

Project Name	Zimbabwe-Agricultural Services and... Management Project
Region	Africa
Sector	Agriculture
Project ID	ZWPA3331
Implementing Agency	Ministry of Lands and Agriculture
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#### Background

1. Although accounting for only 18% of Zimbabwe's gross domestic product (1996), the agricultural sector remains the backbone of the economy and society, providing income and employment for some 70% of the population, accounting for some 45% of the country's merchandise exports, and being the focus of a large share of the country's domestic trade and transport services.

2. Zimbabwe's agriculture is characterized by a highly dualistic structure. Some 4,500 large-scale commercial farms occupy a large proportion of the country's higher potential agricultural land. They produce a broad range of crops and livestock products for the market and rely substantially upon private support services. The other major sub-sector consists of some 1.2 million smallholder households, the majority of which operate in low-to-medium potential areas. These farmers produce a more limited range of food and other commodities for household consumption and sale and are largely dependent, where available, on public support services.

3. Over the past decade, Zimbabwean agriculture has grown at a very slow pace (i.e. less than 2% per annum) with most of this growth confined to parts of the large-scale commercial sub-sector. With the exception of recent gains in cotton and horticultural production in some locations, smallholder agriculture has performed relatively poorly over much of the past decade. A variety of factors have contributed to the stagnation of much of smallholder agriculture: the periodic incidence of drought; environmental degradation in some areas; weak smallholder-agribusiness linkages, and the reduced performance of public agricultural support services.

4. In recent years the overall enabling environment for the agricultural sector has shifted under the rubric of the Economic Structural Adjustment Program. Important changes have included the liberalization of foreign exchange markets and external trade, the commercialization and privatization of agricultural parastatals, and the easing of regulations governing private agribusiness. During much of the ESAP, however, there was very little change in the policies and approaches governing the provision of agricultural services, especially research, extension, and veterinary services. Despite reductions in the budgetary resources available for public agricultural services, inadequate attention was given to prioritizing such services, achieving greater efficiencies in their delivery, and generally ensuring most effective use of available resources. The result, in many instances, has been a considerable reduction in service quality and outreach and in the financial sustainability of service functions and units.

## Project Objectives

5. The purpose of the project is to improve the institutional arrangements and operational capacity for policy formulation and for the sustainable and efficient management, financing, and delivery of agricultural services. The project will enhance the capacity of the Ministry of Lands and Agriculture (MoLA) to make more cost-effective use of the public resources available to support agricultural development. It will assist in the further redefinition of MoLA's core functions, in strengthening MoLA's managerial and technical capacities to perform these core functions, in facilitating pilot efforts to commercialize or out-source selected services, and in facilitating the increased participation of private and other non-governmental service providers. An improvement in the efficiency and effectiveness of services, together with continued improvements in the policy and regulatory framework for agriculture will enhance the performance and sustainability of Zimbabwean agriculture, especially in the smallholder sub-sector.

## Project Description

6. The ASMP will form part of the broader effort within Zimbabwe to better focus the activities of government institutions on core functions and to perform such functions in a more cost-effective and client-responsive manner. MoLA is adopting an institutional approach to priority-setting and restructuring, emphasizing consultations with key stakeholders. The institutional reform and capacity building elements of the project are viewed as the foundation stones for a broader sectoral investment program which would follow the implementation of the ASMP.

7. The ASMP would have two broad components: (i) rationalization and effectiveness of services and policy-making; and (ii) efficient resource management. The first component would finance: (a) research and consultations on emerging or outstanding policy and regulatory issues, (b) the preparation of medium-term strategic institutional plans for MoLA's technical service departments, (c) agricultural research and advisory services through a competitive grant system, (d) the resumption of priority on-farm research programs, (e) equipment and facilities to enhance livestock disease surveillance/control and veterinary field services, (f) improved mobility and methods for extension staff, (g) the design, implementation, and evaluation of pilot and other efforts to contract out or commercialize 'public' services, and (h) the preparation of a framework for a longer term sectoral investment program.

8. The second component would help to: (a) strengthen the skills and management capabilities of MoLA staff and managers to perform core functions and interact with stakeholders, (b) bring the number of MoLA staff into line with core function needs and resource availability, (c) strengthen and decentralize MoLA's financial management system, and (d) strengthen both formal and informal arrangements for client feedback and other stakeholder consultations regarding the quality and priority of Ministry services.

## Project Financing

9. The project costs are estimated at U.S. 33.45 million, including contingencies. The project would be co-financed by IDA, the European Union, the U.K. Department for International Development, and the Government of

Zimbabwe. The IDA credit is expected to be about U.S. \$9.4 million.

#### Implementation Arrangements

10. The Ministry of Lands and Agriculture will have overall responsibility for the implementation of the ASMP and reporting to the GOZ and the co-financing agencies. The management of the ASMP will use and build upon MoLA's existing organizational and management structure. The Ministry's Agricultural Management Committee (AMC) will provide overall guidance, review the status of project implementation, and act to resolve issues and bottlenecks. The chairman of the AMC, MoLA's Permanent Secretary, will be the ASMP Project Director. The Ministry's two Deputy Secretaries will provide oversight on the two major components of the project. On a day-to-day basis the project will be coordinated by the AMC Secretariat, whose staff will include an ASMP Project Coordinator.

11. The implementation of the projects various components and sub-components will be the responsibility of the Department of Research and Specialist Services, the Department of Veterinary Services, the Department of Agricultural Technical and Extension Services, and the Policy and Planning Division and Finance and Administration Division of MoLA headquarters. The Agricultural Research Council will manage the competitive research/advisory service grant fund. Some agricultural research, extension, livestock disease control, and agricultural policy analysis will be contracted to universities, private organizations, or other non-governmental agencies. Stakeholder advisory panels would be created and work closely with the management of the technical departments.

#### Environmental Aspects

12. The environmental impact of the project is expected to be positive. Research programs financed under the project will include those focused on improved soil and water management and the application of integrated pest management. A pilot project to test and spread conservation tillage and other soil fertility management methods in smallholder areas will be supported. Any acceleration in the dissemination of yield-enhancing technologies should relieve pressures on marginal and degraded lands which are currently brought under cultivation. The tsetse control activities to be supported under the project will involve the use of baits rather than chemical spraying. Prior to effectiveness, an environmental risk assessment will be undertaken to mitigate possible adverse effects (on wildlife) of animal disease control fencing infrastructure.

#### Poverty Impacts

13. Although the project would not form part of the Program of Targeted Interventions, the improved effectiveness and financial sustainability of (public) agricultural services should contribute to improved food security for and commercialization of smallholder farmers.

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Note: This is information on an evolving project. Certain activities and/or components may not be included in the final project.

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