



The European Development Fund (EDF) and Less Favoured Areas

Zambia Case Study

PELUM Association and Practical Action

By Savior Mwambwa

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EXECUTIVE SUMMARY

The study commissioned by PELUM Association in collaboration with Practical Action as the 'Zambia case study' is part of a two-country (Zambia and Kenya) project on raising the awareness of the European public on the plight of farmers in marginalized areas in Africa.

The purpose of the “EU Public awareness Project” is to raise the awareness of the EU public on African issues particularly issues of resource allocation and its effectiveness among local communities with emphasis on the deprived marginal areas.

The overall objective of the EU-Africa Advocacy project is to promote policy change within the EU- ACP Cotonou Partnership Agreement (CPA) to support the sustainable use of natural resources and reduction of poverty in the Eastern and Southern Africa (ESA) region. The project focuses on aid effectiveness, specifically the European Development Fund (EDF).

The findings show that while there has been an overall increase in the 9th and 10th EDF resources allocated to the national budgets of Zambia for the last 10 years and also within the national agriculture budget, there has not been a corresponding increase or improvement in the quantity and quality of financial flows going to the marginalized districts and areas such as Gwembe which have for a long time been viewed as economically less productive areas.

What appears as a pattern of consistent under investments in district agriculture programmes such in Gwembe is not as much due to the lack of government capacity to implement projects and to spend budgets, rather it is due to the centralization of resources and the perennial state of crisis of the central government's budgeting process. Arbitrary cuts to district and provincial budgets by the central government without clearly agreed and transparent criterion coupled with non-adherence to legislated sector budgets by the Ministry of Finance have characterized district allocations in the agriculture sector.

The above state of affairs have presented huge obstacles to the EDF resources impact on improving the lives of people in less favored regions of the country.

The study puts forward the following recommendations:

1. The governance profile indicators should be at the core of the EDF process in order to effectively bring about improvements in the central budgeting process, strengthen public expenditure system, and increase participation of district and elected officials in influencing budget outcomes.
2. The EC and GRZ should employ resource allocation criteria such as equity of distribution indices that prioritizes marginalized and less favored areas, this would guarantee resources flows to these areas.
3. The EC must begin to support an increased civil society role and capacity to

deliver services and to demand for more and better services from central government. The EC office should invest in its own capacities such a setting up a well staffed civil society office at the delegation to engage with civil society groups.

4. There must be a comprehensive in-depth EC, government and civil society consultation process around the formulation and negotiations of the CSP/NIP that involves the major stakeholders in the rural area of Zambia.
5. The EC office needs to take a keen interest and be committed to processes that build capacity of local farmers and communities to hold governments accountable for service delivery.
6. The EC in Brussels should move towards giving country offices more autonomy to enable them be better placed to be responsive to local conditions and needs, this calls for more decentralized decision making with the EC.
7. Civil Society must be included in the midterm reviews of the CSP/NIP and dialogue round the performance assessment framework (PAF) which form key components of the monitoring process of the EDF resources.

PELUM intends to use this study to lobby for Civil Society to be included in the midterm reviews of the CSP/NIP and dialogue round the performance assessment framework (PAF) which form key components of the monitoring process of the EDF resources.

Further advocacy work will be done to ensure that EDF resources allocated are channeled to Less Favored Areas and not only the so called 'productive areas.'

PELUM wishes to thank Practical Action for funding this project and providing the European link in the project. We would also like to thank Savior Mwambwa the consultant who undertook the study for diligently doing the work.

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Joseph Ssuuna
Secretary General
PELUM Association

Acronyms

Africa Caribbean and Pacific group of nations	ACP
Civil Society Organisation	CSO
Country Strategy Paper	CSP
Country Strategy Papers	CSPs
District Agriculture Coordinating Office	DACO
Eastern and Southern Africa	ESA
Eastern and Southern Africa Small Scale Farmers' Forum	ESAFF
Economic Partnership Agreement	EPA
European Commission	EC
European Development Fund	EDF.
European Union	EU-
Evangelical Fellowship of Zambia	EFZ
Fertilizer Support Program	FSP
Fifth National Development Programme	FNDP
Focus Group Discussions	FGD
General Budget Support	GBS
Government of the Republic of Zambia	GRZ
Gwembe Tonga Development Project	GTDP
Joint Assistance Strategy for Zambia	JASZ
Law and Development Association	LADA
National Authorizing Office	NAO
National Indicative Programme	NIP
National Working Group on Trade	NWGT
Non- Governmental Organisations	NGOs
Participatory Ecological Land Use Management	PELUM
Performance Assessment Framework	PAF
Poverty Reduction Strategy Paper	PRSP
Recurrent Departmental Charges	RDCs
Senior Agriculture Officer	SAO
Transitional National Development Plan	TNDP
World Trade Organisation	WTO
Zambia National Farmers Union	ZNFU

1.0 Introduction

This study was commissioned by PELUM Association in collaboration with Practical Action as the '*Zambia case study*' of a two-country project on raising the awareness of the European public on the plight of farmers in marginalized areas in Africa. The purpose of the European Union (EU)-Africa Advocacy Project is to raise the awareness of the EU public on African issues, particularly issues of resource allocation and its effectiveness among local communities, with emphasis on the deprived marginal areas.

The overall objective of the EU-Africa Advocacy project is to promote policy change within the EU-Africa Caribbean and Pacific group of nations (ACP) Cotonou Agreement to support the sustainable use of natural resources and reduction of poverty in the Eastern and Southern Africa (ESA) region. The project focused on aid effectiveness, specifically the European Development Fund (EDF).

1.1 Study focus and objectives

The focus of this project activity was to improve the quality and quantity of European aid to deprived rural areas in selected African countries by lobbying on the basis of evidence from case studies of "Less Favoured Areas".

Specifically, the Zambia study focused on;

1. Reviewing the 9th EDF consultation process looking at its focal areas and assessing the overall impact.
2. Researching on 10th EDF consultation process in Zambia looking at the focal areas and their relevance to poverty reduction
3. Examining the Zambian Planning and Finance Ministries, to determine the focus of the 10th EDF consultation process and the priorities set
3. Undertaking field studies and focus group discussions (FGD) in liaison with local politicians and government officials. The activity was carried out in conjunction with the Eastern and Southern Africa Small Scale Farmers' Forum (ESAFF). Gwembe District was the Less Favoured Area selected for the study.

1.2 Methodology

The study commenced with a document review on the various aspects of the EDF process from the European Commission (EC) office in Lusaka, including minutes of stakeholder consultation meetings, and key policy and budget documents from the Ministry of Finance and the National Authorizing Office (NAO). This was complemented by key informant interviews with identified stakeholders from relevant government ministries and the EC delegation office in Lusaka. In addition interviews were conducted with civil society representatives as well as key informants and discussions were held with farmer groups and community representatives in Gwembe district.

2.0. Policy Context of the EDF process in Zambia

Cooperation between Zambia and the EC started in 1975 when Zambia joined the ACP with the coming into force of the Lome Convention, precursor to the present Cotonou Agreement. Since then the country has benefited from consecutive EDF programmes.

The Treaty establishing the European Union provides the legal basis for EC cooperation with ACP countries and article 177 spells out the general objectives of the EC's external policy. Significant to ACP countries benefiting from EC support is the recently adopted *European Consensus on Development* which sets the general policy framework at EU level. According to the EC, the primary and overarching objective of EU development policy is *the eradication of poverty in the context of sustainable development, in line with the international agenda, and with particular attention for the Millennium Development Goals (MDGs)*. Human rights and good governance are recognized as other important objectives.

Country Strategy Papers (CSPs) provide the framework for the EC's assistance programmes under the Cotonou Agreement. The framework is based on the EU/ACP co-operation objectives, Zambia's policy agenda, an assessment of the situation in Zambia, and the activities of other major donors in Zambia. The framework concludes with the proposed EC response strategy and an Indicative Programme. EDF negotiation processes are conducted within this framework.

3.0 The 9th and 10th EDF consultation process and priority funding areas

The 9th EDF was negotiated and implemented within a Country Strategy Paper (CSP) that covers the period 2001 to 2007. The Government of the Republic of Zambia (GRZ) Poverty Reduction Strategy Paper (PRSP) and the Transitional National Development Plan (TNDP) were the other policy instruments that informed the content and focus of the CSP and the National Indicative Programme (NIP) for the period 2001-2007.

3.1 Consultation process for CSP/NIP 2001 -2007

Civil Society Participation has been a key feature emphasized within the Cotonou Agreement. This study has found that there has been limited participation and influence of civil society on the EDF negotiation process.

Negotiations on the 9th EDF process in Zambia have been exclusively between the EC Office in Zambia and the GRZ through the NAO at the Ministry of Finance and National Planning (MOFNP) currently led by the Secretary to the Treasury.

There have been EC led consultations with other stakeholders: civil society groups and the

private sector. These have usually taken the form of the EC office in Lusaka circulating various versions of the CSP to stakeholders followed by an invitation for a meeting to get views on the CSP and priority focal areas being proposed. In Zambia a core group of civil society groups, mostly from Lusaka, have been taking part in both the 9th and 10th EDF consultations organized and led by the EC office.

Civil society groups have however raised concerns on the limited nature of civil society input and influence on the EDF process. According to some civil society representatives, their influence and participation in the EDF negotiation process is usually limited due to the fact that by the time the EC office in Zambia is inviting the different NGOs for discussions, the priority areas have been sent to Brussels and agreed upon in principle. Hence there is little room for change based on civil society's contributions. Further, civil society's voice is weak due to the fact that civil society organizations in outlying areas outside Lusaka have been absent from the EDF consultation process.

Zambian civil society feels that the limited civil society involvement can be partly attributed to the EC's failure to establish strategic alliances with the poor and wider civil society and other development actors over the many years they have been operating in Zambia. 'The EC delegations need to go out of their way to identify grassroots civil society partners to work with.'

Whereas information-sharing is important and indeed necessary, it is not, ipso facto, sufficient to guarantee effective levels of engagement.' (Mali 2006)

According to the EC delegation in Zambia, they have attempted to involve civil society in the consultation process around the EDF. However there are various constraints that affect the extent to which the EC can facilitate civil society participation. Firstly, the EC office is constrained in terms of availability of staff to be able to reach out and engage with the many civil society groups in Zambia; the EC usually targets national networks with the hope of capturing as many groups as possible that are represented by these networks. The EC further points out the limited capacity among civil society itself as the second obstacle to civil society effectively influencing the negotiation process. In most cases when the EC invites civil society to meetings very few or the same civil society groups attend and there is little input from the groups present.

Apart from the EC-led process, there is no separate government consultation process that is solely led by the Ministry of Finance to engage Non State Actors in the EDF consultation process. The lack of a separate government EDF consultation process leads to limited local participation and influence on the resulting priority focal areas by such Non State Actors as national and grassroots based civil society.

This lack of a formalized civil society consultation process driven by government could

be attributed to the presumption within the Ministry of Finance and the NAO in particular that since the CSP is informed by national policy frameworks like the PRSP and FNDP, stakeholders' voices will eventually filter through to the EDF process.

In response to civil society criticism on their limited involvement in both the consultation process and in accessing the EDF resources, the EC delegation commissioned a Civil Society Organisation (CSO) mapping survey in 2005 to better understand the capacity and nature of Zambian CSOs as a first step to establishing stronger linkages with them. This CSO capacity needs assessment enabled the EC to identify networks to target for consultations. The EC has since proposed an increase in the allocation for Non-State Actors from 1.3 per cent to 5 per cent. CSOs have viewed this as timely and encouraging, bearing in mind that the CSOs did not fully benefit under the previous EDF initiatives, especially in the area of capacity building.

Box 1: Food Security/Agriculture in 9th EDF

Focal sector 1: Transport sector interventions- (3 components)		Indicative Allocation: € 90 million
•	Preventive maintenance of Trunk, Main and District Roads	
•	Maintenance and rehabilitation of Feeder Roads	
•	Transport mode study (rail/road) and studies for track upgrading	

One such link is the EC's collaboration with the civil society network Civil Society for Poverty Reduction (CSPR). The EC has contracted the network to embark on activities aimed at promoting the active involvement of civil society in the poverty reduction budget support process through capacity building, research and monitoring activities.

3.2 The 9th EDF Priority Focal Areas

The process of negotiations under the 9th EDF process between the GRZ and the EC delegation office in Lusaka in consultation with the EC headquarters in Brussels resulted in a CSP highlighting the EC's response strategy to the country assessment.

The CSP includes a NIP highlighting the indicative resource allocation in each of the priority areas covering the period 2001 to 2007. The GRZ and the EC agreed on undertaking periodic reviews to accommodate any changes in allocations that may be required due to changes in the political and policy context of the country

Table 1: The 9th EDF priority focal areas and indicative allocations in the NIP 2001-2007

Focal sector 1: Transport sector interventions- (3 components)		Indicative Allocation: € 90 million
•	Preventive maintenance of Trunk, Main and District Roads	
•	Maintenance and rehabilitation of Feeder Roads	
•	Transport mode study (rail/road) and studies for track upgrading	
Focal sector 2: Institutional Development and Capacity Building (2 components) -		Indicative Allocation: € 40 million
•	Capacity Building for financial and economic management (focus on planning and economic management, expenditure control and accounting, as well as statistical services	
•	'.....Capacity development for public-private dialogue as a basis for building a policy and institutional environment to promote private sector led economic growth, particularly in the areas of investment, export promotion and trade. In addition, capacity development for and cooperation with a wide range of non-state actors is foreseen....'	
Macroeconomic Support - (PRBS 1)		Indicative Allocation: € 90 million
•	Support to GRZ macroeconomic reform programme	
Other Programmes		Indicative Allocation € 20 million
•	Education, HIV/AIDS and Health	

Source: Compiled by author from part B of the 'Zambia- EU CSP and NIP 2001-2007'

Table 1 above shows the focal priority areas of funding in the NIP 2001-2007 under the CSP for the 9th EDF process. The first focal area covers interventions in the transport sector with an indicative amount of € 90m. The second focal area with an indicative allocation of € 40m covers two components under institutional development and capacity building dealing with strengthening of financial and economic management, and also the development of a public private sector dialogue as a basis for an environment that promote private sector led growth. The other focal areas are support to macroeconomic reform programme of the government with € 90m allocated and the last focal area dealt with HIV/AIDS, Education and Health sector with € 20m as the indicative allocation. The absence of Agriculture/Food Security as a focal sector in Zambia is explained.

The initial A envelope of the NIP 2001-2006 under the 9th EDF did not consider interventions in agriculture and tourism among the priority focal sectors due to what the EC termed as *'the absence of adequate sector policies for Agriculture and Tourism and in view of the dominant role given to private enterprises for the development of these sectors'*.
(European Commission: 2001)

This was so due to the fact that at the time, the National Agriculture Policy (NAP) was still in draft form as it was not yet finalized. However following the mid term review of the CSP/NIP an amount of € 15 million was transferred from the B-envelope to the A-envelope in favor of a new 9th EDF food security/agriculture project. The new support was integrated under the existing focal sectors of capacity building and support to non-state actors.

The food security project is to be implemented during the period 2006-2010, with two main components: technical support to the definition of a coordinated national food security strategy and piloting of integrated plans to implement the resulting strategy, which aims to particularly promote small-holder agriculture production, diversification, marketing and local-value addition in Western and North-Western Provinces.

It is envisioned that the implementation of the activities under the food security focal area will be done with the involvement of public extension services, NGOs and the private sector. The other notable intervention in the agriculture sector is the Conservation Farming project being implemented through the Zambia National Farmers Union (ZNFU) with an allocation of € 1.97 million covering the period 2005-2007. This intervention could be extended subject to evaluation.

4.0 The 10th EDF: consultation process and priority funding areas

4.1. Negotiation process for the CSP 2007 2013

According to the NAO and the EC delegation in Zambia, the basic criteria that have guided the selection of priority areas in 10th EDF have been as follows;

- ◆ Fifth National Development Programme (FNDP) main objectives and financial needs
- ◆ Comparative advantage of the EC as defined in the European Consensus
- ◆ Division of labour and complementarily between cooperating partners under the Joint Assistance Strategy for Zambia (JASZ)
- ◆ Aid implementing methods recommended by both the EU development strategy and the FNDP.

Civil society groups have recognized and commended the EC delegation efforts and attempts to align with the FNDP and also the foreign cooperating partners and government for preparing the JASZ, which will focus and organize development assistance provided by cooperating partners in support of the implementation of the FNDP.

However, there have been doubts expressed by civil society groups about the extent to which the EU will align its priorities with the NDP. This doubt is based on the experience of the PRSP formulation and implementation, where most foreign cooperating partners, including the EU, did not align their activities with the PRSP. (Mali, 2005)

As with the 9th EDF process, civil society groups have highlighted and lamented the limited nature of civil society influence on the outcomes of the negotiation process of the CSP and the priority focal areas for the 10th EDF. The 10th EDF has yet again seen the consultation process restricted or limited to the same few Lusaka based organizations. The voices of the grassroots and civil society based in outlying and marginalized areas continue to be invisible in the EDF process.

Civil Society groups feel there is an urgent need to invest in the effectiveness of the civil society organizations in Zambia, particularly in key areas of global controversy such as the World Trade Organisation (WTO) negotiations. These areas can be technical and challenging for most civil society groups particularly grassroots based groups, hence can pose huge obstacles for effective civil society engagement in the EDF and related processes.

According to CSPR more can be done by the EC to encourage wider civil society especially community based and grassroots groups in gaining access to the EDF resources by for example simplifying the procedures and requirements needed to access the funds.

'Smaller NGOs may not have the institutional capacity to meet the stringent requirements in the call for proposals; this marginalizes potential NGOs who may make an impact in the rural communities' (pers. com. Tommy Mateo, Research Officer, CSPR secretariat)

4.2 Response strategy and Priority areas under the 10th EDF

The priority focal areas and the indicative resource allocations for each of these areas under the 10th EDF are laid out and articulated in the CSP/NIP covering the period 2008 -2013. The EC and the Zambian government have further agreed through negotiations to channel a significant proportion of the 10th EDF to support the FNDP priority areas and more specifically using general budget support (GBS) as the preferred mode of delivering the financial resources to the focal priority areas. There are also some exceptional interventions whose funding will be through specific sector budget support.

As table 2 below shows, the initial A envelope has a total of €379.9 million, the focal areas/modalities of cooperation under the 10th EDF CSP-NIP will be approached in the following conditions:

4.2.1 Support to the macro-economic and national development policy through general budget:-

With an indicative allocation of 185 million euros or 48.7% of the total. The objective of this is to support the national strategy to promote broader/stable growth and reduce poverty through policies and programmes funded by the public budget.

It is envisaged that two PRBS programmes (2008-2010 and 2011-2013) will be supported as a continuation of PRBS 1 (2004-2006) and PRBS 2 (2007-2008) under the 9th EDF. Alongside this, capacity building interventions will accompany the PRBS operations as complimentary actions. The capacity building activities will focus on strengthening data quality improve capacity of line ministries, as well as involvement of civil society in assessing the impact of PRBS operations.

4.2.2 1st Focal sector: Regional integration - Transport Infrastructure:-

With an indicative allocation of € 97million or 25.6% of the total. The focus will be on support in the road sector, (using new sector budget support approach piloted under the 9th EDF) to support domestically-driven process of promoting a viable and sustainable national and regional road network.

4.2.3 The 2nd focal sector is Health:-

With an indicative allocation of € 49 million or 12.9% of total. The Objectives: support towards the expansion of health expenditures and the efforts towards attainment of the MDGs as planned in the FNDP 2006-2010, and detailed in the health sector strategic plans. The 10th EDF again proposes to promote preference for alignment and budget support.

Within the health sector it is planned that there will be a shift focus of sector dialogue to levels of resources allocation; effectiveness, efficiency and accountability in budget execution; performance monitoring and assessment.

The EC further seeks to support a single sector policy with single financing framework, under government leadership, adopting common approaches across the sector, relying on government financial procedures for the funds provided and guided by MDGs and FNDP-related indicators and targets agreed.

4.2.4 Main non-focal sector: food security and agriculture diversification with an indicative allocation of € 30 million:-

The objective of this main non focal area is to support the implementation of a cross-sectoral food security strategy and wider agriculture growth, as major vehicles for rural

poverty reduction under the FNDP 2006-2010. It is planned that there will be a continuation/geographical extension of the food security-agriculture diversification local plans (project-aid) supported under the 9th EDF.

Under this support there will be new public initiatives and investments introduced to be defined under the FNDP to promote agriculture production, diversification, marketing and local-value addition. In addition, support to social protection schemes for the more vulnerable groups could be also considered, including planning and coordination at local level (in particular districts) that will involve decentralized authorities.

It is further intended that synergies and complementarities will be sought with the feeder roads component of the regional integration in infrastructure/transport programme (1st focal sector), as well with projects funded by the current EC Food Security budget line or the future new framework (ECHO).

The EC accompanying measures for ACP Sugar Protocol countries will fund (2006-2013) different components of the Zambia's strategy to enhance capacities, diversification and competitiveness of sugar production; one of the main strategic areas to be supported is the expansion of sugar production through out-grower schemes that will be approached in coherence with the criteria for the agriculture sector.

4.2.5 Other non focal sectors

Special attention will be given to some of the weakest "Government Effectiveness" areas as assessed in the Governance Profile: This will cover institutional capacity (in particular for capacity building support to the implementation of the National Decentralisation Policy contributing to more effective government, especially in rural areas). Public Finance Management, support to electoral processes and constitutional democracy ("Political/Democratic Governance" area) is also envisaged.

4.2.5.1 Economic Partnership Agreement (EPA) Support (capacity building)

As part of institutional support, the Export Development Programme is already financing the functioning of the National Working Group on Trade (NWGT), a committee of Government, private sector and civil society representatives with the responsibility of examining Zambia's international trade relations including EPA and regional agreements. The 10th EDF funding will continue to provide such support during the early implementation phases of EPAs. Policy, regulatory and marketing interventions will also be included under the EPA support component.

Other forms of support under this heading are trade-related assistance to public services responsible for trade liberalization and regional integration, private sector intermediary organizations and Non State Actors.

The EPA support also includes a component of support to the Department of Foreign Trade ongoing under 9th EDF

4.2.5.2 Support to Non State Actors:

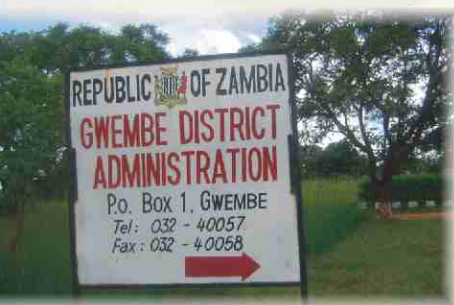
Has an indicative allocation of €4.5m to go towards supporting human development, organizational strengthening (establishment of management systems, development of an organizational culture, improvement of work processes, etc.).

Table 2: 10th EDF focal areas and indicative allocations

Focal sector 1: Regional integration in infrastructure/transport	€ 97,000,000
Focal sector 2: Human development (Health)	€49,000,000
General budget support	€185,000,000
Other programmes	€ 48,943,310
Main non focal sector: Food security and agriculture diversification	€30,000,000
General budget support	€ 8,000,000
Support to Initiatives of non-state actors	€ 4,500,000
EPA Support (capacity building)	€ 2,000,000
Technical Cooperation	€ 3,000,000
Others	€ 1,443,000
	€ 282,886,310

Source: Compiled by the author from the European Community Zambia CSP/NIP 2007-2013

5.0 EDF and benefits to marginalized Areas - Gwembe District Case Study



This section of the study attempts to explore and assess the extent to which EDF resources benefit poor people in less favored or marginalized rural areas, using the case study of Gwembe District. The district case study will particularly focus on the agriculture sector and investigate the extent to which district budgetary

allocations and spending in the agriculture sector have translated into benefits for small scale farmers and poor communities of Gwembe district.



The road to Gwembe District

5.1 District Profile

Gwembe is a small rural town situated approximately 300km south of Lusaka. The total population of Gwembe and the surrounding rural areas is 60,000. The district is predominantly agricultural with livestock forming the basis of most people's livelihoods.

Gwembe District lies in a drought



Crossing the stream enroute to Gwembe

prone area of Southern Province and encompasses a portion of what used to be the Gwembe Tonga Development Project (GTDP), a World Bank supported scheme intended to facilitate infrastructure development and service delivery to settlers in the district displaced by the construction of the Lake Kariba.



Houses are run down

5.2 Findings from Field Visits

According to district officials, the development and growth of small scale farming industry in the district is constrained by the lack of a sustainable irrigation scheme. The district has been experiencing recurrent droughts in the farming season and one of the biggest challenges facing farmers is how to harness the Lake Kariba waters into a sustainable irrigation system for crop production.



Water pump

In terms of benefits from agriculture, livestock farming is more beneficial for farmers than crop farming due to low rainfall and limited access to inputs and markets. Currently extension officers are unable to service the small scale farmers effectively because they have to travel long distances

and cover large tracts of land. There are insufficient resources to address the farmers' needs due to the perennial under investments in extension facilities like camp houses for extension officers, vehicles and motor cycles. The situation is compounded by the poor road network in the district. Efforts to construct and rehabilitate feeder and main roads have produced marginal results.

The District Commissioner highlights the need to expand and invest in infrastructure and agriculture camps to enable extension services to be delivered to the outlying farmers who cannot be reached at the moment.



The district officials lamented the fact that districts like Gwembe have over many years been sidelined in development processes due to their far flung nature and the perception by policy makers that they are insignificant in the broader national economic picture. This point was put candidly by one district official:

Farming equipment is no longer in use

Box 2: Remote rural districts sidelined in development planning process

Currently government insists on improving roads in areas they term 'economic growth areas'. This is detrimental to disadvantaged districts like Gwembe. Infact a district can only be economically viable if it has the necessary infrastructure like roads in place. **District Commissioner - Gwembe District**

The agriculture sector in the district is predominantly of a small scale nature ranging from subsistence farming to small holdings. Crop farming and cattle rearing are the common features of agriculture activities undertaken in the district. Most households depend on relief food aid for a part of the year due to their inability to sustain and expand their subsistence farming activities and grow sufficient crops for their own food supplies to last them through to the next season.

According to the senior agriculture officer (SAO) in the district the fertilizer support program (FSP) is one of the best programmes government has put in place for small scale framers in the district.

In the last two years the district has seen a drastic improvement in food security in the district. One can tell by just looking at the reduction in the number of people needing to rely on relief food at the end of the harvest period. Before the FSP the district would experience huge demand for relief food early in the farming season but now, these demand are coming in much later in the season due to improved yields because of the FSP

Currently government interventions in the agriculture sector like the input subsidy in form of FSP and the available extension services are channeled through farmer cooperative groups.

However, some small scale farmers in the district have not fully benefited even from the input subsidy program like the FSP due to various obstacles. Most local farmers have



Women are the hardest hit in less favoured areas

found it difficult to access extension services and input subsidy due to the restrictions placed on joining farmer cooperatives by existing members, mainly in terms of high fees. There is also limited awareness on the part of some small scale farmers on the requirements needed to belong to the cooperatives.

diseases, low yields and a lack of transport infrastructure to markets for their harvest. This makes it impossible for most to increase the scale of their farming or even grow enough to eat.

The small scale farmers are therefore faced with a vicious circle of subsistence farming with limited extension services, cattle

Box 3: Input subsidies only benefiting a few

When we want to get fertilizer or seeds from government, they tell us that we have to belong to a cooperative. But we have little information on how to join these cooperatives. In most cases when we find these cooperatives, they are a closed affair, kept within the ambit of a few chosen members of the community. They ask for difficult requirements before you join a cooperative like you need to have a minimum number of cattle to be considered. So the fertilizer only benefits the privileged few in these cooperatives. **Small Scale Farmer- Gwembe District**

5.3. Civil Society Interventions in the district

There a number of civil society organizations working in the agriculture sector in the district. Notable among these are World Vision, Evangelical Fellowship of Zambia (EFZ), Law and Development Association (LADA).

Civil society interventions in the agriculture sector are centered around provision of capacity building services to farmers, including facilitating provision of extension services. World Vision for example plays an important role of filling the gap presented by the shortfall in the government delivery of various services to small scale farmers in the district.

Working within structures like the provincial and district agriculture committees, World Vision undertakes a number of activities such as distributing input subsidies on behalf of the government within the cooperative framework. In addition World Vision supports small scale farmers by training and facilitating the availability of extension services.

5.4 Budget Allocations to District Agriculture

The preferred mode of channeling EDF resources to the focal priority areas is through general budget support and to a significant extent also sector budget support. Both the EC and the Zambian government have reaffirmed their commitment to this modality.



This study therefore attempts to gauge the extent to which the 9th EDF resources have trickled down to and benefited communities and programmes in marginalized areas like Gwembe district by taking a snapshot analysis of the budgetary allocations and spending in selected districts in the Ministry of Agriculture.

According to a senior district agriculture officer, the district agriculture coordinating office (DACO) that is responsible for planning and coordination of government agriculture programmes has suffered from perpetual under funding. In almost all cases the DACO only gets grants for recurrent departmental charges (RDCs) to cover the costs of running the office. In the last two years the Gwembe DACO has only been receiving an average of 4 months out the 12 months in a year of RDCs.



"In 2006 the department of field services (whose role includes provision of extension services) submitted a budget of K2.5bn to the Ministry of Finance but only received K41m, this is the trend year after year. When we submit our budget plans to the ministry of finance in Lusaka they just cut our budgets by more than ten times in most cases without explaining to us the reason."

This case of under funding has affected virtually every department in the agriculture office and over the years has led to serious under investments leading to shortage of extension staff, lack of infrastructure like camp accommodation for extensions staff, and lack of vehicles or motorcycles.

The DACO is currently faced with inadequate dip tanks for cattle. Currently the district has 3 dip tanks serving at least 30,000 heads of cattle as opposed to the recommended standard of 1 dip tank per 100 head of cattle.

Table 3 below shows the budgetary allocations to selected district agriculture offices in Southern Province. Figures in the table show that there has been a steady increase in

allocations to all the districts under study between 2005 and 2007.

This increase in the absolute allocations to the district allocations however merely represents a reflection of the growth of the overall national budget.

Table 3: Budgetary Allocations in Kwacha to selected District Agriculture Offices

DACO	2005	2006	2007
Livingstone	266,000,000	240,763,750	454,846,673
Gwembe	266,000,000	235,013,750	594,398,673
Choma	276,035,000	235,762,750	902,374,771
Sinazongwe	366,000,000	609,013,750	779,162,171
Southern Province	12,427,673,450	14,280,218,404	17,841,206,632
<i>Total Agriculture Budget</i>	<i>346,859,161,065</i>	<i>711,566,070,762</i>	<i>1,019,063,951,992</i>
<i>Total National Budget</i>	<i>10,235,140,302,980</i>	<i>10,832,976,494,428</i>	<i>12,042,409,035,760</i>

Source: Computed by author from the GRZ yellow books for 2005, 2006 and 2007

Table 4 below further shows that while there has been an increase in the absolute budgetary allocations to the four districts in question, there has been a slight decline in the share of the district budgets as a share of the total agriculture budget.

Table 4: Budgetary allocations as a share of the total Agriculture budget by district

DACO	2005	2006	2007
Livingstone	0.078	0.033	0.004
Gwembe	0.078	0.033	0.058
Choma	0.080	0.033	0.089
Sinazongwe	0.106	0.086	0.078
Southern Province	3.583	2.0	1.76

Source: Computed by author from the GRZ yellow books for 2005, 2006 and 2007

Budgetary allocations to Gwembe District Agriculture Office have dropped from 0.078% in 2005 to 0.058 % in 2007 as a proportion of the total agriculture budget. The situation is compounded by the fact that not all allocated amounts are eventually disbursed to the district. This hampers the operation and ability of the agriculture office to deliver and provide services in the Sector.

The above example illustrates the diminishing priority that has been affecting public spending and investments in key sectors particularly the rural and far flung areas of Zambia.

6.0 Conclusions

A central feature of the EU external policy towards Africa is the objective of poverty eradication within the context of sustainable development. Key to this is ensuring that the much needed aid to finance developing countries poverty reduction plans is delivered in a manner and within a political context consistent with the aid effectiveness agenda as espoused by the Paris Declaration principles.

The study has noted that there has been a positive shift on the part of the EU external policy in aligning with in country national development plans at least there has been statements and actions of intent to this effect.

While there has been an overall increase in the 9th and 10th EDF resources allocated to the national budgets of Zambia of the last 10 years and also within the national agriculture budget, there has not been a corresponding increase or improvement in the quantity and quality of financial flows going to the marginalized districts and areas such as Gwembe which have for a long time been viewed as economically less favoured, non-growth areas.

Because the preferred mode of channeling the EDF resources is through the General Budget Support (GBS), the extent to which these financial resource will actually trickle and benefit communities in less favored areas such as Gwembe is left to the whims of the public expenditure system, which in its current form is full of blockages that hinder resources from reaching the most needy areas.

What appears as a pattern of consistent under investments in district agriculture programmes such in Gwembe is not as much due to the lack of government capacity to implement projects and to spend budgets, rather it is due to the centralization of resources and the perennial state of crisis of the central government's budgeting process.

Though a significant portion of the EDF resources have been spent on attempts to reform Zambia's public expenditure management system over the years, there are still bottlenecks existing that hinder service delivery. For example to date significant time-lags exist between budget preparation and the actual release of funds. The districts authorities have little input into the preparation of sectoral budgets, and there is currently no effective mechanism for decentralized needs assessment.

Arbitrary cuts to district and provincial budgets by the central government without clearly agreed and transparent criterion coupled with non-adherence to legislated sector budgets by the Ministry of Finance have characterized district allocations in the agriculture sector.

Further, the lack of parliamentary supervision over the approved budgets has meant that all of the above budgetary bottlenecks have gone unchecked. The lack of spending decision mechanisms leads to budget decisions based on political expediency rather than sound economical and technical advice.

The above state of affairs has presented huge obstacles to the EDF resources impacting on improving the lives of people in less favored regions of the country.

While the EC has taken some initiative in involving some civil society and private sector groups in Lusaka in the EDF process, it has not taken the responsibility of ensuring that this consultation brings on board wider civil society in rural areas.

The EC has not yet invested in building the capacity of civil society groups particularly in the rural areas so that they serve as a complementary channel through which the EDF resources can benefit the rural areas in view of the weaknesses and pitfalls of direct budget support.

7.0 Recommendations

1. The EC should consider placing the governance profile at the core of the EDF process to speed up and effectively bring about improvements in central budgeting process, strengthen public expenditure system, and increase participation of district and elected officials in influencing budget outcomes.
2. The EC and GRZ need to employ resource allocation criteria such as equity of distribution indices that prioritises marginalized and less favored areas, this would guarantee resources flows to these areas.
3. There is an urgent need for the EC to support an increased civil society role and capacity to deliver services and to demand for more and better services from central government. The EC office should invest in its own capacities such a setting up a well staffed civil society office at the delegation to engage with civil society groups.
4. There must be a comprehensive in-depth EC, government and civil society consultation process around the formulation and negotiations of the CSP/NIP that involves the major stakeholders in the rural area of Zambia.
5. The EC office needs to take a keen interest and be committed to processes that build capacity of local farmers and communities to hold governments accountable for service delivery.
6. The EC in Brussels should move towards giving country offices more autonomy to enable them be better placed to be responsive to local conditions and needs, this calls for more decentralized decision making with the EC.
7. Civil Society must be included in the midterm reviews of the CSP/NIP and dialogue round the performance assessment framework (PAF) which form key components of the monitoring process of the EDF resources.

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Annex

Interview List:

1. Juan Chacon Villa ; EC delegation Office- Lusaka
2. Thomas Krimmel ;Team Leader NAO (MOFNP) Lusaka
3. District Commissioner ; Gwembe District
4. Senior Agriculture Officer;Gwembe District
5. Community development Officer; World Vision,- Gwembe District
6. Small Scale Farmer - Gwembe District
7. Small Scale Farmer Gwembe District
8. Small Scale Farmer - Gwembe District
9. Tommy Mateo ; Research Civil Society for Poverty Reduction(CSPR)
10. Emmanuel Mali Catholic Commission for Justice and Peace (CCJP)

PELUM Association undertook this study with Practical Action

**PELUM Association
324 Independence Avenue, P.O. Box 320362
Woodlands, Lusaka, Zambia**

**Tel: +260-1-257115
Tel/Fax: +260-1-257116**

**Email: pelumrd@coppernet.zm Or inforunit@pelum.org.zm
website: www.pelumrd.org**

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