

# **ACF submission on the Fifth National Development Plan 2006-2010**

Following the request by the Ministry of Finance and National Planning the ACF conducted consultations among its members to develop a shared position on the draft Fifth National Development Plan, FNDP document and agree on recommendations towards the implementation of this plan.

The ACF members appreciate the Agricultural Chapter of the FNDP as a comprehensive implementation mechanism to achieve the vision spelt out in the National Agricultural Policy and National Vision 2030. All major challenges that the sector faces are addressed in the plan and strategies are outlined to realize the identified potential of the agriculture sector to spearhead Zambia's economic development.

However, the ACF members have some concerns. The current investment into the agricultural sector lies only at around 3% of the national budget. This is contrary to the pledges by the Heads of State, including President Mwanawasa, in the NEPAD<sup>1</sup> - Comprehensive Africa Agriculture Development Programme (CAADP), where they committed a minimum of 10% of the national budget to the agricultural sector in order to effectively reduce poverty levels in Africa. The FNDP assumes public investments in the region of 15% of the national budget. However, this commitment may not be realistic in the short run. Hence the ACF members feel that priority setting in the FNDP is of vital importance to set the development trends in the right direction. Key here is to enhance the competitiveness of Zambia's agriculture sector. Production increase should rather come from enhanced productivity than through expanding the land area under production. To achieve this, there is need to invest into technology development for improved smallholder production. Such investments should be in the areas of irrigation, extension and research service as well as information technology i.e. efficient dissemination mechanisms.

In the past, major public programmes like the Fertilizer Support Programme (FSP) and the Crop Marketing through the Food Reserve Agency have rather followed political directives than economic principles in their implementation. In addition these programmes tended to crowd out necessary investments required to achieve sustained growth in other high potential sub-sectors of agriculture. To be effective tools for sustainable poverty reduction, subsidies need to boost surplus production and not merely support production for home consumption. The FSP should therefore be critically evaluated by an independent entity

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<sup>1</sup> New Partnership for African Development

to develop recommendations for efficient and transparent implementation mechanism including targeting of beneficiaries with surplus-production potential.

In recognition of the fact that it is difficult to formulate specific interventions for cross-cutting issues, the ACF members recommend to include statements on the mainstreaming of Gender, HIV-Aids and Environment at the level of specific objectives, i.e. at the beginning of the chapter and not at the end where they appear as add-ons or insignificant appendices.

Agricultural development is not only brought about by Government it requires the involvement of all stakeholders in an ongoing dialog process. The National Agricultural Policy, NAP highlights Government's vision to increasingly focus on the core functions of public administration and transfer service provision to the private sector as well as decision making processes to local levels. The ACF members observe that the 5NPD is not addressing these issues in a proactive manner. Reform processes such as privatisation and decentralisation are long-term challenges, which require ownership by all stakeholders to be successful. Lessons learnt from past programmes like the Agricultural Sector Investment Programme, ASIP and the Poverty Reduction Strategy Programme, PRSP show that lack of ownership and omission of stakeholders in monitoring and fine tuning of the implementation will result in failure. An effective, stakeholder inclusive M&E framework and effective mechanisms for dialogue, consultation and participation are therefore a condition sine qua non. In this regard one of our members, the Zambia National Farmers' Union, is currently working with Government on a joint study looking at tax and non-tax issues affecting the agriculture sector. We agree with them that the outcome of phase I and II of this study should be incorporated into 5NPD.