



FIFTH SESSION – NINTH PARLIAMENT

BUDGET REPORT

**OF THE PORTFOLIO COMMITTEE ON LANDS, AGRICULTURE, WATER, FISHERIES AND
RURAL DEVELOPMENT**

ON

**ANALYSIS OF THE 2023 BUDGET FOCUSING ON THE MINISTRY OF LANDS, AGRICULTURE,
FISHERIES, WATER AND RURAL DEVELOPMENT**

Presented to Parliament: 6th of December, 2022 by the Chairperson;
Hon Justice Mayor Wadyajena, MP

1. OVERVIEW

The Ministry of Lands, Agriculture, Fisheries, Water and Rural Development's responsibilities include ensuring food and nutrition security in the country. It is also responsible for ensuring that agriculture input is produced to serve as raw materials for downstream value adding sectors, especially the manufacturing sector. The Ministry is also mandated to promote equitable distribution, management and utilisation of land and provision of security of tenure. The responsibility of the Ministry also includes ensuring that there is adequate water provision for various purposes, including irrigation and recreation.

The Ministry also provides administrative, technical, advisory, research and regulatory services in line with these functions. This implies that budgetary provisions to the Ministry must be shared among several other alternative and critical uses besides agriculture, making it critical that such funding is adequate.

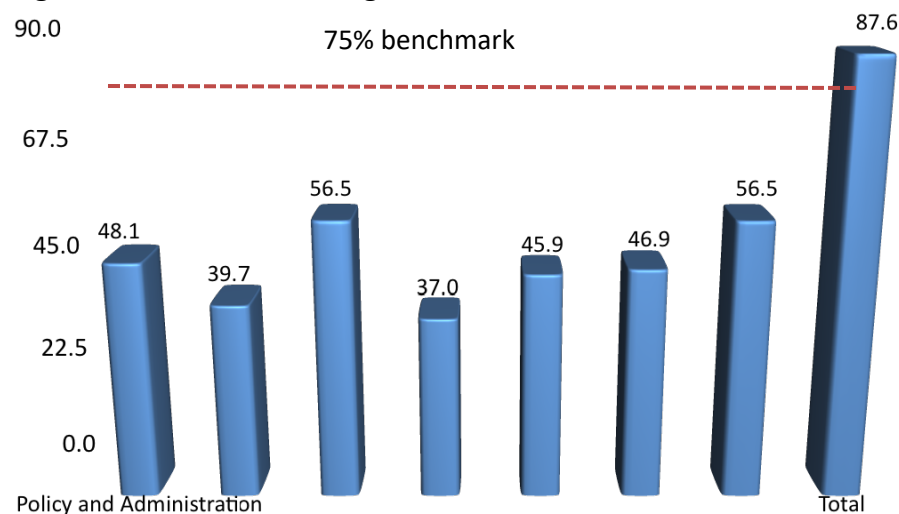
The Ministry has an approved staff establishment of 15,487, although 2,749 (17.8%) of these were not in post as of 30 September 2022. The Ministry operates through nine programme areas. The nine programme areas are as follows:

- i) Policy and Administration which is responsible for creating an enabling environment for a sustainable and viable agricultural sector. It comprises of seven sub-programmes. In 2022, this programme has also incorporated The Strategic Grain Reserve Fund and the Presidential Input Support Programme.
- ii) Agriculture Education which focuses on producing competent agriculture graduates with analytical and entrepreneurial skills. This programme area comprises of two sub-programmes.
- iii) Crops and Livestock Research and Technology Development which focuses on developing, adapting, and disseminating innovative research technologies to improve crop and livestock productivity. It consists of five sub-programmes.
- iv) Agricultural Advisory and Rural Development Services which provides technical, extension, advisory and pest management services in crop, livestock, fisheries, and aquatic resources. It comprises of one sub-programme.
- v) Agricultural Engineering and Farm Infrastructure Development which promotes agriculture mechanization, farm structures and irrigation technologies to increase crops and livestock productivity and production. It comprises of two sub-programmes.
- vi) Animal health advisory services which prevents entry, establishment and spread of transboundary animal diseases within Zimbabwe and controls specifies animal diseases and pests. It comprises of three sub-programmes.
- vii) Land Resettlement and security of tenure, which is responsible for promoting equitable distribution of land and provision of security of tenure. It comprises of four sub-programmes.
- viii) Land Survey and Mapping, which is responsible for providing accurate and up to date geospatial information for Zimbabwe; and

- ix) Integrated Water Management, which is responsible for improving water supply security in the country through infrastructure planning, development, and management.

This is a report by the Portfolio Committee on Lands, Agriculture, Fisheries, Water and Rural Development, which is designed to assess the 2023 National Budget allocation to the Ministry of Lands, Agriculture, Fisheries, Water and Rural Development, considering these programme areas as well as interventions that have been proposed under the budget to enhance agriculture in general. While giving a high budget on paper can be regarded as indicative of priority, the main determinant factor is the extent to which such resources would be quickly put to use, especially given that we are now in a high inflation environment. The Committee is happy to notice a change in absorption capacity in the Ministry for some programme areas, as traditionally there were some challenges in spending budgeted resources. In September 2022 all programme areas would be expected to have drawn down about 75% of their allocated resources. The Agricultural Advisory and Rural Development Services and the Agricultural Engineering & Farm Infrastructure programme areas had already utilised more than their 2022 allocations by September 2022, so that are no issues of disbursements with respect to those programme areas. However, a look at the remaining programme areas as well as the total budget utilisation by the Ministry shows that there are concerns with a number of programme areas (Figure 1). These include the Animal Health Advisory programme area where only 37% of allocated resources had been drawn down and the Agriculture Education which had drawn only 40% despite the need on the ground. It is not likely that these programme areas will be able to draw down their allocated resources over the last three months of 2022, which will also have a bearing on their performance.

Figure 1: Utilisation of budgeted resources



2. BUDGETARY ALLOCATION AND ADEQUACY

The total budget for appropriation to the various government ministries and department for the 2023 National Budget is ZWL\$4,495,591,700,000 (about ZWL\$4.5 trillion). In the 2023 National

Budget, the Ministry of Lands, Agriculture, Water and Rural Resettlement got an allocation of ZWL\$362,520,603,000 (ZWL\$362.5 billion). These resources are expected to result in a significant recovery in the agriculture sector, which is expected to increase by 4% in 2023.

In order to establish the implication, the Committee notes the following:

- The 2023 budgetary allocation for the Ministry is an increase of about 56.4% compared to the revised estimates for 2022. The National Budget projects average annual inflation for 2023 to be double digit levels without specifying a number. If inflation end up exceeding 56.4%, it would imply that the allocation for 2023 is lower than the 2022 allocation in real terms. The Committee, therefore, will continue to monitor resource utilisation to advocate for a revision in the Mid-term review if resources are getting eroded by inflation.
- The total allocation to the Ministry constitutes about 8.06% of the total budget.

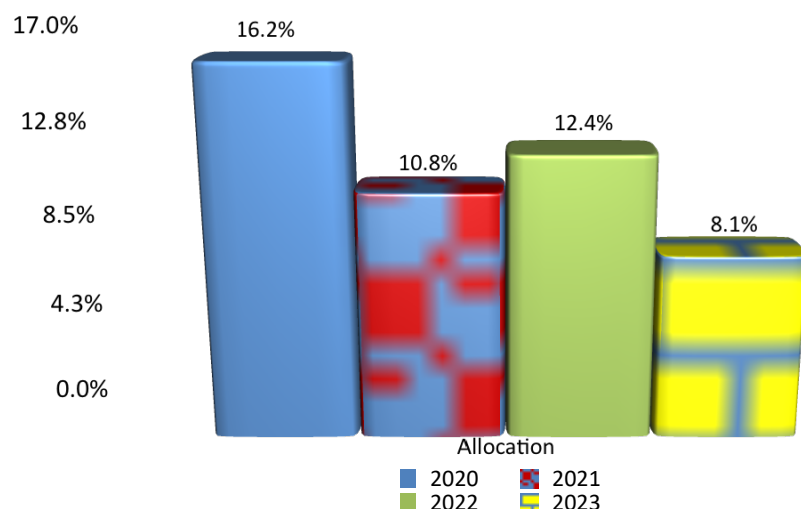
An objective template that can be used to assess whether agriculture has been adequately funded is the “Maputo Declaration on Agriculture and Food Security in Africa”. African Heads of State and Government came up with the Declaration at the Second Ordinary Assembly of the African Union in July 2003 in Maputo. The Heads of State agreed that 10% of public expenditure should be spent on agriculture in an effort to increase agricultural productivity. The 10% benchmark is also stipulated in the Comprehensive Africa Development Programme (CAADP). The Committee is therefore worried that the allocation of about 8% to agriculture is below the Maputo and Malabo Declarations. This is made worse by the fact that the Ministry is very broad, with its mandate including other areas which might not be under the functions of the ‘agriculture’ ministries in other countries, for example, ‘water’, ‘fisheries’ and ‘rural development’ functions could be separate. This means that the allocated resources are not enough.

The agriculture sector budget objectives include:

- Increased production and productivity
- Building resilience to climate shocks
- Transforming agriculture activities into viable business enterprises
- Ensuring food and nutrition security; and
- Reducing the import bill in respect of food and agriculture related products.

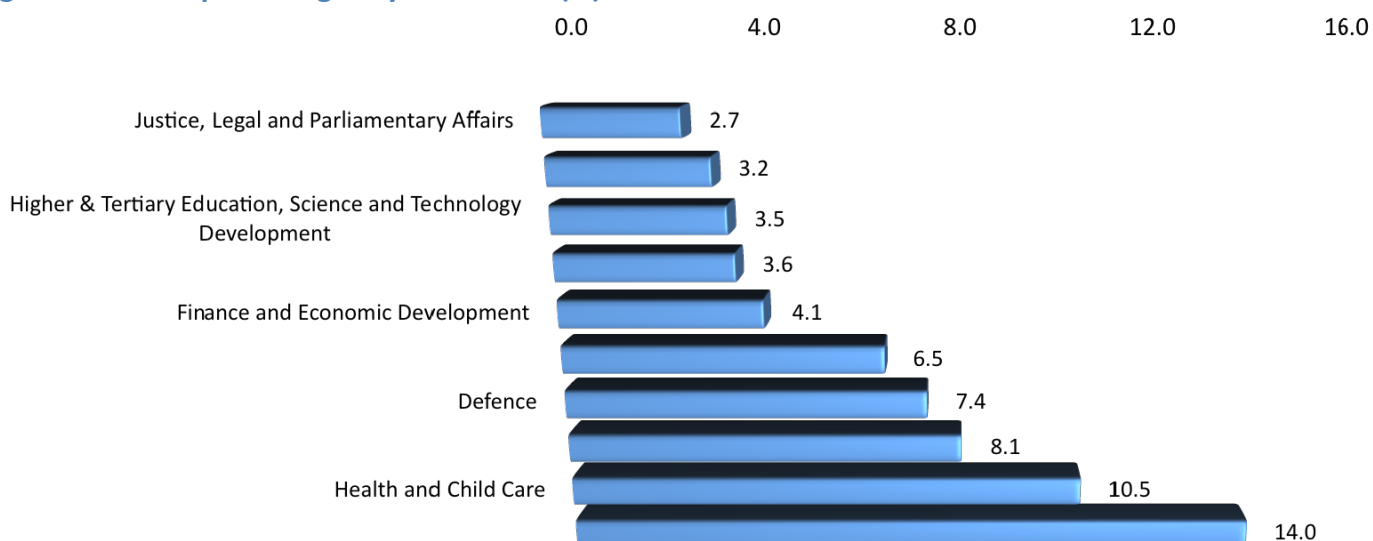
The allocation of only 8% of the budget is below what would be ideal for the sector. The budget allocation to the agriculture sector for the last three years have been consistent with the CAADP requirements of at least 10% (Figure 1). The sudden drop in 2023 is a cause for concern.

Figure 1: The 2023 allocation to the Ministry is the lowest proportion in four years



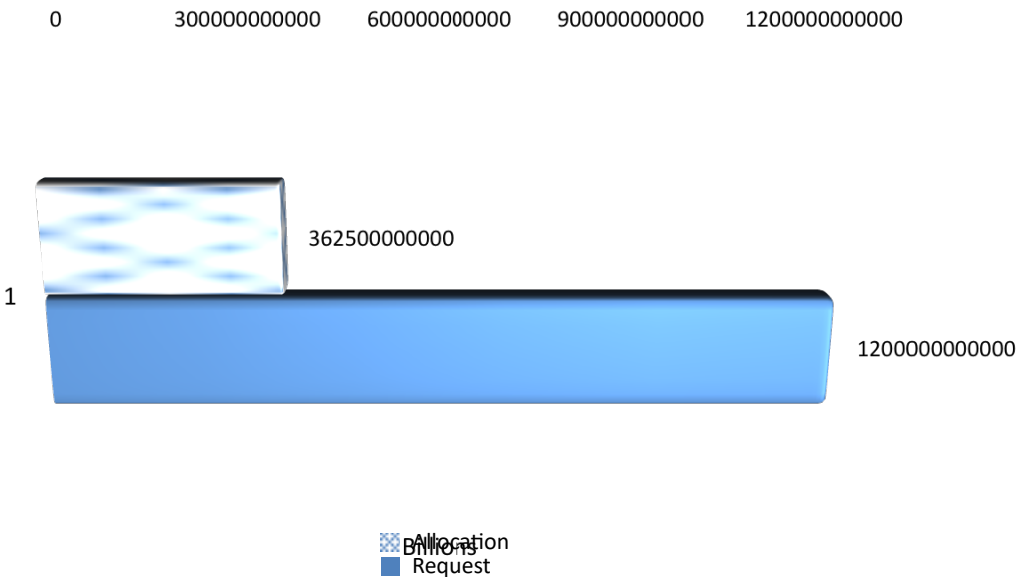
An assessment of resources allocated to the Ministry can also not be done in isolation. It is also important to assess the importance that is attached to agriculture compared to other productive sectors. Generally, Zimbabwe is considered agro based, as agriculture is critical for livelihoods as well as for feedstock to downstream industries. At 8.1% of the total available budget, the Lands, Agriculture, Fisheries, Water and Rural Development has the third highest share after Ministry of Primary and Secondary Education and Ministry of health and Childcare (Figure 1). In 2022 the Ministry got the 2nd highest allocation; hence the priority of the Ministry has now decreased. The Committee believes that the priority should be more on agriculture as the main economic driver.

Figure 1: 2023 Top 10 Budgetary allocations (%)



The adequacy of the Ministry's budget can also be assessed with respect to what the Ministry had requested. By comparing the Ministry's allocation in relation with what they had asked for, it is quite evident that they got only about 30% of their request (Figure 2), which would mean that the programmes they were targeting will not be fully executed.

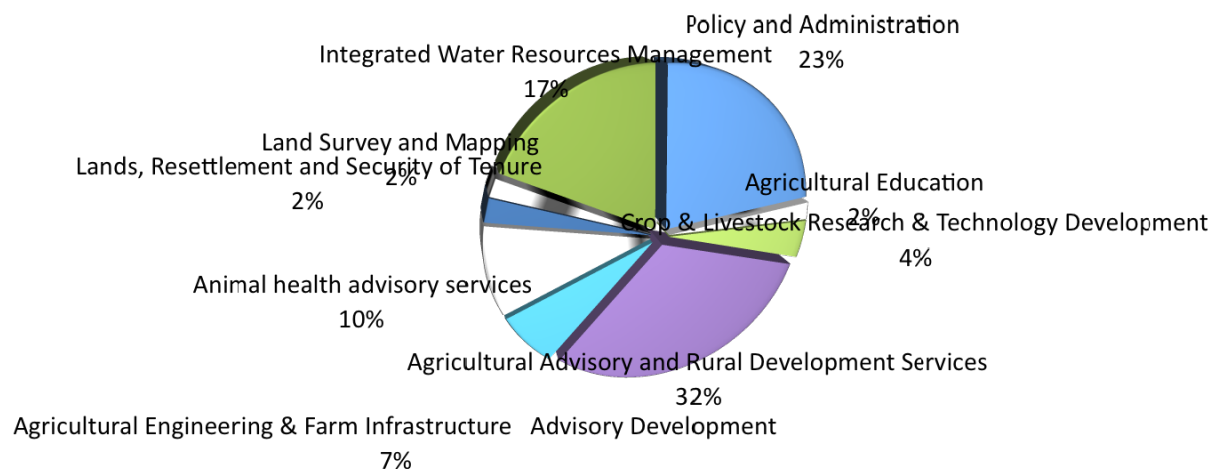
Figure 2: The Ministry requested for ZWL\$1.2 trillion and got allocated 362.5 billion



3. ALLOCATION ACROSS PROGRAMMES

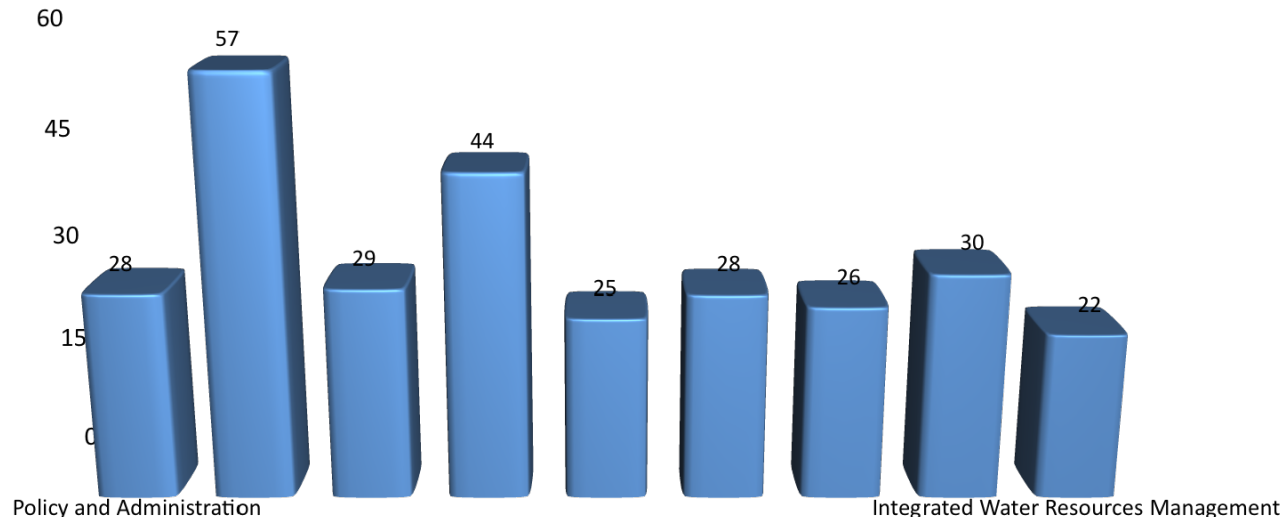
The revised estimates for 2022 show that the Policy and Administration programme was allocated the bulk of the resources, taking 37% of the budget. In 2023, the bulk of the resources have been allocated to the Agricultural Advisory and Rural Development Services, which take about 33% of the resources (Figure 4). The Committee, therefore, appreciates the need to ensure that more resources have been allocated for programme related issues rather than policy. However, despite the need for prioritising irrigation as a response to climate change, the Integrated Water Management is only third in priority. The Committee would have been happier if more resources had been allocated to this programme area ahead of the Policy and Administration programme area.

Figure 4: Distribution of Ministry’s Budget across the programme areas



A comparison of the allocation across the programmes with what the Ministry had requested shows that only the Agriculture Education managed to get at least half of the resources that had been requested by the Ministry (Figure 5). The Integrated Water Management programme area was the least funded, getting only about 22% of what the Ministry had requested in their bid. The low resources relative to what had been bid is a concern for the Committee, as this means that some projects and programmes that had been scheduled for next year will not be implemented.

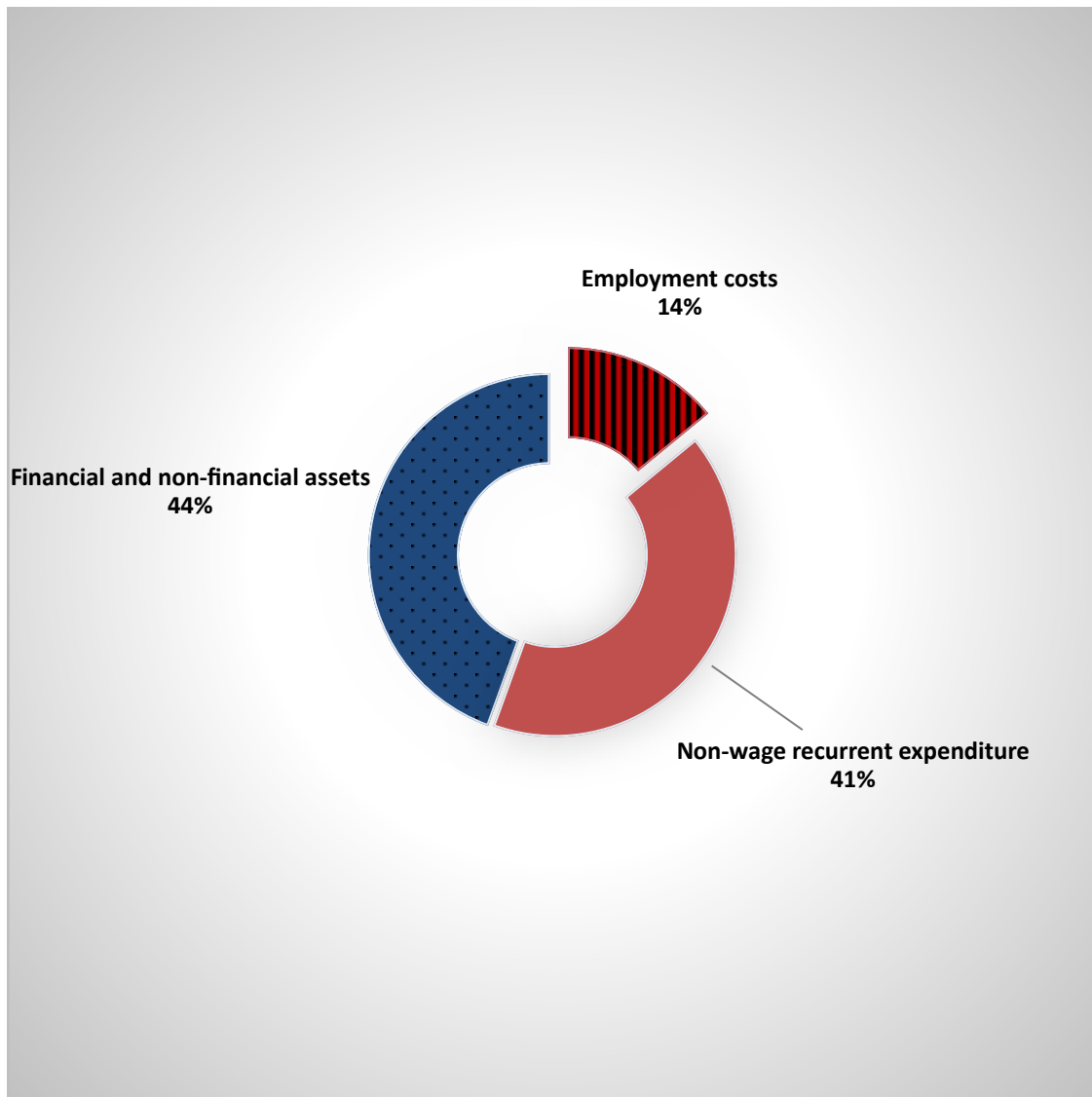
Figure 5: Allocations as a percentage of what had been requested (bid) by the Ministry



Quality of the Budget

The quality of the budget is also reflected by the extent to which the budget is development oriented. A budget which is biased towards capital than recurrent expenditure is generally considered developmental. About 45% of the Ministry's Budget is for the acquisition of non-financial assets, which are dominated by capital grants, with buildings and structures, machinery and equipment also being significant (Figure 6). Thus, the Committee commends government for prioritisation of developmental spending as this is the bulk of the resource envelope.

Figure 6: Quality of the Ministry's Budget



4. OTHER OBSERVATIONS BY THE COMMITTEE

General Comments

The Committee is concerned that the previous resource allocations have failed to transform the agriculture sector, as reflected by low yields. Productivity at most farms is currently at about 1.5 to 2 tonnes per hectare, at a time when 4.5 to 5 tonnes per hectare is possible.

Extension services

The Committee appreciates the recognition of the important role played by extension workers in increasing production and productivity in agriculture through the provision of advisory services.

The 2023 Budget seeks to capacitate the extension workers with mobility and communication systems in the form of vehicles, motor bikes and computer tablets to enhance their effectiveness, as well as sharpening their skills through training. The ZWL\$39.8 billion allocation for this purpose is well appreciated, and it is the Committee's hope that this will be timeously disbursed.

Smallholder farmer mechanisation

The Committee also appreciates the setting up of ZWL\$11.8 billion for the mechanisation programme targeting smallholder farmers. This would go some way in improving their productivity and hence output and contribution to total agriculture activity. However, given that the mechanisation gap is currently too high, the Committee recommends that this budget be increased to accommodate more smallholder beneficiaries. In addition, the manual process involved in Pfumvudza/Intwasa is too tedious and is currently discouraging participation by some farmers. The Committee recommends that the mechanisation include the mechanisation of digging of holes to make the farming less tedious.

Livestock production

The Committee appreciates the allocation of ZWL\$6.6 billion that is earmarked for the construction and rehabilitation of dip tanks, surveillance and control of animal diseases, as well as vaccination programmes. There are currently about 4,000 dip tanks in the country, out of which about 1,000 are non-functional. Given the challenge of diseases, especially January disease which eliminated about half a million of the country's herd, there is need for about 1000-1500 more dip tanks. The allocated resources are not enough to cater for these additional needs, hence an area of concern for the Committee. In addition, the procurement of dipping chemicals needs to be prioritised and adequately funded to ensure that cattle can dip each week.

The Committee is also worried that the loss of the national herd to diseases has severely depleted it to such a level that recovery will be difficult. The Committee is recommending for a livestock re-stocking programme to be introduced, which can be in the form of loans in cash or a command livestock like programme where farmers are given cattle to stock up.

Agriculture Productive Social Protection Scheme

The Committee appreciates the role that the Agriculture Productive Social Protection Scheme (Pfumvudza/Intwasa) has been performing in the economy, which has significantly improved yields to vulnerable households. However, while the Ministry has always targeted ensuring that 3 million households to benefit from the programme, the Committee is concerned that the number has been reduced to 900,000 in the 2023 National Budget. The reduction in the targeted households will reduce the potential of reaching the targeted Strategic Grain Reserve of 1.5 million MT, posing a threat of food insufficiency. The Committee recommends that this number be re-instated as 3 million and the resources be increased to match this number.

Agriculture Research and Development

Research and development is needed in the agriculture sector, especially given that we are operating under climate change. There is need for climate proofing research as well as breeding for

climate change adaptation through the capacitation of the Crop Breeding Institute. However, the budget for this activity has not been prioritised under the 2023 National Budget.

7. COMMITTEE'S CONCLUSION AND RECOMMENDATIONS

In conclusion, the Committee greatly appreciating the efforts that treasury has made to increase the capacity of the agriculture sector to perform roles expected under the 2023 Budget. However, the Committee would have the following recommendations:

- i) The allocation of about 8% to agriculture is below the Maputo and Malabo Declarations, at a time when the Ministry broader than what the head of State who recommended the guideline had in mind. The Committee recommends that the allocation be increased;
- ii) The allocation towards the Integrated Water Management programme area is too little given that it has been given less priority in allocation while it only got 22% of what had been requested. The Committee recommends that the allocation for this programme area be upscaled;
- iii) The ZWL\$11.8 billion for the mechanisation programme targeting smallholder farmers is too low given the financing gap required. The Committee recommends that this budget be increased to accommodate more smallholder beneficiaries;
- iv) The allocated resources for livestock production are not enough given the state of the national herd. The Committee recommends the increase of the resources to ensure resuscitation and rehabilitation of dip tanks as well as procurement of dipping chemicals to fight against Anaplasmosis (gallsickness), Babesiosis (redwater), Theileriosis (January disease), Heartwater, Foot and Mouth and other deadly livestock diseases; and
- v) The reduction of the number of targeted beneficiaries under the Agriculture Productive Social Protection Scheme from 3 million households to 900,000 in the 2023 National Budget is a major concern and will be disastrous. The number should be brought back to 3 million with a commensurate increase in allocation.

I THANK YOU and RESPECTFULLY SUBMITTED 🙏