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PLANNING STRUCTURE
FOR THE DEVELOPMENT OF THE AGRICULTURE SECTOR
IN ZAMBIA

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Abbreviations used in the text

FNDP	First National Development Plan.
SNDP	Second National Development Plan.
TNDP	Third National Development Plan.
MRD	Ministry of Rural Development.
MDP	Ministry of Development Planning.
NADEC	National Development and Economic Committee.
PDC	Provincial Development Committee.
DDC	District Development Committee.

14 May 1976

PLANNING STRUCTURE FOR THE DEVELOPMENT OF AGRICULTURE SECTOR IN ZAMBIAINTRODUCTION

Soon after independence in 1964, Zambia embarked on a process of planned economic development. To start with the country put into effect the Transitional Development Plan which covered a period of 18 months from January 1964 to June 1966 (including six months of the Emergency Plan) and was "primarily a holding operation" with emphasis on essential services.

However, the Transitional Plan was immediately followed by comprehensive First National Development Plan (FNDP) which was scheduled to run from July 1966 to December 1970, and the Second National Development Plan 1972-76 (SNDP) which is at present being implemented.

During this planning process, Zambia has greatly improved its technique and system of planning including that for the agricultural sector. However, considering that Zambia has had a stable government, a general atmosphere of economic security and growth potential, development of the agriculture sector of the country has up to the present been far from satisfactory as judged against the expectations, i.e. objectives and targets laid down in the development plans. For example the major objectives of the FNDP "were to minimize the inherited imbalance between the urban and rural sectors, to pursue rural development and to develop production in agriculture, forestry and fisheries". However, according to the government appraisal of the FNDP in the SNDP, "in terms of rapid movement of population to the urban areas and in terms of rural production, the sectoral performance must be judged disappointing". The performance of the agricultural sector during the first 4 years, i.e. 1972 to 1975, of the SNDP has been relatively better but still remains below target level.

Principal factors which have been responsible for the slow development have been the inconsistent and contradictory policies, lack of implementation, and inadequate structure for planning both for plan formulation and for its implementation. Scarcity of trained manpower no doubt accentuated the position. However all these factors were very largely remediable and should be taken care for the future development of the sector.

Full evaluation of the performance and adequacy of "Plans, Planning System, Structure and Policies" would be made in a later report. However, a brief statement of the Planning Structure is given in the following pages as part of an input to country perspective study for Zambia. For this reason attention is also given in this paper to those aspects of the planning structure which require corrective action or improvement. Suggestions on corrective action or improvement are indented in this paper.

PLANNING PROCESS AND PROCEDURES

At the national level there are two government organizations directly responsible for planning for development of the agricultural sector. They are the Ministry of Rural Development (MRD) and the Ministry of Development Planning (MDP). Within the MRD, the specific unit in charge of agricultural development planning is the "Economic Planning Unit". In the MDP, which is the central co-ordinating agency for all economic and social planning, there is also a unit specifically concerned with the planning of the agricultural sector.

At the provincial level there is no planning unit as such in the provincial ministries, either for overall or sectoral planning including that for the agriculture sector.

Existing and proposed organizational structure at the national and provincial levels is dealt with in greater detail later after discussion below of the planning process and procedures.

Medium-Term Planning:

For the preparation of the medium-term development plan, guidelines, objectives and strategies are initially prepared by the MDP and, after appropriate comments and modifications requested by the various ministries including the MRD, are submitted to the National Development and Economic Committee (NADEC), a sub-committee of the Cabinet, for approval. In this way, the guidelines, objectives and strategies for development receive official authority.

The guidelines are intended for the national planning committees for the purpose of initiating and examining all matters relating to the sectors for which they are formed and submitting reports to the MDP. All these reports have a crucial role in the formulation of the plan.

The national planning committees consist of persons from the government (including those from the parastatals) with good qualifications and professional expertise in the fields for which the committees are formed. The committees also include mature persons with practical experience from the private sector. The committees are chaired by the Permanent Secretaries of the Ministries and have a Secretary. In respect of the Third National Development Plan (TNDP), 15 Committees (Appendix 1) have been established, one of which is the Rural Development Committee.

The Rural Development Committee is serviced by the MDP and the Economic Planning Unit of the MRD which provide the Committee with (1) guidelines on objectives and strategies already approved by the NADEC; (2) relevant data and information on the past performance of the agricultural sector; (3) macro-projections as well as projections for the sector; and (4) such other briefs as the Committee calls for.

The Rural Development Committee has 5 sub-committees. They are on Crops Development, Livestock Development, Institutions, Infrastructure, and Water Resources.

The Crops Development Sub-Committee is further sub-divided into 11 groups; Livestock Development Sub-Committee, into 5 groups; Institutions Sub-Committee, 12 groups; Infrastructure Sub-Committee, 6 groups; and Water Resources Sub-Committee consists of only one group (Appendix 2).

After the Rural Development Committee and other planning committees have completed their recommendations on policies, programmes and projects for their respective sectors, the MDP makes allocations of the capital outlays for each sector and within each sector, for the Ministry concerned and the public sector enterprises. Thus in respect of the agricultural sector, investment outlays are allocated for the sector as a whole as well as for the MRD and the parastatals.

After the investment outlays are allocated by the MDP the stage is set for the preparation of the "First Draft" of the plan document. This draft plan is prepared by the MDP based on the material finalized at the meetings of the planning committees. Of course, the Economic Planning Unit of the MRD may, if it so desires, prepare its own draft chapter in respect of the agriculture sector (as may do other ministries) and submit it to the Rural Development Committee for discussion and approval. After acceptance by the MDP, the chapter may then be integrated into the First Draft of the Plan. This draft is then discussed at the level of Permanent Secretaries, professional of the ministries and other government agencies. The draft, with amendments, is then submitted to NADEC which directs the MDP to incorporate its comments in the final document for clearance by the Cabinet and later submission to the National Assembly. Parliamentary approval provides for the "go head" for the implementation of the Plan.

One of the principal difficulties encountered by the Rural Development Committee is that of preparing or alternately costing projects for inclusion in the medium-term plan. The difficulty of costing projects applies to those projects for which no feasibility studies (and in some cases not even prefeasibility) studies are ready.

To overcome this difficulty it is suggested that the total investment for the sector in a medium-term plan should be divided into two portions, planned and unplanned, for each year of the plan. Normally speaking while no unplanned investment may be earmarked for the first year of the plan, the investment under this head may be allowed to increase gradually towards the later years of the plan. This is

because increasing number of feasibility studies for projects would be ready for implementation as the plan moves forward. The proportion of the unplanned investment, however, should remain small throughout the plan period, relatively to the planned investment. As the feasibility studies are completed and they suggest the desirability of new projects being executed, the needed sum from the unplanned amount may be allocated for their implementation.

However two points need to be borne in mind. First, that sufficient feasibility studies should be underway during the plan period so that some of the projects worthy of implementation become ready as the plan moves forward and the yearly unplanned investment gets used. Second, it should be understood that the feasibility studies would be carried out only for the projects which are expected to help attain the objectives and targets of the plan.

It may be observed that at the provincial level, for the formulation of the plan for developing the provincial areas, the people are consulted through the Provincial Development Committees (PDCs) which comprises department heads and political leaders, and District Development Committees (DDCs)^{1/}.

The DDCs have the task of suggesting projects and programmes for the development of their districts. These suggestions are taken into consideration at the PDC level and wherever possible are included in their recommendations to the Central Government. However, at the provincial level there is no planning staff attached to the Provincial Minister's Office or to assist the PDC. Nor is there any planning staff at the district level.

^{1/} This is true of the SNDP and more so of the TNDP. However, the FNDP and the earlier Transitional Development Plan were formulated mostly by the Central Planning Office, with little consultation with those involved in the field. Both these plans "were brain children of Lusaka ministerial staff only, with the people in the provinces playing practically no part in the formulation of the plans".

Annual Operational Planning:

The above is in so far as the planning process and procedure for the preparation of medium-term plan goes. The government does not prepare an annual operational plan as such for the agricultural sector or for the economy as a whole. However an annual plan for capital expenditure is prepared by the MRD (and the public sector enterprises of the agricultural sector) and submitted to the MDP with the following information:

- i) Likely amount of expenditure on each project during the current year;
- ii) Reasons for short fall in expenditure, if any, in relation to the budget provision;
- iii) An evaluation of the progress of plan implementation and the problem faced;
- iv) A project/programme-wise estimate of the capital expenditure which the MRD considers necessary for the following year for a) on going projects and b) new projects. With regard to the new projects, the MRD submits information on the project as to its priority, feasibility, viability and general justification on economic and/or social considerations.

After scrutiny by the agricultural planning unit of the MDP, the budget is submitted to the Ministry of Finance which is entirely responsible for the co-ordination of the capital budget with the recurrent budget. The estimates are later agreed upon by the MDP and the Budget Office on the one hand and the MRD on the other. The Budget Office assumes the ultimate say in regard to capital (as well as recurrent) expenditure.

It would be advisable that annual operational plan for the agricultural sector be prepared in confirmity with the medium-term plan. That is to say not only annual capital expenditure be determined for the projects and programmes but targets for their physical execution be laid down clearly. In addition policy measures to be continued and new ones to be put into effect in confirmity with the medium-term plan be included in the annual operational plan. Annual operational plans covering projects and programmes and the policies would help much more towards achieving the targets laid down in the medium-term plan than the preparation of only the annual capital budget.

ORGANIZATIONAL STRUCTURE

Planning Structure at the National Level:

As stated earlier two government organizations are directly responsible for planning for development of the agricultural sector: the Ministry of Rural Development and the Ministry of Development Planning.

Within the Ministry of Rural Development, the specific unit in charge of development planning is the "Economic Planning Unit". The Unit is under the direct supervision of the Under Secretary Planning and is divided into 5 Sections: Perspective Planning, Budget Co-ordination, Crop Development, Livestock Development, and Statistics.

In addition to the Under Secretary Planning, the established staff consists of 19 professionals - 5 of them at superscale and the remaining 14 at the professional level. This staff position is detailed below.

	<u>Establish Staff</u>	<u>In Position</u>
<u>Super scale (Senior) Professional level</u>	<u>No</u>	<u>No</u>
Credit Specialist	1	1
Senior Economist	3	~
Senior Statistician	1	1
 <u>Professional Level</u>		
Economists	12	7
Statisticians	2	2

Out of a staff of 5 senior professional only 2 positions are filled. Particularly note worthy is that all the 3 positions of the senior economists are vacant. Again out of the established 14 professional level staff, only 9 posts are filled.

The Economic Planning Unit is also being assisted by three FAO advisers - Agricultural Planning Adviser, Senior Marketing Economist and Senior Livestock Economist.

However, the actual recruited staff of 11, particularly without the 3 senior economists, is barely adequate to carry out the existing duties. It needs not only to be in full strength, but the total strength needs to be increased in order to meet the proposed increased functions recommended hereunder as well as to provide effective policy guidance and to foster closer liaison with the MDP and the provincial agricultural planning unit to be headed by Provincial Agricultural Planning Economist proposed later for each province.

Concerning the functions of the Economic Planning Unit hereunder three proposals are made:

- Perspective Planning Section should be directly involved not only in long-term (perspective) planning, but should be responsible for the medium-term planning in deliberations with the Rural Development Committee. The Unit should also be responsible for annual operational planning which is a function distinct from that of the Section on Budget Co-ordination which deals only with the budgetary aspect.

- A new section on Projects for identification, formulation and evaluation of agricultural projects in co-operation with the existing departments and divisions of the MRD, should be established within the Economic Planning Unit and adequate staff be provided for the purpose.^{1/}
- For the adequate implementation of the medium-term and annual operational plans, the Economic Planning Unit should undertake supervision and periodic evaluation. This would help in taking corrective active in time, when necessary.

In the Ministry of Development Planning which is the central planning organization, one economist is especially assigned to keeping liaison with the Economic Planning Unit of the MRD and all aspects relating to the Planning of the agricultural sector. Ministry of Development Planning is also advised by a FAO Senior Agricultural Economist.

However it is advisable that the position and capacity of the economist assigned to keep liaison with the Economic Planning Unit of MRD be raised to that of Senior Economist for greater effectivity.

Planning Structure at Provincial Level :

At present there is no professional planning staff at the provincial level. As a result it has not been possible to prepare an adequate provincial agricultural sectoral plans nor it has been possible to obtain an adequate progress reporting and evaluation of the agricultural projects.

^{1/} At present a Chief Projects Officer, in-charge of the Projects Division of the MRD, is attached to the Economic Planning Unit. The Division is responsible for the direct implementation of production projects and settlements initiated by the MRD. Thus the work of the Division (which does not correspond to the Economic Planning Unit, and which needs to be phased out by putting the implementation of the projects for which the Division is responsible, under the provincial control), does not conflict with the proposed establishment of the Section on Projects.

It is recommended that an Agricultural Planning Economist be attached to each Provincial Minister's Office, and thereby form a provincial agricultural planning unit. This Agricultural Planning Economist with the assistance and co-operation of the provincial specialists representing almost all the departments and divisions of the MRD and the representatives of the parastatals and with the collaboration of the Provincial Development Committee, could be responsible for the agricultural sector. He would be responsible for the supervision of the implementation and periodic evaluation of the plan. He would also maintain close contact with the Economic Planning Unit of the MRD.

For the purpose of integrated rural development, ideally there should be a complete economic planning unit for each province with a general Planning Economist in-charge of it and to whom the Agricultural Planning Economist should be attached. However, for the time being, the Agricultural Planning Economist should for administrative purposes, be attached to the Provincial Under-Secretary for Rural Development (formerly Provincial Rural Development Officer).