

**PROJECT INFORMATION DOCUMENT (PID)  
CONCEPT STAGE**

Report No.: 55822

<b>Project Name</b>	Zambia: Livestock Development and Animal Health Project
<b>Region</b>	AFRICA
<b>Sector</b>	Animal production (60%);Agricultural marketing and trade (20%);General agriculture, fishing and forestry sector (20%)
<b>Project ID</b>	P122123
<b>Borrower(s)</b>	GOVERNMENT OF ZAMBIA
	Ministry of Finance and national planning Zambia
<b>Implementing Agency</b>	
	Ministry of Livestock and Fisheries Development Zambia
<b>Environment Category</b>	<input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> TBD (to be determined)
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**1. Sectoral and Institutional Context**

Productivity of the livestock sector is low. For example, productivity of cattle in the smallholder sector is characterized by slow growth rates (5-8 years to reach market weight), high calf and adult mortality rates (20-30% and 9% respectively) and low reproductive performance. In comparison, production ratios for the commercial sector feature low calf mortality (1-2%), high reproductive rates (65-70%) and an off take between 17-18%. Livestock diseases are a major constraint to livestock production and the control of these diseases or their vectors can contribute significantly to the livestock sector reaching its full potential. The important livestock diseases are those of an epidemic nature, have transboundary (and therefore regional and international) significance or are major zoonoses. These include East Coast Fever (ECF), Contagious Bovine Pleuro-pneumonia (CBPP), Foot and Mouth Disease (FMD), and Trypanosomiasis for ruminants, African Swine Fever (ASF) for pigs and Newcastle Disease (ND), that can hardly be differentiated from Avian Influenza H5N1, for poultry. They all affect the productivity of livestock either through direct losses caused by mortality and decreased production or indirect losses resulting from effects on trade, draught power, etc. Therefore, reduced disease incidence and improved sanitary conditions will enhance Zambia's chances to access regional and international markets. The new Ministry of Livestock and Fisheries Development (MoLFD) is dominant in animal health service provision and has traditionally retained the key responsibilities for all aspects of the control of major animal diseases. However, declining resource allocations have seriously impeded its capacity for service delivery at the farmer level. Public spending in the agricultural sector is low; less than 5 percent of the Government of Zambia's (GOZ) budget or 1 percent of the GDP (FNDP, 2008).

Domestic demand conditions in Zambia for animal products are favorable for rapid expansion of the livestock sector. As GDP per capita continues to rise, so will incomes. Even if Zambia is unable to increase rural incomes, there is still plenty of scope for demand to grow rapidly driven by the growing urban middle class. With high income elasticity of demand at lower levels of income for livestock products such as beef and dairy, there is scope for rapid increases in demand for these products in Zambia whose meat (13.4 kg) and milk (7.4 kg) annual consumption levels per capita are among the lowest in Southern Africa. Moreover, there is scope for import substitution. For example, imports of dairy products have increased significantly in recent years from less than US\$3 million in 2002 to US\$12 million in 2008. Regional markets exist for beef in the Democratic Republic of Congo, South Africa and Zimbabwe and for dairy products in Malawi and Botswana although the later is mainly supplied by the major dairy producers such as Australia and New Zealand.

## **2. Proposed objective(s)**

The PDO is to improve the productivity of key livestock production systems for the targeted smallholder producers in the identified areas and improve the safety of meat and milk products in slaughter houses markets and milk collection centers supported by the project. Specific objectives are to: (i) increase yield of targeted production systems by participating smallholder producers in the targeted areas; (ii) decrease the incidence of key animal diseases in project areas; and (iii) build the capacity of the Animal Health system and Veterinary Services.

## **3. Preliminary description**

The proposed project will support the government in improving the productivity of key production systems, namely meat and milk from cattle and small ruminants, and poultry sector. It will specifically strengthen the veterinary services (public and private) to better control major animal diseases and improve food safety. It will also tackle other identified constraints by supporting productive investments (infrastructure, equipment, and technologies) and improving access to advisory and extension services for the producers and their organizations. This will directly lead to productivity improvements in the smallholder livestock sector. The project will support the rehabilitation of animal health and veterinary services by the provision of equipment, rehabilitation or construction of critical public and community infrastructure and skills training of front line animal production and veterinary staff. IDA support will cover the major animal rearing provinces including Eastern, Southern and Western Provinces and the designated Disease Free Zone if the cost benefit analysis will deem this feasible.

Project activities will be organized around the following proposed components:

**Component 1: Strengthening of the Veterinary Services and Support to the Establishment of a Disease Free Zone.** This component will support the strengthening of the Veterinary Services, as defined by the World Organization for Animal Health (OIE), which focuses the tripod, “public veterinary system, private veterinary network and producers”. It will build on the evaluation of the performance of the Veterinary Services using the PVS Tool, that was carried out in July 2008 by the OIE and the subsequent Gap Analysis conducted recently. In addition, this component would support the improvement of competitiveness of smallholder –based livestock production systems, food safety and hygiene along the meat supply chain linking

producers, slaughterhouses and local meat markets; and environmental management of livestock waste. Depending on the results of economic and cost-benefit analyses to determine among other things, the distribution of benefits, as well as of social and environment studies, this component will also support the GoZ in establishing Disease Free Zone in designated area of Central Province, which has up until now has had no major animal disease outbreak.

**Component 2: Productive investments and access to services for producers and organizations.** This component will support investments for the producers and their organizations aiming at increasing the productivity of the identified production systems. It will include key infrastructure, on a demand-driven basis and with clear management schemes, equipment and technologies. The component will also aim at building capacities for effective delivery of services and technologies.

**Component 3: Institutional Capacity Improvement.** The component aims at reinforcing institutions. The MoLFD is a newly created Ministry and its capacities, as well as its collaboration with other Ministries (agriculture, economic, Home affairs, Health...) need to be enhanced. It would also provide support to the development and implementation of key policy options, institutional reforms or review of the legislative framework. It will ensure that the MoLFD is able to take its core public responsibilities. This component will also assist the MoLFD in the livestock sector monitoring and evaluation process by improving its capacity to collect and analyze reliable data and monitor the sector evolution.

#### 4. Safeguard policies that might apply

Environmental Assessment (OP/BP 4.01) policy has been triggered because the program may support the establishment of a Disease Free Zone, which might have environmental and social impacts. It will also support the construction or rehabilitation of infrastructure such as slaughterhouse in which waste can have impacts on the environment. Specific Socio-Environmental impact Assessments will be prepared.

Natural Habitats (OP/BP 4.04) policy has been triggered since program activities might border or operate in natural habitats or protected areas. Livestock owners are sometimes in conflict with protected areas, because of the need to access resources such as fodder or water.

Pest Management (OP 4.09) policy is triggered because the objective of increasing livestock productivity will indirectly incentivize increased animal drugs and veterinary medicinal products use. To address these concerns, an Integrated Pest Management Plan (IPMP) will be used for screening of pesticides and guide their safe handling.

Involuntary Resettlement (OP/BP 4.12) - Screening of the establishment of the DFZ and of the construction of infrastructure aiming at increasing livestock productivity should ensure that no resettlement will be needed. However, the risk exists and the policy is triggered.

#### 5. Tentative financing

Source:	(\$m.)
BORROWER/RECIPIENT	0
International Development Association (IDA)	45
Total	45

**6. Contact point**

Contact: Alex Mwanakasale

Title: Agricultural Officer

Tel: 5338+3205 / 260-21-125-2811

Fax:

Email: [Amwanakasale@worldbank.org](mailto:Amwanakasale@worldbank.org)

Location: Lusaka, Zambia (IBRD)