"AN ANALYSIS OF AGRICULTURAL POLICY PROCESS IN ZAMBIA"

A Thesis Presented to the Department of Agricultural Economics and Extension Education of the University of Zambia

by

Mutengo Sindano

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ABSTRACT

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MUTENGO SINDANO
UNIVERSITY OF ZAMBIA.

ADVISOR:
DR.T.H. KALINDA

Over the last decades, Zambia has been constantly carrying out and implementing agricultural policy initiatives that have been aimed at addressing agricultural constraints. However, its impact and the performance of agricultural sector have been unsatisfactory. Therefore, this study focused on identifying the players in the Agricultural Policy formulation, information flow from inception to the implementation level, and to identifying the bottlenecks hindering the formulation and implementation of agricultural policy and then offers policy recommendations. Qualitative method was used to collect data, which involved informal interviews with experts, and key informants in both informal and formal organisations using appropriately designed checklists directed at the employees or key informants in these organisations. Published and unpublished documents were also reviewed as sources of information. The data and information from the checklist was collated, compiled and synthesised into useful information.

From the results the major stakeholders identified in Agricultural Policy formulation process were MACO, ZNFU, Cabinet, Parliament, MCTI, MLA, MFNP, ZRA, ZCC, IC, donors and ZACCI. In addition, the phases in the agricultural policy formulation process are policy inception and implementation, Stakeholder Consultation, inter-Ministries Consultations, Cabinet Memorandum Review and Implementation. The study also identified the major bottlenecks, which affect the formulation of agricultural policy, and these are lack of co-ordination between ministries, conflicts of views, overlapping responsibilities of ministries, lack of resources and different stakeholders’ groups.

Therefore, for the government to improve the problems encountered in the policy process it must raise the quality of publicly funded research and extension services, as well as increasing the process of consultation to maximise farmers’ participation in the policy formulation process, implementation, monitoring and evaluation.
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ACRONYMS

ASIP  Agricultural Sector Investment Programme
EBZ   Export Board of Zambia
MACO  Ministry of Agriculture and Co-operatives
ZRA   Zambia Revenue Authority
VAT   Value Added Tax
ZIC   Zambia Investment Centre
GRZ   Government of the Republic of Zambia
ZNFU  Zambia National Farmers Union
ZACCI Zambia Association of Chambers, Commerce and Industry
NGOs  Non-Governmental Organisations
MCTI  Ministry of Commerce, trade and Industry
ZESCO Zambia Electricity Supply and Corporation
PACU  Policy Analysis and Co-ordination Unit
COMESA Common Market for Eastern and Southern Africa
SADC  Southern African Development Community
CG    Consultative Group
PRSP  Poverty Reduction Strategy Paper
GDP   Gross Domestic Product
MMD   Movement for Multi-party Democracy
MLA   Ministry of Legal Affairs
MFNP  Ministry of Finance and National Planning
ZCC   Zambia Competition Commission
NERP  New Economic Recovery Programme
CSO   Central Statistical Office
CHAPTER ONE

1.0 INTRODUCTION

Policy has been defined differently by economists. Singh (1999) defines policy as a course of action or intended course of action conceived of as deliberately adopted after a review of possible alternatives and pursued, or oriented to be pursued. Ellis (1992) describes policy as the course of action chosen by government towards an aspect of the economy, including the goals the government seeks to achieve, and the choice of methods to pursue those goals.

While economists agree that agricultural policy is a sectoral policy, there is no common definition of agricultural policy. Bates (1998) defines agricultural policy as the set of decisions taken by governments that influence the prices farmers confront in the markets which determine their income. This definition focuses on the price policy. Agricultural policy may be described as the actions taken by the government on agricultural matters in pursuit of certain objectives. Ellis (1992) subdivides agricultural policy into price, marketing, input, credit, mechanisation, land reform, research and irrigation policies. Agricultural policy may also be subdivided into price policy (policies affecting price levels and trends for farm outputs and inputs), institutional policy (policies affecting the marketing of products or delivery of inputs or technology) and technology policy (policies affecting the creation and transmission of technology).

According to Matchete (2001), the agricultural policy process entails the formulation, promulgation and application of the courses of action by government aimed at the agricultural sector. Thus, the process involves the design and implementation of agricultural policies.

It must be mentioned from the outset that the agricultural policy in Zambia has always been defined as an element of the agricultural sector objectives. Over the years, the agricultural sector objectives have remained relatively unchanged; what has changed is the approach for achieving these objectives.
Prior to 1991, the major concern of Zambian government was to achieve self-sufficiency in major agricultural products and only paid little or no attention to the role of agricultural to economic development. During this period, the government banned the importation of many agricultural products. Parastatals and other government-supported institutions were extensively used to enforce the uniform pricing policy for inputs and products. However, most of these institutions failed to become self-sustainable and thus the government provided subsidies to these agents. In addition, the private sector was barred from participating in certain activities, such as marketing of some products and fertiliser. This policy resulted in huge subsidies, slow growth of the agricultural sector, and low agricultural exports. In view of declining copper revenues, government deficits increased, monetary policies were relaxed, inflation increased, the foreign exchange market was distorted, and the external debts increased. Therefore, these policies became unsustainable. The agricultural policy process was top-down and driven by the government with little participation of the civil society. Policies were formulated and co-ordinated by the National Commission for Development Planning under the Office of the President. National Development Plans guided all policies including the agricultural policy from 1966 up to 1989.

1.1 Current Agricultural Policies

The year 1991 heralded a new political-economic dispensation in Zambia. Pluralistic politics were introduced and the new Government of Movement for Multi Party Democracy (MMD), with local and international goodwill embarked on the New Economic Recovery Programme (NERP) driven by Structural Adjustment Programme (SAP). Under these new economic measures, Policy aims at creating a competitive and productive economy driven by the private sector initiative, which will foster living standards for Zambians. The government’s reform scheme included the decontrol of prices, removal of exchange controls and floating of the Kwacha, removal of subsidies, the removal of quantitative restrictions on imports and exports through licensing and other means, elimination of non-tariff barriers, and rationalisation and reduction of tariffs. The reforms in the trade sector on tariff
adjustments were due to the requirements under the WTO and the various regional initiatives such as COMESA and the SADC Trade Protocol.

The trade regime has been considerably liberalised and simplified. Specific objectives of the trade policy were:

- Complete liberalisation,
- Trade promotion and diversification through exports of non-traditional goods,

In line with the outlined reforms, the agricultural policy has been revised. The main objective of the agricultural sector is to promote development of an efficient, competitive and sustainable agricultural sector, which ensures food security and increased income. The specific objectives of the agricultural sector are:

- To ensure national and household food security through dependable annual production of adequate supplies of basic foodstuffs at competitive costs;
- To ensure that the existing agricultural base is maintained and improved upon;
- To contribute to sustainable industrial development by providing locally produced agro-based raw materials;
- To increase agricultural exports thereby enhancing the sector’s contribution to the national balance of payments; and
- To generate income and employment through increased agriculture production and productivity. (COMESA, 2001)

Given the small size of the domestic market in Zambia, agricultural policy has a crucial role to play in directing resources. Exports are necessary to not only earn foreign exchange and obtain necessary imports, such as machinery and equipment and technology, but also to keep industrial activities competitive. Government policy has been the creation and further development of a market economy with a liberalised import and export regime that supports the growth of productive sectors. The main thrust of agricultural policy in Zambia is liberalisation and market reforms.
Under this policy framework, the role of government is confined to policy formulation and legislation and development of sustainable market support services such as market information, extension, finance and infrastructure.

However, there has not been any comprehensive or coherent agricultural policy per se even under the new economic dispensation. As explained earlier, agricultural policy has continued to be defined as part of the agricultural sector objectives. However, the strategies to attain these objectives now emphasise the optimal operation of local, regional, and international agricultural markets, with the private sector playing a pivotal role. In addition, agricultural policy formulation and implementation now involves a wider participation of the civil society in form of producer unions and associations.

1.2 Statement of the Problem

Agricultural policy is a plan or course of action designed to influence and determine decisions, actions and other matters affecting the agricultural sector in general. Therefore, in order for the government to achieve its goals, it needs to identify the problems affecting the sector through stakeholders and thus involving of these stakeholders in the formulation of a better policy. For Zambia the agricultural policy has failed in most case to achieve main of its intended goals and have seen a lot of complaint from farmers and other stakeholders involved in agricultural sector about the government failing to solve their problems. In order to improve the performance of the agricultural sector, we need to involve all the stakeholders concerned in the agricultural policy formulation process.

While a lot of studies have be done in agricultural policy, such as the performance of the policy, little has been done to understand and identify stakeholders involved in policy formulation and the stages involved in the process and establish how often they are consulted in the formulation process. A policy that involves the stakeholders is supposed to address the problems affecting these stakeholders which the current policy has failed to do.
Bearing in mind that there has been increased government efforts to increase the production of the agricultural sector, increased national food security and the like, this study will analyses and identify the institutions involved in the formulation process and further identify their roles as well as the stages involved in the formulation process. This will help us know how much they contribute towards the formulation of the policy and how the policy benefits them. As contained in the PRSP document, the goal of the agricultural policy is mainly reduce poverty and economic growth.

1.3 Rationale of the Study

Significance of study on agricultural policy process in Zambia arises from the fact that most of the stakeholders are complaining that the current agricultural policy does not address their problems and little has been done to try and identify the stakeholders phases in policy process. Therefore, identifying of the stakeholders and phases in agricultural policy process will help improve and develop policy which will provide a better tool for improving the standard of living among small farmers and increase production and efficient of the private sector in marketing and distribution of inputs and outputs. There is also the need of adoption of sustainable agricultural policy for food security.

1.4 Research Objectives

1.4.1 General Objective

The general objective of this study was to identify the role players in the policy formulation and information flow from inception of the policy to the implementation level.

1.4.2 Specific Objectives

The specific objectives of this study were;

- To identify the stakeholders involved in Agricultural Policy formulation and examining their roles in facilitating the development of a policy that will solve they problems.
• To establish and analyse the stages or the flow of information in agricultural policy formulation to the implementation level.

• To identify the bottlenecks hindering the formulation and implementation of agricultural policy and then offer policy recommendation
CHAPTER TWO

2.0 LITERATURE REVIEW

Agricultural policy in Zambia is an old concept and it dates back to the colonial period when it was realised how important agriculture was to increasing national food security (Wood et al, 1990). Thus Zambian agricultural policy has evolved and developed with every step in agricultural progress.

A lot of studies have been carried out on agricultural policy in general. This means that this study is by no means the first study to be undertaken to analyse the agricultural policy in general and in Zambia in particular. However, the analysis in this study is somewhat different to those taken before. Other aspects of agricultural policy in Zambia have been studied previously by Lukanty et al (1990) and the Common Market for Eastern and Southern Africa (COMESA) in 2001, among others.

The study carried out by COMESA on harmonisation of agricultural trade policies in COMESA region observed that agricultural policy harmonisation help countries to come up with policies that would benefit their local farmers, and give domestic support to producers. This study concentrated on how to improve trade of agricultural products between COMESA countries and how to balance the policies among the member countries.

A number of other people have documented their findings about some aspects of agricultural policy making. These include Skogstad (1987), Bonger (2001), Haji (2001), Matchethe (2001) and Mano (2001).

According to Skogstad (1987), political and economic factors have interact in the development of agricultural programmes and further illustrate and analyse the process of policy making and the roles of the various participants, including government, farm organisations and other interested parties. This book looked on the policy making process in a developed country. This book therefore offers a useful description and analysis of the process of agricultural policy making in Canada. Thus
this book tries to explain the importance of stakeholders in the formulation process of a policy.

Bonger (2001) also undertook a study on the strategic industry and trade policymaking process in Uganda in which he compared the private sector contribution towards the formulation of the policy. This study however did not look at the stages involved in the formulation process.

Another study, which was done by Haji (2001), was a review of the agricultural and livestock policy initiatives in Tanzania, which described on how to promote appropriate agricultural policy in order to reduce poverty, increase food security and enhance sustainable agricultural development. This study recognised the importance of developing a good policy, which involve all stakeholders.

Mataya (2001) also did a study on the review of agricultural policy reforms in Malawi. The study concentrated on the implication of the policy on productivity and did not examine the role players in the policy process.

And a study done by Mano (2001) entitled agricultural policy process in Zimbabwe looked at the environment for policy formulation but it also recognise the importance of involving interested parties in the process.

The approach of this study on the analysis of agricultural policy process in Zambia is somewhat different to those undertaken before. In this study what was paramount was the analysis of the roles of the stakeholders involved in policy process and the stages it takes.
CHAPTER THREE

3.0 THEORETICAL FRAMEWORK

The objective of Zambia's agricultural policy is to enable the country to facilitate and support the development of a sustainable and competitive agriculture sector that assures food security at national and household levels and maximises the sector's contribution to Gross Domestic Product (GDP). In order to produce an agricultural policy that meets the concern of stakeholders there should a combination of all views of all participants involved. This mean that the farmers, consumers, associations, organisations, private firms, government agencies and donors are involved in the formulation and implementation of the agricultural policy in order to solve the problems which affect them. It further means that these stakeholders are involved in the setting up of the agenda to the implementation level. Diagrammatically this can be shown as below

![Diagram of Agricultural Policy](image)

This shows that to formulate an effective and all encompassing agricultural policy, it is desirable to reach a broad national consensus on the scope and objectives of the agricultural policy. It is therefore important that it is prepared with broad participation of key stakeholders as shown in the above diagram.

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In developing the agricultural policy, the process can be divided into stages or phases. Each phase is related to the next and the last phase is linked to the first, as well as the intermediate phases, in a non-linear cycle or round of activities. The process is illustrated as below.

The Policy-Making Process:

[Diagram showing the sequence of stages: Problem Identification, Agenda Setting, Policy Formulation, Policy Adoption, Policy Implementation, Policy Assessment]

It's important to note that the phases outlined represent ongoing activities that occur through time in policy-making process.

3.1 METHODOLOGY

3.1.1 Data Collection

Both primary and secondary sources of information were used to collect relevant data. The primary sources included informal interviews with experts and key
informants in both informal and formal organisations involved in the formulation and implementation of agricultural policy.

Secondary data included both published and unpublished documents. These documents were sourced from MACO, NGOs and other ministries and relevant organisations involved in policy making. The secondary research instrument was an unstructured questionnaire consisting of appropriately designed checklists directed at the employees or workers in these organisations involved in agricultural policy formulation and implementation.

3.1.2 Data Analysis

The data and information from the checklist was collated, compiled and synthesised into useful information

3.2 LIMITATION OF THE STUDY

This study was limited by several factors. Firstly, the resources to carry out the study were lean, and outweighed by the demands of carrying out a thorough and well-documented research. The limitation in resources further meant that the farmers not interviewed to know their degree of participation in the formulation process.

The study was only conducted in Lusaka and only Lusaka based institutions were visited and interviewed living out those institutions based outside Lusaka.

Further the instruments used were qualitative, this resulted in a lot of would be important information being overlooked or omitted altogether.
CHAPTER FOUR

4.0 FINDINGS

This chapter describes the domestic institutions involved in agricultural policy formulation and implementation in Zambia. It describes the agricultural policy formulation process and identifies the bottlenecks inherent in the entire process.

4.1 MAJOR PLAYERS IN AGRICULTURAL POLICY FORMULATION AND IMPLEMENTATION

In order to describe the agricultural policy formulation process in Zambia, it is necessary to identify the major role players and their roles in the process. This requires that we identify those involved in all the steps in the agricultural policy process starting from the formulation of the policies up to their implementation. The role players include those that have formal authority and those that influence agricultural policy but do not have formal authority to make policies. Those with formal authority include Cabinet, Parliament (the National Assembly) the executive arm of government (including the Ministry of Commerce, Trade and Industry; the Ministry of Finance; Ministry of Agriculture and Co-operatives, etc). The Zambia National Farmers Union (ZNFU) and Zambia Association of Chambers of Commerce and Industry (ZACCI) are the most consistent ‘informal’ role players.

4.2 FORMAL PARTICIPANTS IN AGRICULTURAL POLICY FORMULATION AND IMPLEMENTATION

4.2.1 Cabinet

Cabinet is the principal decision making body of the Government. It comprises all Ministers, and its decisions are given formal effect through Acts of Parliament or the executive powers held by Ministers for the administration of their portfolio. Since Cabinet is responsible for the development and co-ordination of the policies of the Government, its decisions are pivotal in the policy cycle. One of Cabinet’s main functions is co-ordination of policy development in all line Ministries in government.
Ministers have powers provided to them under Acts administered by their portfolio to make decisions. The issues to be decided are a reflection of the current legislative interpretation of policies administered by the various departments in line Ministries, or associated statutory authorities. Where strategic policy has political or financial implications, then it is usually discussed with the Minister or presented for a Cabinet decision. Through Cabinet submissions, policy planners suggest recommendations that politicians may adopt, refine or endorse. These form decisions.

The Policy Analysis and Co-ordination Unit is the first point of contact for all policy matters that have to be taken to Cabinet. This Unit is the principal policy co-ordination agency used by the Cabinet. The Policy Analysis and Co-ordination Unit play an important policy co-ordination role within and between agencies. Thus, during the formulation of agricultural policies, the Policy Analysis and Co-ordination Unit will review and make recommendations in a Cabinet Memorandum after all consultations and adjustments have been made. The revised proposals are then presented to Cabinet. The purpose of the Cabinet Memorandum is to allow Ministers to discuss, analyse and resolve issues on their merits and in ways that can be effectively implemented. Upon approval in principal, a draft bill is prepared by the Attorney General’s chambers and approved by Cabinet. The bills are published in the Government Gazette and presented to the National Assembly.

In addition to the above, Cabinet does not deliberate on every policy issue. Ministers or chief executives and policy planners determine many issues within their respective ministries. Cabinet therefore relies on agencies to work together through the established coordination mechanisms to ensure unity of direction. The major mechanisms are the Policy Analysis and Co-ordination Unit at Cabinet, and the Ministry of Commerce, Trade and Industry.

4.2.2 Parliament

According to the Constitution of the Republic of Zambia, the legislative power is vested in Parliament, which consists of the President and the National Assembly. The Constitution is the supreme law of the Republic of Zambia. Subject to the provisions
of the Zambian Constitution, bills passed by the National Assembly and assented to by the President exercise the legislative power of Parliament. In performing its functions, Parliament constitutes Portfolio Committees one of which is the Portfolio Committee on Agriculture. The Portfolio Committee on Agriculture will normally consider draft legislation on all agricultural matters before finalisation by the National Assembly.

4.2.3 Ministry of Commerce, Trade and Industry

The Ministry of Commerce, Trade and Industry is responsible for the formulation and implementation of the country's Policy. The mission of the Ministry is to foster, develop, promote and re-orient its activities to keep in line with an open market economic policy of the Government. It is the principal government body responsible for stimulating the growth of the commercial and trading sectors through the formulation of strategies and policy instruments that enhance competitiveness and facilitate domestic and international trade relations. This Ministry co-ordinates industrial, agricultural, and commercial and trade matters, and maintains liaison with various public and private sector organisations to facilitate the implementation of policies. While creating a legal and regulatory framework conducive for investment and the production of manufactured goods and services, the Ministry also identifies any problems in connection with implementation of the structural adjustment programme and economic stabilisation.

One of the most important functions of the Ministry of Commerce, Trade and Industry consists of formulating, implementing and reviewing all policy measures geared at the promotion of industries with potential for attaining competitive advantages in target markets. The Ministry is the national focal point for matters coming under the purview of international organizations and regional co-operation. It is also responsible for all work in connection with bilateral trade and economic relations carried out through the joint Commissions established with a number of other countries.

In carrying out its functions of providing guidelines for economic development, the Ministry of Commerce, Trade and Industry collaborate closely with several Ministries
and statutory bodies such as the Ministry of Agriculture and Co-operatives (MACO). The Ministry of Agriculture and Co-operatives initiates agricultural policies with supplementary and complementary proposals coming from other stakeholders.

### 4.2.4. Ministry of Agriculture and Co-operatives

Agricultural policies and legislation are initiated by the Ministry of Agriculture and Co-operatives with supplementary and complementary proposals coming from other stakeholders such as the Zambia National Farmers Union, ZRA and Export Board of Zambia. Cabinet or the Ministry of Commerce, Trade and Industry can also initiate policies. The Ministry of Agriculture and Co-operatives is responsible for coming up with agricultural policies that are to be included in the National Policy. This Ministry draws up a number of policy proposals on issues affecting the agricultural sector. The Ministry makes proposals on a number of issues including countervailing measures in cases where unfair agricultural practice is eminent, sanitary and phytosanitary measures, permits for imports and/or exports for agricultural products, movement of livestock across borders, etc. The Ministry also prescribes and enforces regulations such as the ban on importation/exportation of certain agricultural products or commodities as provided for under the Control of Goods Act. In addition, MACO enhances sustainable increase in agricultural productivity and competitiveness of Zambian products through extension and research services provided to the farming community.

When MACO has received all agricultural trade related complaints from all stakeholders, it initiates consultations. MACO then prepares a Cabinet Memorandum for official circulation to all Ministries. The Cabinet Memorandum contains recommendations or proposals for review by all stakeholders involved in trade policy formulation. At this point, the Ministry of Commerce, Trade and Industry plays a coordinating role since it is the Ministry responsible for all trade issues. The revised proposals are then presented to Cabinet. Once Cabinet has approved the proposals and Parliament has enacted the necessary legislation, MACO becomes responsible for administering agricultural trade policies.
4.2.5 Ministry of Legal Affairs

The Ministry of Legal Affairs is charged with the responsibility of providing a stable and solid legal framework necessary to evaluate, design, structure and implement various political, legislative and economic policies of the Government. This Ministry has also been assigned the responsibility of being the focal point for the development and coordination of the governance programme. The ministry has the capacity to initiate, update, review and draft legislation and treaties in order to conform to national and international requirements and advocacy to uphold and encourage a culture of constitutionalism. Therefore, the major role played by the ministry is advisory and regulatory.

Under the Ministry of Legal Affairs, the focal point is the Zambia Law Development Commission. The Zambia Law Development Commission keeps under review all the laws of Zambia with a view to their systematic development and reform, including in particular the codification of such laws, the elimination of anomalies, the reduction of separate enactments and generally the simplification and organization of the law. This institution is an effective tool for use in the consultative process with the civil society on matters, which concern them, before such matters are concretised as policy or law. Therefore, the Ministry of Commerce, Trade and Industry works hand in hand with this Ministry towards trade policy formulation and implementation. It is the final authority towards trade policy implementation through the provision of legal support.

4.2.6 Ministry of Finance and National Planning

The ministry of finance and national planning is the central agency within the government, which is responsible for the disbursement of resources to use in all policy formulation processes in Zambia. Its auxiliary bodies like the ZRA and BOZ perform most of its functions. Therefore the ministry of finance makes sure that the policy developed by can be supposed with the resources available. This means that the Ministry of finance also monitors the policy formulation processes of all sectors including the agriculture sector. Thus the Ministry of Agriculture and Cooperatives
should see to it that the policy being developed could be financed by the Ministry of Finance.

4.2.7 Zambia Revenue Authority (ZRA)

Zambia Revenue Authority, which is under the Ministry of Finance and Economic Planning, is also one of the major contributors towards policy formulation and implementation, and most of its contribution is mainly advisory and regulatory. The ZRA advises the government on implications for change of duty rates, procedures, VAT and their implications on exports and imports. It also monitors the adherence to set procedures and ensures that both importers and exporters follow the stipulated procedures and pay their dues. It therefore has Customs Officers stationed at all major borders to monitor and enforce trade regulations.

4.2.8 Export Board of Zambia

The Export Board of Zambia (EBZ) was established under the Development Act of 1985. It spearheads the stimulation of growth in the export sector and the development of non-traditional products for export, as well as their promotion in international markets. The Board plays a significant role in influencing the performance of the national economy by its concerted efforts to continually increase foreign exchange earnings for the country. The EBZ mainly plays an advisory role in trade policy formulation and implementation. Every year a proposal is submitted to the Ministry of Commerce, Trade and Industry encompassing all areas that would promote Zambia's exports. Policy issues on taxes, customs duties, marketing and others are analysed and recommendations to be included in the trade policy are made. For instance, items such as tax incentives, (VAT and VAT deferment, corporate tax) and reduced duty on agricultural equipment and machinery have been advocated for by the EBZ. Although the emphasis has been on promoting exports, these and other incentives have also benefited the local consumers as the reduced production costs usually translates into lower prices paid by the local consumers.
4.2.9 Zambia Competition Commission

The Zambia Competition Commission which falls under the Ministry of Commerce, Trade and Industry was established primarily to promote conditions of free and effective competition in the economy, as well as to ensure that anti-competitive practices or other forms of protectionism do not create barriers to trade. It plays a major role towards trade policy formulation and implementation with much emphasis particularly in domestic trade. It is mandated to allow business enterprises to penetrate markets and establish themselves without barriers or restrictions and thus facilitating intra-market trade and cooperation while also regulating monopolies and concentrations of economic power. Markets can thus operate efficiently and interests of consumers are protected.

Under the auspices of the Zambia Competition Commission, information on various market distortions requiring the attention of the government have been forwarded to and addressed through the Ministry of Commerce, Trade and Industry. The Commission has endeavoured to ensure that the market is made more attractive for investors, and to this end, it has intervened in a number of sectors in order to facilitate or foster a competitive environment in the spirit of a truly liberalized economy with open markets.

4.2.10 Investment Centre

The Zambia Investment Centre (ZIC) was established under the 1991 Investment Act. It is responsible for promoting, co-ordinating government policies and facilitating investment in Zambia so as to provide a one-stop support facility to investors, (GRZ, 2001). The major functions of the Centre include the following:

- Monitoring the performance of enterprises approved by the Centre and enforcing compliance with the terms and conditions of the Investment Certificates.
- Establishing and maintaining liaison arrangements.
- Assisting in securing relevant permits/licenses from relevant institutions required for the purposes of establishing or operating business enterprises.
• Undertaking economic and sector studies in order to identify investment opportunities.
• Provision of consultancy services to investors. (GRZ, 2001)

In order to achieve the above objectives, the Centre participates in the formulation of trade policies in order to ensure that they do not discourage potential investors from investing in Zambia. Through the various sectoral sector studies, the Centre has not only identified investment opportunities in different sectors but it has also made recommendations regarding policies that would promote investment and trade. Thus its main role in agricultural trade policy formulation and implementation is advisory.

4.3 INFORMAL PARTICIPANTS IN AGRICULTURAL TRADE POLICY FORMULATION PROCESS

Individuals and organizations without formal authority in policy-making also influence the agricultural policy process. The Zambia National Farmers Union (ZNFU), which is a grouping of various farmer organizations and associations, plays an important role by lobbying on various aspects of agriculture in general and the concerns of farmers in particular. Another important ‘informal role player’ is the Zambia Association of Chambers of Commerce and Industry (ZACCI) whose mission is the promotion and development of trade, commerce and industry

4.3.1 Zambia National Farmers Union

The Zambia National Farmers Union (ZNFU) is the major informal role player in agricultural trade policy formulation. It represents all categories of farmers throughout the country and farmers’ associations and organizations affiliated to it. The proposals presented by ZNFU to the Ministry of Commerce, Trade and Industry are derived from the grassroots level. Farmers forward their problems and suggestions to their Commodity Representatives who later compile and take reports to the District Farmers’ Association Chairmen who later meet in Lusaka for the Annual General Meeting (AGM) held every July. During the AGM all proposals are analysed and the elected National Chairman compiles one report, which is a true representation of all
the farmers, and the resolutions presented to the ZNFU Secretariat. Thereafter, the ZNFU Secretariat reviews the resolutions before they are taken to MACO or the Private Sector Committee at the Ministry of Commerce, Trade and Industry. This report is then discussed together with other reports from the various stakeholders as an input to the Cabinet Memorandum before the final agricultural trade policy is formulated.

4.3.2 Zambia Association of Chambers of Commerce and Industry

The Zambia Association of Chambers of Commerce and Industry (ZACCI) is a national body representing the interests of the private business sector in Zambia. The mission of ZACCI is the promotion and development of trade, commerce and industry. Chambers of Commerce and Industry have existed in Zambia since 1933 when the first known Chamber of Commerce and Industry was formed in Lusaka.

The major functions of ZACCI include the following:

- Dialogue with Government on the likely impact on the business sector of existing and envisaged Government policies
- Presenting to Government the problems faced by business with a view to seeking redress for grievances
- The provision of information related to the promotion of trade, investment and technology transfer
- Promoting interaction amongst members through regular meetings, trade fairs and exhibitions
- Publicising capabilities of members and their areas of business including receiving or mounting business missions.

Membership of ZACCI is drawn from the other Chambers of Commerce and Industry in the country. Several specialised associations are also members.

From the foregoing, it is clear that ZACCI is a strategic and important partner in formulation of policies including agricultural policies. As outlined in its objectives,
ZACCI dialogues with Government on the likely impact on the business sector of existing and envisaged Government policies and also presents to Government the problems faced by business enterprises. ZACCI has therefore been very instrumental in providing information related to the promotion of agricultural trade through the Ministry of Commerce, Trade and Industry.

4.4 AGRICULTURAL POLICY FORMULATION, IMPLEMENTATION AND REVIEW PROCESS.

Policy, in all its permutations, is the fundamental factor driving all government activity and explains the activities and relationship of institutions and actors. Policy is fundamental to delivering the outcomes government wants to achieve.

Having identified the major institutional actors involved in Zambia’s agricultural trade policy formulation, we shall now describe the process of agricultural trade policy formulation and implementation. The formulation and implementation of trade policy in Zambia takes place within a complex institutional framework, involving a variety of government Ministries and Agencies. Although the Ministry of Commerce, Trade and Industry usually sits at the apex of the trade policy process, the Ministries of Finance; Agriculture; Legal Affairs, and Agencies such as the Export Board of Zambia, Investment Centre etc are all involved to some extent in the actual determination and execution of trade policy. The entire process of developing an agricultural trade policy to the implementation is lengthy. Overall the development of policy in Zambia including the agricultural trade policy is a five- stage procedure that ensures that it meets interests of institutions and all parties involved. These stages are as follows:

4.4.1 Policy Inception and Formulation

In this stage, policy proposals are initiated, developed and formulated. All stakeholders involved in the formulation of the agricultural policy play a role in identifying the major problems in the agricultural sector. Generally, initiation of all economic policies including the agricultural policy emanates from the highest level of government (i.e. Cabinet). The ruling party manifesto acts as the basis upon which the
Cabinet and/or the respective Ministries initiate policies. However each Ministry is responsible for initiating trade legislation and regulations within their mandate. In the agricultural sector, the Ministry of Agriculture and Cooperatives (MACO) is responsible for initiating trade legislation and regulations.

The Policy Analysis and Coordination Unit at Cabinet Office spearhead the formulation of all policies including the agricultural policies. The Ministry of Commerce Trade and Industry coordinates the formulation of general trade policies in Zambia. However, this Ministry (MCTI) does not have the capacity to initiate all diverse policies and therefore, it relies on the relevant Ministries and other stakeholders to kick-start such policy discussions. Thus, the Ministry of Agriculture and Co-operatives has, within its mandate, initiated the agricultural policy formulation process.

4.4.2 Stakeholder Consultation

In this stage the Ministry of Agriculture and Cooperatives receives all agriculture related issues or complaints from all stakeholders and then initiates consultations. Based upon this, the Ministry of Agriculture and Cooperatives will make one of the two decisions:

1. Call all relevant stakeholders for a meeting in order to have a common understanding of the various problems raised by different stakeholders, or
2. Compile one document on the various problems raised and send a copy to all stakeholders for comments and suggestions.

If the Ministry takes the first decision and calls for a meeting, then all stakeholders’ views will be discussed and analysed and the report submitted to other Ministries. However, if the second decision is taken, the Ministry of Agriculture and Cooperatives upon receiving the comments and suggestions will compile a report that is submitted to other Ministries.

Within this stage, issues like taxes or tariffs reduction, and/or rebates are forwarded. For example when ZNFU met with the Republican President it proposed preferential tariffs for farmers and privatisation of the transmission and distribution portions of the
Zambia Electricity Supply Corporation (ZESCO) with a view that such a move would bring agricultural development. *(The Zambian Farmer, 2002).* The ZNFU further requested that Government stops importing maize by the end of April 2002 in order to facilitate a smooth maize marketing season without market distortions.

### 4.4.3 Inter-Ministry Consultations

Once the Ministry of Agriculture and Cooperatives prepares the Cabinet Memorandum, it is sent to other Ministries so that they can make recommendations and incorporate their proposals. The Cabinet Memorandum carries all the proposals from all stakeholders, which they feel require the attention of government. Once the other Ministries have analysed the Cabinet Memo and made their suggestions, it is then sent back to MACO, which compiles all the recommendations and presents them to the Policy Analysis and Coordination Unit at Cabinet Office.

### 4.4.4 Cabinet Memorandum Review

Once the Policy Analysis and Coordination Unit receives the Cabinet Memorandum, it makes final comments and recommendations to the Memorandum. This is then presented to Cabinet and upon approval in principal; a draft bill is prepared by the Attorney General's Chambers (under the Ministry of Legal Affairs) and approved by Cabinet. The bills are published in the Government Gazette and presented to the National Assembly. When the Bill is passed, it does not become law until the President assents to it and causes it to be published in the Government Gazette. When the President Assents to it, the agricultural policy legislation is now ready for implementation.

### 4.4.5 Implementation

Once Cabinet has approved the proposals and Parliament has enacted the necessary legislation, the Ministry of Legal Affairs has to accept it, and (MACO) becomes responsible for administering the policy legislation. MACO also enhances sustainable increase in productivity and competitiveness of Zambian products through extension and research services provided to the agricultural sector. In addition, MACO prescribes and enforces the phytosanitary regulations on products entering and leaving
Zambia. The Ministry of Commerce, Ministry of Legal Affairs and Zambia Revenue Authority and other agencies make sure that what is in the policy legislation is followed and that trade is within the legal limits. Therefore, the agricultural policy legislation formulated then guides all the issues related to agriculture and all farmers and other stakeholders involved must adhere to it.

Table1 and Figure 1 below gives a summary of the flow of information through Zambia’s trade policy formulation and implementation process for the agricultural sector. The table and the figure gives the major decision points and institutions involved in the completion of each phase or stage in the agricultural policy formulation and implementation process. The overly long process or time involved in the process of inception, formulation, adoption and implementation of the agricultural policy in itself could be considered as a major constraint. It could be a sign of poor co-ordination and linkages between the various institutions involved in the agricultural policy formulation and implementation process.
<table>
<thead>
<tr>
<th>Stage</th>
<th>Activity</th>
<th>Major Participant(s)</th>
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| Policy Inception and Formulation | - Policy initiation is based on the ruling party Manifesto – which is liberalisation of the agricultural sector. Inception starts from the Ministry of Agriculture and Co-operative with the guidance of PACU at Cabinet.  
- Stakeholders submit proposals of the problems they encounter to the Ministry of Agriculture and Co-operatives.  
- Other organisations (EBZ, ZRA, CSO etc) provide the necessary information to be used in policy formulation.  
- Other Ministries are involved in the formulation but the Ministries of Agriculture, and Commerce play a major role in the formulation of agricultural policy.  
- There is also intra-Ministry analysis on what should be incorporated in the policy.  
- Region agreements are taken into consideration.                                                                                                                  | CABINET MACO, MCTI,            |
| Stakeholder Consultations | - Stakeholders submit complaints that they feel should be incorporated in the agricultural policy.  
- The Ministry of Agriculture and Cooperatives compiles the recommendations from stakeholders and then prepares a document called the Cabinet Memorandum.                                                                        | ZNFU, MACO Farmers, ZRA, ZACCI, EBZ, and other stakeholders |
| Inter-Ministry Consultations | - Other Ministries proposes or suggests on what should be included in the policy through the Cabinet Memorandum                                                                                     | All Ministries                 |
| Cabinet Memorandum Review | - Done by the Policy Analysis and Coordination unit after receiving the Cabinet Memorandum from the Ministry of Agriculture and Cooperatives through Ministry of Commerce, Trade and Industry after compiling all proposals from stakeholders and other Ministries.  
- Attorney General prepares a draft bill approved by Cabinet and then sent to Parliament for debate.  
- The President assents and becomes a policy                                                                                                                 | Cabinet, Parliament and the President |
| Policy Implementation     | - All parties are involved in policy implementation  
- The Ministry of Legal Affairs sees that the policy act is adhered to within the legal framework.  
- Ministry of Commerce and ZRA also monitors the compliance of all the parties involved in policy implementation.                                                                                  | Ministry of Legal Affairs, MCTI, MACO, Private sector and others |

Source: Survey Data
Figure 1: Information Flow and Institutions Involved in Zambia's Agricultural Policy Formulation and Implementation Process.

Source: Survey Data
4.5 BOTTLENECKS IN AGRICULTURAL POLICY FORMULATION AND IMPLEMENTATION

4.5.1 Lack of Co-ordination

Lack of co-ordination between ministries sometimes leads to conflicts among domestic polices. Co-ordinating policy is important to facilitate consistency with government's overall strategy, priorities and objectives. Communication across Ministries/departments and other stakeholders is vital to synergise the actions being proposed and taken. In Zambia, policies including agricultural policies are essentially co-ordinated through the Policy Analysis and Co-ordination unit at Cabinet Office. This has generally been the case when trade related agreements contradict domestic environmental policies, or when agreement on trade issues conflict with domestic development interests. In the case of agricultural policy formulation, it often happens that the Ministry of Legal Affairs does not speedily prepare legal documents on a number of agricultural issues such that regional agreements cannot be enforced until they are included in the domestic laws or necessary amendments made to the already existing trade laws. This means that during the period when changes have not been effected, domestic agricultural policies generally contradict with regional policies. There have also been instances when the Ministry of Commerce, Trade and Industry has not consulted the Ministry of Agriculture and Co-operatives on agricultural trade related issues concerning multilateral and regional agreements. This poor co-ordination affected the negotiations and country position on agricultural trade issues. In addition, the overly long process or time involved in the process of inception, formulation, adoption and implementation of the agricultural policy in itself could be considered as a major constraint. It could be a sign of poor co-ordination and linkages between the various institutions involved in the agricultural policy formulation and implementation process.

4.5.2 Conflicts of views

Generally, conflict of views among ministries/departments responsible for different stages of formulation and implementation could lead to non-action. Several ministries/department are involved in the formulation and implementation of agricultural policy at the national level as depicted in Figure 1. One area that was
highlighted was the conflict of views between the Ministry of Finance and other Ministries. Considering that Zambia is a member of COMESA Free Trade Area, and being aware of the requirements of the SADC protocol on trade, which Zambia has ratified, policy proposals on reduction of duty and taxes in the agricultural sector have received strong opposition from the Ministry of Finance on the grounds that revenue will be lost. However, there appears to be some common understanding from both parties this time. This was reflected in the 2002 budget by the reduction of excise duty on electricity and the number of taxes and levies on fuel to bring down the production costs so that Zambian agricultural products could become competitive.

4.5.3 Overlapping responsibilities

Responsibilities of Ministries involved in agricultural policy formulation and implementation overlap causing unnecessary delays in finalising the policy. For instance, the Ministry of Finance and Economic Planning mainly focuses its activities on revenue collection so as to meet a particular target whereas the Ministry of Commerce, Trade and Industry has been advocating for tax reduction so that domestic commodities or industries could become more competitive. Thus even though the Ministry of Commerce Trade and Industry is responsible for trade, it cannot by itself determine what tax rate should be applied on agricultural commodities or industries. Thus whether the proposal is from MACO, MCTI, etc, issues to do with taxation must still be passed on to the Ministry of Finance for review. This has usually resulted in protracted negotiations before an agreement can be reached.

4.5.4 Lack of resources

The government lack resources in form of finance, personnel, materials, etc and this constrains the agricultural policy formulation process. The Ministry of Commerce, Trade and Industry has always wanted to conduct workshops and/or seminars concerning policy formulation and implementation and other related issues but the cost of running such programmes are so high that the Government cannot afford. In addition, due to material resources, the government has been unable to provide policy documents such as the Poverty Reduction Strategy Paper, Papers presented during the Consultative Group (CG) meetings, etc to a wider readership. This has inhibited some
of the people to participate and contribute on important policy issues including agricultural policy. Some Ministries also lack highly qualified, competent personnel due to the ever-increasing number of educated people leaving the country for greener pastures. This has deprived the country of technical human resource capable of effectively articulating policy issues.

4.5.5 Corruption

Corruption is the major contributor to the failure of the agricultural policy. According to Zambia National Farmers union (the Zambia farmer, April 2002) corruption at the borders is very high thus subjecting certain goods to tariff and others not. To address corruption at the border posts and support the current structures and authorities, the ZNFU proposed that a legal framework support honorary border inspectors.
CHAPTER FIVE

5.0 CONCLUSION AND RECOMMENDATION

5.0.1 CONCLUSION

The findings of this study show in general that formulation of the agricultural policy in Zambia is concentrated among government ministries and little involvement of the major stakeholders, the farmers. It also shows that their associations represent the farmers and consumers views. The study has also discovered that the agricultural policy process is affected by so many factors, which most of them can be avoided. These problems include lack of the resources by the government to cover all the stakeholders in the formulation process, lack of co-ordination between ministries leads to conflicts among domestic policies, conflict of views among ministries/departments responsible for different stages of formulation and implementation, overlapping responsibilities of ministries involved in agricultural policy formulation and implementation which causes unnecessary delay in finalising the policy, and failure to take into account the views of different stakeholders groups involved in the policy process.

The phases or stages in the policy process identified are the policy inception and formulation, stakeholder consultations, inter-ministry consultations, cabinet memorandum review, and implementation. The phases show that informal role players in policy process are concentrated at the stakeholder consultation when much of what should be in the policy have been written. And the cabinet memorandum review is only done by the government knowing that this is made up of ministers.
5.0.2 RECOMMENDATIONS

The government uses the agricultural policy as the main instrument for developing the agricultural industry, not for helping individual farmers. Usually, export goals, national food security, cheap food supplies for urban workers and the efficient use of national resources are given priority above the welfare of individual farmers. It is therefore, important that the policy targets the needs of individual farmers, as this will uplift the living standard of the farmer. This acts as an incentive for farmers to increase their production and thus increase national food security, exports and the likes.

The consultative nature of the agricultural policy process is a positive aspect of the policy process in Zambia. However, the consultation needs to be as broad as possible especially in the early stages of policy development. The tendency to involve only a few individuals and organisations in the early stages of the agricultural policy process runs the risk of the process being dominated by the views of those individuals and organisations. Farmers are important stakeholders in the process and their views need to be solicited as early as possible in the policy process. However, for farmers, particularly smallholder farmers, to make a meaningful contribution, they need to be capacitated to articulate their views clearly. One way to do this is to strengthen farmers' organisations such as the Zambia National Farmers Union.
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3. COMESA. Harmonisation of Agricultural Trade Policies in the COMESA Region-the Zambian case, 2001


