

2007 AGRICULTURAL SECTOR BUDGET ANALYSIS

FSRP
MACO/ACF/CSO/MSU

Outline

- Strategic plan
- Budget trends
- 2007 budget
- 2006 budget releases
- Summary

Summary

- Size of budget grown but achieving growth targets requires quality allocations
- Planned improvement in field service delivery shown but need to be sustained
- Poverty reduction is staple food centered, more planning needed to improve returns
- Commitment to fully deploy resources exist but sacrificing long-term programs for short term ones will limit growth

Strategic Plan

- Mission
 - facilitate and support the development of a sustainable and viable agriculture sector
- Vision
 - to promote development of an efficient, competitive and sustainable sector

Strategic plan (2)

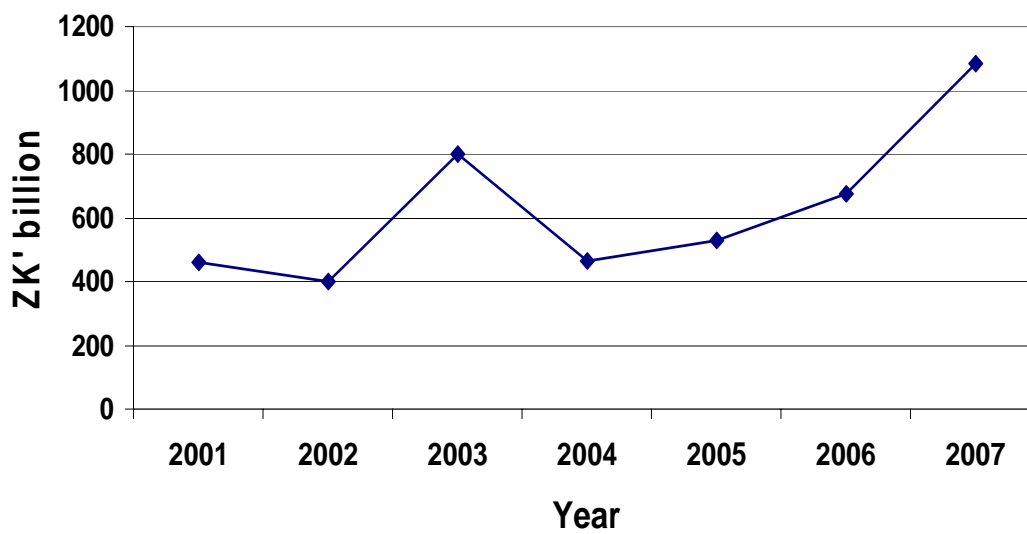
- Objective
 - To achieve accelerated growth and competitiveness in the agricultural sector
- Goal
 - Poverty reduction and income growth
- Strategy
 - Private sector led development
 - Government focuses on infrastructure and support services

What drives growth in agriculture?

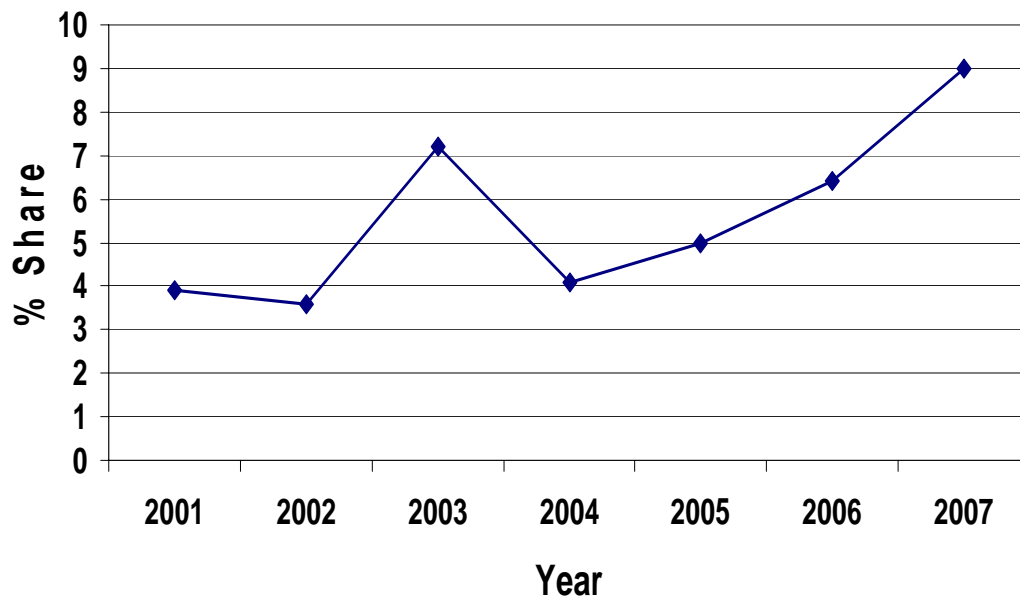
- Irrigation
 - Small scale and large schemes
- Research, technology and extension
 - GART, ZARI, NISIR, UNZA
- Soil fertility management
 - fertilizer use management
- Markets
 - Domestic and international
- Infrastructure
 - Soft and hard

BUDGET TRENDS

Real size of national budget 2001 – 2007 (2007 = 100)



Agriculture's share of national budget



2007 BUDGET FOR AGRICULTURAL SECTOR

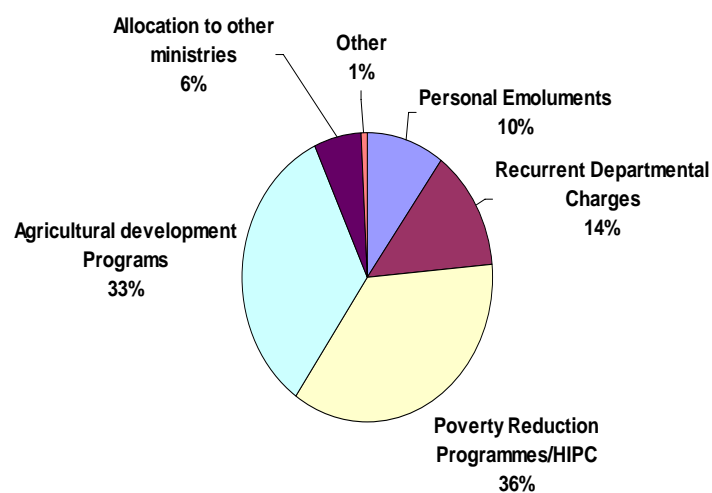
2007 budget provisions

- Personnel Emoluments (PEs)
 - Salaries and Wages
- Recurrent Departmental Charges (RDCs)
 - Supplies and other requisites
- Grants and other payments
 - CDT, IFAD, International Red Locust
- Poverty Reduction Programs (PRPs)
 - Fertilizer Support Program, Strategic Food Reserves
- Agricultural Development Programs
 - ADB, SHEMP, ASP
- Allocation to other ministries
 - Food Security Pack, Construction of Dams and Roads

2007 Resource allocation to agriculture (ZMK' billion)

Category	Allocation (ZK' billion)
Personal Emoluments	107.6
Recurrent Departmental Charges	148.5
Grants and Other Payments	4.0
Poverty Reduction Programs	393.3
Capital Expenditure	3.3
Agricultural show	1.7
Agricultural development Programs	360.6
Allocation to other ministries	67.4
TOTAL	1086.5

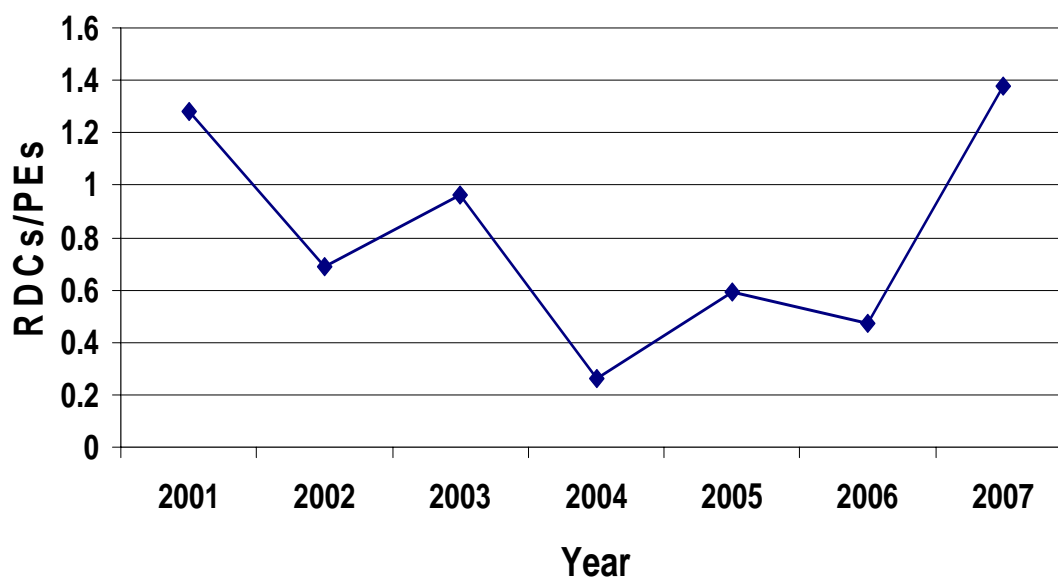
2007 Resource allocation to agriculture: ZMK1087 billion



Recurrent Departmental Charges 2007

Category	Allocation	
	('ZK billion)	(%)
Provinces and Districts	81.0	54.5
Fisheries, Vet & Agric Research Stations	12.8	8.6
Agricultural Training Institutions	6.7	4.5
Other Head Quarters Based Departments	48.1	32.4
TOTAL	148.5	100.0

Ratio of RDCs to Personnel Emoluments



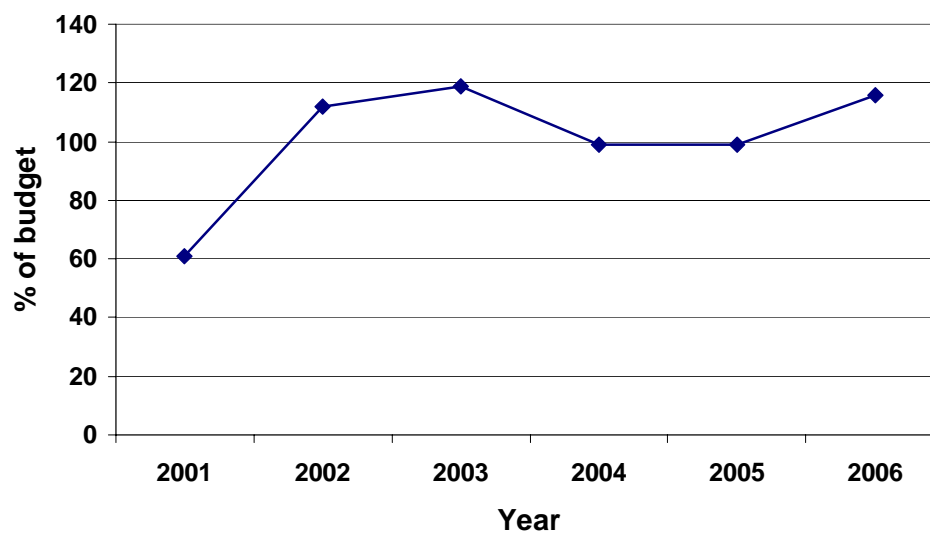
Poverty Reduction Programs 2007

Category	Allocation	
	('ZK billion)	(%)
Irrigation support	9.2	2.4
Commercialization of farm blocks	10.1	2.6
Animal disease control	6.5	1.6
Livestock development	3.4	0.9
Fertilizer Support Program	150.3	38.2
Strategic Food Reserves	205.0	52.1
Cooperative Education and training	2.6	0.7
Other	6.2	1.6
TOTAL	393.3	100.0

Agricultural Donor Development Programs - 2007

Category	Allocation	
	('ZK billion)	(%)
Smallholder Enterprise and Marketing Programs - mkting	15.3	4.2
ASIP/ADB Eastern Province – livestock & infrastructure	40.5	11.2
Small-scale Irrigation Project – irrigation	26.5	7.3
Program for Luapula Province Agric Rural Dev (PLARD)	15.9	4.4
Smallholder Agric Production and Marketing Support Project	38.0	10.5
Agricultural Diversification and Food Security Project – Ext	21.0	5.8
Agricultural Support Program – crops, livestock & infra	36.8	10.2
Kwando Zambezi Tsetse and Tryps Eradication Project	53.7	14.9
Regional Irrigation and Water Management Project	53.4	14.8
Agricultural Development Support Program (ADSP) – Com	41.7	11.6
Other	17.9	5.0
TOTAL	360.6	100.0

Releases as % of allocation: MACO 2001 - 2006



Resources approved versus released - 2006

Category	Approved	Released	% change
Personal Emoluments	84	85	101
Recurrent Departmental Charges	40	34	85
Grants and Other Payments	4	3	87
Poverty Reduction Programs	256	335	131
Agriculture Shows	2	2	99
Agriculture Development Programs	11	3	28
Capital Expenditure	1	1	145
Total	398	464	116

PRP resources approved vs released

Poverty Reduction Programs	Approved	Released	% change
Fertilizer Support Program	189	189	100
Strategic Food Reserves	50	140	280
Others	17	6	36
Total	256	335	131

Summary

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- Commitment to fully deploy resources exist but timing should be predictable