poverty (particularly among women and youth) and biodiversity preservation due to improved farming practices. Furthermore, the action is in line with the **National Adaptation Programme of Action on Climate Change** (NAPA)²¹. By contributing to climate change mitigation, the project prevents occurrence of climate hazards including droughts and floods and enhances Zambia's resilience to the impacts of changing climate. In addition, the project contributes to the achievement of NAPA by promoting and implementing some of the proposed adaptation measures in agriculture including the use of innovative technologies and approaches for fertility improvement and soil conservation and improved post-harvest processing and marketing of produce.

In addition to the above, the intervention is in line with the specific objectives of the **National Policy on Environment**²², firstly, by promoting sound protection and management of Zambia's environment and natural resources while balancing the needs for social and economic development and environmental integrity. Secondly, by accelerating environmentally and economically sustainable growth in order to improve health, sustainable livelihoods, income, and living conditions of the Zambian population.

Moreover, the project's objectives are in line with the **National Climate Change Response Strategy** (NCCRS)²³ and its mitigation and low carbon development pillar. The aim of the pillar is to ensure that mitigation actions are implemented in the most GHG-intensive sectors including energy and agriculture and to promote low carbon pathways to development.

The intervention also conforms to the objectives of the **National Policy on Climate Change**²⁴, which seeks to promote the adoption and transfer of appropriate technologies to build national capacity for climate resilience, in addition to facilitating the implementation of adaptation measures and uptake of sustainable land use management practices.

Moreover, in October 2024, Zambia's Disaster Management and Mitigation Unit (DMMU), together with the UN-chaired Humanitarian Country Team (of which PIN is an active member in the current drought response) released the latest **In-Depth Vulnerability and Needs Assessment Report**. Due to the drastic effects of the El Niño, Western and Southern provinces are among the most vulnerable provinces with high crop reductions (majority of farmers in Western and Southern provinces did not harvest their production due to the prolonged drought), livestock loss and water scarcity. Through this project, the consortium partners will contribute to the recovery efforts by enhancing crop resilience and water intake, improving livestock management and diversifying sources of livelihoods.

Finally, the action is in line with planned outputs of green growth pillar of the 2021-2027 **EU Multi-Annual Indicative Programme for Zambia**²⁵ (Priority area 1 „Green partnerships for

²¹ <https://unfccc.int/resource/docs/napa/zmb01.pdf>

²² https://wedocs.unep.org/bitstream/handle/20.500.11822/9516/-The_National_Policy_on_Environment-2008Zambia_NPE_2008.pdf.pdf?sequence=3&isAllowed=y

²³ <https://www4.unfccc.int/sites/NAPC/Documents/Zambia%20Climate%20Change%20Response%20Strategy.pdf>

²⁴ <https://faolex.fao.org/docs/pdf/zam174957.pdf>

²⁵ https://international-partnerships.ec.europa.eu/system/files/2022-01/mip-2021-c2021-9057-zambia-annex_en.pdf

sustainable recovery, growth and decent jobs”) by increasing participation of farmers, including women and youth farmers, in market-integrated value chains and by supporting the transition to greener and more sustainable agri-food systems.

Complementarity with other programmes and initiatives:

Sustainable Landscape through Integrated Management (SLIM): CZDA is implementing a programme co-funded by the EU with a focus on strengthened implementation of integrated landscape management with the use of GIS and remote sensing technologies. PIN and the consortium partners will aim to ensure robust synergies with the SLIM programme through the project implementation in Southern Province (SLIM programme does not cover Western Province). As part of the proposed project, PIN and the consortium partners will select target areas in Choma district based on maps developed as part of the SLIM programme including the soil degradation and land cover maps. In addition, the project will make use of various maps and tools that will be developed to map areas at increased risk of natural hazards and use the recommendations from the SLIM programme to implement solutions and measures that will reduce incidence and likelihood of climate-induced shocks and their impact on rural communities. In addition, the project will reinforce the SLIM programme through national-level policy dialogue and advocate for institutionalization of promoted sustainable landscape management approaches. This will strengthen joint advocacy towards the national government.

The project will ensure synergies with other **Czech Aid-funded initiatives** implemented by Caritas Czech Republic and Mendel University in Southern and Western provinces. This will be done through sharing of best practices, avoiding overlap in the targeting of project participants and reinforcing synergy in the implementation approaches (including common areas such as agroforestry, sustainable livestock management and value chain development) to enhance the impact of Czech Aid-funded programmes.

Importantly, the proposed project will build on **previous intervention of PIN²⁶ focused on developing a local market for biogas technology**. PIN’s intervention addressed needs in energy access for clean cooking, agricultural productivity, and gender equity while achieving significant spill-over benefits through informal marketing of bioslurry. Households that applied bioslurry reported increased agricultural yields, particularly for rice, maize, and vegetables, improving food security and income. PIN’s biogas project achieved significant economic, social, and environmental impact. Households using bioslurry experienced a 40% increase in agricultural yields and reduced costs for fertilizer, firewood, and pesticides, which translated into higher disposable incomes. Fertilizer expenses were reduced significantly, with supported households reporting savings of 1,000–2,000 ZMW annually by replacing chemical fertilisers with bioslurry²⁷. Bioslurry was also used in fishponds, reducing feed costs while enhancing fish production. The use of bioslurry as a pesticide further reduced expenditure on chemical pesticides, leading to at least 4,000-5,000 ZMW in savings annually²⁸. Further, the transition to biogas for cooking reduced reliance on firewood and charcoal, freeing up funds for other essential expenditures. Moreover, women and girls benefitted from time savings, enabling them to engage in economic activities, education, and social interactions. Improved indoor air quality also led to better health outcomes, reducing symptoms associated with firewood cooking, such as eye irritation. The use of modern energy sources further enhanced the social standing of women in their communities, promoting empowerment and gender

²⁶ Through Biogas Technology towards Higher Resilience of Communities in Western Province of Zambia

²⁷ Final Evaluation of PIN’s Biogas Project

²⁸ Final Evaluation of PIN’s Biogas Project

equity. As a direct follow up, the proposed project will leverage established networks of trained masons and other local service providers and facilitate exposure visits to farmers who have successfully adopted biogas technology and used it to strengthen their livelihoods and build resilience to climate change. In addition, PIN will continue its policy engagement work on the national level and work with private sector actors to encourage sustainable investments into biogas technology through development of accessible and inclusive financial models that will facilitate uptake among low-income groups. Moreover, the proposed project will focus on expanding financial inclusion, incentivizing masons and suppliers, strengthening government engagement through high-level advocacy, and promoting wider commercial adoption of bioslurry to maximize economic and social benefits. PIN's biogas project has laid a solid foundation for scaling biogas technology in Zambia and delivering long-term impacts for rural communities. The proposed project will build on this foundation by enhancing inclusivity, efficiency, and sustainability, ensuring additional benefits for climate vulnerable communities.

EU – Zambia Forest Partnership: The programme that is being co-implemented by EU (under the Team Europe Initiative) and the Government of Zambia (Ministry of Green Economy and Environment and other relevant line ministries) will strengthen mutual dialogue to address forest degradation, work towards a sustainable forest economy in Zambia and provide technical assistance, policy strategies and general support measures. The programme includes the following work streams:

- Good governance environment: Forest policy, governance and management systems
- Economic transformation and job creation: Improved value chains for forest products and services
- Environmental sustainability
- Human and social development: Skills, research and outreach

The proposed project will contribute to the achievement of the Zambia Forest Partnership by promoting clean energy technologies and climate smart practices and solutions that will provide rural communities with alternative energy sources and income to the charcoal industry, which is the most significant driver of deforestation and forest degradation in Zambia. The project will produce factsheets, learning briefs and advocacy position papers based on collected evidence that will feed into the Zambia Forest Partnership roadmap and its implementation.

The consortium partners will also capitalize on the results of the **EU-funded Enterprise Zambia Challenge Fund**²⁹, mainly to build on the efforts in promoting climate resilient agri-food systems and strengthening producer groups.

Furthermore, the proposed action will seek synergies and learn from best practices generated by the GCF-funded **Strengthening climate resilience of agricultural livelihoods project**, which takes a value-chain approach and aims to increase access to climate information services, support for climate-resilient agricultural inputs and practices, sustainable water management, and alternative livelihoods.

Development initiatives of the Zambian government: The project will primarily work through and with the private sector; however, government actors will be one of the crucial stakeholders and the implementing partners will capitalize on existing initiatives including the Farmer Input Support Programme (FISP) for input provision, Constituency Development Fund (CDF) for infrastructure development/rehabilitation and Citizens Economic Empowerment Commission for access to finance for SMEs. In June 2022, during one session of the National

²⁹ <https://enterprisezambia.org/>

Assembly, a report³⁰ was presented by the civil society committee on Agriculture, Lands and Natural resources and it included a review of the FISP conducted among others, by Musika and Indaba Agricultural Policy Research Institute. The study revealed how diversification and promotion of climate resilient crops, inclusion of insurance services and enhanced involvement of the private sector is contributing to the improvement of the FISP itself and the reduction of the climate change effects in Zambia. The proposed action is designed in line with the report's findings and builds on its recommendations in order to contribute to poverty reduction and strengthen resilience to climate change in Southern Province.

4. TARGET GROUPS

4.1 Direct target groups

1) Middle-scale farmers: Medium-scale farmers cultivate between 5 to 20 ha of land. They use improved seeds and fertilizers and sell most of their production. These farmers commonly use a combination of manual, animal draft power and machinery for cultivation. Most middle-scale farmers practice slash-and-burn agriculture and engage in unsustainable practices, which impact on ecosystem integrity and soil health, threatening sustainability of agricultural production in the long-term. The project will introduce target middle-scale farmers to climate smart agricultural practices, organic fertilizer, clean energy and alternative value chains to facilitate a paradigm shift in the agriculture sector to a more sustainable production, which will reverse environmental degradation, restore soil health and strengthen climate change adaptation. In total, the project will target at least 85 middle-scale farmers.

2) Producer groups: Formal and non-formal producer groups consisting of farmers with up to 5 ha of land (92% of farming households in Western Province and 86% of farming households in Southern Province³¹), reliant mostly on rain-fed crop production as their main source of livelihood, living in districts with higher vulnerability to climate change and interested in commercialization and value addition. The main task of producer groups is to organise joint sales of the output produced by individual farmers. The project will target at least 20 existing and newly created producer groups made up of at least 415 female farmers who face additional challenges and bottlenecks to graduate from poverty. The producer groups will be supported with aggregation to sell their products to profitable markets by fostering their linkages with off-takers, agri-businesses and large-scale farmers. At the same time, the producer groups (through established and newly formed savings groups) will be supported to access financial products to gain capital that will allow them to invest into innovative technologies, clean energy and to adopt climate smart agricultural practices.

3) Large-scale farmers: Large-scale commercial farmers plant over 20 ha annually. These farmers apply high levels of purchased inputs and use oxen or machinery for farm operations. They produce almost exclusively for direct market sale or feed their grain to livestock kept on the farm. Large-scale farmers make up only 4% of farm households but cultivate 22 per cent of all cropped land. As part of the proposed project, at least 15 large-scale farmers and agri-businesses will be leveraged as drivers of local market growth and circular economy and strengthen linkages between middle-scale farmers/producer groups and more profitable markets. In addition, by raising awareness of climate smart practices and clean energy technologies (through farm labs, demonstration sites, farmer champions, social and behavioural change campaign, policy advocacy and extension services), the project will accelerate a shift to sustainable agricultural production of

³⁰ https://www.parliament.gov.zm/sites/default/files/documents/committee_reports/Report%20of%20the%20Committee%20on%20Agriculture.pdf

³¹ Rural Agricultural Livelihoods Survey, 2019, Indaba Agricultural Policy Research Institute

commercial farmers and thus limit the impact of large-scale farming on local ecosystems, reversing environmental degradation and contributing to increased production resilience in the context of climate disruptions.

4) Government of Zambia: The project will coordinate its approaches and strategies with key line ministries and government actors (including local administrations in selected districts). Moreover, the project will work through existing public extension services and capitalize on opportunities stemming from the available finance under the Constituency Development Fund and Citizens Economic Empowerment Commission to improve access of individual farmers and/or producer groups to innovative technologies and financial capital that will support establishment of small businesses in climate-resilient value chains. The consortium partners will coordinate all project activities with the following line ministries and government agencies:

- **Ministry of Agriculture (MoA):** The consortium partners will work closely with MoA and strengthen its extension services by building capacities of at least 80 MoA extension officers in gender-responsive climate smart agriculture, use of bioslurry in agriculture, biochar production and application, diversified and alternative crop production, etc. MoA will be directly involved in establishment of demonstration sites, farm labs and through various capacity development actions implemented as part of the project. Importantly, Musika has a long-term MoU with the Ministry and has a dedicated team that directly liaises with MoA and shares their offices to lobby for structural and systemic changes in the agriculture sector.
- **Ministry of Livestock and Fisheries:** Will be engaged during the sustainable livestock production and aquaculture components and attend relevant trainings. Its extension networks will be leveraged for long-term provision of services to farmers and producer groups.
- **Ministry of Small and Medium Enterprise Development:** The Ministry will be engaged as part of the process of establishing women and youth-led SMEs in target value chains. To ensure a favourable policy environment for the growth of agriculture SMEs, the consortium partners will cooperate closely with the Ministry and design programmes that will provide SMEs with continuous mentorship and coaching to support their long-term business development.
- **Ministry of Local Government:** The Ministry oversees the management of the Constituency Development Fund, which will be leveraged for financing large-scale infrastructure development in the target districts that will support a shift to a more sustainable agricultural production.
- **Ministry of Green Economy and Environment:** The Ministry is a key stakeholder in promoting green technologies and spearheading climate change adaptation and mitigation efforts in Zambia. PIN has a close partnership with the Ministry and will leverage its mandate to promote structural and systemic changes in climate smart agriculture, clean energy and sustainable production.
- **Zambia Meteorological Department (ZMD):** ZMD will provide target farmers with tailored and up-to-date information about weather and climate patterns as well as any information about incoming weather-related disasters that might disrupt production and harvests. ZMD relies on a network of weather stations to provide weather forecasts to farmers that are being disseminated through online channels (mainly WhatsApp), local radio stations and through MoA extension networks. SLIM programme implemented by CZDA aims to enhance this service by strengthening the capacity of ZMD, MoA and the National Remote Sensing Centre in the use of satellite and GIS data to provide a more accurate forecast of

climate patterns and impacts on agriculture. The proposed project will ensure synergies with the SLIM programme by utilizing the developed tools for strengthened weather forecasting, particularly for predicting periods of heatwaves and droughts.

- **Ministry of Energy:** PIN is a member of a technical working group under the Ministry of Energy that develops off-grid energy solutions and advocates for policy changes to introduce measures and incentives that will facilitate access to clean and fuel-saving energy technologies among the rural population. PIN will leverage its membership in the technical working group to advocate for inclusion of biogas technology and other off-grid fuel-saving energy solutions in national and local development plans and introduce financial incentives to reduce up-front investment costs and encourage the use of clean sources of fuel.
- **Ministry of Traditional Affairs:** Key actor in liaising with the traditional governance structures in Zambia, the Ministry will be engaged as an intermediary between the consortium partners and local traditional leaders who are key community gate keepers and influencers. Particularly during the planned social and behavioural change campaign (A2.5), the consortium partners will leverage the traditional leadership to encourage a shift to climate smart agriculture, clean energy and sustainable production.
- **Zambia Bureau of Standards (ZABS) and Patents and Companies Registration Agency (PACRA)** will be engaged for certifying the organic fertilizer that is produced as a by-product of the biogas technology. The highly effective organic fertilizer will receive official certification to enhance its market potential.
- **Rural Electrification Authority (REA):** REA's mandate is to increase access to electricity and renewable energy in rural areas of Zambia. PIN has established a close relationship with REA through its biogas project in Western Province and will engage the agency as part of the project's efforts to institutionalize government support for biogas technology and other clean energy solutions.

5) Private businesses and other market and value chain actors: As part of the proposed intervention, relevant private sector actors in climate resilient value chains (bioslurry, biochar, agroforestry, sustainable livestock production, fish feed and alternative crops) will be targeted, made up of various value chain actors, including input suppliers of seeds, processing technologies, drying equipment and irrigation technologies (Zircon, RDG, Growmore, Vitalite, Holland Greentech, Saro Agro Industrial Ltd, Amiran Zambia, SeedCo, Zamseed, Novatek, Ndkay Limited, SupaMoto, etc.) as well as processors, buyers, aggregators and off-takers (ETG, Zenith, Good Nature Agro, One Acre Fund, 260 Brands, Moomba Investment, Yumi Milling, Country Millers, Barotse Ranching and Cropping, etc.). The project will facilitate linkages, foster market relationships among farmers/producer groups and agri-businesses, and work with various value chain actors to improve farmers' access to markets. Throughout this project, local private sector actors will take a central, active role, driving the design, implementation, and outcomes to align with business growth objectives, market needs, sustainability goals, and broader value chain impact. At the start of the project, private sector partners will leverage an in-depth market analysis in selected value chains to pinpoint concrete business opportunities and drive economic development, livelihood diversification and market expansion.

As part of the proposed project, PIN will also promote involvement of Czech private businesses, particularly in the transfer of innovative technologies in alternative value chains and exchange of technical know-how and best practices. This will include processing and irrigation technologies, solar drying machines for bioslurry or more advanced technology for large scale biochar production. Identified private sector stakeholders include Cirkus C, Hutira Green, etc.

6) Financial institutions: The intervention will target local financial institutions and provide them with technical and advisory services to develop/improve financial products for farmers to invest in clean energy, establish small businesses in alternative and climate resilient value chains and adopt innovative technologies and climate smart agricultural practices (including loans, credit schemes and insurance packages). The action will also strengthen linkages between supported savings groups and financial institutions and raise awareness of available and affordable financing schemes. The consortium partners will engage AgLeaseCo, One Acre Fund, Good Nature Agro, ZANACO women's banking, Lupiya, Financial Sector Deepening Zambia, First National Bank, AB Bank, Vision Fund and other financial institutions operating in the project target areas. PIN and the consortium partners have existing partnerships and have consulted the above-mentioned financial institutions to secure their buy-in and participation in the proposed intervention, particularly under outputs 1 and 3.

7) Research institutions: The project will work extensively with local research institutions such as Indaba Agricultural Policy Research Institute, Zambia Agriculture Research Institute and University of Zambia, particularly when it comes to the biochar and biogas components (soil testing, material flow analysis, research into application of biochar in combination with bioslurry) and the use of GIS in enhanced understanding of climate impacts on the agriculture sector in the target districts. The research institutions will be directly involved during the establishment of the farm labs in A1.4.

4.2 Final beneficiaries

Rural communities in Western and Southern provinces of Zambia: The entire population of target districts in Western and Southern provinces will indirectly benefit from the project through strengthened market linkages, improved access to affordable finance, clean energy and innovative technologies as well as economic and employment opportunities connected to the target value chains.

5. INTERVENTION LOGIC

5.1 Baseline

The results of the baseline study (methodology described above) will be leveraged to further refine the implementation approach and will feed into several subsequent project activities that are described below. These will include the profiling of middle-scale farmers and producer groups (A1.1), GESI-sensitive climate vulnerability assessment (A2.1), and the market analyses (A3.1). Findings from the baseline analysis will feed into the creation of the comprehensive database for target middle-scale farmers and producer groups that will be matched with the most viable private sector actors and financial service providers (see A1.1). In addition, the findings from the baseline will provide a comprehensive starting point for the implementation of GESI-sensitive climate vulnerability assessment by collecting data on current livelihood, climate resilience and food security status of the target farmers. Finally, the data on market access of baseline respondents will feed into the implementation of the value chain analyses in A3.1.

5.2 Overall and specific objectives of the project

The proposed project is based on a **Theory of Change** that **IF** middle-scale farmers and producer groups enhance their access to affordable financial services to invest in clean energy and innovative technologies and **IF** middle-scale farmers and producer groups adopt new climate smart agricultural practices and nature-based solutions to strengthen productivity and nutrition intake and **IF** middle-scale farmers and producer groups strengthen their livelihoods via development of alternative value chains and enhanced market linkages **THEN** this will lead to diversified and increased incomes of

middle-scale farmers and producer groups, in particular women and youth. This will **ultimately** contribute to poverty alleviation and enhanced food security of climate vulnerable communities in Western and Southern provinces of Zambia.

For graphic depiction of the Theory of Change, refer to the table below:

Inputs/Activities/Intermediate outputs	Outputs	Long-term outcome	Impact
<ul style="list-style-type: none"> - Strengthened capacity of existing and newly formed savings groups - Enhanced financial literacy through training hubs - Strengthened linkages between savings groups and financial institutions and private sector - Development of tailored financial products in partnership with financial institutions - Establishment of farm labs to showcase clean energy solutions and innovative technologies in CSA 	Enhanced access of middle-scale farmers and producer groups to affordable financial services for investments into innovative technologies, clean energy and climate smart agricultural practices	Increased and diversified incomes of middle-scale farmers and producer groups via adoption of climate smart agricultural practices, technological support and access to affordable finance and profitable markets	Poverty alleviation and enhanced food security among climate vulnerable communities in Western and Southern provinces of Zambia
<ul style="list-style-type: none"> - Conduct of GESI-sensitive climate vulnerability assessment to improve understanding of localized climate change impacts and farmers' unique needs based on specific contexts - Establishment of demonstration sites - Exposure visits to model farmers/champions and practical capacity development actions - Offer of market, finance and climate smart extension services - Implementation of social and behavioural change campaign on integrated and sustainable CSA practices, innovate technologies and clean energy solutions - Policy advocacy 	Increased adoption rates of climate smart agricultural practices and nature-based solutions among middle-scale farmers and producer groups		
<ul style="list-style-type: none"> - Participatory and private sector-led market analysis for selected value chains - Establishment of women- and youth-led SMEs in target value chains (start-up grants, tailored coaching and business development training, support with acquiring innovative technologies and solutions) - Facilitation of value chain workshops 	Strengthened livelihoods of middle-scale farmers and producer groups via development of climate resilient value chains and enhanced market linkages		

The **overall objective** of the intervention is to contribute to the alleviation of poverty and enhanced food security of climate vulnerable communities in Western and Southern provinces of Zambia. This will be attained through diversified and increased incomes of middle-scale farmers and producer groups via technological support, adoption of climate smart agricultural practices and access to affordable finance and profitable markets (**outcome**). This will be achieved by delivering three core interlinked outputs:

- **Output 1:** Middle-scale farmers and producer groups have enhanced access to affordable financial services to invest in clean energy, innovative technologies and climate smart agricultural practices.

- **Output 2:** Middle-scale farmers and producer groups adopt new climate smart agricultural practices and nature-based solutions to strengthen productivity and nutrition intake.
- **Output 3:** Middle-scale farmers and producer groups have strengthened their livelihoods via development of climate resilient value chains and enhanced market linkages.

The impact of the project will be measured through the following **performance indicators** (refer to the annexed Logical framework for more information).

Impact level			
Indicator	Baseline	Target	Means of verification
% of target farming households that shifted from a poor Food Consumption Score to higher thresholds, disaggregated by gender and age – adapted from Czech Development Cooperation core indicator	TBD based on baseline study	30%	Baseline/endline study
% of target farming households who perceive that the implemented measures have been effective in adapting to the local effects of climate change, disaggregated by gender and age	TBD based on baseline study	80%	Baseline/endline study

Outcome level			
Indicator	Baseline	Target	Means of verification
% of target farming households that gained additional, environmentally and economically sustainable sources of income, disaggregated by gender and age	TBD based on baseline study	70%	Baseline/endline study
% of target population declaring that their household income is more secure/increased thanks to the project, disaggregated by gender and age	TBD based on baseline study	60%	Baseline/endline study

Output level			
Indicator	Baseline	Target	Means of verification
Output 1			
% of target farmers and producer groups using promoted financing options, disaggregated by gender and age – Czech Development Cooperation core indicator	TBD based on baseline study	75%	Baseline/endline study, records from farmers survey on the use of financial products including repayment statistics, analysis of user satisfaction
% of target farmers and producer groups using the promoted technologies during the last year of the project implementation, disaggregated by gender and age	TBD based on baseline study	65%	Baseline/endline study, analysis of user satisfaction
Output 2			
% of farmers and producer groups who for the past year followed the promoted practices on their farms, disaggregated by gender and age	TBD based on baseline	80%	Baseline/endline study

	study		
% of agricultural land of supported farmers and producer groups managed by sustainable agricultural practices in last year of the project implementation, disaggregated by gender and age – Czech Development Cooperation core indicator	TBD based on baseline study	70%	Baseline/endline study
Output 3			
Number of small businesses supported with access to start-up capital, disaggregated by gender and age	0	60	Project monitoring reports
% of target farmers and producer groups who in the past year started selling their produce to new markets, disaggregated by gender and age	TBD based on baseline study	60%	Baseline/endline study

5.3 Outputs and activities of the project

Inception activities

Activity 0.1: Baseline study

Baseline study will be conducted at the onset of the project to collect baseline data for selected project indicators in line with the project's logical framework (see annex for more details). At the end of the implementation, baseline data will be compared with endline survey to determine the project's impact and achievement of project objectives. Refer to the baseline chapter above for more information about the methodology.

Activity 0.2: Project launch event; establishment of steering committee

At the beginning of the implementation, PIN and the consortium partners will organize a launch event to present the objectives and planned activities to key project stakeholders. This will be an opportunity to clarify the expectations of all actors, increase the visibility of the project and strengthen buy-in from key stakeholders. The project will be launched on the provincial level in Mongu and Choma and involve representatives of government, public institutions, civil society, international organizations, local communities and traditional leadership. As part of the project kick off, an internal steering board will be established by the consortium partners, which will include key programme, finance and management staff from PIN, Musika, Impuls Africa and CZU. The steering board will meet quarterly to discuss the progress of the action and adjust implementation if necessary.

Output 1: Middle-scale farmers and producer groups have enhanced access to affordable financial services to invest in clean energy, innovative technologies and climate smart agricultural practices

Output indicators:

- % of target farmers and producer groups using promoted financing options, disaggregated by gender and age – Czech Development Cooperation core indicator
- % of target farmers and producer groups using the promoted technologies during the last year of the project implementation, disaggregated by gender and age

Activity 1.1: Identification and assessment of middle-scale farmers and producer groups

At the beginning of the intervention, PIN and Musika will identify eligible middle-scale farmers and

producer groups as well as existing savings groups in the target districts of Mongu, Limulunga, Kaoma (Western Province) and Choma (Southern Province). This will be done by engaging with traditional leaderships, District Women's Associations, Ministry of Community Development, Block and Camp Officers from the Ministry of Agriculture, and the local councils. To ensure effective matching of farmers with appropriate private sector and financial partners, PIN and Musika will conduct a comprehensive assessment of producer and savings groups at both the farm and group level. This assessment will be done for **20 producer groups and 500 farmers** to evaluate and document their capacity. The goal is to establish a robust database that facilitates the matching of farmers with appropriate formal market off-takers and guides interventions to support their growth. The assessment will capture detailed information on demographic data, farm size, crops/livestock produced, access to inputs, production levels, existing market linkages, and financial needs. This assessment will be done through Participatory Rural Appraisals, focus group discussions as well as on-farm and off-farm data collection to assess farmers' production capacities, access to markets, financial needs and technological gaps. To the extent possible, PIN and Musika will use digital and GIS tools to strengthen targeting mechanisms. Using this data, PIN and Musika will create a database that will facilitate targeted matching of farmers with service providers. This database will be instrumental in identifying gaps in input supply, financial services, and market access, enabling the design of tailored interventions. The assessment will also help identify potential champions within the groups who can act as early adopters of new technologies and practices. This database will enable the project to better understand and serve its client base, providing targeted support and efficient resource allocation. Conducting this comprehensive assessment is essential to ensure that the project activities align with the diverse needs of the farming community and effectively connect farmers with formal markets. As the project is scaled up, new farmers will be integrated into the assessment process incrementally. The project will collaborate with matched private sector entities and financial institutions to design customised solution models in input financing schemes, digital payment systems, weather-based insurance products and market access linkages to enhance farmers' resilience to climate change shocks.

Staff involvement in the activity implementation: Project Manager (9%), Field Coordinators (9%), MEAL Officer (10%), Country Director (9%), Head of Programmes (9%), Head of Systems and Operations (9%), Finance team (9%), Logistics team (9%), HR Officer (9%), Drivers (9%), Other support staff (9%), Programme Manager for Southern Africa (9%), Finance Coordinator (9%)

Activity 1.2: Financial Literacy Training Hubs for target savings groups; connecting established savings groups with financial institutions

Financial Literacy Training Hubs will be established in Mongu, Limulunga, Kaoma and Choma to empower savings groups made up of target farmers with essential financial management skills. These areas are strategically chosen due to their high concentration of informal savings groups and significant agricultural activities, which present opportunities for economic growth through improved financial literacy. PIN and Musika will design the Financial Literacy Training Hubs in cooperation with the financial institutions identified in A1.3 - e.g., Rezil, Vision Fund, Lupiya, AgLeaseCo, Agora, etc. It is envisioned that as part of the market systems development approach, the financial literacy trainings will be delivered by the identified financial institutions in order to strengthen ownership and sustainability. This approach will also allow savings group members to interact directly with financial service providers, building trust and fostering financial inclusion. This will facilitate product demonstrations, on-the-spot account openings, and direct financial advisory services. It is expected that the training hubs will be set up within existing community centres and agricultural extension camps to maximize accessibility and reduce costs. The hubs will be integrated with community cooperatives and women's/youth groups, leveraging their established networks and

ensuring collaboration with local agricultural associations to enhance outreach. In total, at least 500 farmers (members of target savings groups) will undergo the financial literacy training.

The financial literacy curriculum developed in cooperation with the identified financial institutions will be tailored to meet the specific needs of savings groups in these regions. It will cover critical areas such as savings and budgeting, responsible borrowing and debt management, record-keeping and financial planning, digital financial services (mobile banking and digital payments) and accessing agricultural financing and micro-insurance. To ensure contextual relevance, the curriculum will be translated into local languages, including Lozi for Western Province and Tonga for Southern Province. Training sessions will be conducted using participatory methods such as storytelling, role-playing, and group discussions to accommodate varying literacy levels. In Limulunga and Mongu, where traditional cultural norms influence financial behaviours, community drama and storytelling will be incorporated to enhance understanding. Digital tools such as mobile applications and USSD platforms will be used to provide interactive financial education. In collaboration with financial institutions and mobile network operators, SMS-based financial tips and reminders will be sent to savings group members, reinforcing key financial literacy concepts. Community radio programmes will also be utilized, to reach a wider audience.

PIN and Musika are best placed to implement the access to finance component under the proposed project through demonstrated track record and achievements. PIN has engaged in improved access to finance for producer groups and low-income farming communities in a number of contexts including in Zambia where it has developed a financial model for biogas technology as part of its previous intervention. Refer to this [document](#) for more details about PIN's track record and technical expertise in financial inclusion. In addition, as part of its access to finance programme, Musika stimulates development of a wide range of appropriate and affordable financial services integrated into commercial relationships between agribusinesses, small rural businesses and smallholder farmers. An example of Musika's intervention that aims to enhance financial inclusion of low-income groups can be found [here](#).

Staff involvement in the activity implementation: Project Manager (9%), Field Coordinators (9%), MEAL Officer (5%), Country Director (9%), Head of Programmes (9%), Head of Systems and Operations (9%), Finance team (9%), Logistics team (9%), HR Officer (9%), Drivers (9%), Other support staff (9%), Programme Manager for Southern Africa (9%), Finance Coordinator (9%)

Activity 1.3: Engagement with private sector and local financial institutions to develop financial products that will allow farmers to invest in climate smart agricultural practices, clean energy and innovative technologies; strengthening linkages between target farmers and financial service providers

PIN and Musika will facilitate engagements of the private sector and local financial institutions in developing financial products for climate-smart agriculture. This will involve identifying key players in Mongu, Limulunga, Kaoma (Western Province), and Choma (Southern Province) who have a vested interest in agricultural financing, clean energy, and innovative technologies. This includes banks (Zanaco, Indo Zambia Bank, etc.), start-up financial institutions (Rezil, Lupiya) microfinance institutions (Vision Fund, Agora, etc.), fintech companies, input suppliers, agri-tech firms, and renewable energy providers. Strategic partnerships will be established through stakeholder forums and roundtable discussions, bringing together financial institutions, private sector actors, government agencies, and farmer representatives. In Mongu and Limulunga, where traditional farming practices dominate, engagement with local agricultural cooperatives and community leaders will be prioritized to build trust and cultural acceptance. In Kaoma and Choma, collaborations with agricultural value

chain actors, such as agro-dealers and produce buyers, will be essential to ensure market-driven financial solutions. A multi-stakeholder advisory committee will be formed to oversee the engagement process, ensuring alignment with national financial inclusion and climate change adaptation policies. This committee will facilitate continuous dialogue, promote knowledge sharing, and ensure that financial products are tailored to local needs and context.

PIN and Musika will co-design at least 2 financial products with private sector partners and financial institutions to enable farmers to invest in climate-smart agricultural practices, clean energy, and innovative technologies. These will include:

- Climate resilience loans: Low-interest loans without collaterals designed to support investments in alternative crops, conservation agriculture tools, and climate-smart irrigation systems;
- Clean energy financing: Micro-loans without collaterals and lease-to-own models for purchasing solar irrigation systems, solar dryers, biogas plants and other renewable energy technologies;
- Insurance products: Weather-indexed insurance to protect farmers against climate risks, such as droughts and floods.

To ensure relevance, product development workshops will be organized, involving farmers, private sector partners, and financial institutions to ensure products are contextualized in each implementing district. In collaboration with financial institutions, product-specific training sessions will be conducted as part of A1.2 to help farmers understand the terms, conditions, and benefits of newly introduced financial products. In Kaoma and Choma, where mobile money adoption is high, digital financial literacy will be a key focus to facilitate the uptake of mobile-based financial products.

Staff involvement in the activity implementation: Project Manager (9%), Field Coordinators (9%), MEAL Officer (5%), Country Director (9%), Head of Programmes (9%), Head of Systems and Operations (9%), Finance team (9%), Logistics team (9%), HR Officer (9%), Drivers (9%), Other support staff (9%), Programme Manager for Southern Africa (9%), Finance Coordinator (9%)

Activity 1.4: Establishment of farm labs to showcase clean energy solutions and innovative technologies in climate smart agriculture

To showcase innovative climate smart technologies and clean energy solutions tested and promoted as part of the proposed project, the consortium partners led by PIN will establish at least **6 farm labs** in each target district in year 1 of the project implementation. The farm labs will be established based on the living labs methodology³². The living labs are open innovation ecosystems in real-life environments, which are shaped based on a systematic user co-creation approach that integrates research and innovation activities in communities, placing citizens and users at the centre of innovation. The farm labs will be co-established with selected large-scale farmers and involve stakeholders from different backgrounds, sectors and disciplines to co-design, test, monitor and evaluate solutions for strengthened climate resilience and adaptation. By involving a wide range of stakeholders, the various partners involved in the sites will be able to replicate actions and solutions, compare results, exchange good practices and validate methodologies. Specifically, the farm labs will showcase the following technologies and solutions that will be complemented by establishment of demonstration sites in A2.2:

- biogas technology including plastic tube³³ and fixed dome biodigesters to test different low-

³² https://www.researchgate.net/publication/226682643_Introduction_to_the_Living_Lab_Approach

³³ The main advantage of this technology is that the main material used for the digester – polyethylene – is relatively inexpensive. On the other hand, its lifespan is potentially shorter depending on maintenance.

cost solutions to lower the upfront investment costs for farmers and households

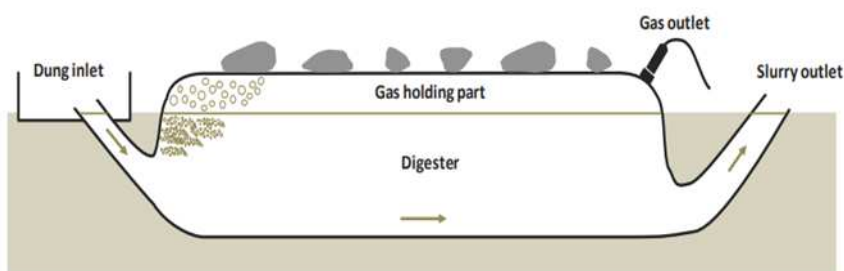


Figure 1: Plastic tube biodigester

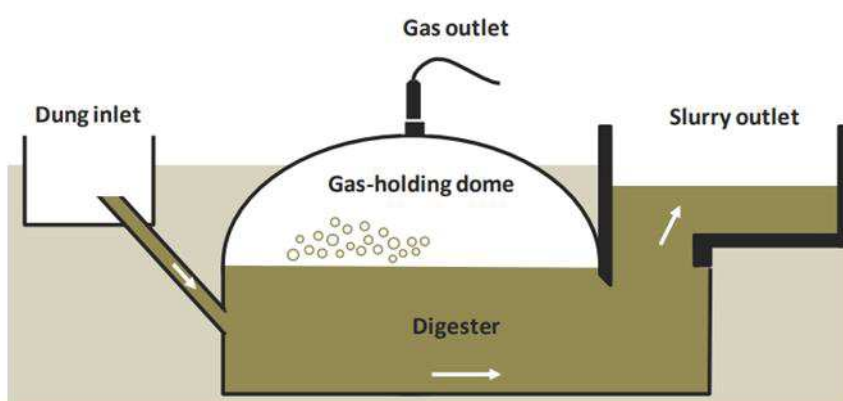


Figure 2: fixed dome biodigester

- Drying equipment for bioslurry and agriculture production
- Biogas appliances including biogas lamp, heating of chicken brooders/piggeries, biogas water pump, biogas “backpack” for packaging and transportation of biogas, etc.
- Advanced technology for biochar production
- Drip, remote controlled and precision irrigation technologies
- Solutions for storage of agriculture production
- Other technologies and solutions identified during the implementation through the climate vulnerability assessment in A2.1

To establish the farm labs, PIN will work with selected large-scale farmers who will be interested to experiment with innovative technologies. The farm labs will be co-designed with selected commercial farmers who will work with different stakeholders and drive long-term uptake of the innovations. The following stakeholders will be engaged in the implementation of the farm labs including local research institutions (Indaba Agricultural Policy Research Institute, Zambia Agricultural Research Institute, University of Zambia and University of Barotseland), key private sector stakeholders (Vitalite, AgLeaseCo, ETG, SaroAgro, SeedCo, Zamseed, etc.) and government actors (Ministry of Agriculture, Ministry of SME Development, Ministry of Green Economy and Environment, Ministry of Energy, etc.). Involving commercial farmers with vested interest in developing climate-smart agriculture models will strengthen long-term sustainability of the established farm labs. Involvement of research institutions and government actors will ensure that the farm labs will be accessible for all population groups and promote climate adaptation and poverty alleviation among low-income groups. Importantly, it will be the community members including target middle-scale farmers and producer groups that will be able to shape the testing of various innovative technologies and solutions and get acquainted with their use and benefits in order to encourage adoption and investments.

Target farmers and producer groups will leverage the connections with financial institutions developed in A1.2 and A1.3 to facilitate investments into the proven technological innovations. The technologies and innovations will be utilized in connection with the promoted climate smart practices in Output 2 and will serve as enablers for development of climate resilient value chains under Output 3.

Staff involvement in the activity implementation: Project Manager (9%), Field Coordinators (9%), MEAL Officer (5%), Country Director (9%), Head of Programmes (9%), Head of Systems and Operations (9%), Finance team (9%), Logistics team (9%), HR Officer (9%), Drivers (9%), Other support staff (9%), Programme Manager for Southern Africa (9%), Finance Coordinator (9%)

Output 2: Middle-scale farmers and producer groups adopt new climate smart agricultural practices and nature-based solutions to strengthen productivity and nutrition intake

Output indicators:

- % of farmers and producer groups who for the past year followed the promoted practices on their farms, disaggregated by gender and age
- % of agricultural land of supported farmers and producer groups managed by sustainable agricultural practices in last year of the project implementation, disaggregated by gender and age – Czech Development Cooperation core indicator

Activity 2.1: GESI-sensitive climate vulnerability assessments in target districts

PIN has in-house methodology for conducting GESI³⁴-sensitive climate vulnerability assessments (CVA). The purpose of the CVA is to deepen understanding of the changes in climate patterns and impacts in a given locality, and to identify potential solutions. By integrating GESI considerations, the CVA assesses gender-specific impacts of climate change on women and other marginalized groups. PIN has conducted a CVA in Western Province in 2020³⁵ and will expand on these findings to cover target locations in Southern Province and analyse climate change impacts on middle-scale farmers and producer groups. With a combination of secondary data review and primary data collection and analysis, the aim of the CVA will be to provide evidence-based information on the impacts of climate change on local farming communities in the target districts of Mongu, Limulunga, Kaoma and Choma. This will be done through a participatory process that will integrate scientific evidence, people's perceptions and traditional knowledge in a changing climate.

The findings from key informant interviews, focus group discussions and direct observations will improve the understanding of local dynamics and responses to a changing climate in the target areas, and how farmers are coping and adapting to climate challenges to assess their current level of resilience/vulnerability. In addition, the assessment will analyse the extent to which inappropriate solutions and dynamics in farmlands can exacerbate current and future vulnerabilities. To strengthen this analysis, the CVA will use resources and maps produced as part of the CZDA-implemented SLIM project, which uses GIS and Earth Observation technologies to map areas at increased risk of soil degradation and exposure to natural hazards. Ultimately, the CVA will identify solutions, which can strengthen resilience of target farmers. The identified solutions will be included among the promoted measures and integrated as part of the farmers' support package.

Staff involvement in the activity implementation: Project Manager (9%), Field Coordinators (9%),

³⁴ GESI – Gender Equality and Social Inclusion

³⁵ <https://resources.peopleinneed.net/files-filter/climate-change-mitigation-and-adaptation-197c#examples-of-pins-in-interventions-pin-2020-climate-vulnerability-and-needs-assessment-in-the-western-province-of-zambia-199-943>

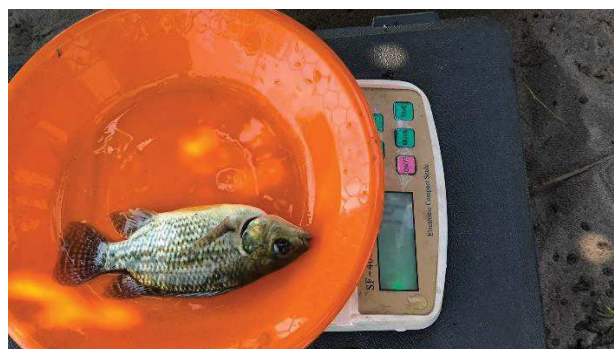
MEAL Officer (25%), Country Director (9%), Head of Programmes (9%), Head of Systems and Operations (9%), Finance team (9%), Logistics team (9%), HR Officer (9%), Drivers (9%), Other support staff (9%), Programme Manager for Southern Africa (9%), Finance Coordinator (9%), Senior Technical Advisers (50%)

Activity 2.2: Establishment of demonstration sites to pilot and monitor climate smart agricultural practices (including the use of bioslurry in agriculture/aquaculture, biochar production and its application to soil, regenerative farming practices, fish feed production, composting, integrated agroforestry models and other context-specific approaches based on the findings of the CVA in A2.1)

As part of the proposed project, the consortium partners will promote the use of climate smart agricultural practices that will contribute to strengthened climate adaptation and resilience of target farmers and producer groups. The consortium partners have pre-identified several solutions that will be complemented by additional practices/approaches/technologies identified through the CVA in A2.1. The pre-selected approaches include:

1) Use of bioslurry in agriculture to replace chemical fertilizers and pesticides. The bioslurry produced as a by-product of the anaerobic reaction that occurs in biodigesters is a highly effective organic fertilizer that demonstrates increased agriculture production of up to 40% compared to chemical fertilizers based on results of previous PIN programmes. The use of bioslurry will be promoted in combination with conservation farming practices and cultivation of vegetables and other alternative crops, which can contribute to income diversification and strengthen nutrition intake, particular for women and children.

2) Use of bioslurry in aquaculture to increase production through fertilization of fishponds. The application of organic fertilizers in fishponds is aimed at boosting phytoplankton production, which serves as the primary food source in extensive and semi-intensive aquaculture systems enhancing natural feed for fish³⁶. This approach is suitable for farmers with limited resources and infrastructure. It is cost-effective as it leverages natural pond productivity without requiring high-input feed or advanced technology, relying on limited or no commercial feed and fertilizers³⁷.



3) Biochar production and application: Biochar is a carbon-rich material that is produced from organic residues during pyrolysis. Production and usage of biochar has multiple benefits as it contributes to improved soil fertility by increasing biodiversity and retaining water and essential nutrients in the soil. Its application to soil increases yields of agricultural production, which leads to

³⁶ Food and Agriculture Organization. (n.d.). *Fertilization of fishponds*. FAO Fisheries and Aquaculture Department. Retrieved October 30, 2024, from https://www.fao.org/fishery/docs/CDrom/FAO_Training/FAO_Training/General/x6709e/x6709e06.htm

³⁷ Panwar, A.S. & Prusty, A K & Shamim, Mohammad & Ravisankar, Natesan & Ansari, Meraj & Singh, Raghuveer. (2021). Nutrient Recycling in Integrated Farming Systems for Climate Resilience and Sustainable Income. 17. 1126-1137.

strengthened livelihoods, higher incomes and improved resilience of farmers. Apart from being a soil enhancer, it contributes to climate change mitigation as its application to soil sequesters carbon.

4) Regenerative/conservation agriculture practices: 1) Minimizing mechanical and chemical disturbances by avoiding ploughing and tilling and instead using no-till or strip-till methods to preserve soil structure and biodiversity. 2) Maintaining continuous soil cover by ensuring that both living and dead vegetation protect the soil throughout the year by using cover crops, thereby reducing erosion and enhancing soil health. 3) Maximization of biodiversity by increasing the diversity of plants, insects, and animals to strengthen ecosystem resilience. 4) Maintaining living roots in the soil throughout the year to feed soil organisms and enhance organic matter. 5) Integrating livestock by allowing grazing on the fields to create a symbiotic relationship between plants and animals, enhancing nutrient cycling.

5) Composting: Compost, made from decomposed plant and animal waste, provides a low-cost, sustainable alternative to chemical fertilizers. It boosts soil fertility, improves crop yields, and enhances food security, even on depleted soils. Composting recycles organic waste, reduces farmers' input costs, retains soil moisture, and improves soil structure, essential in drought-prone areas. This practice strengthens community resilience, supports livelihoods, and promotes sustainable land management.

6) Agroforestry: Agroforestry, the integration of trees and shrubs into agricultural landscapes, plays a crucial role in enhancing climate resilience for farmers. As the country faces increasing threats from climate change, including unpredictable rainfall, prolonged droughts, and soil degradation, agroforestry offers a sustainable adaptation strategy. By diversifying crops and incorporating tree species (e.g. *Faidherbia albida*³⁸, *Psidium guajava*, *Delonix regia*, *Moringa oleifera*³⁹, *Mangoes*, *Pawpaw*, *Avocado* and *Mulberry*⁴⁰) that provide shade, nutrients, and soil stabilization, farmers can improve soil health, increase water retention, and enhance overall agricultural productivity. Agroforestry systems help reduce dependency on single crops, mitigating the risks associated with crop failure and promoting diversified income sources through products like fruits, nuts, and timber. Additionally, trees sequester carbon, contributing to climate mitigation efforts. Implementing agroforestry practices can significantly boost smallholder farmers' capacity to withstand climate shocks, improve food security, and support long-term sustainable land management, aligning with national goals for climate adaptation and rural development. The agroforestry model (see Figure 1 below) that will be promoted as part of the project will offer farmers a strategy to grow maize for subsistence use (while also encouraging millet and sorghum), legumes, and alternative crops such as vegetables as short-term cash crops. These will be set up with two lead farmers and will serve as training platforms to conduct practical training, showcasing a variety of climate smart agricultural practices and demonstrating specific technologies like solar drip irrigation. This model further nurtures medium-term income generation through the production of fruit trees, which are higher-value cash crops, providing farmers with opportunities to generate income in the long term. Aside from enhancing household food security, the system offers a balanced diet with grains as an energy source, legumes as a protein source, and fruits and vegetables for vitamins, minerals, and fibre. Through increasing soil health and reintroducing trees into underutilized or derelict land, this model will positively impact land restoration and soil regeneration.

³⁸ Hambulo Ngoma, Johanne Pelletier, Brian P. Mulenga, Mitelo Subakanya, Climate-smart agriculture, cropland expansion and deforestation in Zambia: Linkages, processes and drivers, Land Use Policy, Volume 107, 2021, 105482, ISSN 0264-8377, <https://doi.org/10.1016/j.landusepol.2021.105482>.

³⁹ <https://www.picturethisai.com/region/tree/Zambia-North-Western.html>

⁴⁰ <https://www.fao.org/4/x6701e/x6701e08.htm>

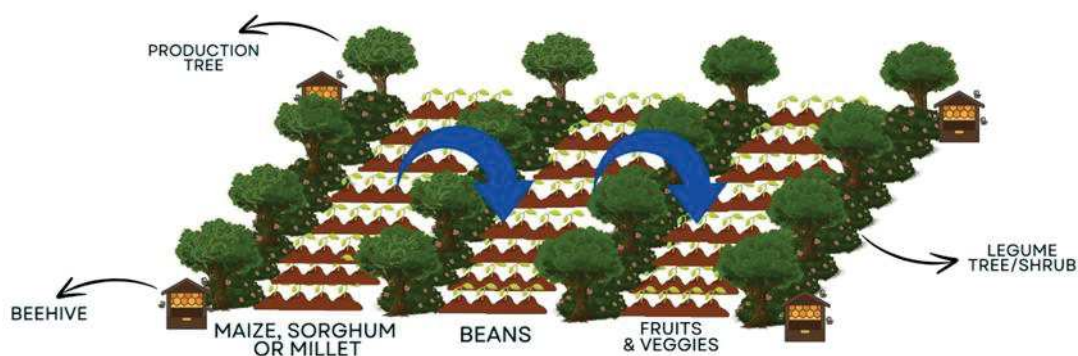


Figure 3: Agroforestry model

7) Integrated climate smart livestock production: Sustainable livestock farming is a vital strategy for enhancing farmers' resilience to the impacts of climate change. As changing weather patterns lead to increased droughts, degraded pastures, and reduced crop yields, smallholder farmers who rely heavily on agriculture need diversified income sources to sustain their livelihoods. By implementing sustainable livestock practices, such as improved grazing management, integrated crop-livestock systems, and climate-adaptive animal husbandry techniques, farmers can reduce land degradation, enhance soil fertility, and increase overall farm productivity. Livestock provides a reliable income stream, nutritional benefits, and a source of organic manure that improves soil health. Additionally, practices like rotational grazing and water conservation can help maintain pasture quality and reduce the pressure on natural resources, fostering an ecosystem approach that supports climate adaptation. Sustainable livestock systems also offer a buffer against crop failure, making rural households less vulnerable to climate shocks. By promoting climate-smart livestock management, this approach contributes to building resilient farming communities, improving food security, and aligning with Zambia's national goals for sustainable agriculture and climate adaptation. The demonstration farms will feature low-tech, high-impact fodder and feed production units that rely on locally available materials. This ensures that the model can be easily replicated by farmers, even in resource-constrained settings. A key aspect of this model is the synergy between poultry and livestock production, where the animals contribute to pest management in a natural and environmentally friendly way. Poultry, such as chickens, naturally forage for insects and pests, helping to control harmful populations in and around the farm, reducing the need for chemical pesticides.

8) Production of Black Soldier Fly Larvae (*Hermetia illucens*) for fish feed: To address the ongoing challenge of high-cost inputs in aquaculture production, the project will promote a locally led, cost-effective solution to establish small-scale, hand-mechanized fish feed production using Black Soldier Fly Larvae, which are rich in protein and calcium. This fish feed could also serve as a nutritional supplement in poultry production, creating cross-sectoral benefits. Black Soldier Fly Larvae will be cultivated, dried, and processed into a protein-rich flour. This flour has potential applications beyond animal feed, including as a high-protein ingredient in the human diet - it can be added to nshima to improve nutrition intake of women and children. Both larvae cultivation and fish feed production require minimal labour, making them ideal for women's engagement and economic empowerment.

9) Cultivation of alternative crops including vegetables, legumes, orange maize and

cashew nuts: The cultivation of alternative crops such as vegetables, legumes such as cowpeas, orange maize, and cashew nuts will enhance climate-smart agriculture and diversify income sources for farmers. These crops are drought-tolerant and nutrient-rich, improving resilience to climate variability while reducing the risk of crop failure. Integrating these crops into existing farming systems promotes soil health through nitrogen fixation (cowpeas), improves dietary diversity (vegetables and orange maize), and provides long-term economic benefits (cashew nuts). This approach increases income stability of households, enhances food security, and supports sustainable agricultural practices in the face of changing climate conditions.

PIN and Impuls Africa will engage selected middle-scale farmers and producer groups to establish at least **30 demonstration sites** in the target districts. Along with farm labs that will showcase innovative technologies/solutions, the demonstration sites will be used during various training and capacity development actions in A2.3 to raise awareness of target farmers and key market actors. By targeting key market stakeholders, the activity will contribute to development of climate-resilient value chains under Output 3. At least 10 model farmers (with a minimum of 40% women) will be selected in each target district (preferably one model farmer in each agricultural camp) and supported to establish demonstration sites that will be used to disseminate information about the promoted climate smart practices/approaches described above. PIN and Impuls Africa will support each model farmer with:

- Designing the demonstration sites considering the standards developed by PIN as part of its Guidelines for Agricultural Trainings⁴¹;
- material support including seeds, tools, inputs, etc.;
- establishment of demonstration sites including technical assistance.

Staff involvement in the activity implementation: Project Manager (9%), Field Coordinators (9%), MEAL Officer (5%), Country Director (9%), Head of Programmes (9%), Head of Systems and Operations (9%), Finance team (9%), Logistics team (9%), HR Officer (9%), Drivers (9%), Other support staff (9%), Programme Manager for Southern Africa (9%), Finance Coordinator (9%)

Activity 2.3: Exposure visits to model farmers/champions and practical trainings to disseminate promoted practices

Impuls Africa and PIN will deliver tailored and gender-transformative trainings to target middle-scale farmers and producer groups to develop capacities and facilitate adoption of the climate smart agricultural practices described in A2.2. The trainings will take place at the established demonstration sites to provide farmers with practical guidance and skills to strengthen the uptake of climate smart agricultural practices and sustainable social and behavioural change. Model farmers will showcase the use of the promoted practices and demonstrate how the approaches contributed to increased and diversified income streams. This will expose target farmers to successful examples and best practices and encourage peer-to-peer learning. The trainings will take place mainly at the beginning of the agriculture seasons and involve representatives of local government and extension officers engaged in A2.4.

It is expected that a total of **8 training sessions** will be implemented in each target district (32 trainings in total) targeting at least **500 middle-scale farmers and representatives of producer groups**. All capacity development actions will respect existing knowledge of farmers and consider seasonal field works. It is expected that the target farmers will undergo at least 2 rounds of

⁴¹ PIN Guidelines for Agricultural Trainings: <https://resources.peopleinneed.net/files-filter/agriculture-and-natural-resources-management-16c#key-resources-pin-2018-guideline-for-agricultural-trainings-69-606>

training in each promoted approach described above along with other practices that will be identified during the CVA in A2.1. First round of training will take place in year 2 and second round in year 3 of the project implementation.

The capacity development actions will follow PIN's standards for agricultural trainings and proven approaches of Impuls Africa. This will include development of training curriculums and training materials that will be tailored to each promoted practice and involve both theoretical and practical sessions. Impuls Africa and PIN have existing training materials that will be adapted and refined for the purposes of the proposed project. Impuls Africa will improve its existing training manuals by incorporating additional content on financial literacy and enterprise development, alongside topics such as climate-smart agriculture, pest management, soil fertility, and post-harvest handling. These updated manuals will be tailored to reflect local environmental conditions and market realities based on results of A2.1 and A3.1, ensuring relevance for target farmers. The manuals will be translated into Lozi and Tonga to ensure accessibility and will be designed to accommodate varying literacy and numeracy levels. Used during training and distributed as reference materials, these manuals will support farmers both during the training and in the implementation phase, providing detailed guidance on sustainable agriculture and basic business management.

Staff involvement in the activity implementation: Project Manager (9%), Field Coordinators (9%), MEAL Officer (5%), Country Director (9%), Head of Programmes (9%), Head of Systems and Operations (9%), Finance team (9%), Logistics team (9%), HR Officer (9%), Drivers (9%), Other support staff (9%), Programme Manager for Southern Africa (9%), Finance Coordinator (9%)

Activity 2.4: Offer market, finance and climate-smart extension services to farmers to improve their climate resilience, access to market and finance

The project will leverage the potential of existing public and private extension networks to strengthen local ownership and sustainability of the intervention. During the implementation, Impuls Africa will engage public and private sector partners identified in Outputs 1 and 3 to deliver integrated extension services focused on market access, financial inclusion and climate resilience. The approach will involve provision of tailored advisory services to farmers on market trends, buyer requirements, and pricing strategies. It will also offer guidance on accessing financial products and services, including credit, insurance, and savings options developed and promoted under Output 1. Climate-smart extension services will cover training on soil conservation, water management, crop diversification, and the use of climate-resilient crop varieties.

In the long-term, the project will rely on private and public extension services to promote and disseminate information about the climate smart practices, technologies and solutions. To develop capacities of the public extension networks under the Ministry of Agriculture and other relevant line ministries, Impuls Africa, PIN and CZU will deliver at least **4 comprehensive training sessions** encompassing all approaches listed in A2.2. The training that will be organized in year 3 of the implementation and that will target at least **80 extension officers** (including at least 30% female extension officers) will cover both theoretical and practical aspects. The trainings will last a total of 3 days per each promoted approach and involve field visits to demonstration sites (A2.2) and farm labs (A1.4) as well as other practical exchanges and exposures. Advanced and comprehensive training manuals in English, Lozi and Tonga languages will be developed to further internalize the knowledge and allow the trained extension officers to pass on the newly acquired knowledge to their follower farmers in their respective agricultural camps.

Staff involvement in the activity implementation: Project Manager (9%), Field Coordinators (9%), MEAL Officer (5%), Country Director (9%), Head of Programmes (9%), Head of Systems and

Operations (9%), Finance team (9%), Logistics team (9%), HR Officer (9%), Drivers (9%), Other support staff (9%), Programme Manager for Southern Africa (9%), Finance Coordinator (9%)

Activity 2.5: Promoting social and behavioural change around integrated and sustainable climate smart practices, innovative technologies and clean energy solutions; advocating for inclusion of promoted practices, technologies and solutions in local and national policies

To encourage further acceptance and adoption of the promoted climate smart practices and solutions beyond the immediate target groups, the consortium partners led by PIN will conduct an inclusive social and behavioural change (SBC) campaign targeting rural communities as well as key decision makers. The SBC campaign will be implemented in year 2 and year 3 of the project. PIN will develop a comprehensive SBC campaign that will highlight the multifaceted benefits of biogas technology, biochar production, conservation and regenerative agriculture, Black Soldier Fly Larvae cultivation and other approaches and focus on aspects related to livelihood diversification. In addition, the SBC campaign will emphasise on the long-term economic benefits of the promoted practices and solutions for rural communities particularly in relation to soil enhancement, increased productivity, climate change adaptation and women economic empowerment.

Importantly, PIN will aim to integrate the promoted practices and solutions along with key behaviour change messages into secondary school curriculums including relevant TVET courses with a focus on the agriculture sector. This will encourage behavioural change at an early age when attitudes and perceptions are formed. The SBC campaign will leverage identified champions from target rural communities and will be disseminated through social media channels, local radio stations, public and private extension networks and community discussion forums. The SBC campaign will also target representatives of traditional leadership who are the main community influencers in rural settings. It is expected that the SBC campaign will reach at least **25,000 community members** across the target districts.

Moreover, to strengthen sustainability on the policy level, PIN and the consortium partners will engage in extensive advocacy on the local, provincial and national levels to lobby for inclusion of the promoted climate smart solutions in relevant policies, strategies and development action plans. This will be done through development of several policy briefs that will include evidence and findings from the CVA (A2.1) and the value chain and market analyses (A3.1) and will be disseminated to key decision makers during policy roundtables. At the district level, PIN and the consortium partners will advocate for inclusion of the promoted practices in the Farmer Field Schools methodology and related training of farmers and producer groups. This will reinforce the extension approach developed as part of A2.4. The advocacy efforts will be supported through PIN's participation in the off-grid energy task force under the Ministry of Energy where PIN will use the civil society and private sector networks to push for institutionalizing mechanisms that will further support the uptake of biogas technology and introduce government incentives to strengthen access among rural communities. In addition, the role of Musika is critical for the advocacy efforts as it has a long-standing MoU with the Ministry of Agriculture and strong position to lobby for inclusion of the promoted climate smart practices and solutions into relevant policies and strategic plans through a programme team that works closely with MoA and shares their offices. This will be complemented by extensive capacity development of relevant government stakeholders at the national level considering the persistent knowledge gaps among key technical and management staff.

Staff involvement in the activity implementation: Project Manager (9%), Field Coordinators (9%), MEAL Officer (5%), Country Director (9%), Head of Programmes (9%), Head of Systems and

Operations (9%), Finance team (9%), Logistics team (9%), HR Officer (9%), Drivers (9%), Other support staff (9%), Programme Manager for Southern Africa (9%), Finance Coordinator (9%)

Output 3: Middle-scale farmers and producer groups have strengthened their livelihoods via development of climate resilient value chains and enhanced market linkages

Output indicators:

- Number of small businesses supported with start-up grants, disaggregated by gender and age
- % of target farmers and producer groups who in the past year started selling their produce to new markets, disaggregated by gender and age

Activity 3.1: Private sector engagement and participatory market analysis for selected value chains with a focus on bioslurry, biochar, agroforestry, sustainable livestock production, fish feed and alternative crops

Private sector collaboration is essential to strengthen development and inclusivity within target value chains that have high potential to enhance climate resilience and adaptation in the target regions. To this end, Musika and PIN will conduct a **participatory market system analysis** in year 1 of the project implementation by engaging a wide array of stakeholders - including private sector entities, women and youth entrepreneurs, market experts, traditional and community leaders, government institutions, education institutions and other actors - to ensure a comprehensive understanding of the market ecosystem. This analysis will involve detailed data collection on gendered value chain dynamics, demand trends, supporting market functions and the regulatory environment to identify barriers such as access to finance, infrastructural inefficiencies, and systemic issues like gender biases. The target value chains will include bioslurry, biochar, agroforestry, sustainable livestock production, fish feed (leveraging Black Soldier Fly Larvae cultivation), and alternative crops such as vegetables, cowpeas, orange maize and cashew (with a focus on diversified agriculture production and improved post-harvest production). Simultaneously, the market analysis will highlight opportunities such as emerging market trends, potential for new technology adoption, and partnership possibilities with private sector stakeholders interested in sustainable and climate smart practices.

Findings from the analysis will then be validated and refined through co-creative stakeholder workshops and feedback sessions, leading to tailored strategic recommendations and a clear implementation roadmap designed to facilitate inclusive growth of women and youth-led SMEs in the target value chains. The recommendations and the roadmap will also be translated into a policy brief, which will be used for local and national-level advocacy in A2.5. Post-analysis, the project will take a proactive role in empowering women and youth-led SMEs. This will be done by establishing direct connections with agri-businesses and large-scale farmers and integrating them into wider regional and potentially international supply chains. These linkages will broaden market access and leverage the scale and networks of established private sector actors to foster growth of newly established SMEs, thereby achieving a significant economic impact.

Staff involvement in the activity implementation: Project Manager (9%), Field Coordinators (9%), MEAL Officer (25%), Country Director (9%), Head of Programmes (9%), Head of Systems and Operations (9%), Finance team (9%), Logistics team (9%), HR Officer (9%), Drivers (9%), Other support staff (9%), Programme Manager for Southern Africa (9%), Finance Coordinator (9%), Senior Technical Advisers (50%)

Activity 3.2: Support collective marketing actions of producer groups and

establishment of women- and youth-led SMEs in target value chains including provision of start-up business grants, tailored training and coaching and support with acquiring innovative technologies

Musika and PIN will use a two-pronged approach to support 1) collective marketing actions of formal and non-formal producer groups and 2) individual middle-scale farmers with establishment of SMEs in the target value chains.

Based on the analysis conducted in A3.1 and linkages with financial institutions established in Output 1, Musika will support target producer groups with acquiring necessary technologies, designing business plans and marketing strategies and linking them with identified private sector actors to strengthen their access to markets. For example, groups of farmers with biogas plants will be supported to aggregate their excess bioslurry and market it collectively beyond their immediate community, thereby reducing transportation, packaging and marketing costs for individual farmers, while increasing bulk production and opportunity for negotiating better prices. This will allow the producer groups to sell bioslurry and other produce at larger and more profitable markets. At the same time, Musika and PIN will work with ZABS, PACRA, Ministry of Agriculture and other quality regulators to certify the bioslurry as organic fertilizer to increase its price and consequently incomes for producer groups. Similar approach of collective marketing actions will be used for biochar production, fish feed, community fishponds, sustainable livestock production, alternative crops, etc. Producer groups will be supported by Musika and PIN to sign long-term contracts with large-scale farmers and agri-businesses, securing a reliable revenue stream. This will be achieved through comprehensive training of producer groups in understanding value and supply chain dynamics that will cover aspects such as quality control during packing, storing and transportation, meeting industry standards, and strengthening compliance.

Moreover, Musika will leverage the linkages with financial institutions and financial products developed in Output 1 to provide middle-scale farmers who will not be interested in joining producer groups with start-up capital to kickstart their individual businesses in the target value chains. Apart from access to affordable finance, this support will involve business development training including long-term mentorship and coaching. The capacity development of women- and youth-led SMEs will include group workshops on entrepreneurial principles, business plan development, record-keeping, savings, budgeting, and other core business practices. The trainings will be delivered in partnership with target private sector actors including the financial institutions involved in Output 1 to foster collaboration. In addition, the established SMEs will receive individualized guidance to refine their record-keeping and financial reporting, introduce efficient business development processes, and strengthen compliance with supply chain standards to secure long-term contracts with identified agro-businesses, off-takers and other market actors. In total, the project will support at least **60 women and youth-led SMEs**. Supported businesses will be selected based on their vulnerability and business potential, prioritising female farmers from women-headed households, women with disabilities, female farmers from low-income communities, young women, and other marginalized groups. As part of the selection process, the implementing partners will prioritise farmers with existing business thinking, previous experience with small-scale and informal trade and willingness/interest in establishing viable businesses. As part of the project's market systems development approach, it is expected that more women and youth-led SMEs will benefit from established financial models developed in Output 1 and strengthened market linkages within target value chains (A3.3).

Staff involvement in the activity implementation: Project Manager (9%), Field Coordinators (9%), MEAL Officer (5%), Country Director (9%), Head of Programmes (9%), Head of Systems and Operations (9%), Finance team (9%), Logistics team (9%), HR Officer (9%), Drivers (9%), Other

support staff (9%), Programme Manager for Southern Africa (9%), Finance Coordinator (9%)

Activity 3.3: Facilitation of value chain workshops and fostering of market linkages among various market actors (producers, off-takers, aggregators, buyers, etc.)

To enhance linkages and collaboration among various market actors in the target value chains, Musika will organize a **series of value chain focused workshops, public private dialogues as well as local and regional trade fairs** (25 one-day events in total – 15 in year 2 and 10 in year 3 of the project), which will support the development of supply chains and other market relationships among target middle-scale farmers, producer groups and large-scale farmers, agriculture processors, public sector actors, financial service providers and existing rural market access points ('agents') such as agro-dealers and small traders. As part of the value chain workshops, the strengthened producer groups and the SMEs established in A3.2 will enhance their market linkages and gain access to various services including digital solutions such as the Maano App developed by WFP in order to provide farmers with a platform for sharing market, weather, finance and insurance information, etc. The value chain workshops will be conducted in collaboration with the private sector stakeholders to enhance mutual collaboration and trust. Local farming communities will interact with private sector actors and the workshops will create a platform for promoting the products in the target value chains and to encourage shift to diversified and climate smart production patterns with the involvement of local traditional leaders. The project will also establish collaborations through MoUs between different market actors to facilitate trade and access to market for farmers and producer groups. In total, at least 1,500 representatives of producer groups and middle-scale farmers will participate as part of the value chain workshops.

Staff involvement in the activity implementation: Project Manager (9%), Field Coordinators (9%), MEAL Officer (5%), Country Director (9%), Head of Programmes (9%), Head of Systems and Operations (9%), Finance team (9%), Logistics team (9%), HR Officer (9%), Drivers (9%), Other support staff (9%), Programme Manager for Southern Africa (9%), Finance Coordinator (9%)

5.4 Assumptions

<i>Assumption</i>	<i>Degree of importance</i>	<i>Measures in favour of assumptions</i>
Use of the promoted climate smart practices/approaches (biochar production and application, usage of bioslurry, conservation agriculture, agroforestry, sustainable livestock production, etc.) contributes to increased incomes.	Essential	To achieve the project's desired outcome for smallholder farmers, a key assumption lies in promoted approaches contributing to increased and diversified incomes and livelihood resilience. To support this assumption, the implementing partners selected proven approaches based on joint experience, lessons learnt, best practices and past and ongoing successful initiatives. Moreover, new and innovative approaches will first be piloted

		on a smaller scale and evaluated in partnership with research institutions before being scaled up.
Private sector actors are interested in expanding their distribution networks and operations and are willing to collaborate with the project.	Essential	PIN, Musika and Impuls Africa have extensive experience mobilizing private sector actors as part of previous and ongoing interventions. This will ensure buy-in from key stakeholders who will be incentivized to collaborate under the proposed project. Long distances, lack of infrastructure and high costs are a key barrier for the private sector to expand their services and linkages. The project will understand key incentives for the private sector to expand and then support these incentives in a sustainable way.
Policy framework remains conducive for growth of SMEs and development of local market for target value chains.	Essential	It is expected that the government will be consistent in policy implementation in line with the 8NDP and that investments into clean energy and establishment and growth of small businesses in climate-resilient value chains will remain a priority. As part of the project implementation, PIN, Musika and Impuls Africa will engage government on the policy level to promote enabling environment for development of alternative value chains and clean energy (including through PIN's active membership in the working group on off-grid clean energy solutions under the Ministry of Energy).
Target population understands the benefits of promoted climate smart practices/solutions	Essential	The consortium partners are building on existing initiatives, which have demonstrated high interest and satisfaction among

and livelihood opportunities stemming from development of climate-resilient value chains.		the target groups. This creates a conducive environment for further scale up of the proposed climate smart approaches.
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5.5 Risks

<i>Risks/risk areas</i>	<i>Likelihood</i>	<i>Measures to mitigate risks</i>
Major natural disasters (e.g. floods and droughts caused by El Niño/La Niña phenomena) occurring in the project target areas.	Medium to High	Zambia is prone to natural disasters exacerbated by climate change. This can affect accessibility of the project target areas and divert funding to meet humanitarian needs. The implementing partners will liaise closely with Disaster Management and Mitigation Unit and Zambia Meteorological Department to anticipate natural disasters and put preventive measures in place.
Other development interventions in the province have a significant impact on farmers' demand and the project's market development goals: Free distribution of inputs and services could negatively affect the project's market development objectives.	Low to Medium	Free distribution of inputs and services could negatively affect the project's market development objectives. This risk will be mitigated by close coordination with other development actors present in the target locations.
Significant price fluctuations in the target value chains as a result of macroeconomic instability and the global increase in prices of commodities.	Medium	Ongoing Russian invasion of Ukraine and macroeconomic instability will have an impact on inflation levels globally, including in Zambia, which may negatively affect the market environment in target value chains. The consortium partners will monitor the situation and aim to cushion the effects of price fluctuations e.g. through regularly informing farmers about developing prices.
Major crop infestations affect agriculture	Medium	Promoted climate smart practices/solutions will

production.		contribute to prevention of pests and crop diseases. Livelihood diversification will lower the risks for farmers and prevent food insecurity caused by production failure.
2026 general elections will usher in a new administration, which will shift government priorities and withdraw support for the proposed intervention.	Medium	The consortium partners will engage closely with key government stakeholders in case of changes in the administration and will involve key technical staff to ensure continuous buy-in and endorsement. Importantly, the project will aim to institutionalize the promoted practices and solutions to mitigate the risk of changes in government priorities.

6. INNOVATIONS AND BEST PRACTICE

6.1 Innovations

The proposed project integrates several innovations that will contribute to strengthened climate change adaptation among rural communities in Western and Southern provinces of Zambia. These include:

- 1) **Innovative and low-cost solutions of biodigesters** made from polyethylene as well as several biogas appliances including biogas “backpacks”, biogas lamps, biogas water pumps, biogas heaters for brooders, etc. Most of the biogas appliances are yet to be tested in the Zambian context. The project will leverage the potential of farm labs to bring key stakeholders together and drive uptake and scale up of these innovative clean energy solutions among the rural population (through private sector engagement and affordable and tailor-made financial products).
- 2) **Biochar as a proven nature-based solution:** In the context of Zambia, biochar is a highly innovative climate adaptation solution, which has only been tested in a limited extent. Previous research projects include interventions of Norwegian Geotechnical Institute and Conservation Farming Unit. Since 2022, PIN has implemented a series of pilot interventions to test the effects of biochar on increased agricultural production, soil health and carbon sequestration and to generate impact evidence. The pilot project of PIN achieved positive results with 85% of farmers participating in the pilot reporting that maize crops planted on plots where biochar was applied performed better than on plots without biochar. Moreover, 100% of target farmers indicated that they will continue producing biochar beyond the end of the project thanks to its tangible livelihood benefits.
- 3) **Use of bioslurry in aquaculture** is an innovative approach that has been recently piloted by PIN as part of the CZDA-funded biogas project. It has achieved considerable impact on

increased aquaculture production and reduced input costs while enhancing environmental sustainability through this ecosystem-based solution. The project will scale up this proven innovation through support of collective actions in marketing of aquaculture produce and production of fish feed (see the Black Soldier Fly Larvae cultivation below).

- 4) **Black Soldier Fly Larvae farming** is a novel and innovative form of insect farming that is recently gaining momentum in the Zambian context. This type of farming has potential to improve the lives of the rural communities who are battling poverty and environmental degradation as a result of poorly managed organic waste as it depends on organic matter for feeding. Like biodigesters, Black Soldier Fly Larvae farming consumes organic waste. Further, Black Soldier Fly Larvae farming provides climate resilient livelihood opportunities to rural farmers and has the capacity to increase their revenue streams, which will significantly diversify incomes and reduce poverty levels. Biodigesters and Black Soldier Fly Larvae farming are complementary technologies that can be established together, as the digestate from the biogas plants can be used as an input in BSFL farming and conservation agriculture, while the larvae can be processed as fish feed to support sustainable and climate resilient aquaculture production by reducing input costs for farmers and producer groups. This will be complementary to the use of bioslurry for increased aquaculture production.

The proposed project leverages a comprehensive, integrated approach to enhance climate resilience among Zambian farmers by combining technological, social, and economic innovations. Living farm labs and demonstration sites are at its core, which serve as interactive platforms to showcase clean energy solutions and climate-smart practices. These hubs will pilot innovations such as the use of bioslurry - a by-product of biogas production - as a sustainable alternative to chemical fertilizers and pesticides, proven to increase agricultural yields by up to 40%. When applied in both agriculture and aquaculture, bioslurry enhances soil fertility, boosts crop productivity, and improves phytoplankton growth, optimizing natural feeding cycles in fishponds. Additionally, applying biochar at these sites will demonstrate its benefits in soil water retention, nutrient enhancement, and carbon sequestration, mitigating climate impacts. Conservation farming techniques like no-till practices, crop diversification, and regenerative methods will be promoted, reducing dependence on external inputs and improving land sustainability.

The project's social and economic components emphasize participatory learning and inclusive market integration. GESI-sensitive climate vulnerability assessments will inform tailored interventions that address the specific needs of vulnerable groups, ensuring equitable access to resources. Exposure visits to model farmers and practical training sessions will drive the adoption of promoted practices, fostering social and behavioural changes. Key innovations include promoting sustainable livestock systems, integrated agroforestry, and cultivating climate-resilient crops like cowpeas, orange maize, and cashew nuts to diversify income and stabilize household finances. By engaging private sector partners, the project will conduct participatory market analyses to identify value chain opportunities in bioslurry, biochar, and alternative crops, encouraging private investment. Farmers will receive climate-smart extension services, market access support, and financial advisory services, while collective marketing actions and the establishment of women- and youth-led SMEs in these value chains will be backed by start-up grants, training, and technology support. Additionally, the project will advocate for integrating these innovations into existing extension systems, such as Farmer Field Schools, reinforcing a sustainable shift towards climate-resilient agriculture. Through this multi-faceted approach, the project will bolster food security, enhance livelihoods, and drive sustainable economic growth, aligned with Zambia's climate adaptation and rural development strategies.

6.2 Best practice

The project is built on successful and proven best practices that have previously contributed to climate adaptation and strengthened livelihood resilience of rural communities in Zambia. This includes the development of the local market for the **biogas technology** that PIN has successfully rolled out in several districts of Western Provinces. The bioslurry generated as a by-product of the biogas technology leads to 40% increase in agriculture yields compared to the use of chemical fertilizers. It also reduced input costs for farmers, making room for other investments.

Moreover, PIN has generated impact evidence that proves that 85% of farmers who participated in PIN's pilot **biochar** projects confirmed that maize crops planted on plots where biochar was applied performed better than on plots without biochar. This has been confirmed by independent monitoring and comparisons with control groups of farmers.

In addition, PIN and CZU's proven impact of using **bioslurry in aquaculture** will be further scaled up as part of the project and promoted as a solution to lowering the input costs of aquaculture farming by replacing expensive fish feed with organic fishpond fertilizer generated by the biogas plants.

Furthermore, the project is built on proven approaches of PIN and Musika in facilitating access of producer groups and farmers to profitable markets by forging long-term relationships and contracts between farmers and off-takers, aggregators, buyers and other private sector actors to secure sustainable revenue streams for low-income groups.

7. SUSTAINABILITY

7.1 Local ownership

Local ownership is a key principle driving the design of the action with the aim of avoiding dependency on external funding and assistance. The project's market systems development approach will ensure that the identified income generating opportunities for middle-scale farmers and producer groups are viable, profitable and financially sustainable in the long run. The approach will also ensure that the support systems (innovative technology, policy measures, financial and market information services) around them are strengthened to continue supporting their livelihood diversification and resilience. Market systems development approach and collaboration with private sector including large agro-businesses with aligning values will channel sustainable financing and income to climate-vulnerable farmers and producer groups through strengthened inclusivity of local value chains. Importantly, the project will achieve long-term policy changes on the institutional level by working closely with key government institutions including the Ministry of Agriculture, Ministry of SME Development, Ministry of Livestock and Fisheries, etc. These stakeholders will strengthen their capacities and knowledge about the promoted climate smart approaches/solutions and will support their long-term uptake through incentives, support programmes and a favorable policy environment. Based on a locally led approach, the action was designed with inputs from the target groups, project participants as well as all other stakeholders involved in the intervention. Such coordination and involvement will continue during implementation through results-based monitoring and community feedback and response mechanism. This will allow target groups and stakeholders to express their opinions and inform project implementation throughout the project cycle.

7.2 Other factors influencing sustainability

Policy sustainability: The project will aim to achieve sustainability on the policy level through

extensive advocacy and dialogue with key government departments at the national level. PIN and Musika have strong partnerships with national level authorities and will aim to document evidence from the project implementation to develop policy briefs and other advocacy position papers that will support policy dialogue and lobby for institutionalization of the promoted climate smart and ecosystem-based approaches and solutions in relevant national strategies and development plans. In the long-term, this will further strengthen the uptake of the promoted solutions among the target groups.

Institutional sustainability: One of the key objectives of the project is to support long-term institutional sustainability of local actors with a focus on target middle-scale farmers and producer groups, women and youth-led SMEs, extension networks, private sector actors, etc. Throughout the action, the consortium partners in partnership with private and public sector stakeholders will build capacities and skills of farmers and producer groups and the SMEs in climate smart agricultural practices, business plan development, financial literacy, access to finance, markets, etc., which will lead to long-term sustainability. This will be further reinforced through strengthened provision of public and private extension services and enhanced market linkages between middle-scale farmers/producer groups and large-scale farmers and agri-businesses. Moreover, the consortium partners will work with key government institutions at local and national levels to build capacity and institutionalize proven climate resilient approaches and solutions in relevant policy documents and action plans.

Economic sustainability: The project envisions a sustainable and lasting economic impact on its target groups, creating benefits that extend well beyond the project's duration and into the broader community. Target middle-scale farmers and producer groups will gain stable income streams as a result of enhanced access to profitable markets in the target value chains. Strengthened access to finance and linkages with profitable markets will enable farmers and producer groups to establish a productive, stable foundation that will drive revenue and economic resilience after the project ends. At the same time, the project will also strengthen the market ecosystem that will drive income diversification and other economic opportunities in the long-term. Established contracts between middle-scale farmers/producer groups and large-scale farmers/agro-businesses coupled with institutional strengthening and strengthened provision of financial, extension and business development services will ensure long-term economic benefits for the target groups. The project's environmental objectives further enhance its impact and sustainability by promoting climate smart practices and nature-based solutions. Middle-scale farmers and producer groups will learn climate smart agricultural practices and adopt methods that preserve local ecosystems, such as biogas technology, agroforestry, regenerative and conservation agriculture, sustainable livestock production, biochar, etc. This secures long-term productivity for farmers and strengthens local environment, supporting biodiversity and benefiting other agricultural activities. Environmental resilience is essential for ensuring that the target value chains remain viable, even as climate patterns shift. Importantly, social inclusion and gender equality are embedded throughout the project, targeting primarily female and youth farmers. Women-led SMEs bring long-term social benefits as women often reinvest in their communities, promoting education, health, and economic benefits. Youth-focused support will help curb migration by offering viable local economic opportunities, keeping young talent within the community and reinforcing social cohesion as well as long-term economic sustainability. The combined impacts of income generation, value chain strengthening, environmental sustainability, social inclusion, and institutional capacity building create a foundation for lasting resilience and economic sustainability, positioning local communities in Western and Southern provinces to adapt and thrive over time.

Environmental sustainability: The consortium partners will adhere to high environmental standards and to PIN's Environmental Policy. PIN Procurement guidelines describe and promote purchasing of products and services that cause minimal negative environmental impact without compromising on quality of products or services. The guidelines include the following considerations: localization of procurement, reduction of packaging and plastics, increased durability of distributed items, reduction of the transport-related CO₂ production, preference of certified “green” suppliers and products as well as other measures. To accommodate these requirements, PIN procurement guidelines introduced environmental sustainability criteria with the value of 10% on the appraisal grid, which will, to a maximum extent and wherever relevant, accommodate all above-mentioned considerations. For each activity proposed as part of this project, PIN and the consortium partners have taken into careful consideration the potential impact on the local environment and chosen to implement solutions, which will have low environmental impact. Overall, the project is locally driven and with a focus on promoting several nature and ecosystem-based solutions (biochar, biogas technology, regenerative farming, agroforestry, etc.) that will lead to strengthened climate adaptation and livelihoods of local communities and, at the same time, contribute to ecosystem restoration and protection of biodiversity, leading to long-term environmental sustainability.

7.3 Exit strategy and multiplier effect

Exit strategy: The design of the project integrates robust capacity development component that will aim to strengthen local agency and enhance knowledge of target groups and key stakeholders to drive uptake and adoption of the promoted climate smart practices, technologies and solutions beyond the project timeframe. The action is designed to build the support systems around rural communities that will enable farmers and producer groups to access affordable finance and sustainable revenue streams well after the project ends. This will be supported through robust policy, institutional, economic and environmental sustainability measures described in the chapter above. In addition, the project will work hand in hand and through private sector partners to ensure continuity after the end of the implementation. It is envisioned that the financial literacy training and provision of financial services will be led by identified financial institutions and the supported women and youth-led SMEs will establish long-term business linkages with existing private sector actors to expand to new markets. This approach, along with extensive advocacy and policy engagement with key government authorities on the national level, will ensure robust exit strategy, and scalability of the proposed project. Furthermore, the multiplier effect of the project will be ensured through the below mentioned measures.

Multiplier effect: PIN and the consortium partners developed the following dissemination plan to ensure scalability and multiplier effect through the following channels, tools and key activities:

- Methodological tools, resources and training manuals/materials available online through PIN's knowledge and learning resource centre⁴²; disseminated in English to professional audience.
- Technical outputs from the implementation of the project (CVA, market analysis, etc.) will be developed in English and Czech and target key private and public sector stakeholders, and local civil society.
- Policy briefs developed and disseminated to key stakeholders during policy roundtables to ensure multiplication of the project approaches and replicability (A2.5).
- Final evaluation outlining the project outcomes and impact including key lessons learnt for dissemination. Developed in English and shared with professional audience and local and

⁴² <https://resources.peopleinneed.net/>

international development community.

- The methodological approaches of the action ensure that business development of target private sector actors and provision of financial, extension and business development services will continue beyond the timeframe of the action, which will multiply the action's outputs and outcomes in the long-term.
- Dedicated advocacy and policy engagement activities targeting province and national-level government authorities to ensure scalability of proposed climate-smart and nature-based solutions, technologies and practices promoted as part of the project.
- Videos, photographs and case studies from the action disseminated via partners' online platforms and social media (Facebook, Twitter, Instagram, etc.). Communication outputs will be developed in English and local languages and target mainly Zambian and European public.

8. ORGANIZATIONAL COMPETENCIES

8.1 Organizational management of the project

The proposed project will be implemented by a consortium of partners comprised of both local and international actors possessing adequate technical capacity, knowledge of the local contexts and experience with similar actions. The lead of the proposed intervention is the non-governmental organization **People in Need** that has been active in Zambia since 2017, focusing mainly on climate resilience, nutrition, emergency preparedness, sustainable livelihoods and environment, and good governance. PIN will implement the proposed project together with **Musika** and **Impuls Africa**, local Zambian non-profit and private sector partners, and with the involvement of the **Czech University of Life Sciences** for specific research-oriented activities.

PIN as the lead applicant will be responsible for overall coordination and project oversight. PIN will employ its Market Systems Development (MSD) approach⁴³ and work together with Musika and Impuls Africa to strengthen market linkages and market relationships in the target climate resilient value chains. The aim of the approach is to facilitate access of producers to sell their products in more profitable markets through effective engagement of the private sector. MSD approach aims to understand and intervene in markets so that they perform more beneficially and sustainably for all community members. In addition, PIN will lead the SBC and advocacy components of the project and make use of its social and behavioural change methodology⁴⁴ to promote adoption and shift to climate smart practices, solutions and technologies. Finally, PIN will ensure that key quality standards are followed during the implementation and robust MEAL framework is designed to monitor and evaluate the project's performance and impact.

Musika, as the implementing partner with strong and long-lasting presence in target provinces, will work with private sector actors and financial institutions to foster market linkages, facilitate improved market access for middle-scale farmers and producer groups and forge long-term partnerships and contracts between farmers and private sector actors. Musika, along with PIN, will leverage its robust expertise to lead on the financial inclusion component of the project and improve access of middle-scale farmers and producer groups to affordable finance by working with local financial service providers, off-takers, out-growers and other private sector actors. Musika will also build on its previous experience working in the target value chains and scale up proven solutions and best practices. See Musika's track record in the chapter below.

⁴³ <https://resources.peopleinneed.net/files-filter/market-development-17c#key-resources-pin-2018-good-practice-guide-improving-small-producers-access-to-profitable-markets-68-461>

⁴⁴ <https://www.behaviourchange.net/>

Impuls Africa is a Zambian-registered company that specializes in delivering agricultural consultancy and extension services in the SADC region. Owned by a cooperative of over 100 farmers and a seasoned agri-entrepreneur, the Impuls Africa team brings more than 75 years of combined expertise in agriculture and livestock services. Impuls Africa has a strong track record of successfully developing and implementing large-scale projects in agriculture, livestock, agroforestry, apiculture, and horticulture value chains. The considerable advantage of Impuls Africa is that it already works with a network of identified producer groups, middle-scale farmers, large-scale commercial farmers and private and public sector stakeholders. In addition, Impuls Africa will lead on the establishment of demonstration sites for agroforestry and sustainable livestock production and deliver a series of capacity development actions to target farmers and producer groups. In addition, it will leverage its robust network of private sector actors to offer market, finance and climate smart extension services to the target groups.

CZU is an implementing partner with strong expertise in the promotion and testing of innovative climate smart solutions as well as gender and SBC dimensions of rural development. Since 2015, CZU has been working with producer groups and farmers in the context of Zambia to develop climate resilient value chains and contribute to strengthened food security and poverty alleviation.

For involvement and roles of other project stakeholders, please refer to the target group section above.

Name of partner organization	Co-finance	Relevant activities/outputs
PIN	3,333,350.00 CZK	Outputs 1, 2 and 3
Musika	N/A	A1.1, A1.2, A1.3, A3.1, A3.2, A3.3
Impuls Africa	N/A	A2.2, A2.3, A2.4
CZU	N/A	A1.4, A2.1, A2.2, A2.3, A2.5, A3.2

8.2 Technical oversight of the project

PIN has been present in Zambia since 2017 and currently has 2 offices, in Western Province (Mongu) and the capital, Lusaka. PIN delivers multi-sectoral assistance to climate vulnerable communities in rural and urban areas of Zambia. PIN Zambia has 2 expatriate and more than 40 national staff. On average, PIN assists 37,471 individuals annually. PIN primarily focuses on climate resilience (climate smart energy solutions, climate resilient food systems, climate resilient landscapes), civil society and inclusive governance and emergency response and preparedness. PIN's projects in Zambia have been funded by the European Commission, Czech Aid, UNICEF, UNDP, Jersey Overseas Aid as well as from PIN internal funds. Having a long-term in-country physical presence and high professional expertise, PIN ensures maximum quality assurance and impact of the proposed intervention.

The proposed project will be managed by experienced team of PIN based directly in Zambia and supported by technical advisers based at Prague headquarters. In Zambia, the project will be supervised and implemented by a local team with extensive knowledge of the Zambian context and with previous track record of climate resilience, sustainable livelihoods and climate smart agriculture projects. Importantly, the in-country team will be supported by a pool of in-house technical experts and advisors in market systems development, climate resilience, monitoring and evaluation and others. PIN's mandate is to work hand in hand with the target communities, bring technical expertise and proven methodological approaches, promote the value of Czech Development Cooperation and promote a shift in existing power dynamic by providing local partners in Zambia with larger responsibility and financial resources to address the needs of their communities. Throughout the years, PIN has achieved a reputable position in Western Province through the biogas programme funded by

Czech Aid, which has attracted attention and support of both the Government of Zambia and the Barotse Royal Establishment (traditional leadership structure in Western Zambia). PIN has managed to enhance the visibility of the Czech Development Cooperation by joining various technical working groups, coordination platforms at national and provincial levels and expert networks in the climate resilience programme pillar. The proposed project will further enhance the visibility and track record of Czech flagship programmes and Czech solutions.

PIN programme team will work closely with experienced team from **Musika**, a local nonprofit enterprise established in Zambia. Musika has been implementing and managing various multi-year programmes funded by the WFP, FCDO, NORAD, Irish Aid and SIDA. The programmes that Musika implements are aimed at strengthening value chain production, farmers capacity, financial inclusion and commercial development of Zambian agribusinesses. Musika has long-term presence across the entire country including the target provinces and the proposed project builds on expertise of its local team including technical experts in market systems development, private sector engagement, financial inclusion, climate smart agriculture, women economic empowerment etc. Musika's extensive knowledge of the context in the target provinces, experience working in target value chains, existing networks of market actors including commercial farmers, financial service providers and private sector stakeholders and close collaboration with local government authorities are key to the achievement of project objectives.

Impuls Africa is a company owned by a cooperative of farmers and a pool of entrepreneurs and over the last decades it has been implementing several multi-year programmes funded by USAID, FCDO, UNDP, SIDA, Irish Aid, the EU Delegation and Czech Aid. Impuls Africa, already extensively working with Musika and familiar with Czech Aid programs, has a multi-year experience in the livestock and agriculture landscape in Zambia. Its knowledge of the local market ecosystem, readily available training packages for extension officers and farmers and established linkages with agro-dealers brings significant added value to the proposed project.

In addition, as part of the implementation, PIN will involve experts from **CZU** to lead the research component of the project and implement various innovative approaches described above. Importantly, CZU will provide continuous technical backstopping and oversee the experimental component of the intervention.

Position	Name	Main responsibilities
Country Director, PIN (10%)	xxxxx	<ul style="list-style-type: none"> - Overall supervision during project implementation and achievement of planned outputs and objectives - Supervision of the Head of Programmes - External presentation of the project to key local and international stakeholders
Head of Programmes, PIN (10%)	xxxxx	<ul style="list-style-type: none"> - Direct supervision of the Project Manager - Overall implementation support to the project team with specific focus on programme quality and monitoring and evaluation - Regular monitoring of the project implementation sites - Supervision of monitoring and evaluation unit, compilation of lessons learnt and best practices - Ensuring compliance of the programme with all financial management and reporting requirements

Project Manager, PIN (100%)	TBC	<ul style="list-style-type: none"> - Management of the entire project cycle with the focus on timely and quality implementation of the proposed project activities in accordance with the project budget - Management of project spending and preparation of regular financial forecasts to ensure compliance - Approval of project expenditures in line with the proposed budget - Cooperation with key project stakeholders to ensure synergy with other interventions - Supervision of PIN Field Coordinators and cooperation with project partners (Musika, Impuls Africa and CZU) - Ensuring the visibility of CZDA and the project - Preparation of project reports including mid-term, annual and final
2 Field Coordinators, PIN (100%)	xxxxx	<ul style="list-style-type: none"> - Supervision and implementation of all activities in the field with a focus on financial inclusion, market access and technical capacity development in biogas technology, biochar production, conservation agriculture, aquaculture, etc. - Daily interactions with all project target groups and stakeholders
MEAL Officer, PIN (20-30%)	xxxxx	<ul style="list-style-type: none"> - Oversight of all project monitoring and evaluation activities including baseline/endline studies, mid-term and final project evaluations - Alignment of project and monitoring and evaluation activities - Participation in the CVA and value chain analyses - Contributions to project reports with a focus on presentation of data and evidence from the monitoring and evaluation activities
Programme Manager for Southern Africa, PIN (5%)	xxxxx xxxxx	<ul style="list-style-type: none"> - Overall supervision of project implementation and achievement of planned results and objectives - Supervision of budget spending - Approval of expenditures above a certain limit according to PIN's internal rules
Finance Coordinator, PIN (5%)	xxxxx	<ul style="list-style-type: none"> - Overall supervision of the project's financial management and planning - Approval of expenditures above a certain limit according to PIN's internal rules
Advisor for Market Systems Development (5%)	xxxxx	<ul style="list-style-type: none"> - Technical guidance and supervision of project activities with a focus on Market Systems Development
Advisor for Climate Change (5%)	xxxxx	<ul style="list-style-type: none"> - Technical guidance and supervision of project activities with a focus on climate smart approaches and CVA

Project Coordinator, Musika (100%)	xxxxx	<ul style="list-style-type: none"> - Supervision of all activities implemented by Musika with a specific focus on market/input/information/finance access in target value chains - Close cooperation with PIN Project Manager, other team members and the project partners from Impuls Africa and CZU - Approval of project expenditures on behalf of Musika - Liaising with key project stakeholders and maintaining close relationships with private and public sector actors
2 Project Coordinators, Impuls Africa	xxxxx	<ul style="list-style-type: none"> - Working directly with middle-scale farmers and producer groups, implementing capacity development actions and establishing demonstration sites - Working closely with target private and public sector actors to provide market, finance and climate smart extension services to farmers and ensure diversification of incomes and livelihoods of farming communities
Managing Director, Impuls Africa	xxxxx	<ul style="list-style-type: none"> - Will provide overall technical supervision and backstopping of the activities managed by Impuls Africa in line with proven and successful implementation approaches and methodologies
Expert of bioslurry value chain, CZU	xxxxx	<ul style="list-style-type: none"> - Will provide technical expertise in the bioslurry value chain and development of the market for biogas technology - Oversee the innovative and experimental component of the project with a focus on biogas plants and biogas appliances
Expert on aquaculture, CZU	xxxxx	<ul style="list-style-type: none"> - Will provide technical expertise in using bioslurry in aquaculture and ensure scale up of the promoted practice among the target farmers and producer groups through community fishponds - Oversee the experimental component of Black Solider Fly Larvae cultivation and production of climate smart fish feed
Expert on equality, inclusion and diversity/agricultural extension, communication and SBC, CZU	xxxxx	<ul style="list-style-type: none"> - Providing expertise regarding the biogas technology acceptance and adoption from socio-economic and environmental perspectives - Designing gender-responsive measures in implementation, dissemination of biogas technology, use of bioslurry, inclusive value chains and awareness raising - Providing ToT for the project team and MoA extension officers - Observation in the field and identifying social, economic, environmental, and technical gaps in the implementation - Development of feasibility studies

The CVs of key personnel from PIN, Impuls Africa, Musika and CZU with their professional qualifications and previous experience are attached to the proposal.

9. VISIBILITY

At the beginning of the implementation, PIN and the consortium partners will design the project's Visibility and Communication Plan ensuring that key stakeholders are aware of the role of the Czech Development Cooperation, PIN and its partners in the project as well as the way in which Czech Aid, PIN and its partners are contributing to strengthened climate adaptation, poverty alleviation and enhanced food security of climate vulnerable communities in Western and Southern provinces of Zambia. The strategy will be in line with Czech Aid's visibility rules (Metodický pokyn České rozvojové agentury k vnější prezentaci zahraniční rozvojové spolupráce ČR) and manual on graphic standards (Manuál loga). All visibility and communication outputs will be consulted and shared with CZDA prior to their external publication. Most communication and visibility outputs will be disseminated in English, Czech and local languages (Lozi, Tonga) and will target a diverse audience including project target groups, donors, government authorities, research institutions, other civil society actors and general public, as follows:

Communication tools and channels	Target audience
Czech Aid emblem – Used on project's presentation products and where relevant (on material, supplies and presentation outputs as well as during trainings, meetings and workshops), the project team will use the phrase „This project is funded by the Czech Aid” to highlight the role of CZDA.	Target groups, donors, media, government representatives, civil society, cooperating partners of the Czech Embassy in Lusaka
Banners/leaflets/posters/publications - At least 2 banners and at least 30 project posters displaying Czech Aid and partners' logos used during events/workshops/trainings; at least 500 leaflets with information about the project distributed to stakeholders at launching event, workshops and other occasions.	Target groups, donors, media, government representatives, civil society, cooperating partners of the Czech Embassy in Lusaka
Social media - Project activities presented on PIN, Musika, Impuls Africa and CZU's social media channels on a regular basis, linked to Czech Aid sites (over 135,000 followers on PIN social media networks); material published in English and Czech on PIN websites (40,000 unique users monthly).	Zambian and Czech public; public around the world through social media channels, cooperating partners of the Czech Embassy in Lusaka
People in Need newsletters - Project outlines and inspiring stories from the farmers will be shared in the quarterly newsletter PIN shares with its network. The newsletter will be shared with Czech Aid and the Embassy.	Zambian and Czech public, donors, cooperating partners of the Czech Embassy in Lusaka, private and public sector stakeholders
People-centred stories – at least 2 human-interest stories written and published/promoted on partners' online channels, linked to Czech Aid pages	Zambian and Czech public; public around the world through social media channels
Media outreach - local/regional media outlets and radio stations will be engaged during the project activities and invited to relevant events. As part of the project's social and behavioural change campaign, radio and TV stations will disseminate	Target groups, government representatives, general public in Zambia

information about the promoted climate smart practices and solutions while highlighting the role and support of Czech Aid.	
Annual report - project's impact on strengthened resilience of smallholder farmers in Zambia will be mentioned in PIN's Annual Report (Czech and English versions), published on PIN website and promoted on social media channels	Czech public; relevant authorities in Zambia, cooperating partners of the Czech Embassy in Lusaka, donors and civil society



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Annex III - PROJECT BUDGET STRUCTURE

Total project costs:	Unit	Number of units	Unit price (in CZK)	Total project costs (in CZK)
5. Subcontracts - services or equipment fully provided by external suppliers, always strictly subordinate to relevant activities (for their approximate, rough categorization, see the Instructions for Completion sheet); all tangible outputs must be handed over to the target group/beneficiaries of the project for use without delay				
Activity 1.4				278,834.00
5.1 Survey, construction, assembly, etc. technical work				0.00
5.1.1 type of work (responsible company/person, if known)	month/day			0.00
5.1.2 Type of work (responsible company/person, if known)	month/day			0.00
5.2 Supply of equipment, materials and goods				0.00
5.2.1 specific supplies must be specified	material/goods			0.00
5.2.2 specific supplies must be specified	material/goods			0.00
5.3 Expert services				278,834.00
5.3.1 Salary for CZU expert - Biogas and Bioslurry	person/day	10.00	4,000.00	40,000.00
5.3.2 CZU - Administration, management and consultation	month	12.00	8,958.34	107,500.00
5.3.3 Travel costs of CZU experts	expert/14 days	2.00	65,667.00	131,334.00
5.4 Other type of services				0.00
5.4.1	service/month			0.00
5.4.2 Type of service (responsible company/person, if known)	service/month			0.00
Activity 2.2				285,167.00
5.1 Survey, construction, assembly, etc. technical work				0.00
5.1.1 type of work (responsible company/person, if known)	month/day			0.00
5.1.2 Type of work (responsible company/person, if known)	month/day			0.00
5.2 Supply of equipment, materials and goods				0.00
5.2.1	material/goods			0.00
5.2.2 necessary to specify the specific services supplied	material/goods			0.00
5.3 Expert services				285,167.00
5.3.1 Salary of CZU experts – biogas and bioslurry	person/day	11.00	4,000.00	44,000.00
5.3.2 Salary of CZU experts – aquaculture	person/day	17.00	4,000.00	68,000.00
5.3.3 CZU – administration, management and technical consultations	month	12.00	8,958.34	107,500.00
5.3.4 Travel costs of CZU experts	expert/14 days	1.00	65,667.00	65,667.00
Activity 3.1				36,000.00
5.1 Survey, construction, assembly, etc. technical work				0.00
5.1.1 type of work (responsible company/person, if known)	měsíc/den			0.00
5.1.2 Type of work (responsible company/person, if known)	měsíc/den			0.00
5.2 Supply of equipment, materials and goods				0.00
5.2.1 must specify specific delivered	materiál/zboží			0.00
5.2.2 must specify specific delivered	materiál/zboží			0.00
5.3 Expert services				
5.3.1 Salary of CZU experts – biogas, bioslurry, aquaculture, gender, SBC	person/day	9.00	4,000.00	36,000.00
Total cost				600,001.00

Report for: People in Need / Člověk v tísni, o.p.s. address:		PIN - Zambia	
1	Name of the Contractor/Partner		
2	Project Title		
3	Project Location		
4a	Grant Amount (funding from PIN as in contract)	Amount	Currency
5	Total Contractor's/ Partner's Implementation Period (as in contract)	From	To
6	Period Covered by this Report	From	To

Budget as per Agreement and Budget Utilization Table						Time elapsed:	#N/A						
BL. No.	Budget Category	a.1) Indicative Budget in ZMW	a.2) Construal Budget in EUR	b.1) PREVIOUS Reporting Period Expenditures - Cumulative (ZMW)	b.2) PREVIOUS Reporting Period Expenditures - Cumulative (EUR)	c.1) CURRENT Reporting Period Expenditures (ZMW)	c.2) CURRENT Reporting Period Expenditures (EUR)	d.1) TOTAL Expenditures (ZMW)	d.2) TOTAL Expenditure (EUR)	e.1) Indicative Balance (ZMW)	e.2) Balance (EUR)	f) Spending (%)	g) Forecast next period (ZMW)
	Subtotal Human Resources	0.00	€ -	0.00	€ -	0.00	€ -	0.00	€ -	0.00	€ -	0.00%	0.00
	Subtotal Travel	0.00	€ -	0.00	€ -	0.00	€ -	0.00	€ -	0.00	€ -	0.00%	0.00
	Subtotal Equipment and supplies	0.00	€ -	0.00	€ -	0.00	€ -	0.00	€ -	0.00	€ -	0.00%	0.00
	Subtotal Project office	0.00	€ -	0.00	€ -	0.00	€ -	0.00	€ -	0.00	€ -	0.00%	0.00
	Subtotal Other costs, services	0.00	€ -	0.00	€ -	0.00	€ -	0.00	€ -	0.00	€ -	0.00%	0.00
	Subtotal Other	0.00	€ -	0.00	€ -	0.00	€ -	0.00	€ -	0.00	€ -	0.00%	0.00
	Total Direct Costs	0.00	€ -	0.00	€ -	0.00	€ -	0.00	€ -	0.00	€ -	0.00%	0.00
7	Total Project Costs	0.00	€ -	0.00	€ -	0.00	€ -	0.00	€ -	0.00	€ -	0.00%	0.00

Expected expenditure for next reporting period

to:

8a	Cumulative Funds Received during all Previous Reporting Periods from PIN	0.00	equals Total of column b) of budget above
9	Cumulative Expenditures for all Previous Reporting Periods reported to PIN		
10	Balance at the End of Previous Reporting Period	0.00	

to:

11	Balance Beginning of Current Reporting Period	0.00	equals Balance at the End of Previous Period (line 10)
12a	Funds Received during Current Reporting Period from PIN		
13	Expenditures for Current Reporting Period reported to PIN		equals Total of column c) of budget above
14	Balance at the end of Current Reporting Period	0.00	

15	Installment amount according to the Agreement between PIN and Contractor/Partner	0.00	
16	Balance at the end of Current Reporting Period	0.00	equals Balance at the end of Current Reporting Period - line 14
17	PAYMENT REQUEST	0.00	equals line 15 minus line 16, if line 16 is positive, equals line 15 if line 16 is negative

The undersigned hereby certifies: (A) that all payment of the sum claimed is proper and due and that appropriate refund to PIN will be made promptly upon request in the event of disallowance of costs not reimbursable under the terms of the sub grant; (B) that information on the fiscal report is correct and such detailed supporting information as PIN may reasonably require will be furnished promptly to PIN on request; (C) that all requirements called for under the sub grant agreement to date of this certification have been met.

Date and signature _____

Date and signature _____

Date and signature _____

Outline for the narrative report

- Title page
- Introduction
- Project activities
- Results and outcomes
- Challenges and solutions
- Risks identified and mitigation measures adopted
- Conclusion
- Attachments



PIN Code of Conduct – ESSENTIAL PRINCIPLES

The other language versions can be found on this link/ Les autres versions linguistiques peuvent être trouvées sur ce lien/ As outras versões linguísticas podem ser encontradas neste link/ Версии на других языках можно найти по этой ссылке/ Інші мовні версії можна знайти за цим посиланням/ بِمَكَانِ الْعُثُورِ عَلَى إِصْدَارَاتِ اللُّغَاتِ الْآخَرَى عَلَى هَذَا الرَّابِطِ

<https://peopleinneed.canto.global/b/HM73G>

Introduction

People In Need (PIN) is a non-governmental, non-profit organisation providing relief and development assistance worldwide, supporting democratic efforts and promoting human rights in the world and promoting social improvement for the poor or vulnerable families through counselling and educational services in the Czech Republic.

PIN is committed to the best practice and quality of work of its staff, its partner organisations and other third parties, including the suppliers.

The purpose of the document PIN Code of Conduct – Essential Principles (hereinafter Essential Principles) is to provide clear guidance on the standards of behaviour required by all PIN implementing partners, civil society organisations, INGOs, networks, alliances, and suppliers, involved in PIN programmes, further referred to as “third parties”.

Any unacceptable behaviour breaching this Code may result in termination of the contract with PIN. Whilst recognising that laws and cultures differ considerably from one country to another, the Code is based on international legal standards, universal principles of codes of conduct and basic human rights¹.

STANDARDS OF CONDUCT

The management and legal representatives of the PIN third parties are obliged to ensure that their staff (including employees, consultants and volunteers) will avoid any unacceptable behaviour and they will comply with the following standards:

◆ Highest standard of personal and professional conduct

All PIN third parties must ensure that their behaviour during and outside of work supports PIN’s positive reputation.

All people have to be treated with respect and dignity. Any forms of discriminative behaviour on the basis of race, gender, religion, social status, colour, national or ethnic origin, age, disability, sexual orientation and others are unacceptable.

Any behaviour likely to cause harm to children, including physical, sexual, emotional abuse and neglect, is prohibited.

¹ Rights formulated in the Universal Declaration of Human Rights, the UN Convention on Rights of the Child and the UN Convention on Elimination of All Forms of Discrimination Against Women.

PIN third parties have to observe local laws and cultural norms and behave in culturally sensitive manner, as long as the rules of local laws do not contradict international legal standards, universal principles of Codes of conduct and basic human rights

PIN third parties should always use appropriate language, appear and dress in a way corresponding to their position and given situation, creating a respectable and positive perception of PIN.

The possession, distribution or consumption of illegal substances at the work place (including vehicles) or when on duty is strictly forbidden. Any type of work under the influence of alcohol, drugs or any illegal substance is not acceptable.

◆ No involvement in activities which are illegal or might compromise the work of PIN

- ◆ Taking part or supporting any illegal or criminal activities is unacceptable. This principle does not apply to activities designated as illegal by state authorities if such activities are expression of promotion of basic human rights.
- ◆ Abuse or exploitation of children or adults in any way or any activities contravening basic human rights are forbidden.
- ◆ Any other inappropriate behaviour or action that might jeopardise PIN's reputation must be avoided.
- ◆ In case a PIN third party (or its staff) is subject to **criminal prosecution** they are obliged to inform their PIN Focal Point immediately.
- ◆ Direct or indirect support of terrorism or any cooperation with the sanctioned entities

◆ No corruption and no conflicts of interest

No corrupt or fraudulent behaviour is acceptable.

PIN third parties have to avoid any situation where personal interests could be in conflict with the interests of PIN.

Corruption

Corruption is an abuse of the entrusted power for the private advantage of any person. This includes offering, giving, demanding or receiving financial or material gifts, loans, rewards, provisions or any other advantages from/to a third person as incentive to achieve something which is dishonest, illegal or breaching confidence within the framework of contractual relations. This refers in particular to:

- ◆ Bribery and the acceptance of bribes, excessive gifts or favours in return for PIN support, goods or services
- ◆ Granting and receiving advantages, including return parts of contractual payments ("kickbacks")
- ◆ Facilitation payments
- ◆ Fraud and embezzlement (utilization of the entrusted funds for personal use)
- ◆ Agreements reducing competition
- ◆ Extortion and money laundering

Fraud

Fraud is a theft or misuse of funds or other resources, which may or may not also involve misstatement of financial documents or records to conceal the theft or misuse. Examples of fraud include, but are not limited to, the following:

- ◆ Theft of funds or any other PIN property
- ◆ Falsification of costs or expenses
- ◆ Forgery or alteration of documents
- ◆ Destruction or removal of records

- ◆ Inappropriate use of project assets or funds
- ◆ Seeking or accepting cash, gifts or other benefits from third parties in exchange for preferment of the third parties in their dealings with PIN
- ◆ Blackmail or extortion
- ◆ Paying of excessive prices or fees to third parties with the aim of personal gain

Procedures for resolving conflict of interests

All PIN third parties have a duty to primarily avoid entering into any conflict of interest. In case such a situation is or might be likely to happen, every PIN third party has to acknowledge this fact as soon as possible to their PIN focal point for further consultation. Failing to do so may result in disciplinary or contractual measures.

- ◆ Several options are available for mitigation of conflict of interests or mitigation of consequential risks. It is up to the decision of relevant supervisor to choose the adequate means of resolving the given situation.

No bullying, harassment, discrimination, intimidation or abuse

Actions of PIN third parties should be fair and honest. All people have to be treated with dignity and respect and PIN third parties must never engage in any humiliating, degrading or exploitative behaviour.

Any form of physical violence - unless in self-defence – is unacceptable and will lead to immediate dismissal. The use of inappropriate, violent or offensive language in oral or written form towards others is not acceptable.

No Trafficking in persons

Trafficking in persons means the recruitment, transportation (including failure to provide return transportation), transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation.

No Modern Slavery

Modern slavery refers to situations where one person has taken away another person's freedom – their freedom to control their body, their freedom to choose to refuse certain work or to stop working – so that they can be exploited. Freedom is taken away by threats, violence, coercion, abuse of power and deception.

◆ No sexual exploitation, abuse and harassment

In order to protect the most vulnerable adults and children, and to ensure the integrity of PIN international activities, the following six Core Principles must be adhered to:

1. Child abuse and sexual exploitation, abuse and harassment by PIN third parties constitute acts of gross misconduct and are therefore grounds for termination of contract or legal action.
2. Sexual activity with children (persons under the age of 18) is prohibited regardless of the age of the majority or age of consent locally. Mistaken belief in the age of the child is not a defence.
3. Exchange of money, employment, goods, or services for sex, including sexual favours or other forms of humiliating, degrading or exploitative behaviour by PIN third party staff is prohibited. This includes the exchange of assistance that is due to program participants.
4. Sexual relationship between the third-party staff and the recipient of assistance from the PIN project, who directly benefits from the delivery made by the third party can be based on inherently unequal power dynamics and may undermine the credibility of PIN and its work. As such, PIN considers it unacceptable.
5. Where a PIN third party staff develops concerns or suspicions regarding sexual abuse, harassment or exploitation and child abuse by a fellow worker, whether in PIN or not, he or she must immediately report such concerns via the established agency reporting mechanisms.
6. PIN third parties are obliged to create and maintain an environment that prevents child abuse and sexual exploitation, abuse and harassment.

◆ No child abuse

Keeping in mind that behaviour and actions taken towards children need additional sensitivity, it is important to highlight behaviour that should be observed and/or avoided **when in direct contact with children**.

PIN third parties must

- ◆ Treat children with dignity and respect regardless of ethnicity, race, gender, age, language, religion, political or other opinion, disability, or other status.
- ◆ Behave appropriately; make sure that language is moderated in their presence and refrain from adult jokes or comments that may cause discomfort or offence.
- ◆ When working in the proximity of children be visible and, wherever possible, ensure presence of another adult.
- ◆ **In relation to child labour**, PIN observes the Convention on the Rights of the Child, which stipulates that children's work should not jeopardize any of their other rights, including the right to education, or the right to relaxation and play. At the same time, „*state parties shall provide a minimum age for admission to employment* “. **PIN third parties should therefore act in compliance with the Convention and relevant legislation in the given country.**
- ◆ Raise voice (report) when having concerns about child's protection and safety.
- ◆ When collecting data from children (during assessments, monitoring and evaluation, etc.) reduce the risk of potential harm by using culturally appropriate ways of communication, obtaining informed consent, ensuring confidentiality and not asking about painful experiences. If distressing data has to be obtained, try to use indirect data collection methods and be prepared to refer the distressed child to professional care.
- ◆ When getting and/or using **children's images** for visibility purposes (i.e. photographing or filming a child/children):

- ▶ Ensure that the products (e.g. photographs, films, videos) present children in a dignified and respectful manner, with children being adequately clothed and not in poses that could be misleading or seen as sexually suggestive
- ▶ When taking an image of a particular child for a specific purpose (medialization, advocacy, fundraising, etc.), explain how the product will be used and for that obtain legitimate consent from the child, whenever possible also from a parent or guardian of the child
- ▶ Ensure that images of children availed for public use do not reveal any identifying information

Staff of PIN's third parties must not:

- ◆ Touch a child in an inappropriate or culturally insensitive manner (personnel in direct medical care positions are to follow International and/or local country industry best practice guidelines)
- ◆ Use language or demonstrate behaviour that is harassing, abusive, demeaning, sexually provocative, or culturally insensitive towards children
- ◆ Engage children in any form of activity that is demeaning, offensive, sexually provocative, abusive or culturally inappropriate or insensitive
- ◆ Act in ways intended to shame, humiliate, belittle or degrade children, or otherwise perpetrate any form of emotional abuse, discriminate against, show differential treatment, or favour particular children to the exclusion of others.
- ◆ Physically assault or punish children
- ◆ Engage children in any form of sexual activity or acts, including paying for sexual services or acts or child marriage
- ◆ Do things for a child of a personal nature that they can do for themselves (e.g. if PIN supplier's member happens to be involved in any dressing, or undressing of outer clothing, or where there is physical contact of lifting or assisting a child to carry out particular activities). In situations with no other option (e.g. when helping a child with disability), these tasks should only be carried out with a full understanding of parents/guardian and of the children involved. There is a need to be responsive to a child's reactions and if a child is fully dependent, talk with them about what is going to be done and give them choices where possible
- ◆ Access child pornography or any inappropriate pictures of children through any medium
- ◆ Invite unaccompanied children without their and parent's or guardian's approval into solitary; places, unless they are at immediate risk of injury or in physical danger
- ◆ Sleep in close proximity to unsupervised unrelated children
- ◆ Hire children for domestic or other labour which is inappropriate given their age or developmental stage and which interferes with their time available for education and recreational activities, or which puts them at risk of injury

Responsibility towards PIN asset, resources or information

PIN third parties are expected to use assets, financial and other resources from PIN project in a responsible and accountable manner, following any other specific guidelines and procedures shared for that purpose.

PIN equipment must not be used for any illegal activity, including any form of harassment, intimidation or degrading activities or comments.

With the only exception, where the use of PIN equipment by organizations that PIN supports and that may in fact be involved in activities considered as illegal by some (totalitarian) state authorities)

Any entrusted project goods and services must be used in an appropriate manner. Causing damage intentionally or through gross negligence to any property of PIN or to any property directly connected with the work of PIN is unacceptable.

Any private or confidential information related to PIN's work must not be shared with external personnel verbally, in written form, through media, social networks or otherwise, unless legally required to do so.

◆ Responsibility towards one's health, safety and security and of those you manage

Staff of PIN third parties have to behave in ways that avoids unnecessary risks to the health, safety and security of PIN beneficiaries and PIN staff.

◆ Obligation to report and investigate all breaches

Any known or suspected cases of unacceptable behaviour which are in direct breach of these Essential Principles and that directly involve and/or affect PIN must be brought to PIN's attention

- **by informing PIN Country Program Focal Point or Country Director**
- by making use of other feedback reporting mechanisms that PIN has in place

When this standard reporting channel is not available or was exhausted, report should be sent to one of these addresses:

- ▶ for suspicion of fraud or corruption: fraud@peopleinneed.cz
- ▶ for any other serious complaints: report@peopleinneed.cz.
- ▶ for safeguarding cases: psea@peopleinneed.cz

Link to full version of PIN Code of conduct and Key policies on our website is here:

<https://www.clovekvtisni.cz/en/Essential-policies-4142gp>

I have read carefully and understood these Essential Principles and agree to abide by their requirements, and on behalf of the legal entity that I represent, commit to upholding the standards of conduct required.

I understand that failure to comply these Essential Principles may result in disciplinary action up to and including dismissal, **termination of partnership or implementation or service agreement** and, where applicable, may result in civil or criminal proceedings against me, or the legal entity that I represent.

Name:..... Signature:.....

Date:.....Organization:.....

Location:.....

Annex F: Activities Overview and Outputs

Activity description	Year of Implementation	Outputs	2025	Months
Activity A1.4: Establishment of Farm Labs	Year 1	Co-design and technical oversight of farm labs showcasing climate-smart agriculture and clean energy technologies.	6 farm labs, each will include: Biogas technology (plastic tube and fixed dome digesters) On-site visit of the BT expert: <ul style="list-style-type: none"> - Supervision of the installation - Co-selection of the BT appliances - Development of an operating plan incl. daily monitoring system - Two-days training on BT + monitoring in each district - Deliverables: comprehensive training material for final users/operators + monitoring tool 	Aug - Sep
Activity A2.1: GESI-sensitive Climate Vulnerability Assessment (CVA)	Year 1	Provide research oversight, integrate gender and climate data, and validate methodologies	Regular consultations online + in-writing revisions	Jul-Aug
Activity A2.2: Establishment of Demonstration Sites	Year 1 and 2	Experimental design and technical backstopping of CSA practices like bioslurry use in agriculture and aquaculture, composting, regenerative agriculture.	<ul style="list-style-type: none"> - Training on bioslurry use (A1.4) - Training on aquaculture - Training on composting - Training on regenerative agriculture Deliverable: training material	
Activity A2.3: Capacity Building for Farmers and Extension Workers	Year 2 and 3	Provide Training of Trainers (ToT) and technical manuals on biogas, bioslurry, gender-responsive agriculture in Eng	NA	

Activity A2.5: Social and Behaviour Change (SBC) & Advocacy	Year 2 and 3	Design behaviour change messages around clean energy, biogas, bioslurry use, and inclusive agriculture.	NA	
Activity A3.2: Development of Inclusive Climate-Resilient Value Chains	Year 1 and 2	Input to the development of bioslurry and Black Soldier Fly value chains.	Online and in-person Consultations, in-writing revisions Deliverable: Feasibility study on BSF with a focus on business opportunities for (vulnerable) women	July - Oct

ANNEX G

FINANCIAL GUIDELINES

INSTRUCTIONS FOR FINANCIAL ADMINISTRATION AND REPORTING

INTRODUCTORY PROVISIONS

These Financial Guidelines are attached to the main contract which is the Partnership Agreement or the Implementation Agreement or the Contribution Agreement (as the case may be) (hereinafter referred to as the **"Main Agreement"**), concluded between People in Need (Člověk v tísni, o.p.s.) (**"PIN"**) and the partner.

Where these Financial Guidelines use the term **"Partner"**, it means the Recipient or vice versa whichever term is used and as mentioned in the Main Agreement.

Where these Financial Guidelines use the term **"Donor"**, it means the External Funding Agency or vice versa whichever term is used and as mentioned in the Main Agreement.

When these Financial Guidelines use the term **"Action"** or **"Project"**, it means the Project as specified in the Main Agreement.

I. ACCOUNTING AND BOOKKEEPING REQUIREMENTS

- a) The Partner's accounting and **bookkeeping system shall be run in accordance with the legal provisions of the country** in which it is established and according to the usual cost accounting practices of the Partner.
- b) The Partner shall keep **accurate and regular accounts of the implementation** of the Action using an appropriate accounting and book-keeping system. Accounts and expenditure relating to the Project must be **easily identifiable and verifiable**. This can be done by using separate accounts for the Project concerned or, unless the separate account is required by the Main Agreement, by ensuring that expenditure for the Action concerned can be easily identified and traced to and within the Partners' accounting and bookkeeping systems. Accounts must provide details of **interest accruing** on funds paid by the External Funding Agency.
- c) Partners organization must use and have described **their own** system of approval **procedures**, signature cards and other accounting, procurement and other procedures to comply with **sound financial management**.
- d) The Partners shall ensure that the expenses and other information included in Partner's **Financial Reports can be properly and easily reconciled to the Partners' accounting and bookkeeping system** and to the underlying accounting and other relevant records. For this purpose the Partner shall prepare and keep appropriate **reconciliations**, supporting schedules, analyses and breakdowns for inspection and verification.

II. ELIGIBLE COSTS

- 2.1 To be considered eligible as direct costs of the Project, costs must:

- a) have actually been incurred by the Partners during the implementation period of the Project as defined in the Main Agreement (notwithstanding the early termination of the Main Agreement). Procedures to conclude contracts in order to carry out the Project may have been initiated prior to the Project implementation period, provided the provisions of obligatory procurement rules of the Main Agreement were respected. However, the resulting contracts may not be concluded by the Recipient before the start of the Project implementation period and costs incurred in connection with procedures to conclude these contracts before the start of the Project implementation period are not considered eligible.
- b) be **indicated in the Partner's Budget of the Project** attached as annex to the Main Agreement;
- c) be **necessary for the implementation of Project Activities** implemented by the Partner;
- d) be identifiable and verifiable, in particular being recorded in the accounting records of the Recipient and determined according to the accounting standards and the usual cost accounting practices applicable.
- e) be **reasonable, justified** and comply with the requirements of sound financial management, in particular regarding economy and efficiency, in particular value for money and cost-effectiveness;
- f) be **booked to the Partner's bookkeeping system in accordance with principles** mentioned in Article I of these Guidelines.

2.2 Other rules for eligible direct costs of the Project:

The Recipient may award **sub-grants** (Financial Support to Third Parties) if so provided in the Main Agreement. However, sub-granting may not be the main purpose of the Project and it shall be duly justified. The Main Agreement shall establish the total amount which may be used for awarding sub-grants as well as the minimum and maximum amount per sub-grant. **If the Project does not include any such information and/or authorization to provide sub-grants, than such sub-grants are not eligible.**

Any **contributions in kind**, which must be listed separately in the Budget, do not represent actual expenditure and are **not eligible** costs. Unless otherwise specified in the Main Agreement, the contributions in kind **may not be treated as co-financing** by the Recipient. Notwithstanding to the above, if the Project foresees the contributions in kind, such contributions have to be provided.

2.3 Subject to the above and where all relevant provisions being respected, the following direct costs of the Partners shall be eligible:

- a) the **cost of staff** assigned to the Action, corresponding to actual salaries plus social security charges and other remuneration-related costs; salaries and costs must not exceed those normally borne by the Partners, as the case may be, unless it is justified by showing that it is essential to carry out the Action;
- b) **travel and subsistence costs for staff and other persons** taking part in the Action, provided they do not exceed those normally borne by the Partners. Any flat-rate reimbursement of the subsistence costs must not exceed the rates which correspond to the scales published by the local law or Donor.
- c) **office rental costs** and related **utilities** provided they correspond to market rates;
- d) **costs of consumables** (office supplies);
- e) **other services** connected to the implementation of the Project (phone/fax, internet, maintenance)

2.4 The following costs shall not be considered eligible:

- a) debts and provisions for losses or debts;
- b) interest owed;
- c) items already financed in another framework;
- d) currency exchange losses;
- e) bonuses included in the costs of staff;
- f) in kind contributions (except for volunteers' work)

- g) purchases of land or buildings, except where necessary for the direct implementation of the action, in which case ownership must be transferred at the latest at the end of the action; negative interest charged by banks or other financial institutions.

III. REPORTING REQUIREMENTS

3.1 Content requirements

- a) Each expense in interim and final financial report (as per format in annex to the Main Agreement) must be marked with its **internal unique number** under which it is registered in the Partner's official accounting evidence. By this unique accounting number it must be easy to identify reported expenses in Partner's accounting system and to link it with scan of financial and/or supporting document(s), unless otherwise agreed.
- b) Any **accrued interest should be mentioned in the financial report.**
- c) The Partner accepts that the financial contribution (if any co-financing was agreed in the Main Agreement) can **under no circumstances result in a profit for the Partner and Partner shall be able to prove it.**
- d) If Partner reports any costs borne in other currencies than the currency of the Main Agreement in Detailed Cost Table all financial reports need to mention **original amount and currency**, the **exchange rates** used for conversion into the currency of the Main Agreement and the **value in the currency of the Main Agreement.**
- e) **The Final Financial Report shall cover the whole Project implementation period.** The Final Financial Report must be based on the interim reports and must be in compliance with them or rather in compliance with their corrections (if any) required by PIN or by an audit carried out in accordance with the Main Agreement or by the External Funding Agency.

3.2 Conversion of Costs into Reporting Currency

Binding information is specified in the Main Agreement.

3.3 Documents to be Attached to Interim and Final Reports – General Rules

Accounting and supporting documents shall be **scans**, unless otherwise agreed.

- a) Each scan must be **numbered/named** by the document number that has been used for marking the expense in the financial report (Voucher Number in financial report format). scans shall contain Partner's internal approval/identification forms with its accounting data and unique accounting number (if Partner is using such forms).

For scans – each financial document (all documents related to one unique accounting document No.) shall be the subject of one scan (file). In case the document has more pages, a multi-page PDF file is required. File names must be equal to or at least begin with the same unique accounting document NO. as used in the financial report (Voucher Nr). Scans quality shall be sufficient to enable clear reading of all information on the scan and scans shall not be larger than 250kB per page of scan.

- b) For invoices and bills - **each line of the expenses** mentioned in the document must be **translated** into the language of the Main Agreement and for sample contracts (such as employment or service) – brief translation shall be supplied too.

3.4 Documents to be Attached to Interim and Final Reports – List

- a) **Proof of procurement procedures** such as tendering documents, annexes, bids from bidders, quotations, evaluation reports etc. Selected supplier and offered price shall comply with signed contract and invoice
- b) **Contractual documentation (contracts with suppliers, rental contracts etc.)**
- c) **Proof of purchase** such as orders, invoices and receipts or other documents on which basis expense reported for audited period arose. Supplier's name, signature and date must be indicated. If supplies come from the Partners' stocks, invoices shall reflect the price paid at the time of purchase;
- d) **Proof of delivery of services** such as approved reports, time sheets, transport tickets (including boarding passes), proof of attending seminars, conferences and training courses (including relevant documentation and material obtained, certificates), etc;
- e) **Proof of receipt of goods** such as delivery slips from suppliers;
- f) **Proof of completion of works**, such as acceptance certificates;
- g) **For fuel and oil expenses**, a summary list of the distance covered, the average consumption of the vehicles used, fuel costs and maintenance costs;
- h) **Training participants** signed attendance sheets, per diems disbursement sheets to participants
- i) **Meeting minutes**
- j) **Proof of funds receipt from PIN** by Partner and **proof of payment by Partner to suppliers** - such as bank statements by which invoices, salaries, taxes, social security etc. were paid, cash receipts including internal payment/income vouchers; debit notices, proof of settlement by the contractor;
- k) **Calculation of interest accrued** from advance payments
- l) **Distribution protocols or donation** contracts for any material donated to beneficiaries or stake holders
- m) **Project outputs** e.g. **softcopy of all material and texts produced for Project** (researches, evaluations, assessments, studies, manuals, internal and external monitoring reports, posters, flyers, films, radio programmes, advertisements, newspaper clippings, T-shirt or other promo material designs etc.)
- n) For Staff: **Employment contracts** and their **amendments** to cover whole period for which each person is charged to the Project; any salary change must be also supported by amendment; proof of payment of salaries, taxes, social security etc.
- o) **Payrolls/Salary slips** – monthly salary breakdown for gross salary, social security charges, insurance, net salary etc. – in excel and also signed/approved by line manager;
- p) **Timesheets** – Detailed timesheet for every month must state % of time spent working on this Project. The % of time spent working on this Project MUST comply with percentage of salary charged to this Project. Each timesheet must be signed by the employee and their line manager. To cover the required information in sufficient detail, it is recommended to use the template in Annex G.1a.
- q) **Staff per diems and/or overtime sheets** (approved in writing by line manager).
- r) Any additional **allowances** to the salary must be approved by line manager on proper supporting documents and clear description of mechanism who is eligible to get such allowance under what circumstances and by what amount or rate must be described in Partner's internal policy (such as e.g. Staff Handbook) if not specified in particular employee's Work Contracts.
- s) **Partner's internal guidelines** (e.g. on approval system, system of staff per diems, bonuses, allowances claims and rates (if applicable), salaries (salary scales), etc.)
- t) On PIN's request Partner shall provide appropriate **reconciliations**, supporting schedules, analyses and breakdowns or other additional documents and information related to reported expenses.

3.5 No “flat rates” are permissible. Real bills or invoices must be produced (even for office consumables, phones, internet, office rent, vehicle fuel etc.- if they are contained in the financial report). It is possible to include into report only a part (proportion) of a large invoice. In such case the Partner shall note by pen on the invoice, which amount or percentage the Partner wants to charge to this Project. Even if only part of expense from one invoice is charged to the Project, copy/scan of such invoice or bill (and contract and procurement documents, if relevant) must be provided to PIN.

IV. AUDIT

The Partner will allow Donor’s representatives and any external auditor carrying out verifications to verify, by examining the documents or by means of on-the-spot checks, making photo-copies, the implementation of the Action and conduct a full audit, if necessary, on the basis of supporting documents for the accounts, accounting documents and any other document relevant to the financing of the Action. These inspections may take place up to 10 years after the payment of the balance (the final payment of the Donor to PIN). All original documents related to the Project (including electronic versions) needs to be archived for 10 years after the final payment of the Donor to PIN and in any case until any on-going audit, verification, appeal, litigation or pursuit of claim has been disposed of and have to be sent to PIN on request if needed for auditing purposes (documents will be returned after the audit).

Partner is obliged to cooperate with the auditors and provide them with all documents according to the requests of the auditors.

Independent auditor might visit Partner’s office for Project audit or PIN might be dealing directly with the auditor and just requesting Partner to provide additional documents or clarifications requested by the auditor.

The following documents could be required by the auditors (or PIN on behalf of the auditors) and must be presented by the Partners:

- a) **documents as per 3.4 of these Guidelines** - only in case, that auditor visits directly Partner’s office. In case that auditor deals with PIN directly, PIN shall have those documents from Partner already as they are part of interim reports and PIN will only ask Partner explanations or additional documents where required so by auditor;
- b) **copies of grants contracts** (between Partner and donors) **related to the co-financing** of the part of the Project that is implemented by the Partner (if relevant);
- c) **signed Agreement between Partner and PIN**
Including budget, amendments and annexes, conditions of funds utilization (if not part of the Main Agreement);
- d) **Financial Reports**
Financial reports (as sent to PIN for this Project - interim and especially the final financial report). Reports shall be itemized – with list of all expenses for audited period – including summary per budget line and revenues (if applicable);

e) **Narrative Report**

Narrative report for audited period (as sent to PIN);

f) **Signature list**

List of people authorized to approve documents and sign contracts. Including full names, position and detailed description of what is each person authorized to approve or sign;

g) **Balance sheet and Profit and Loss Statement for Partner's organization**

Most recent statements including auditor's report if those statements were audited;

h) **Accounting records** (computerized or manual) from the Partners' accounting system such as **general ledger**, sub ledgers, including all accounting data (costs as well as revenues). Report shall include at least audited period and shall include all entries of partner (not only those bound to Project audited). It shall be possible to filter or easily recognize entries linked to audited Project. Sum shall be equal to Project financial report or justification on variances shall be attached.

i) **Partner's internal accounting regulations/directives:**

Evidence and inventory of assets

Methodology of reimbursing of travel expenditures (e.g. Per Diems) etc.

j) **Fixed assets / Equipment**

Fixed assets/equipment lists approved and signed as of end year accounts closing date or end of Project date. If any equipment or fixed assets have been purchased from audited Project, they must be listed. If not listed other documents proving the destination of equipment must be submitted (such as donation contracts etc.);

k) **Local legislation**

Local legislation, especially regarding labour law, taxes, social security, VAT, income tax etc.;

l) **Registration certificate**

Partner's registration certificate and short explanation about legal form of organization or company;

m) **Confirmation signed** (overview of instalments, advances and spending for this Project);

n) **Other**

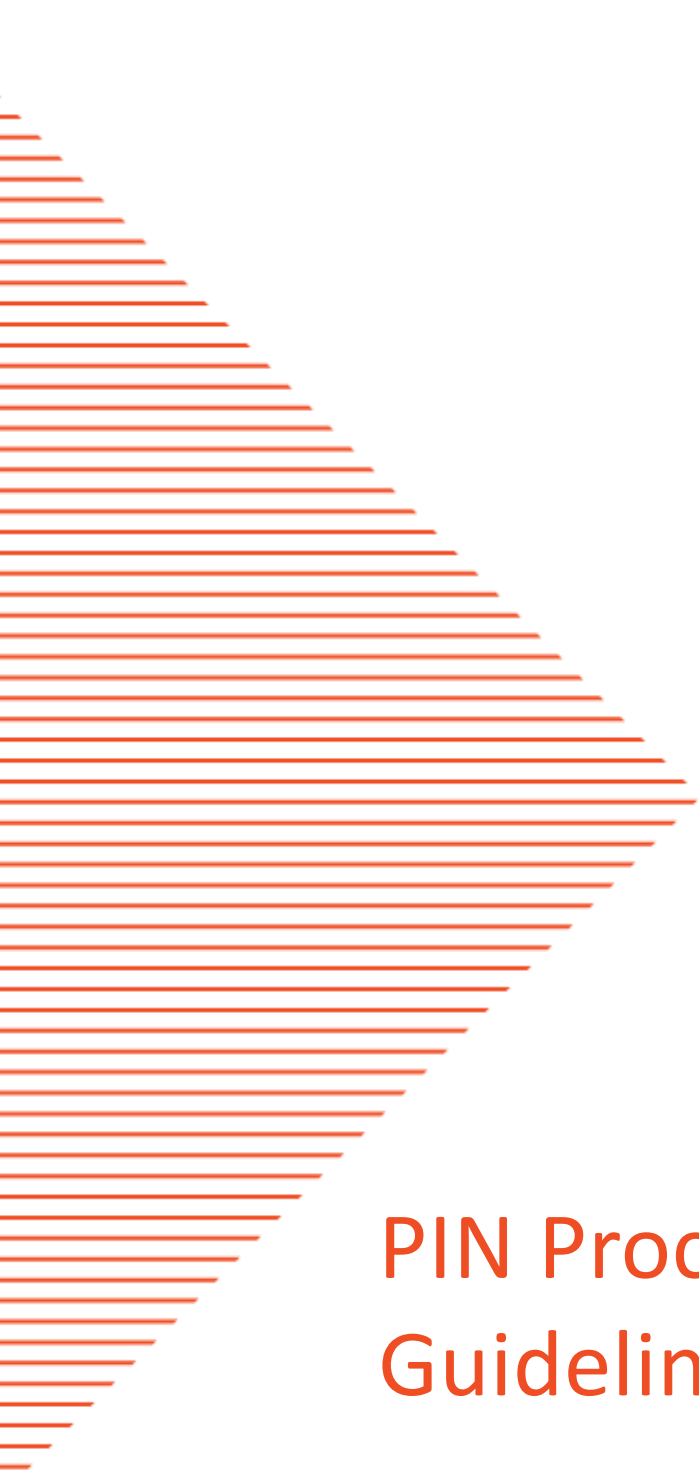
Other documentation could be requested by PIN or the audit during the auditing process.

V. PROCUREMENT RULES, TENDERS

The Partner shall follow the **procurement rules as stipulated in the Main Agreement**. For every purchase **above EUR 1.000** a procurement procedure is required (the Partner needs to request price quotations from at least **three suppliers or do a market survey**, and produce written justification of supplier selection). For purchases below EUR 1.000 one single offer is sufficient. The Partner shall use attached Procurement Guidelines (Annex I). The Partner may use their own procurement guidelines, if in compliance with EC Procurement Guidelines (ANNEX IV. to main EC Grant contract) or if the own Procurement guidelines are stricter. Procurement guidelines to be used are specified in the Main Agreement.

ANNEXES

ANNEX G.1a: TIMESHEET TEMPLATE (RECOMMENDED)



PIN Procurement Guidelines

Instruction for awarding contracts to PIN suppliers.

Part 2 – Policy in practice

March, 2022

Document Title**PIN Procurement Guidelines Part 2**

Cross-reference with other internal policy/manual/guide (if applicable)	RDD Financial and Administrative Procedures Manual RDD Logistics Handbook RDD Project Management Manual Contractual Policy and RDD Contract Manual, HRD Manual Additional rules specific for individual PIN section(s)
Applicability – personal (staff/ volunteers/ partners/ contractors etc.)	All staff
Applicability – territorial	All PIN sections
Approved – BY	Executive board
Approved – WHEN	31. 01. 2022
Document owner	Logistics and Procurement department
Prevailing language version	English
Translations by HQ	n/a
Translations by CPs	n/a
Update: number of version and date of effectiveness	v1_2022, effective as of 01.03.2022
Description of changes compared to the previous version	Not possible to list. Please review the whole document.

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PART C – PRACTICAL STEPS IN PROCUREMENT PROCESS

1. PLANNING

1.1. Annual procurement plan

The main purposes for the consolidated plan are:

- Starting procurement process early enough so that correct and appropriate competition allows for achieving best offers;
- the cooperation between the procurement unit and project teams improves significantly so timely deliveries¹ can be achieved;
- it improves planning of procurement and logistics capacities;
- it allows joint procurement procedure for same/similar items of multiple projects, saving time;
- it allows evaluation of whether the Czech Public Procurement Act needs to be applied (checked by HQ Procurement Unit with support of Legal Department).

See template of APP and instructions for preparing it in ELO: [01 Guidelines and Documentation – Návod a dokumentace\RDD\ All\RDD II - Logistics & Procurement\Procurement\02 Tools](#)

Complete/updated APPs shall be saved in specific folder in ELO: [16 Operational Documents – Operační dokumenty\RDD\country programme\ Internal\3 Logistics](#)

Good practice: As ELO is primarily an archive, upload current copy of APP to ELO on quarterly basis. A working copy of APP can be saved and used on CP's SharePoint.

¹ Table Procurement timeline suggests lead times for procurement procedures that helps to set accurate estimates for initiating a PRF.

1.2. Procurement timeline

The following table does not represent a binding rule. Its purpose is only for orientation, to provide general idea on the time planning relative to procedure. The scenario can differ with each new procurement and is subject to internal challenges as well as external conditions in the market.

Procurement process in DAYS	Simplified procedure	Negotiated tender	Open tender	
Purchase request submitted	0	0	0	PIN
Procurement preparation	1	2	3	
DO approval	n/a	3	3	
HQ PO approval / corrections	n/a	2	2	
(HQ approval after corrections)	n/a	(2)	(2)	
Announcement period	3	14	21	
Evaluation	1	1	2	
HQ approval of evaluation report	n/a	4	4	
Contract preparation and WF start	1	1	2	
Contract approval through HQ	2	3	7	
Total of working days	7	30 / (32)	44 / (46)	
Total of days including weekends	9	42 / (44)	62 / (64)	
Delivery to warehouse is not in our hands – normally it takes from several days to several weeks	Approx. 2	Approx. 10	Approx. 30	Supplier
Including delivery time	11	52	92	

2. STAGES OF PROCUREMENT

2.1. Submitting purchase request form (PRF)

The below process applies only to PIN RDD Country Programmes and HRD Regional Office.

In order to initiate a procurement of goods, services and works of any value, **the requestor (usually project manager or other authorized person) – must submit approved Purchase Request Form.**



Purchase request form must be approved by the authorized budget holder (Programme Manager, Finance Officer, Logistics Manager, Compliance Officer, Country Director) in charge of the respective budget line. **As a standard means of control, the authoriser and the requestor should never be the same person.**

The requestor shall take part in the preparation of the procurement, namely:

- Provide realistic estimated price (do prior market survey or seek help of procurement unit ahead of submitting PRF)
- Provide detailed and realistic specifications and technical data
- Think about qualification and selection criteria
- Provide delivery time and place
- If external technical advisor is needed, it is responsibility of requestor to arrange such meeting

2.2. Preparing tender documentation

SPECIFICATION

Detailed and precise specification of supplies (Terms of Reference in case of services), or works is key to a successful tender. It is an essential tool for the evaluation committee to objectively evaluate the bids. Search online or in actual shops to get the specifications that in quality and in description match the goods requested.

Detailed product/service/work minimum quality specification must be part of the **Tender Documentation**:

- **Technical Specification** for supplies or **Terms of Reference** for services, **technical drawings** for products to be manufactured according to PIN instructions,
- **Forms prepared by PIN to be filled out by supplier such as quotation form** (shall request the supplier to fill in information on **all selection criteria** (preferably in quantified format – offered supply quality, quantity, delivery deadlines, price etc.),
- **Bill of quantities for constructions**,
- **Eligibility Sworn Statement form**,
- **Drafts of contracts** with winners for **Open tenders** etc.
- **Quality evaluation guidance grid** for supplies/services for transparent quality evaluation

Remember that precise **minimum quality specification** is the only way to tell the suppliers what PIN expects and the only way to really obtain quality supplies/services/works.

SETTING CRITERIA

Tender Notice must exactly describe **means of selection of the winning bid**. The selection is done through setting qualification criteria and evaluation (selection) criteria.

Qualification criteria are such that ensure a minimum technical and administrative capacity needed from the vendor to ensure the level of quality of product or service. These are non-negotiable and as such receive either pass or fail mark. Non-compliance with qualification criteria means disqualification. What to think about when setting these criteria:

- It is important to stipulate exactly how the criteria is fulfilled, i.e. by submitting exactly what or which document this criterion will receive the pass grade.
- Set the criteria objectively and realistically enough for the vendors to fulfil it
- Set the criteria objectively enough to ensure a minimum quality of the vendor
- Set the criteria in line with general principles, especially non-discrimination of potential suppliers

Keep in mind: Set qualification criteria in the Tender Notice carefully. They shall ensure required minimum quality and trustworthiness of suppliers (such as official registration or quality certificates, references or previous experience with similar contracts). At the same time, PIN must be sure that pre-selected candidates can fulfil qualification criteria and **prove it** with appropriate documents at the stage of first round of tender documents evaluation. Setting too strict or unjustifiably hard to prove qualification criteria might result in disqualification of most or all of tenderers and hence endanger genuine competition and the goal of finding most favourable bid for PIN.

Evaluation (selection) criteria are measures for the actual selection of the best offer. The method for evaluation of this criteria must be clearly described in the TN:

- so the suppliers know what aspects of the product or service is crucial for PIN, and
- the evaluation committee can objectively assess the offers.

Most often, the weighted points system is used to evaluate quantitatively expressed criteria (price, delivery time, company's technical capacity), previous experience. Quality should be part of the evaluation criteria but only if the specification for the supply/service is detailed and quality evaluation grid is defined. See below chapter for more guidance.

2.3. Evaluation (selection) criteria

In order to select the tenderer offering the **best value for money**, it is always necessary to evaluate at least **price and quality criteria**. Selection criteria might include, depending on the nature of tendered supplies/services/works:

- tenderer's professional capacities,
- quality (remember that through specification a minimum quality requirement is set as qualification c.),
- delivery time (can be part of qualification c.),
- availability of spare parts in given location etc.,
- sustainability or environmental criteria (feasibility of including these should be considered every time)

Selection criteria must use objective scales and enable later review (i.e. two independent evaluation committees would reach the same conclusion if evaluating the same selection criteria). Selection criteria must not set requirements which can't be **justified by the intended purpose or function of tendered supplies/services/works**.

Note: Evaluation of **company's professional capacity**² to accomplish works/services/supplies deliveries tendered by PIN on time and in required quality must be based on e.g. list of company's staff and their experience, list of company's technical equipment, or list of similar works/services/supplies performed in the past (documented along with customer and their contact for verification) etc.

If evaluation of **company's credibility** is a selection criterion (though not a recommended one; company's professional capacity shall be evaluated preferentially, since it can be done rather more objectively), it shall be based on company's financial stability assessed on the basis of company's financial statements for e.g. past 3 years, company's certificates and registrations or it can include checking of official debtors registry, ownership structure, verification of references – contacting of former company's customers and making a review of their complaints against the company (in writing).

Quality must be part of either qualification criteria (by setting minimum quality specifications) and/or part of selection criteria. In this case the criteria is weighted against set minimum quality specification that are part of the tender announcement. Essential part of this process is defining a benchmark for quality evaluation, so transparent decision on quality can be made. Use form **Quality evaluation guidance grid (points/individual weighted items)** when setting the benchmark. Sample or detailed description of the item must be part of the tender's offer.

If **sustainability** criteria is part of evaluation, it is recommended to be at maximum weight of 10%. Another way of including sustainability/environmental criteria into selection is through *weighted price principle*. This is an ideal solution for factoring in these criteria and making the offer commercially competitive. *Weighted price system* introduces a coefficient to be multiplied by the price of the offer including specific proven sustainable criteria (example of this principle can be found in the template of Tender notice; template for evaluating offers with the weighted price principle is part of Form 17, Evaluation table with formulas).

Proving sustainable criteria must be done objectively through either official **ecolabel branding**, or through

- a list of ingredients, or list of raw materials, which would be checked against specific, official lists proving no toxic or harmful substance have been used.
- a technical list of the product drafted by the supplier describing the product's environmental specifics related to the technical specifications defined in the tender
- other certificate/analysis result of quality testing institution such as:
 - Certification of sustainable management of source natural resources (prevent deforestation, land-use change) – BIO certificate or other
 - Certification/standards of labour conditions
 - Documentation of origin of materials and work labour, which can prove that environment and social conditions are not harmed in countries where certification is not available

² See more on technical and professional capacity here: <https://wikis.ec.europa.eu/display/ExactExternalWiki/2.+Basic+rules#id-2.Basicrules-2.6.11.3.Technicalandprofessionalcapacity>

2.4. Tender Evaluation

All bids complying with the Tender Notice requirements must be evaluated and ranked by the **Evaluation Committee** based on qualification, selection and award criteria announced in the Tender Notice. This committee must have an odd number of **members, at least 3**, with all the technical and administrative capacities necessary to give a competent opinion on the bids. For high amount procurement (e.g. above 100 000 EUR/USD), **the rule of at least 5 members** of the committee evaluation is recommended.

The Committee members **must not be in the position of conflict of interest**, which is ensured by signing the **Appointment of the evaluation committee form**. If such a relationship becomes apparent during an evaluation process, this committee member must declare the relationship and be replaced on the committee by an alternative member.

A suggested composition of the Evaluation Committee is as follows:

- Project team Representative
- Finance team Representative
- Technical Expert (specifically related to the subject being procured)

For **PIN Country Programmes**, the Committee members are nominated by Project Manager or other authorised person that requests the procurement and approved by Country Programme Procurement Officer. **Country Programme Procurement officer or other authorized person³** should act as the chairperson with non-voting role and formally approve every tender committee decision.

For **PIN HQ** the Responsible person nominates the Committee Members and Section director approves them.

It is important that each committee member is given a briefing on their role and responsibilities within the committee. The roles and responsibilities of the committee member are described in **Annex 1: Terms of Reference – evaluation committee member** of the **Appointment of the evaluation committee form**.

“Rotating” evaluation committee – practical solution for CP with limited staff: in this modality, it is the Country Director that nominates 3 members of a stable evaluation committee. The committee meets in the same composition for a period of time (3-6 months). Each of the 3 members should be rotated; for example every 3-6 months but at least annually. Only 2 members should be rotated at any one time to allow an element of continuity on the committee due to the 1 member that continues on with newly appointed members before rotating as well. It is always the CD who nominates the members.

Evaluation committee should ideally meet on a regular scheduled basis depending on the level of purchasing activity. For example, a relatively busy CP may schedule committee meetings once every week on the same day and at the same time. All relevant documentation should be prepared in advance of the meeting to ensure efficiency in the process itself.

2.5. Communication with tenderers

Electronic means of communication such as e-mail may be used for requesting and sending of Tender Notice and tender documentation, submitting bids, negotiations of terms and conditions and announcing the tender winner **in all cases**; provided that all relevant conditions specified by this guideline or by donor are fulfilled.

Further negotiation with tenderer(s) is allowable under the Negotiated procedure and not under Open procedure. This has to be **announced in the Tender Notice** and negotiations have to lead to decreased price, increased quality or other advantage for PIN (compared to the initial offer). Negotiations may be undertaken with one or more tenderers ranking highest during the first round of bids evaluation. Any change of offer agreed with the tenderers during the negotiations (as compared to the original bid), has to be **noted in the Negotiation**

³ If the CP PO needs to participate as evaluation member, the other authorised person is always a superior manager.

Protocol (which is part of the Tender Evaluation Report) and shall be signed by the supplier and Evaluation Committee.

If further negotiation is included in the Tender Notice, it is **possible to split/divide the delivery of supplies /service/works among more suppliers** and continue in negotiation about contract conditions with the preselected highest ranking contractors.

In order **to avoid exclusion of economically sound offers** on the grounds of **administrative non-compliance**, it **is allowed** to invite the tenderers **to correct the administrative requirements** (e.g. missing official supporting documents) after the deadline for submission. The correction must be done in a short but feasible time. Otherwise, this option must be clearly disallowed in the tender notice. For the record, **the communication must be clear and transparent and addressed to all tenderers** after the envelope opening session with time limit for supplementing of the submitted offer. After the designated time expires, the committee must decide about final qualification status of each tenderer. Invitations to amend the offer **is allowed under both, Negotiated and Open procedure**. All related documents must be archived.

Keep in mind: Under no circumstance can tenderers amend, correct or supplement their commercial offer. The only part that can be amended is the administrative qualification requirement (e.g. signed sworn statement, company registration, signed contract template, etc).

Tenderers (both, succesfull and unsuccesfull) must be formally informed about the result of the evaluation process. The way of informing about the result must be stated in the Tender Notice (e.g. by e-mail, letter or announcement, published according to the type of the tender, call, etc.). Record of the notifications must be archived in ELO in the corresponding tender folder. In case the notifications are provided via mobile phone or verbally on the meeting, it is necessary to fill additional information in the Tender Evaluation Report.

A **written contract** shall be concluded with the winning tenderer(s) in all cases and it must respect all conditions arising from the tender requirements, submitted bid and subsequent negotiation outcome (if any).

3. PROCEDURES IN DETAIL

3.1. Simple purchase – non-documented

- **Purchase request (if applicable)** must be approved by Budget Holder
- “**Go and buy**” - supported by relevant purchase documents such as cash receipt, invoice
- **Price analysis** (selecting a supplier based on principle of “best value for money” and sound financial management, although it doesn’t have to be documented)

3.2. Simplified procedure – documented

There are 2 types of this procedure.

SIMPLIFIED PROCEDURE WITH 3 QUOTATIONS

- **Written quotations from at least 3 suppliers** are gathered, informally evaluated and the economically most advantageous purchase is carried out, written **Quotations Evaluation Protocol** justifying the supplier selection is prepared where selected supplier is not the one offering the lowest prices.
- If expected amount is above 10.000 EUR, **Quotations Evaluation Protocol** endorsed by the **Evaluation committee** justifies the supplier selection
- Possible to include a margin for sustainability (10-15%), but this must be communicated to the vendors as criteria for selection

MARKET SURVEY

Market survey shall **collect information about current prices on the market and describe the price development trends and dynamics**.

Market survey shall be used in environments, where the **prices are subject of regular change** and the suppliers cannot guarantee the price for the sufficient period (as necessary for tender procedure), and where it is needed to purchase same items repeatedly.

Market survey is also recommended in circumstances, where **prices are hard to compare** – such as office (and other immovables) rental/purchase or purchase of used vehicles (and other used equipment).

Use the FORM 6, **Quotation form** and/or **Quotation evaluation protocol**. There is no special form for documentation of market survey. Keep in mind that the survey must record the full process of assessing of the market situation, including the ways/forms of the assessment and a tangible outcome (comparison, analysis, conclusion).

Market surveys shall be done on regular basis for common purchases, and for price check in case of longer-term framework agreements.

Caution: In case the Simplified procedure is applied on the **basis of one of the exemptions**, the procedure as described above must be followed, including proper exemption justification and archiving through ELO tender workflow.

3.3. Tendering procedures – negotiated and open

NEGOTIATED TENDER	OPEN TENDER
ANNOUNCING THE TENDER	
<p>– After PRF was approved, all necessary tender forms are prepared (Tender Notice and specification, other supporting), Eligibility Sworn Statement, Quotation forms, Bill of Quantities (for constructions) etc.). Required documents are listed in this guideline in the “What to archive” table and are available in ELO.</p>	
<p>– At least 3 vendors have to be pre-selected in a realistic manner in order to possess relevant technical and administrative capacities, positive references etc. – to fulfil qualification criteria. Non-compliance with qualification criteria (and subsequent disqualification) during the evaluation of the bids might damage the credibility of the whole procedure.</p>	<p>– Full Tender Notice or Invitation to tender is published either nationally or internationally. The advertisement should, as a minimum, appear on the www.peopleinneed.cz website (section on public procurement), on the Inter Agency Procurement Group website (www.iapg.org.uk) and in a relevant newspaper. For detailed information, contact HQ Procurement Department.</p> <p>– Announcements of the tender are to be archived in a form of screenshots, clippings or scans from newspapers, etc. Scans, screenshots or clippings shall show date of publication.</p>
<p>– Tender Notice with complete documentation is delivered to pre-selected vendors. Proof of time and date of Tender Notice delivery to pre-selected tenderers must be noted/recorded (e.g. Distribution Protocol, sent e-mail screenshot, copy of sent e-mail to all suppliers in BCC, etc.).</p>	<p>– Interested suppliers always have to collect/request Tender documentation from PIN.</p> <p>– Sample of a contract to be concluded with the tender winner(s) must be part of the Tender documentation.</p>
<p>Keep in mind: Set qualification criteria in the Tender Notice carefully. They shall ensure required minimum quality and trustworthiness of suppliers (such as official registration or quality certificates, references or previous experience with similar contracts). At the same time, PIN must be sure that pre-selected candidates can fulfil qualification criteria and prove it with appropriate documents at the stage of first round of tender documents evaluation. Setting too strict or unjustifiably hard to prove qualification criteria might result in disqualification of most or all of tenderers and hence endanger genuine competition and the goal of finding most favourable bid for PIN.</p>	
<p>– Detailed supply/service/work minimum quality specification must be part of the Tender Documentation:</p> <ul style="list-style-type: none"> ▪ Technical Specification for supplies or Terms of Reference for services, technical drawings for products to be manufactured according to PIN instructions, ▪ Forms prepared by PIN to be filled out by supplier such as quotation form (shall request the supplier to fill in information on all selection criteria (preferably in quantified format – offered supply quality, quantity, delivery deadlines, price etc.), ▪ Bill of quantities for constructions, ▪ Eligibility Sworn Statement form, ▪ Drafts of contracts with winners for Open tenders etc. ▪ Quality evaluation guidance grid for supplies for transparent quality evaluation <p>– Remember that precise minimum quality specification is the only way to tell the suppliers what PIN expects and the only way to really obtain quality supplies/services/works.</p> <p>– Quality as criterion – for more transparent approach in setting quality standard, PIN recommends to put a benchmark table in case quality is part of selection criteria evaluation. This table is an advantage when it</p>	

<p>represents a guidance for evaluation of quality. Template of the quality evaluation benchmark table is Quality evaluation guidance grid and must be adjusted accordingly depending on the type of supplies.</p> <ul style="list-style-type: none"> — Some supplies/services/works description are so simple, that it is possible to include it directly in the Tender Notice (or its annexes) and there is no need for preparation of extra Tender documentation, which the suppliers would have to request/pick up from PIN. — VAT— prior to any international tender organized in EU countries; always consult VAT-related issues with the finance department. 	
<ul style="list-style-type: none"> — Deadline for bid submission shall be sufficient to give tenderers enough time to prepare their bids. For example, for construction works deadline of no less than 14 days is recommended. 	<ul style="list-style-type: none"> — Deadline for bid submission in open tender is recommended to be minimum 21 days from publication (depends on the complexity of bid supporting documents).
<ul style="list-style-type: none"> — In case PIN answers any questions to any of the potential tenderers, PIN has to inform all other potential tenderers about the question and answer provided. It is useful to specify in the Tender Notice a deadline for additional questions by suppliers and deadline for replies by PIN (few days before bid submission deadline), along with warning, that PIN is not obliged to answer all questions. 	
<ul style="list-style-type: none"> — The decision must be made what type of bids is required. <ul style="list-style-type: none"> ▪ Physical bids <ul style="list-style-type: none"> • Sealed envelopes • Envelopes ▪ Electronic bids <ul style="list-style-type: none"> • Secure e-mail managed by HQ • Secure e-mail managed by CP ▪ Combination of both — This decision has impact on how the bids are collected and may be limited by the type of purchase and procedure or a combination of both. 	
<ul style="list-style-type: none"> — A secure place (sealed box, safe) must be designated to collect and hold the physical bids until the selection procedure begins (envelopes opening). — Secure e-mail managed by HQ procurement may be used for high-value or critical procurements (recommended for open tenders) as a substitution for collecting physical bids (sealed envelopes). — Every Country Programme should have a common procurement e-mail inbox (mailing list), where the PO and at least one other person has access (e.g. HoSO). Register a request to IT for new mailing list creation (e.g. procurement.nes@pinf.cz), if needed. 	
<ul style="list-style-type: none"> — Supplies: All type of bids — Services: All type of bids — Works: Sealed envelopes, electronic bids or combination 	<ul style="list-style-type: none"> — Supplies/Services/Works: Sealed envelopes, secure e-mail managed by HQ or combination
<ul style="list-style-type: none"> — The date and time of acceptance of every envelope/price offer/bid should be recorded in a special form (Tender delivery report) or the original suppliers' e-mails must be uploaded into respective ELO procurement folder. This provision is important to prove whether all bids were delivered within set deadline. 	

NEGOTIATED TENDER	OPEN TENDER
EVALUATION OF THE BIDS	
<ul style="list-style-type: none"> Sealed envelopes – once the call for tenders has been closed, the envelopes are opened, on time and place as specified in the Tender Notice. Qualification criteria are checked against submitted bids and the status recorded in a written protocol, along with basic data (Protocol of opening envelopes). Even in the case the opening envelopes session was not part of Tender notice, the qualification criteria must be checked. Same above-mentioned form can be used. In case of remote work, the process may be managed via teleconference to secure same conditions as in case for bid opening session in person. Keep in mind: At least two PIN employees must be present at the envelopes opening and all tenderers must be invited under open procedure (note about location, time and date in the Tender Notice is sufficient). Nothing can be changed after the protocol is signed (!). 	
<ul style="list-style-type: none"> Price may or may not be announced at the envelopes opening session. The decision is based on local customs and environment; make sure to decide on revealing the prices before holding the session. 	
<ul style="list-style-type: none"> Tenderers can be invited to participate in envelopes opening session, albeit their presence might be minimal due to the distant travel. 	<ul style="list-style-type: none"> Tenderers must be invited to participate in envelopes opening session, albeit their presence might be minimal due to the distant travel.
<ul style="list-style-type: none"> After the envelopes opening, it is possible to verify the information provided in the offers (check calculations correctness, call for references), and ask tenderers for additional data or clarification. This step is not public and is executed only after the public opening of envelopes (where all tenderers are invited to) is finished. 	
<ul style="list-style-type: none"> Evaluation committee must be appointed (use Appointment of Evaluation committee form) with an odd number of members (minimum 3); representatives of independent institutions or project stakeholders can sit on the committee or can be identified as the observers. The committee meets at a stated date. The evaluation process is following: <ul style="list-style-type: none"> the committee first excludes offers not meeting qualification criteria, ineligibility criteria or falling within the reasons for disqualification (see Part A, Article 6 and 7); the committee then excludes offers that do not meet other PIN formal requirements (as set in Tender Notice); only then evaluates the remaining tenderers based on the selection criteria as set in the Tender Notice. 	
<ul style="list-style-type: none"> If it is stated so in the Tender Notice, PIN can further negotiate with one or more tenderers ranking highest during the first round of offers appraisal, in which case the other tenderers are excluded from further negotiations. Such proceeding must be recorded in the Tender evaluation report. Keep in mind: At least two PIN employees from two different departments must be present at the negotiation (note about location, time and date must be a part of Tender Evaluation Report)! 	<ul style="list-style-type: none"> Negotiations are not allowed and under no circumstances, offers might not be altered, contract must be signed with the tender winner under exactly the same conditions as specified in Tender Notice and winning bid.
<ul style="list-style-type: none"> The committee can conclude contracts with more tenderers, if this was stated in Tender Notice. 	

NEGOTIATED TENDER	OPEN TENDER
FINAL PROCEDURES	
<p>— Both successful and unsuccessful tenderers must be informed about the tender results in a way described in Tender Notice. A form called Award Notice may be used for this purpose; in email communication we recommend to use the Award notice text. In case the information is provided over the phone, this must be noted in Tender Evaluation Report. Proof that all tenderers have been informed shall be saved into relevant tender folder in ELO.</p>	
<p>— The contract is concluded with the winning tenderer. Should the winning tenderer fail to provide to PIN the necessary cooperation to conclude the contract within the period set in the TN upon the tender results notice, PIN can further negotiate with the second best tenderer that shall be considered the winning tenderer.</p>	<p>— The contract is concluded with the winning tenderer. Should the winning tenderer fail to provide to PIN the necessary cooperation to conclude the contract within the period of 30 days upon the tender results notice, PIN can conclude the contract with the second best tenderer that shall be considered the winning tenderer.</p>
<p>— Should there be a failure in concluding the contract with the second best tenderer within 15 days following the notice, PIN is allowed to cancel the tender. Notice of results shall be deemed delivered the third day following the day of dispatch of the tender results notice.</p>	

4. SPECIFIC CONTRACT TYPES WITH SUPPLIERS – FRAMEWORK AGREEMENTS⁴

Framework contract might be used for fixing essential conditions of construction works/supplies delivery/services expected to be **procured repeatedly in the future**. The total volume of the framework contract is important for several reasons (e.g. making the contract attractive to suppliers, obtaining realistic prices that reflect the volumes) and if it can't be calculated directly, it shall be based on previous experience and/or on the estimate of the expected requirement.

- A framework contract shall be concluded for a **period of time not exceeding 4 successive years**.
- Framework contracts shall be concluded **solely under a public announcement of the invitation to bid**, regardless the expected amount (that means that the invitation must be published even for simplified or negotiated procedure)
- A framework contract might be concluded **with 1 or more suppliers**.

We distinguish **3 types of framework tenders (and contracts)**:

4.1. With fixed price and one bidder

The contract is concluded with the winner of a tender, where price (usually unit price) of supplies/services/works is fixed for the duration of the contract, while the exact quantity (and possibly other specification regarding the delivery) will be specified in subsequent individual Purchase orders/individual Contracts of sale.

4.2. With fixed price and multiple bidders (cascade system)

The contract is concluded with several (for cascade system usually two) highest ranking bidders, where price (usually unit price) of supplies/services/works is fixed while the exact quantity (and possibly other specification regarding the delivery) will be specified in subsequent individual Purchase orders (PO)/individual Contracts of sale. It is recommended to include so-called cascade system in the fixed-price contract. The cascade system means that the Purchase order will be always delivered to the highest ranking supplier. Only if the highest ranking supplier would not be able to deliver in requested deadline and quantity (and therefore would not formally accept the PO within agreed timeframe), the second ranking supplier will receive the PO.

4.3. With flexible price and multiple bidders (call for bids – CFB)

For some purchases of supplies/services or works, price (or unit price) cannot be fixed for the whole period of the framework contract. For this case, Open framework tender can be conducted in order to pre-select a pool of suitable suppliers. Pre-selection (in other words evaluation of the tender) can be based on actual prices (i.e. the first Call for Bids will be actually part of the selection process of the framework tender), goods quality, delivery conditions, or supplier's willingness to accept PIN's framework agreement conditions. As a result, framework contract is concluded with each of several suppliers ranking highest in the framework tender (more than three, usually five or six).

For every following individual order/contract of sale, the pre-selected suppliers will be invited to submit their bids with current prices for currently required quantity of supplies/services/works. This process is

⁴ Chapter defines specific use of Framework agreements within RDD section. For other sections it does not represent a binding rule, but only an informative content.

known as Call for bids (CFB). Individual supply/service/works contract will be concluded with the winner(s) of each of the call for bids.

A practical variation of this type of framework contract is:

- Fixing the price for a limited amount of time (e.g. initial 2 months, or as long as the price volatility allows) to speed up the initial purchases; after the time elapses, CFB must be announced for every other single purchase beyond this fixed period.
- Fixing the price for a limited amount of time (e.g. a month) with every new CFB; after the time lapses, new CFB round must be announced as needed.

Any variation to the process must be clearly described in the tender notice and contract.

Please contact HQ Procurement Officer for practical guidance on how to launch a framework tender.

Open-ended/Unrestricted contract in terms of time (contract for an unlimited period of time), shall be best avoided in favour of fixed-period contract, unless no other option is available. It is recommended always to conclude contracts at most only for period for which funding for given activity is secured.

Exceptionally, it can be used for rent of **movables and immovables**, lease-related services (e.g. electricity, gas, heat and water supplies), **communications**-related contracts (post-paid, internet, GPS modules, and telephone).

Keep in mind: If any contract (including framework contracts with fixed price or open-ended contracts) is concluded for a period **exceeding 2 years**, it is important to **check on a continuous basis whether the price fixed in the contract is still competitive** with current market prices. Any such market survey must be documented and archived in ELO. If it appears that the market price fell by more than 15%, it is necessary to organise a new tender, or negotiate a discount with the current supplier corresponding to the change in the market prices.

PART D – OTHER REGIMES AND SPECIAL REGULATIONS

1. CZECH PUBLIC PROCUREMENT ACT

If PIN is awarding a “Public Contract”, CPPA has to be applied. Public Contracts awards are governed by the Czech Public Procurement Act (CPPA) (No. 134/2016 Coll.).

Steps how to apply the PPA are described in **Procurement Guidelines according to the Czech Law (PPA)** accessible in ELO (only in Czech): [01 Guidelines and Documentation – Návod a dokumentace\ALL – Celek\Manuals & Policies – Manuály & směrnice\Procurement - Výběrová řízení](#)

Cases when PIN has to proceed according to the Czech Public Procurement Act shall be **identified for RDD by the CP PO** based on **Annual Procurement Plans** after each MPP update. For rest of PIN this identification is done by **COO** on the basis of annual **Consolidated Procurement Plans** of each of PIN sections and their respective updates.

2. PROCUREMENT UNDER UNHCR FUNDS⁵

PIN is granted with the Pre-qualified for Procurement (PQP) status with multi-country scope, which means that PIN is entitled to carry out procurement activities for UNHCR funded programs under PIN Procurement guidelines. However, there are two specific regulations that deviate from PIN procurement guidelines and must be observed:

1. Different threshold for open procedure – check current [UNHCR Guidance Note 4](#)
2. Approval of exemption must be approved also by the Head of office (Country Director) or their delegated person and the waivers can only be used in the specific cases listed in the Guidance Note 4

3. FOOD AID

Given the specifics of the food aid, during the procurement or distribution procedures within the individual types of tenders it is necessary to adhere to following rules and principles:

- The **characteristics of the products and their packaging** shall respect quality standards laid down in the internationally recognised standards, or by national agency for food control
- For minimum quality specification and quality assurance see the following resources: [Codex Alimentarius, https://www.fsa.usda.gov/programs-and-services/commodity-operations/procurement-and-sales/export/commodity-requirements/index](https://www.fsa.usda.gov/programs-and-services/commodity-operations/procurement-and-sales/export/commodity-requirements/index)
- Food aid should as much as possible **match the nutritional and cultural habits of the beneficiary** population.
- Food aid should be **purchased preferably in the country of operation** or in the neighbouring countries with the aim to support local economy.
- Prior the procurement and/or distribution of food aid it is necessary to gather the evidence (on the bases of local / regional **market analysis**), that neither the purchase nor the distribution of food would induce neither any **market distortion** nor have any adverse effect on the beneficiary population.

⁵ Full guidance on procurement rules under UNHCR can be found here: [https://elo.pinf.cz/web-CZE/#/archive/\(56D4A0B2-F7E0-1CE3-8437-6AE86836664A\)/](https://elo.pinf.cz/web-CZE/#/archive/(56D4A0B2-F7E0-1CE3-8437-6AE86836664A)/)

- In case of **fresh food** or **seasonal products** distribution, it is possible to **derogate** the rule and select type of **procurement procedure according to the value of each individual lot** (if procurement is separated into lots).
- It is necessary to contract an independent and recognized verification or inspection entity, i.e. a **Monitoring Agency**⁶ responsible for verifying and certifying the **quantity, quality, packing and marking** of supplies. In large humanitarian operation, it is recommended to hire a **quality control officer**.
- Contracts with wholesale food suppliers should include provisions on the accepted **tolerance for weight and/or quantities** delivered and identify the procedure for establishing **reductions of price for quality deviations** and deliveries beyond the contracted delivery date or period.
- Where applicable, the Tender Notice shall specify the contractual **Incoterms**⁷ delivery conditions applied to the supply contract. When the Incoterms specified in the procurement notice oblige the supplier to take out a transport insurance policy, this insurance shall cover at least the awarded tender amount and all risks associated with carriage.
- Distribution of the **powder milk** for new-borns can be executed in very **exceptional cases** and only when adhering to standards set up in the [International Code of Marketing of Breast-milk Substitutes \(WHO, Geneva, 1981\)](#).

4. PHARMACEUTICAL PRODUCTS, MEDICAL DEVICES AND PESTICIDES

4.1. General rules on procurement of medical supplies (pharmaceutical products and medical devices)

As the utilization of pharmaceutical products and medical devices brings possible risks to the health of the beneficiary population, their purchase, distribution and utilization is regulated by variety of international treaties and norms under auspices of the World Health Organization (WHO) and also by legislation of respective states. As PIN is not a specialized health organization, selection of the supplier and procurement of given commodities has to be done through an intermediary with relevant license or authorization⁸ under the applicable legislation and has to respect rules as per here below:

- Irrespective of the value of the contract to be awarded, PIN shall most preferably procure medical supplies through a **Humanitarian Procurement Center (HPC)**⁹, or by launching a procurement procedure with **pre-certified candidates** meeting the standards explained below. Whenever feasible, the number of candidates invited shall be sufficient to ensure genuine competition.
- When assessing offers submitted by pre-certified candidates, PIN shall compare **prices** and shall **consult international medicines price databases**¹⁰
- When comparing the costs of pharmaceutical products, the **cost of the whole treatment per patient** shall be taken into consideration, thus not only the cost per unit. Given that the procurement planning may also be influenced by other factors, such as transportation charges, storage requirements and shelf-life, the **total cost necessary to uphold the required quality** shall be considered.
- When procuring medical supplies, medical devices, or veterinary medicines, CP's logistics must ensure that adequate provisions/SOP are in place to ensure respect of national regulation and when possible

⁶ This includes any internationally recognized inspection company, preferably accredited to the standard norm ISO 45004 – ISO/IEC 17020 in the food production sector, contracted to verify and certify quantity, quality, packing and marking of food supplies.

⁷ www.iccwbo.org/incoterms/id3042/index.html

⁸ As an intermediary can be understood a local external personnel or organization, usually governmental or non-governmental health organizations, hospitals, health institutions or specialized international NGOs

⁹ HPCs are not for profit organisations approved by ECHO specialised in the technical and commercial management of supplies and services necessary for the implementation of humanitarian Actions. Their list can be found here: [https://elo.pinf.cz/web-CZE/?guid=\(17E8BBFE-D8F3-E509-AB12-E58469B05D6B\)#/archive/\(EBF51AED-B2C0-5C99-04A6-798CE3EE7856\)/](https://elo.pinf.cz/web-CZE/?guid=(17E8BBFE-D8F3-E509-AB12-E58469B05D6B)#/archive/(EBF51AED-B2C0-5C99-04A6-798CE3EE7856)/)

¹⁰ E.g. the International Drug Prices Indicator, the Global Fund Price and Quality Reporting tool (PQR), the Price Information Exchange website (PIEMEDS), the global price reporting mechanism provided by the WHO AIDS Medicines and Diagnostics Service (AMDS) or MSF Untangling the Web of Antiretroviral Price Reductions

internationally recognized best practices¹¹ in the **destruction of any contract-related supplies that are recalled or expired**.

- Procurement of pharmaceutical products and medical devices enables to derogate standard procurement procedures defined in these guidelines and launch a **negotiated procedure**, inviting pre-qualified tenderers only. Sufficient number of tenderers should be invited to ensure genuine competition.
- These rules **are not applicable** for procurement of **veterinary products**.

4.2. Specific rules for procurement of pharmaceutical products

If application of preceding point is not possible (procurement through HPC is not possible) for justifiable reasons AND if the purchase, distribution and use of pharmaceutical products or medical aids and devices are executed outside the EU territory¹², PIN will apply following rules for purchase of pharmaceutical products:

- The purchase shall be executed only from **certified and registered suppliers**, who have demonstrated that their premises and facilities meet internationally recognized standards, e.g. as described in the **Guidelines on Good Distribution Practice of Medical Products for Human Use**, that they are technically capable of ensuring the quality of active ingredients and that their products come from approved suppliers. The Tender Notice/invitation to negotiate shall at least include request to comply with following criteria:
- **World Health Organisation's principles of Good Manufacturing Practice**¹³; where relevant, GSP, GLP, GCP, MQAS and GDP
- on-going **monitoring of the production and quality control** activities of both their supplies and suppliers, pursuant to the WHO standards and an **adequate quality control testing programme**, including protocols and standard operating procedures based on a demonstrated risk analysis policy;
- monitoring of **customers' complaints and remedial follow-up**, including recall procedures; and
- any other recognition, which according to a recognized accreditation body, compliant at least with one of the following standards or equivalent standards: United States QS (21 CFR part 820) on quality system regulation; ISO9001/200816 on quality management system; ISO9002/1994 on quality assurance in production, installation and servicing.

It is strongly recommended to select **medical products** already enjoying pre-qualification, or the suppliers already benefitting from pre-certification from an internationally recognized or reputable certification body that meets WHO recommended norms and standards for carrying out quality assessment, pre-qualification or pre-certification¹⁴.

In this case proof of such quality needs to be filed in PIN procurement file.

Acceptable proof of quality in this respect may be issued either by the WHO, a Stringent Regulatory Authority¹⁵, or an HPC.

If none of the previous proofs of quality are available in the country of operation, the proof of quality may be issued, after consultation of the Commission, by a National Drug Regulatory Authority, or an internationally recognized independent certification authority.

¹¹ https://www.who.int/water_sanitation_health/publications/unwanted-pharmaceuticals/en/

¹² E.g. pharmaceuticals are supplied by a company based in USA directly to Congo, not to our head quarter (HQ) in Prague, or a European supplier authorized to distribute pharmaceuticals under EU regulations delivers pharmaceuticals directly to Ethiopia, not to/through PIN HQ.) This is due to the fact that PIN does not hold a license to distribute pharmaceuticals pursuant to the Czech Act of Pharmaceuticals.

¹³ https://www.who.int/biologicals/vaccines/good_manufacturing_practice/en/

¹⁴ MQAS (http://www.who.int/prequal/info_applicants/procagencies/prequal_procagencies.htm).

¹⁵ The expression Stringent Regulatory Authority refers to a National Drug Regulatory Authority of a country participating either in the PIC/S (Pharmaceutical Inspection Convention and Pharmaceutical Inspection Cooperation Scheme) and/or the ICH (International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use) initiatives.

4.3. Specific rules for procurement of medical devices

If procurement through HPC is not possible, purchase shall be executed only from **certified and registered suppliers**, who have demonstrated that their premises and facilities meet internationally recognized standards, e.g. as described in the **Guidelines on Good Distribution Practice of Medical Products for Human Use**, that they are technically capable of ensuring the quality of active ingredients and that their products come from approved suppliers. The invitation to negotiate shall at least include request to comply with following criteria:

- essential requirements as described by the IMDRF;
- ISO standards and/or other equivalent standards as recognized by the IMDRF;
- recognition by at least one of the regulatory authorities or an equivalent entity: MPALS License (Australia), Device License (Canada), CE Mark (EU), Device License (Japan), and 510 k Device Letter (USA); and
- priority shall be given to candidates that have been accredited by a recognized accreditation entity, thus providing proof of compliance with at least one of the following standards or equivalent: Japan QS Standard for medical devices 1128, ISO 1348521 on quality management system of an organization, and ISO9002/1994 on quality assurance in production, installation and servicing.

Attention: PIN has currently no list of pre-qualified tenderers for medical devices. For advice on suppliers selling devices related to **blindness prevention** visit <https://www.iapb.org/> (<https://iapb.standardlist.org/the-essential-lists/>)

4.4. Procurement of pesticides

PIN must avoid contamination of the environment with chemicals. In programmes with fertiliser distribution, procurement of indigenous and local means for fertilisers over chemical-based pesticides and fertilisers must be prioritised.

In pest management programmes, opt for the integrated pest management approach¹⁶ instead of using pesticides and prioritise indigenous and local means for pest-control and fertilisers over chemical-based pesticides and fertilisers. The use of pesticides should only be tolerated in "alarming" situations (out-of control pest infestations, etc.).

Attention: Avoid the use of highly hazardous pesticides (HHPs), pesticides falling under the Stockholm Convention and pesticides and Severely Hazardous Pesticide Formulations (SHFPs) included under the Annex III of the Rotterdam Convention, to the extent possible as well as those that are banned in the given country¹⁷.

Purchase and stocking of chemicals should be done according to a 'use plan' where the quantity of chemical products needed is accurately calculated and planned according also to the expiry date and disposal options in the context of delivery, in order to prevent expired chemicals building up in the field where disposal is difficult.

5. SPECIFIC GUIDANCE FOR INCLUDING SUSTAINABILITY INTO PROCUREMENT PROCESS

For any upcoming procurement, CP PO and the Requestor are expected to assess the feasibility of including environmental criteria. Generally, PIN procurement must always take into account:

- localisation of the procurement (procure such locally-produced items if their environmental sustainability and quality can be ensured);

¹⁶ US EPA: "integrated pest management programs use current, comprehensive information on the life cycles of pests and their interaction with the environment. This information, in combination with available pest control methods, is used to manage pest damage by the most economical means, and with the least possible hazard to people, property, and the environment"

¹⁷ <https://pan-international.org/pan-international-consolidated-list-of-banned-pesticides>

- reduction of packaging and plastics (no individual wrapping, no unnecessary plastic wrapping, prefer carton wrap, reusable packaging or recycled/recyclable/degradable plastic wrapping),
- increased shelf-life (or durability) of the distributed items;
- reduction of the transport related CO₂ production,
- preference of the certified “green” suppliers and products and other measures.

To accommodate those requirements, PIN procurement guidelines introduce the Environmental sustainability criteria with the value of maximum 10% of the appraisal grid, which will to a maximum extent and wherever relevant accommodate all those considerations.

For more detailed information on environmental sustainability specification and evaluation criteria, and specifics for repeatedly purchased items/core items, see [Logistics handbook](#).

5.1. Sustainable and environmental selection criteria

Sustainable criteria for selection may be set in order to assign actual point weights to the particular important feature that renders the service or product environmentally friendly or sustainable. Priority (i.e. selection criteria set and weights assigned) should be given to products or suppliers offering products that through either lifecycle data declaration, Eco labelling or self-declaration demonstrate:

- Made of recycled, renewable or sustainable materials/components (or use such products for the service)
- Made by factories implementing energy saving practices (ISO 50001:2011) and environmental impact management (ISO 14000)
- Locally produced in order to reduce carbon footprint related to transportation while supporting local economy, but procure such locally-produced items if their environmental sustainability and quality can be ensured
- Fairtrade products and services
- With reduced packing (e.g. buying in bulks), or using deposit-return packaging
- Packaging is biodegradable, recycled or recyclable material
- Reusable packaging (e.g. buying pen filling and reuse the pen itself)
- Which emit fewer irritating or toxic substances during installation or use
- Which result in smaller production of toxic substances, or of less toxic substance, upon disposal
- With best energy efficiency ratings, ideally A+++ or equivalent
- Utilizing clean technology and/or clean fuels
- Which result in reduced water consumption
- With improved recyclability and/or greater durability
- Products from ecological agriculture and sustainable forestry
- Products with ecolabels

5.2. Method of proof and verification

Same as with any other criteria, these sustainable aspects must be able to be checked, verified and confirmed as fulfilling.

- Products having the relevant Ecolabel are the easiest to proof.
- If Ecolabels are not available, the committee shall accept for example:
 - a list of ingredients, or list of raw materials, which would be checked against specific, official lists proving no toxic or harmful substance have been used.
 - a technical list of the product drafted by the supplier describing the product’s environmental specifics related to the technical specifications defined in the tender
 - other certificate/analysis result of quality testing institution
 - Certification of sustainable management of source natural resources (prevent deforestation, land-use change) – BIO certificate or other
 - Certification/standards of labour conditions

- Documentation of origin of materials and work labour, which can prove that environment and social conditions are not harmed in countries where certification is not available

5.3. Simple purchases

One or more of the previous sustainable criteria should be taken into account when using a simple purchase procedure if the price difference remains acceptable, in other words, when the value for money principle is applied. The CP Procurement Officer should be consulted in case of any doubt.

5.4. Simplified procedure

In case of a documented procedure with quotations, PIN recommends to allow a 10%-20% so called “margin for sustainability”. In practice, if PIN takes the decision to purchase an equipment or a supply 10%-20% more expensive for reasons related to sustainability, the sustainable criteria must be clearly stated. Another option is to use the *weighted price principle* in order to allow for the more expensive sustainable product to compete.

5.5. Negotiated & open tender procedure

In case of a negotiated tender procedure, sustainable specification and/or selection criteria as described above shall be set. The weight of such criteria should be maximum 10%.

Weighted price principle is ideal solution for factoring in sustainable criteria and making the offer with respecting environmental aspects competitive. Weighted price system introduces a coefficient to be multiplied by the price for specific proven sustainable criteria (**example of this principle can be found in the template of Tender notice; template for evaluating offers with weighted price principle is part of Form, Evaluation table with formulas**).

PART E – PROCUREMENT FORMS AND TOOLS

Complete list of PIN Procurement forms

FORM 1, **Purchase request form**

FORM 2, **Eligibility sworn statement**

FORM 3, **Request for exemption**

FORM 4, **Tender notice**

FORM 5, **Terms of references**

FORM 6, **Quotation form**

FORM 7, **Quotation evaluation protocol**

FORM 8, **Tender notice/Tender documentation distribution protocol**

FORM 9, **Tender documentation delivery report**

FORM 10, **Protocol of opening envelopes**

FORM 11, **Appointment of evaluation committee**

FORM 12, **Tender evaluation report**

FORM 13, **Tender award notice**

FORM 14, **Purchase order**

Complete list of PIN Procurement tools

FORM 15, **Project Procurement Plan**

FORM 16, **Annual Procurement Plan**

FORM 17, **Evaluation table with formulas**

FORM 18, **Quality evaluation guidance grid – points**

FORM 19, **Quality evaluation guidance grid – individual weighted items**

FORM 20, **Vendor database**

FORM 21, **Induction - Logistics and procurement minimum for project staff at CP level**

FORM 22, **Purchase list** (*sample form*)

Complete list of PIN Procurement declarations on conflict of interest forms

FORM 23, **Conflict of interest declaration for logistics procurement**

FORM 24, **Country Programme Procurement officer declaration form**

FORM 25, **Section Procurement officer declaration form**

All documents (forms and tools) can be downloaded from ELO: [01 Guidelines and Documentation – Návod y a dokumentace\RDD\ All\RDD II - Logistics & Procurement\Procurement](#)

Examples for tenders including Tender Notice are here: [01 Guidelines and Documentation – Návod y a dokumentace\RDD\ All\RDD II - Logistics & Procurement\Procurement\03 Examples](#)

