Zimbabwe - European Community

Country Strategy Paper

and

National Indicative Programme

for the period *<year of signature>* - 2013

and Short Term Response Strategy

The Government of Zimbabwe and the European Commission hereby agree as follows:

(1) The Government of Zimbabwe**,** (represented by *<name and title>*,) and the European Commission, (represented by *<name and title>*,) hereinafter referred to as the Parties, held discussions in *<place>* from …….. to …….. with a view to determining the general orientations for cooperation for the period *<year of signature>* –2013. *<Optional> The European Investment Bank was represented at these discussions by <name and title>*.

During these discussions, the Country Strategy Paper and an Indicative Programme of Community Aid in favour of Zimbabwe were drawn up in accordance with the provisions of Articles 2 and 4 of Annex IV to the ACP-EC Partnership Agreement, signed in Cotonou on 23 June 2000 and the revised Agreement signed in Luxemburg on 25 June 2005. These discussions complete the programming process in Zimbabwe.

The Country Strategy Paper and the Indicative Programme are annexed to the present document.

(2) As regards the indicative programmable financial resources which the Community envisages to make available to Zimbabwe for the period *<year of signature>* -2013, an amount of € ….million is foreseen for the allocation referred to in Article 3.2 (a) of Annex IV of the ACP-EC Partnership Agreement (A-allocation) and of € …. million for the allocation referred to in Article 3.2 (b) (B-allocation). These allocations are not entitlements and may be revised by the Community, following the completion of mid-term and end-of-term reviews, in accordance with Article 5.7 of annex IV of the ACP-EC Partnership Agreement.

(3) The A-allocation is destined to cover macroeconomic support, sectoral policies, programmes and projects in support of the focal or non-focal areas of Community Assistance. The Indicative Programme under Part 2 concerns the resources of the A-allocation. It also takes into consideration financing from which Zimbabwe benefits or could benefit under other Community resources. It does not pre-empt financing decisions by the Commission.

(4) The B-allocation is destined to cover unforeseen needs such as emergency assistance where such support cannot be financed from the EU budget, contributions to internationally agreed debt relief initiatives and support to mitigate adverse effects of instability in export earnings. The B-allocation shall be triggered according to specific mechanisms and procedures and does therefore not yet constitute a part of the Indicative Programme.

(5) Resources can be committed within the framework of the present Country Strategy Paper and Indicative Programme upon the entry into force of the 10^{th} EDF multi-annual financial framework for the period 2008-2013 of the revised ACP-EC Partnership but not before 1 January 2008. Financing decisions for projects and programmes can be taken by the Commission at the request of the Government of Zimbabwe within the limits of the A- and B-allocations referred to in this document. The respective projects and programmes shall be implemented according to the rules and procedures laid down in the 10^{th} EDF multi-annual financial framework for the period 2008-2013.

(6) The European Investment Bank may contribute to the implementation of the present Country Strategy Paper by operations financed from the Investment Facility and/or from its own resources, in accordance with Articles … and … of the 10^{th} ED multi-annual financial framework for the period 2008-2013 *<(see Paragraph … for further details)>*.

(7) In accordance with Article 5 of Annex IV to the ACP-EC Partnership Agreement, the National Authorising Officer and the Head of Delegation shall annually undertake an operational review of the Indicative Programme and undertake a mid-term review and an end-of-term review of the Country Strategy Paper and the Indicative Programme in the light of current needs and performance.

The mid-term review shall be undertaken in 2010 and the end-of-term review in 2012. Following the completion of the mid- and end-of-term reviews, the Community may revise the resource allocation in light of current needs and performance.

Without prejudice to Article 5.7 of Annex IV concerning reviews, the allocations may be increased in order to take account of special needs or exceptional performance.

(8) The agreement of the two parties on this Country Strategy Paper and the National Indicative Programme, subject to the ratification and entry into force of the revised ACP-EC Partnership Agreement and the 10^{th} EDF multi-annual financial framework for the period 2008-2013, will be regarded as definitive within eight weeks of the date of the signature, unless either party communicates the contrary before the end of this period.

Signatures

For the Government of Zimbabwe For the Commission

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EXECUTIVE SUMMARY

This Country Strategy Paper has been prepared following an intensive consultation process with the national authorities and non-state actors. Owing to major disagreements on the interpretation of essential elements of the Cotonou Agreement both sides could not agree on a joint political analysis. The views of each side are therefore presented separately.

During the last seven years following the implementation of a fast track land reform Zimbabwe has faced serious economic difficulties with a contraction of the economy of more than 30%. The country is faced with a variety of serious problems in many sectors compounded by the HIV/AIDS problem and a brain drain of qualified people. The country finds itself in a protracted humanitarian crisis.

Though the country has developed a number of strategies in economic, social and agricultural sectors these have failed to address the problems. In the social sectors major challenges are linked to a lack of human and financial resources.

The Country Strategy Paper addresses the humanitarian challenges in supporting "human and social development" as a focal sector. The economic challenges are mainly addressed through support to the agricultural sector as the backbone of the economy. Government selected "rural development, agriculture, territorial planning, food security and environment" as the second focal sector. Finally, "trade and regional integration" as well as "support to non-state actors" were chosen as non-focal sectors. Governance shall be a cross cutting issue in all development programmes including democracy, human rights, the rights of children and indigenous peoples. It will be important to mainstream HIV/AIDS, gender and environment in most of the programmes.

Chapter I: THE FRAMEWORK OF RELATIONS BETWEEN THE DONOR AND THE PARTNER COUNTRY

I.1.1. General Objectives of the EC's external policy

In accordance with Article 177 of the Treaty Establishing the European Community, community policy in the sphere of development co-operation shall foster:

- The sustainable economic and social development of the developing countries, and more particularly the most disadvantaged among them;
- The smooth and gradual integration of the developing countries into the world economy;
- The campaign against poverty in the developing countries.

Europe should project a coherent role **as a global partner,** inspired by its core values in assuming regional responsibilities, promoting sustainable development, and contributing to civilian and strategic security.

The Union has developed a broad spectrum of external relations tools in the shape of the common trade policy, cooperation under bilateral and multilateral agreements, development cooperation, humanitarian aid and financial assistance as well as the external aspects of internal policies (energy, environment, transport, justice and home affairs, etc).

EU external action including the Common Foreign and Security policy, common trade policy and cooperation with third countries provides a framework both for integrating all EU instruments and for developing gradually a set of common actions based on common positions in the broader sphere of political relations.

Enlargement has entrusted EU with even greater responsibilities, as regional leader and as global partner. It should therefore strengthen its capacity to promote human rights, democracy and the rule of law as well as its capacity to focus on the fight against poverty, both in its neighbourhood and through its multilateral and bilateral policies which are mainly aimed at sustainable development and political stability. Thus, the EU will achieve genuine coherence between its domestic and its external agendas, contributing thereby to global security and prosperity.

I.1.2. Strategic objectives of cooperation with the partner country

The Treaty objectives are confirmed in Article 1 of the *ACP-EU Partnership Agreement*, signed in Cotonou on 23 June 2000 and revised in Luxembourg on 25 June 2005. The overarching objective of the *Cotonou Agreement* is to promote the development of a common strategic approach to poverty reduction, consistent with the objectives of sustainable development and the gradual integration of ACP countries into the world economy. Cooperation between the Community and Zimbabwe shall pursue these objectives, taking into account the fundamental principles set out in Article 2, in particular the encouragement of "ownership" of the strategy by the country and populations concerned, and the essential elements and fundamental element as defined in articles 9 and 11b of the Agreement.

While the Treaty and the Cotonou Agreement provide the legal basis for EC cooperation with ACP countries, the recently adopted *European Consensus on Development* sets the general policy framework at EU level. The primary and overarching objective of EU development policy is the eradication of poverty in the context of sustainable development, in line with the international agenda, and with particular attention for the Millennium Development Goals (MDGs). Human rights and good governance are recognised as other important objectives.

Better aid effectiveness is essential to achieving poverty eradication. Therefore the EU will advance coordination, harmonisation and alignment. It will promote better donor complementarity by working towards joint multi-annual programming based on partner countries strategies and processes, common implementation mechanisms, joint donor wide missions, and the use of co-financing arrangements. The EU will take a lead role in implementing the Paris Declaration commitments on improving aid delivery and it will capitalise on new Member States' experience to strengthen their role as donors.

Policy coherence for development will advance in a number of areas. The purpose is that all EU non-aid policies make a positive contribution to developing countries' efforts to attain the MDGs.

The principle of concentration will guide the Community country and regional programming. This means selecting a limited number of priority areas of action, through the dialogue with partner countries, rather than spreading efforts in too many sectors. In this context the Community will be primarily active in the following nine areas, keeping into account its comparative advantages in a number of these: trade and regional integration; the environment and the sustainable management of natural resources; infrastructure, communications and transport; water and energy; rural development, territorial planning, agriculture and food security; governance, democracy, human rights and support for economic and institutional reforms; conflict prevention and fragile states; human development; social cohesion and employment.

The mainstreaming approach will be strengthened for four cross-cutting issues: democracy, good governance, human rights, the rights of children and indigenous peoples; gender equality; environmental sustainability; and the fight against HIV/AIDS.

In December 2005, the European Council agreed an EU Strategy for Africa. The Strategy provides a long-term, strategic framework for interaction between Europe and Africa at all levels: with pan-African institutions such as the African Union, regional organisations and national authorities. It defines how the EU can best support Africa's own efforts to promote sustainable development and reach the Millennium Development Goals (MDGs). The Strategy rests on three pillars: (i) promoting peace, security and good governance as central prerequisites for sustainable development, (ii) supporting regional integration, trade and interconnectivity to promote economic development and (iii) improve access to basic social services (health, education) and protection of the environment to reach the MDGs 1-6 faster.

I.1.3. Main bilateral agreements

Zimbabwe is a signatory to the following bilateral agreements with the EU:

- *ACP-EU Partnership Agreement*, signed in Cotonou on 23 June 2000 and revised in Luxembourg on 25 June 2005 (signed by Zimbabwe on 22 December 2005);
- Protocol 3 on ACP sugar (part of Annex V of the Cotonou Agreement). Zimbabwe's Sugar Protocol allowance amounts to 30,225 tonnes;
- Special Preferential Sugar Agreement, reached on 1 June 1995. Zimbabwe's allowance amounts to 25,000 tonnes;
- Protocol 4 on beef and veal (part of Annex V of the Cotonou Agreement) Beef export quota of 9,100 tonnes, which has not been utilised since 2001, due to outbreak of foot and mouth disease. Exports of beef have not been resumed since.

Zimbabwe does not fall under the Everything But Arms (EBA) initiative, as Zimbabwe is not classified as a Least Developed Country (LDC). However, the United Nations recently suggested that Zimbabwe be reclassified as an LDC, a reclassification that would allow Zimbabwe duty - and tariff free access to the EU market on virtually all goods.

Chapter II: COUNTRY DIAGNOSIS

II.1. Analysis of the political, economic, social and environmental situation in the recipient country

II.1.1. Political and institutional situation

The European Union and Zimbabwe have both signed the Cotonou Partnership Agreement including the revised version in 2005. However, the parties have major disagreements on the interpretation and the mode of implementation of the essential elements enshrined in the Cotonou Agreement.

In this context, there is a critical need to promote dialogue amongst the two parties as provided for by the Article 8 of the Cotonou Agreement in order to move towards addressing these issues of content.

In the meantime, each party has hereunder described its own analysis of the political situation in Zimbabwe as no common view could be reached.

Political and institutional situation in the views of the Government of Zimbabwe
The Republic of Zimbabwe attained independence in 1980 after a protracted war for independence. The Zimbabwe African National Union Patriotic Front (ZANU PF) has ruled the country and has held majority seats in Parliament since independence. However, its percentage of representation has since been reduced by the emergence of the main Opposition Party, the Movement for Democratic Change (MDC), which now holds 41 seats. In 2005, Zimbabwe re-introduced a bicameral Parliament comprising the House of Assembly and Senate. The senatorial elections were held in November 2005 and were contested by representatives from both ZANU PF and MDC, amid differences in the MDC on the question of participation, resulting in two factions. The elections were observed by several international, regional and independent observers, who declared them free and fair or reflective of the will of the people. The EU was not invited to observe the elections. The Constitution establishes Zimbabwe as a parliamentary democracy with a separation of powers and an established rule of law. The Executive power lies in the President. Legislative power lies in the President and Parliament. The President gives assent to Bills passed by Parliament. Parliament comprises of 150 members, 120 of whom are elected and 30 nominated by the President. The Judiciary currently consists of High Court and Supreme Court Judges, as well as presiding officers for specialized courts, such as the Labour Court and the Administrative Court. The conditions of service of the Judiciary are determined by the Judicial Service Commission, which is headed by the Chief Justice, while those of the support staff are determined by the Public Service Commission, as they do not form part of the Judiciary. Magistrates, on the other hand, form part of the Public Service and their conditions of service are regulated by the Public Service Commission. The head of the magistracy is the Chief Magistrate, who is an administrative figure and has no say in the conduct of court proceedings. Civil Society Organisations (CSOs) have expressed lack of confidence in the Judiciary, as can be judged from the number of communications that they have filed before the African

Commission on Human and Peoples' Rights. This has put a strain on the already stretched Government resources that now have to cover the costs of responding to the communications.

In order to enhance the effectiveness and independence of the Judiciary, Parliament has, at the initiative of the Executive passed the Judicial Services Bill. The Bill will, once it becomes law, constitute the Judicial Service Commission as an independent entity. It will also remove the magistracy and the support staff of both the magistracy and the current Judiciary, from the Public Service Commission and place them under the Judicial Service Commission.

The Judiciary has power to declare any law passed by Parliament as being inconsistent with the Constitution and has done so with the Access to Information and Protection of Privacy Act (AIPPA), the Public Order and Security Act (POSA), as well as the Broadcasting Services Act. On the other hand Parliament has established Parliamentary Portfolio Committees based on line Ministries. The Committees are composed of members from the ruling and the opposition political parties, with some of them being headed by opposition party members. Portfolio Committees exercise an oversight role over the Executive and have power to summon Ministries whenever an issue requiring such Ministry's attention arises.

Traditional leaders exercise judicial powers only in relation to customary law. They play an important role in the regulation of communal areas. The Traditional Leaders Act of 1999 strengthened their authority.

Zimbabwe has a vibrant civil society, including those involved in humanitarian/ developmental and human rights activities. Relations between the Government and CSOs were good until the implementation of the land reform programme. However, the Government still maintains a working relationship with a good number of CSOs, which relationship has seen the adoption of policies that have led to legislative measures, such as the Domestic Violence Bill. Others have assisted the Government in the capacity development of law enforcement agents dealing with the implementation of human rights, including court officials and the police.

The trade union movement, business associations and religious organisations are also strong. In addition to human rights activities, these organisations are also active in socio-economic sectors.

There is an official acknowledgement that corruption exists in the country and authorities as high as the Presidency have denounced it. A Government Ministry, as well as an Anti-Corruption Commission have been set up to specifically to deal with corruption.

The media fraternity in Zimbabwe is diverse. There are about 7 main players in the print media, namely the Herald, the Financial Gazette, The Independent, the Daily Mirror, the Sunday Mail, the Weekend Mirror and the Standard. Other players are community or sector-based. Apart from the Herald and the Sunday Mail in which the Government holds majority shares, the rest are independent papers. Two other independent papers, namely the Daily News and the Tribune have been closed down by the Media and Information Commission for failing to adhere to the laid down registration procedures. There are applications pending before the African Commission on Human and Peoples' Rights on the closure of the Daily News. Currently, there are no independent players in the electronic media. However, access to foreign media and the internet is not limited.

The principle of non-discrimination, as enshrined in the Constitution applies to all people living in Zimbabwe. Minority groups are not an exception. The Constitution of Zimbabwe provides for affirmative action, in section 23(3) (g). This seeks to encourage the introduction of programmes designed for the protection and advancement of persons or classes of people that were previously disadvantaged.

The HIV/AIDS pandemic as a cross-cutting issue has confronted all segments of Zimbabwean society. The overall status of the HIV epidemic has improved since 2000. HIV prevalence has decreased over the past five years and now stands at 18% among adults aged 15-49, as at October 2006. The decline in prevalence is partially due to a decline in new infections, which in turn reflects behavioural change.

Zimbabwe adheres to international instruments promoting gender equality (see annex) that have served as a purpose for the elaboration of the National Gender Policy. However, women still lag behind in political and decision-making positions (i.e. 16% in the House of Assembly and 36% in Senate as per 2005 elections). Zimbabwe has only achieved the SADC prescribed 30% in the Senate and not the House of Assembly, despite such efforts being made at political party level. In an effort to elevate women to decision making positions, Zimbabwe has a female Vice President, a female President of Senate and a female head of the High Court, the Judge President. Stakeholder CSOs such as Women-In-Politics have run awareness programmes to encourage women to participate in elections and also to support female candidates. This remains a challenge as the final decision to participate in elections or vote for a particular candidate lies with an individual.

In May 2005 the Government mounted Operation Murambatsvina (clean-up operation) in order to pull down slum dwellings and other illegal structures and to clump down illicit activities in all the major urban and peri-urban areas in the country. The operation was also intended to promote a healthy environment and check the spread of contagious diseases and other epidemics. This operation was followed by operation Garikai/Hlalani Kuhle whose objective is to provide decent accommodation in the place of slum shelter, to those and others affected by Operation Murambatsvina and other citizens in need of accommodation. So far more than 4000 units have been completed and allocated to beneficiaries on a rental basis with an option to purchase at a later stage.

The partnership between the EU and Zimbabwe can be qualified as very difficult. In February 2006, the EU extended for a further year, its decision made in February 2002 to partially suspend cooperation assistance under the European Development Fund with Zimbabwe. Furthermore, the Council extended the “Common Position” on “restrictive measures” such as the prohibition of arms supply, targeted sanctions, travel bans and the freezing of assets against a number of people.

The European Parliament has adopted a resolution for sanctions and has also written to FIFA to ensure that Zimbabwe does not economically benefit from the 2010 World Cup to be held in South Africa. The consequences of the sanctions have been felt by the generality of the Zimbabwean population.

Nevertheless, the EU remains one of the principle donors to Zimbabwe. Support to the focal sectors of health and education have continued at a large scale. Community development projects are playing an important role for the mitigation of poverty in rural areas.

Political and institutional situation in the views of the European Union

The Republic of Zimbabwe attained independence in 1980 after a protracted war of independence. President Robert Mugabe has been ruling the country for 26 years and his party, the Zimbabwe African National Union-Patriotic Front (ZANU-PF), has always dominated the political scene. In 2000 legislative elections, 57 members from the opposition Movement for Democratic Change (MDC) were elected. This marked the end of a de facto one party State. The MDC split up in two factions in 2005 on the question of participation in the elections for the re-established Senate.

The Constitution establishes Zimbabwe as a parliamentary democracy with a separation of powers and an established rule of law. However, the legislative authority lies with both the President and the Parliament. The Presidential Powers Act enables the President to promulgate regulations that prevail over any other law. 30 out of 150 Members of Parliament are not elected but are appointed by the Executive. With regards to the judiciary, the independence of magistrates is often affected by pressures from members of the Government to step down or to influence their rulings.

Over the last years democratic principles have been eroded by either new legislations, some being already adopted while others have been only proposed at this stage, or by restrictive application of existing laws. For example, the Constitutional Amendment Bill 17, approved in 2005, restricts the freedom of movement, removes the right to challenge land seizures in court and allows the GoZ to declare lands/properties necessary for state requirements. It also creates a Senate that is, in majority, not appointed through democratic principle. New pieces of law that have been proposed, as the Interception of Communication Bill, will further affect the respects of human rights. This trend is strengthened by restrictive application of laws as AIPPA (Access to Information and protection of privacy Act) and POSA (Public Order and Security Act) that hamper political opposition, Medias and civil society to express their views and implement their activities.

This legal environment together with intimidation, harassment and violence carried out by government/security forces seriously restricts today the enjoyment of fundamental rights and freedom in Zimbabwe. However, it must be noted that a good number of Human rights organisations are still able to function though in a very difficult context.

Traditional leaders exercise important powers over the inhabitants of communal areas. The Traditional Leaders Act of 1999 strengthened their authority.

The State is decentralised at local level. Autonomy of local authorities is not completely effective as the central government can take decisions on behalf of local governments and even dismiss them.

There is an official acknowledgement, that corruption is very high in the country, in particular in the public sector. The President has publicly denounced and warned the corrupted officials. Although institutional reforms are underway (the Anti-Corruption Commission and a Minister have been appointed, among other actions, to address this problem), no credible strategy has yet been announced or implemented. In addition, corruption is emphasised by the current socio-economic policies, notably exchange rate policy, price controls and quasi-fiscal activities.

The last Parliamentary and Senate elections were held, respectively, in March and November 2005 and both sanctioned the predominance of the ZANU-PF. Most SADC Principles and Guidelines for conduct of elections were respected. However, several serious irregularities prevented the EU from concluding that there were free and fair elections in March 2005. The recent creation of the Zimbabwe Electoral Committee has clarified the electoral environment as previously the institutional framework was unclear with several bodies in charge of electoral processes.

The internal security system is overviewed by the CIO (Central Intelligence Office) that has extended network countrywide and which is very powerful. The growing prominence of former or serving army officers in senior civilian positions and in the higher echelons of the ruling party is seen as a process of the creeping militarization of the state.

Today, the media freedom in Zimbabwe is severely affected. Radio, television and the majority of newspapers are controlled by Government and are backing ZANU-PF. The vast majority of independent media have closed.

Zimbabwe has strong trade unions and business associations. NGOs and religious associations are numerous and very active in all socio-economic sectors as well as in the area of human rights, promotion of democracy and of governance.

The Constitution does not stipulate specific clauses regarding respect for the protection of minorities and of indigenous people (IP). Some minorities as Ndebele and Tonga claim to be under privileged in terms of socio-economic development compared to the Shona majority. Three groups remain outside the various existing IP clusters in Zimbabwe (the white Zimbabweans, the half-caste, and the Zimbabweans originating from the neighbouring countries) are facing a real problem of citizenship and are suffering a number of problems, in particular related to land issues, access to birth certification, identity cards and right to vote.

Children Rights is an issue of concern in Zimbabwe. Children (0-18 years) make up more than 50% of the population of the country and despite the existence of good pieces of legislation[1], many cases of child rights abuses are still occurring. This is due to various reasons including inaccessibility of courts, lack of knowledge and representation of victims, lack of capacity of the police and the judiciary to deal with domestic violence and rape matters, cultural and religious beliefs, and gender related vulnerabilities.

With regard to children, one of the major problems relates to the HIV and AIDS pandemic that has left 1.1 million children orphans in 2003. Their protection has weakened as, because of the huge scope of the problem, nearly every family in Zimbabwe is hosting orphans from relatives. This put more strain on families that have also to cope with the socio-economic crisis. Children are more exposed and are victims of abuses, forced work and hazardous occupations. An increased number of children have no access to education and other basic rights (such as inheritance, and they're often subject to violence, trafficking to Southern Africa…) and needs. Food insecurity and AIDS contribute to rising child malnutrition.

In terms of the respect for the law, juveniles are often rounded up and held in inappropriate conditions where they may be open to sexual and other abuse. Juveniles in police custody are not necessarily held separate from adults. Justice system is still inaccessible, the procedures are complicated and inconsistent, and there is a lack of locus standi by children. Although it is possible to litigate on civil and political rights, the ability of the legal profession to use the courts to protect people's social and economic rights is extremely limited[2]. Little could be done, for instance, in regard to the manner in which the Murambatsvina removals were undertaken. There are growing demands that the social and economic rights enshrined in the African Charter of Human and Peoples' Rights should be incorporated into the Zimbabwe Constitution and become justifiable.

Registration of births is fundamental to the realization of children's rights. While the national legal framework facilitates easy registration of children born within families where parents hold a marriage certificate, children of single mothers, immigrants, parents living in remote rural locations, or who have been orphaned at birth, face serious legal and logistical

[1] The GoZ has put in place national laws, policies and systems to protect the rights of the child, namely: Children's Act, Maintenance Act, codification and reform of the Criminal law Act, the Guardianship of Minors Act, Abduction Act and National Orphan Care Policy. Generally these laws and policies protect children against physical or mental violence, injury or abuse, maltreatment and sexual abuse or exploitation.

[2] Concluding Statement, Southern African Development Community Lawyers Symposium, Harare, October 2005.

challenges to registering their births and obtaining birth certificates[3]. This is even more complicated for orphans and child headed households, notably because the Act stipulates that only an adult can give notice of birth. Children in farming communities, where the majority of the farm workers were of foreign origin, are often also unregistered. Children residing in communities in border towns are another group who experience acute challenges in birth registration. Their identity and/or nationality facts are often obscured by the possibilities of equal citizenship for tribes that exist on both sides of a border.

Constraints for registration exist mainly in two areas: 1) administrative and capacity constraints notably due to inadequate financial and human resources, and 2) general lack of awareness among populations. The 2004 baseline survey on Orphans and Vulnerable Children, which covered over 12,000 households in 19 rural and 2 urban districts, also found the rate of birth registration among children to be around 70%.

Zimbabwe adheres to international instruments promoting gender equality (see annex) that have served as a basis for the elaboration of the National Gender Policy. However, women still lag behind men in political, in decision-making positions (i.e.16% women in the Parliament while SADC recommend 30%) and in education. Women do not fully benefit from their legal and human rights mainly due to a lack of knowledge and to the dual system of general and customary law that erodes their rights. Therefore, there is de jure equality and de facto inequality. The HIV and AIDS pandemic compounds the inequality between women and men as the majority of infected people are women. Violence against women and girls is high, in particular sexual violence. A Domestic Violence Bill, currently being discussed by the Parliament will provide, if adopted, a better protection to women.

The Operation Murambatsvina, which started in May 2005, destroyed without prior warning and minimal subsequent relocation the houses and businesses of an estimated 700.000 people (UN habitat figure) considered as being illegal settlements. It appears that even now the majority of the victims are not yet properly assisted in particular on the shelter issue. Furthermore, evictions are still continuing all over the country. The UN concluded that the operation was carried out in an indiscriminate and unjustified manner. The humanitarian consequences are enormous and any humanitarian response would only be meaningful and sustainable if it contributes to the long-term recovery and reconstruction efforts.

Also the national reconciliation question is still pending. As has been pointed out in the recent paper of the Zimbabwean churches "The Zimbabwe we want", there are serious issues to deal with the Gukurahundi period that the country needs to look into.

The partnership between the EU and Zimbabwe can be qualified as very difficult. In February 2007, the EU extended for a further year its decision of February 2002 suspending partially cooperation assistance under the European Development Fund with Zimbabwe. Furthermore, the Council extended the "Common Position" on "restrictive measures" such as the prohibition of arms supply, but also targeted sanctions, as travel ban and freezing of assets against a number of people.

II.1.2. Economic and commercial situation

Economic situation, structure and performance

A table of macroeconomic indicators is given in Annex V.1.2 below.

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[3] The 2004 Rapid Assessment, Analysis and Action Plan (RAAAPP) identified the extent of non-birth registration as the single most significant obstacle to ensuring the rights of all children in the country.

The Zimbabwean economy has been experiencing serious economic challenges which among others include contraction in national output, persistent high inflation, high unemployment, shortages of foreign currency, food shortages and parallel market activities. The economy has contracted every year since 1999, and by the end of 2005, real GDP had contracted by 31% compared to 1998 levels, while real GDP per capita had contracted by 35%.

The economic decline has hit all sectors in the economy, including agriculture, mining, manufacturing, and construction.

The country has also been experiencing high fiscal deficits, unstable energy supplies and low levels of savings and investments among other economic challenges.

Zimbabwe's economic crisis is most visibly illustrated by its consumer price inflation rate, which at almost 1,200% p.a. is the highest in the world. The high inflation rates reflect excess money supply, a result of off-budget expenditures and the Reserve Bank's buying of foreign exchange, without a corresponding sterilisation of money supply. The high inflation rate is sometimes explained by the ever-depreciating local currency on the parallel market vis-à-vis other currencies causing imported inflation.

The high inflation rates reflect declining capacity utilisation in industries, high money supply growth and imprudent business practices, speculative hoarding of commodities resulting in artificial shortages, amongst others.

The reasons for this serious economic decline in Zimbabwe, once the breadbasket of Southern Africa, emanated from the political problems faced by the country from 1999. Following the country's implementation of the fast track land reform programme in 2000, there was wide spread international criticism in the manner in which the exercise was carried out. Most development cooperating partners and foreign investors saw Zimbabwe as a high-risk investment destination leading to very low levels of foreign direct investment. The country developed home grown solutions complimented by the Look East policy but the challenges persisted.

As the agriculture sector, once the supporting pillar of the economy, faced challenges ranging from input shortages, drought in the absence of irrigation facilities and uncertainty due to continued land occupations, the country's export base fell to very low levels as this spilled to the rest of the sectors of the economy such as manufacturing.

Structure and management of public finances

Public financial management is made difficult by the unstable economic environment posing challenges to effective planning. Realistic medium-term planning is difficult in this high-inflation environment.

A large share of total government expenditure is taking place as quasi-fiscal expenditure. Notably various schemes administered by the Reserve Bank (including subsidised lending, subsidised inputs, commodity support prices, repayment of external debt, and restructuring of/support to loss-making parastatals) are not budgeted for, limiting normal budgetary procedures for appropriating spending. Naturally, this limits public scrutiny of expenditure decisions. In addition, high inflation levels are an increasingly important source of deficit financing.

On the revenue side, 11.5% of total revenue is raised from customs duties posing financing challenges to Government in light of the tariff reductions to be implemented as part of the Economic Partnership Agreements (EPAs).

Assessment of the reform process

Zimbabwe is drawing its current policy objectives for its policy frameworks from the need to achieve the Millennium Development Goal (MDGs) targets by 2015 as well as the shared national vision of Vision 2020 of March 2000.

Within the shared goals of Vision 2020, GoZ has been implementing the National Economic Revival Programme (NERP) since February 2003. Focus was on restoration of macroeconomic stability, particularly reducing high inflation and increasing output and productivity and enhancing foreign currency earning. In realising that reaching these objectives remained a major challenge, GoZ came up with a Macro-Economic Policy Framework for 2005-06 which should serve as a reference point for all sectoral policy interventions and programmes. Due to the severe nature of the economic crisis a National Economic Development Priority programme (NEDPP) was launched in 2006. It had as an objective to mobilise foreign currency within a relatively short period of 3-6 months.

At the time of writing this CSP the Zimbabwe's Economic Development Strategy (ZEDS), a medium to long-term strategic plan is being formulated which seeks to consolidate the economic development strategies of the country.

Since the causes for the present crisis have not been sufficiently tackled, GoZ has so far not had success in balancing the economy, eliminating distortions and creating favourable conditions for the development of the private sector. Meanwhile, price controls and quasi-fiscal operations, amongst other distortions, leave room for rent seeking and corruption.

The country is at present faced with extreme difficulties to provide adequate services to the population complying with good governance principles, namely: macroeconomic and structural policies encouraging private investment and stimulating pro-poor growth, sound management of public finance seeking to improve revenue management and transparency, a stable efficient and harmonised legal framework for business and the sound management of natural resources (including the adherence to the Extractive Industries Transparency Initiative -EITI and the Kimberley Process).

Trade policy and external environment, in particular regional cooperation agreements and EPAs

Zimbabwe enjoyed a good export performance but the recent macroeconomic challenges especially a highly overvalued exchange rate of the Z$ to the US$ have led to the erosion of Zimbabwe's competitiveness and comparative advantages. FDI has diminished significantly over the last years (FDI in 1998 totalled over US$444 million but in 2001 it had fallen to US$5.4 million). Currently Zimbabwe has unfavourable terms of trade.

South Africa remains Zimbabwe's major trading partner in Sub-Saharan Africa from 1996 to date. Exports to South Africa amounted to US$552 708 460 in 2003 increasing to US$636 053 599 in 2004 and then going down to US$145 556 392 in 2005. Other trading partners in Africa include Zambia, Malawi, Botswana, and Namibia.

The EU as a block is a major partner of Zimbabwe. Zimbabwe has benefited from preferences under the *ACP - EU Partnership Agreement*. Nevertheless, Zimbabwe is increasingly facing problems of complying with EU standards. For instance, it has not been able to meet its beef quota due to outbreak of foot and mouth disease and also lost significant EU market in the horticultural industry due to non-compliance with EU's SPS standards.

Zimbabwe is a founder member of WTO, and is member of the Southern Africa Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA), and it also participates fully in the activities of the African Union. Zimbabwe is participating in COMESA's FTA and is in the process for preparing for SADC's FTA. In the future Zimbabwe will have to make a decision to belong to only one customs union.

Zimbabwe is currently negotiating the Economic Partnership Agreements (EPAs) under the Eastern and Southern African (ESA) configuration. The negotiations are being conducted in six clusters: Agriculture, Market Access, Development, Trade Related issues and Trade in services. Although consultation has taken place, private sector involvement in the actual negotiations of trade agreements has been rather been minimal.

With the EPAs entering into force from 2008, Zimbabwe must prepare strategies for adapting to increased competition following liberalisations of regional trade and to use trade as a vehicle for economic development and poverty reduction.

Zimbabwe has also concluded a number of bilateral trade agreements with Botswana, Malawi, Zambia, South Africa (selective) and the Democratic Republic of Congo.

Trade represents an opportunity for reduction in poverty. The removal of barriers to intra-regional trade and investment, and the establishment of a more stable, transparent and predictable rules and reliable institutions would significantly contribute to the growth of local and regional economy. According to the Zimbabwe Cross – Border Traders Association, about 200 000 to 300 000 people make a living by engaging in informal cross-border trade. Taking into account cultural values where one bread winner has several dependents, it is estimated that over a million people depend on cross border trade. Considering the unemployment rate estimated at 80%, there is a need to mainstream trade in poverty reduction programmes.

II.1.3. Social situation, including decent work and employment

Human development trends in Zimbabwe improved in the 1980s reflecting the post-independence expansion of social services, largely financed by international borrowing. However this was followed by a decline in the mid-1990s due to fiscal contraction, the more recent economic crisis and the ongoing and increasing impact of the AIDS pandemic. Zimbabwe fell from rank 130 on the HDI in 2000 to rank 145 in 2005. In 2002, 80% of the population was estimated to be below the total consumption poverty line and this has certainly not improved since; salary and pension values have been eroded by high inflation. Unemployment is now estimated to be 80% and opportunities, especially for youth are extremely limited. Government funding of social services has also declined in real terms resulting in severe contraction of social security nets and reducing access to high quality services. For example, public expenditure on health in 2002 was just 4.4% of GDP, and the GoZ revised 2006 budget allocated only 5% to health. Public expenditure on education was 7.7% in 1990 but just 4.7% of GDP in 2002-03. Due to persisting gender inequalities, these reversals have a greater impact on females and female-headed households.

In the health sector the quality and availability of services has been considerably reduced. The brain drain of health personnel is a core issue; only 44.5% of the posts for medical doctors are filled, including by international staff (there are only 5.6 physicians per 100.000 people) and only 25.5% of the posts for pharmacists are filled. This, coupled with deteriorating infrastructure and equipment and non-availability of medicines, has resulted in, amongst other things, higher infant, <5 mortality (up from 80 in 1990 to 129/1,000 in 2004) and maternal mortality (up from 283 in 1994 to over 1,000/100,000 today). Recent District Health Survey

(DHS) figures seem to indicate improvement in mortality figures. There are almost 2 million children under 5, bearing the greatest burden of ill health in the country[4].

The impact of the HIV pandemic on health has been even more marked. Although overall HIV female prevalence decreased from 25.7% in 2002 to 18.1% in 2006, and despite significant scaling up of HIV and AIDS prevention, care and treatment programmes, AIDS related illness still claims over 4200 deaths / week; life expectancy at birth was 36.9 years in 2003 as compared to 61.7 in 1985-90.

HIV/AIDS are largely responsible for the growing number of orphans; an estimated 1.2 million orphans in 2005 representing more than 20% of children. Most of these have become orphaned over the past four years. Adolescents are exposed to HIV infection as a small proportion. Only 69% of them use condoms in their sexual relations. Girls are especially at risk.

By mid-1990s, Zimbabwe had achieved near universal primary education due to free, accessible primary education. Recent trends have shown a reversal; for example the proportion of students starting grade 1 who reach grade 5 fell from 92.4% in 1990to 67.6% in 200. Less and less children finish primary school namely due to the increasing inability of parents to afford fees, lack of food, forced work[5]. 29% of girls marry before the age of 18, often through forced marriages. Zimbabwe has a big population[6] of out-of-school children and this group is growing with the spread of the HIV/AIDS pandemic, but monitoring data is lacking as are strategies to tackle the challenge.

The overall education system in Zimbabwe is declining: infrastructure, school environment and supplies (books, teaching equipment) are deteriorating. This situation is aggravated by the resettlement, following the land reform, to areas with no schools and no teachers.

The continuously deteriorating socio-economic environment has also led to an increasing number of children trafficked and engaged in illegal cross border migration. Zimbabwe has seen a dramatic increase in commercial sex work involving girls living on the streets in major cities and growth points. The lack of birth certificates, and as a result national IDs, also contribute to make children extremely vulnerable to trafficking as well as to all forms of abuse and exploitation before, during, and after illegal cross border movements. The trafficking of women and children for sexual exploitation is a significant problem in Southern Africa and Zimbabwe has been identified as a source country and a transit country for trafficking activities mainly to South Africa[7].

In 2004, 87% of the population was reported as having access to an improved water source. Official data on water coverage in resettlement areas are not available.

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[4] The reasons are related to poverty, some 17% of the population has no access to safe water, 43% lacks adequate sanitation; and 13% of children suffer severe malnutrition. Many children have no access to quality health care: 20% of children are not fully immunized, 50% of children with respiratory infections and 20% with diarrhoea do not have access to adequate treatment. As a result, some 50,000 children die every year before the age of 5.

[5] Zimbabwe has ratified eight Fundamental ILO Conventions including Elimination of Child Labour and Worst Forms of Child Labour Convention (No. 182). Nevertheless, the ILO expressed concern about the high number of children in Zimbabwe who are economically active, with 17.7 % of 5 to 14 years old active “without limit”; and that 1 in 5 children are not in school. There is a mounting problem of children working on farms, including those recently resettled; growing numbers of girl children engaged in commercial sex work; and increasing numbers of children living on the streets.

[6] 430.000 children out of a total school age population of 2.4 million.

[7] Seduction, Sale & Slavery: Trafficking in Women and Children for Sexual Exploitation in Southern Africa, IOM, May 2003.

II.1.4. Environmental situation

The environmental sector, through its capacity to attract national and international tourism is one of the three main pillars for the economy of Zimbabwe.

Sound practices of environmental management are enshrined in the Environmental Management Act, such as Environmental Planning and Environmental Impact Assessment, as well as pollution control measures such as Carbon Tax and Effluent and Solid Waste Charges. However, the effective implementation of national policies and the application of international agreements are strongly challenged by the inadequacy of human and financial resources for the sector.

The increased demographic pressure and poverty levels, associated with fragile environmental conditions in many regions of the country (some of them highly prone to desertification), amplify the risks of natural resources depletion and environmental degradation. This loss is in most cases irreversible.

Several National Parks and Private Game and Nature Reserves are still reasonably well established and protected, however, the many challenges that have come with the implementation of the land reform programme have caused serious encroachment of these protected and sensitive areas and has in most cases remained uncontrolled so far. Many cases of poaching and illegal hunting in former private game reserves have left the national stocks in wildlife strongly depleted while poaching and deforestation, mostly caused by poverty is affecting severely the national parks areas.

In general, the agricultural sector is known to pursue reasonable environmentally sustainable technologies. Nevertheless, more attention needs to be given to the transfer and control of the implementation of environment friendly and conservationist technologies by the substantially increased number of small and large scale farmers. This is further complicated by the lack of resources by Government and the sector in general to provide the proper inputs and services.

In the communal areas and in the new settlement areas where environmental protection mechanisms are still not fully addressed, unsustainable agricultural practices, mining and deforestation are seen as major causes of degradation in rural areas, increasing food insecurity and households' vulnerability.

Living conditions (proper housing, access to water and sanitation, waste disposal) are deteriorating in fast growing urban settlements.

On a national level, air and water pollution are increasing concerns, as well as greenhouse gases emission due to the high dependence of the country on fossil and wood fuels and to the low energy efficiency in GDP production.

A strong opportunity for Zimbabwe lies with the integration of communities in the exploitation of natural resources. Zimbabwe has some interesting experiences in this area (i.e. the campfire project in the Lowveld) which should not be lost for future engagement in the sector.

II.1.5. The country in the international context

Zimbabwe is member of the United Nations, the African Union (AU), the Non-Aligned Movement, the World Bank, the IMF and WTO. At the regional level, the country is a founding member of SADC and a member of COMESA.

Zimbabwe’s international relations have radically changed after the 2002 elections. The EU and all Western countries have suspended or significantly reduced their political relations and their cooperation programmes as they estimated that there was a major democratic deficit from the part of the GoZ.

Zimbabwe has over the last years announced a “Look East Policy” thereby intensifying trade with China[8] but also Iran[9], India, Malaysia and Korea. Significant investment is yet to be recorded.

At the AU/EU level, the Lisbon summit scheduled to take place in 2003, has not taken place yet due to the issue of the level of representation of Zimbabwe at the summit.

The AU Heads of State have approved at their last Summit in Banjul the adoption of the ACHPR’ report (African Commission for Human and People’s Rights) including a resolution condemning Zimbabwe on the Human rights issue. Zimbabwe has given a response to the ACHPR’s resolution.

After the operation Murambatsvina mid-2005, tension was raised with the UN in particular in relation to the UN report on this operation and the visit of the humanitarian coordinator. A visit of the UNSG was planned early 2006 but did not take place. Several personalities (African heads of State or former Heads of State) have acted or have been proposed to mediate in the Zimbabwe crisis.

Zimbabwe is signatory of the majority of international treaties on human rights including women’s rights and children’s rights but has outstanding reporting obligations for the majority of them. Zimbabwe is a state party the Convention on the Rights of the Child (CRC) and the African Charter on the Rights and Welfare of the Child. However, overdue reports on the CRC and the Convention on the Elimination of all forms of Discrimination Against Women (CEDAW) should be submitted by the Government[10].

The GoZ has recently announced its intention to create a Human Rights Commission in line with its international obligation. Zimbabwe has not signed the UN Convention against torture but signed the Rome Statute of the International Criminal Court in 1998.

Zimbabwe is currently considering to sign the UN Protocol on Human trafficking and adapt it in domestic law. Massive illegal immigration to Europe and neighbouring countries, in particular South Africa, deportations and brain drain especially in the health sector are very serious issues affecting the country.

Zimbabwe has ratified the UN and the AU Conventions on Corruption as well as the SADC Protocols on Mutual Legal Assistance. Zimbabwe is an active member of the Southern Africa Coalition Against Corruption (SAFAC).

With regards to terrorism, the GoZ has presented to the Parliament a Suppression of Foreign and International Terrorism Bill which is still under discussion.

A table with major international conventions is presented in Annex V.7.

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[8] The Government received donations from China (total donations are estimated to be around 40 million US) in the following areas: food assistance (maize donations notably in 1992 and 2006); agricultural assistance (tractors to new farmers, irrigation equipment and agricultural inputs); sports (donations for sport equipment and a grant for the maintenance of the National Sports Stadium) and institutional capacity building (donations of computers to Parliament and selected Government Ministries).

[9] A grant of 4 million US was availed by Iran in November 2006 but projects are yet to be decided between the two Governments.

[10] The 7, 8, 9 and 10 combined reports under the African Charter on Human and Peoples’ right have been submitted and will be consider by the next AU summit.

II.2. Poverty reduction analysis

Poverty in Zimbabwe is widespread, deep, and growing. Results of the 2003 Zimbabwe Poverty Assessment Study indicate that the proportion of population below the Food Poverty Datum Line increased from 29% to 58% between 1995 and 2003, whilst the proportion below the Total Consumption Poverty Datum Line increased from 55% to 72% over the same period.

To illustrate the growing incidence of poverty, the Central Statistical Office estimated that a family of five needed Z$84,000 per month in July 2006, in order *not* to be deemed poor (the Total Consumption Poverty Line). This amount compares to a teacher's salary of Z$33,000 per month, after the revision in May 2006.

Developments in the core set of ten key Millennium Development Goals (MDGs) indicators identified by the Commission are shown for Zimbabwe in Annex V.1.1 below. Most indicators, for which sufficient observations are available, show declining or steady trends.

Poverty in Zimbabwe and the adverse development in most MDGs indicators are inevitably linked to the economic situation. With real GDP per capita reduced by 35% from 1998 to 2005, it will not probably be able to reach the MDGs targets by 2015 because the economy would need to grow by 6% per annum[11].

Further, the increasing poverty levels also mean that there is less private money to spend on social services. In addition, the share of government spending on health and education has decreased in recent years (cf. indicators 10c, 10d in Annex V.1.2), as has the absolute value of spending on social sectors.

As a consequence of the land reform, many farm workers lost their jobs and moved towards larger towns to try and earn a living. With Operation Murambatsvina this trend was reversed, as hundreds of thousands had their housing destroyed and forced to leave major towns. Combined with the formal economy's gradual and continued decline and increasing share of the population survive on subsistence farming, where the risk of fatal poverty is only one failed harvest away.

As a response to the worsening poverty situation, Zimbabwe's Millennium Development Goals (MDGs) progress report was launched by the President in September 2005. The process marked the beginning of a wider campaign that will cascade down to community level and instil localisation of the MDGs and enhance community ownership of the process. The MDGs report, the PASS II results and Macro Economic Frameworks in place form the building blocks into the production of the country's National Development and Poverty Reduction Strategy (NDPRS) and other Social Protection programmes. Drafting the NDPRS has already started and a concept paper has been produced. Government will also undertake the Social Sector Expenditure Review that will provide base-line information for formulation of appropriate policies as well incorporating the involvement of non state actors in the area of social protection, social expenditures and poverty reduction in the country.

However, unless the macroeconomic situation changes for the better, the current adverse trends in poverty levels and MDGs indicators will continue.

The MDGs targets are therefore unlikely to be achieved under the present prevailing conditions.

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[11] This figure was provided by the GoZ but considering the current economic situation in the country it seems a higher growth rate would be needed to achieve the MDGs targets.

II.3. The recipient country's development strategy[12]

Government of Zimbabwe's Development Strategy
Economic Strategy
The primary objective of the Zimbabwe Economic Development Strategy (ZEDS) is the achievement of sustainable, balanced and robust economic growth and development, which is oriented towards poverty reduction and the integration of previously marginalized groups of the population into the mainstream of a vibrant and dynamic economy. It is a development strategy premised on the fundamental principle of promoting sustainable economic growth and development, reducing poverty and meeting the basic socio-economic needs of Zimbabweans as enunciated in the Millennium Development Goals (MDGs). In this regard, the Zimbabwe Economic Development Strategy will be: • All encompassing and comprehensive, integrating pro-poor economic development issues with poverty reduction strategies in the context of pro-poor sectoral development policies and programmes. • Provide a direct interface between broad based economic growth with the broader socio-economic dimensions of poverty reduction lacking in previous attempts such as the Social Dimensions of Adjustment Programme and the Poverty Alleviation Action Programme. • A framework to reverse the economic decline and put the economy back on a sustainable development path through outlining national priorities, national development policies, national priority projects and programmes across all sectors of the economy be implemented during the five-year period. • A framework that will guide the National Budgetary allocations during the plan period. • Guide the private sector and other economic agents in terms of the National investment and development priorities of the Government.
Trade Strategy
The trade policy is aimed towards supporting increased value addition and also aim at diversifying the export basket. The country realizes that multilateral trade agreements play a pivotal role in the export-led strategy. In this regard, Zimbabwe is currently negotiating the Economic Partnership Agreements (EPAs) under the Eastern and Southern African (ESA) configuration. The thrust of the EPAs is to strengthen trade and economic cooperation between ESA member states and the EU, in order to foster the smooth and gradual integration of the ACP states into the global economy. This is meant to promote sustainable development and contribute towards poverty eradication in the ESA countries. Zimbabwe will pursue the EPAs negotiations with the view to create a conducive environment for the continued expansion of industries. Zimbabwe's main challenge in the trade sector has been the creation of strategies to expand existing markets and establish new ones. It will be necessary to upgrade the quality and

[12] This section reflects solely the views of GoZ.

competitiveness of existing exports and develop new products. In order to realize this vision, the major goals for the Export Strategy include the following:

- To consolidate the growth and market shares of products that have already established a comparative advantage in world markets;
- To develop new competitive advantages in manufacturing and services;
- To achieve optimum national growth through an increase of exports in regional and international markets;
- To enhance Zimbabwe's export competitiveness;
- To address supply side constraints for the export sector;
- diversify export markets and increase market share in traditional markets;
- To promote export culture within the Zimbabwe enterprises and
- To establish backward linkage industries and service with a view to using more local raw material expand the product base and identify and export high value added products.

Social Strategy

The difficult economic environment has seen the country's population experiencing increased poverty levels and the impact of HIV/AIDS on the plight of orphans and other vulnerable children has increased. Government recognizes the increased need for support to the vulnerable groups of the society.

The Social Protection Strategy aims at reducing poverty by economically empowering households through the commitment of Government together with willing and able NGOs and donors. This strategy also aims to protect human capital by keeping children in schools through the National Action Plan for Children and BEAM, which provides basic education needs for 1.3 million orphans.

Government is also using conditional case transfer, which avails resources to households where OVCs are taken care of.

In the **health sector**, the Government is committed to the achievement of the highest possible level of health and quality of life for Zimbabweans through the combined efforts of individuals, communities, local and International Organisations and the Government. The thrust of the policy is improving access and quality of health care delivery (primary health care approach), ensuring equity in health, ensuring availability, regular supply and funding of essential drugs, vaccines, medical supplies, maintaining high quality health services aimed at the overall improvement of the quality of life for citizens.

Government continues to prioritise health issues by strengthening the Health Service Board and Hospital Management Boards and improving the management of institutions. Notwithstanding the current economic situation, Government Health Policies have focused on the refurbishment of institutions and investment in more Hospital Equipment. Increased involvement of stakeholders has seen the strengthened role of institutions such as NatPharm, the National Aids Council (NAC) and the Private Sector in health matters.

In the **education sector**, the strategy of the Government is to make education accessible to all the citizens in particular the poor, by putting in place the Basic Education Assistance Module (BEAM) to assist Orphans and Vulnerable Children (OVCs). This was after the Government realised that orphan girls, as well as boys and other vulnerable children were dropping out of school because of reasons such as failing to pay fees, levies and food in security and the need to earn a living.

Following the Agrarian Reform, satellite schools were established in newly resettled areas to ensure that pupils continue with their education. However, these schools lack the requisite infrastructure and teaching / learning materials.

The education sector also realises the need to address the following cross cutting issues at policy level:

Gender in education: Motivation of girls to excel in education and pursue studies to the highest possible level. The Ministry strives to limit the impact of HIV and AIDS on the girl child and other vulnerable children.

Special Needs Education: Outreach programmes to identify and assess children with disabilities are in place. This is done with the assistance of Parent Assemblies.

Curriculum: Following the recommendations of the 1999 Presidential Commission of Inquiry into Education and Training, the Ministry has introduced a “Two Pathway Education structure”. This structure is meant for post Form 2 studies to cater for different abilities. The two pathways are: (a) *General or (b) Academic Education route*: Business/Commercial, Technology and Vocational Education. The second pathway calls for financial commitment on the part of Government and it may not adequately fund it.

Grants: The Government gives grants to all registered schools; non-government schools receive per capital grants while Government Schools receive tuition grants as assistance towards the procurement of learning and teaching materials. In addition, non-government schools receive building grants in-aid, which assist in the provision of physical structures but are not enough to cover the needs.

Communities are expected to provide locally available materials as well as additional funds to construct the structures.

Human Rights and Rule of Law

The protection of Human Rights and the Rule of Law is one of Zimbabwe’s major commitments at the national, regional and international levels. Zimbabwe is a party to major regional and international human rights treaties (See Annex V.7) and has submitted most of its initial reports to the respective treaty monitoring bodies. However, due to financial and human resource constraints, subsequent reports have not been submitted, some of which are long overdue.

Zimbabwe is also a party to many other resolutions and declarations adopted at both the regional and international levels, which affirm and elaborate on the rights contained in treaties on human rights protection. In December 2000, in particular, Zimbabwe together with other Members of the UN adopted the Millennium Declaration, as well as the Millennium Development Goals (MDGs).

Domestication of the ratified instruments is mainly partial, as some pieces of legislation provide for rights contained in the instruments without necessarily incorporating entire instruments. It is worth noting that Zimbabwe has entered a reservation in respect to only one treaty, reflective of the Government’s intention to be bound by the provisions of the international and regional instruments it is a party to.

Significantly, however, the Constitution of Zimbabwe provides for the protection of Human Rights.

The most contested Civil and Political Rights included in the Declaration of Rights, under Chapter III of the Constitution, are the freedoms of expression, assembly and association, as well as the freedom of movement. This has led to the declaration of some provisions of certain pieces of legislation as being inconsistent with the Constitution, namely: the Access to

Information and Protection of Privacy Act (AIPPA), the Public Order and Security Act (POSA) and the Broadcasting Services Act. The declaration was made by the Supreme Court sitting as the Constitutional Court. Economic, Social and Cultural Rights are mainly contained in such pieces of legislation as the Labour Act, the Matrimonial Causes Act, the Children's Act and the Education Act. Zimbabweans participate in their Government through electoral processes by virtue of the Electoral Act. The Act was amended in 2005 to incorporate SADC Guidelines on the conduct of elections. Further, the Constitution was amended to establish the Zimbabwe Electoral Commission, an independent institution charged with the management of elections. Zimbabwe is in the process of establishing a national human rights institution in line with the UN Paris Principles. A policy to that effect has already been formulated with the aim of establishing a body with a broad mandate on the protection and promotion of human rights. There are, currently, institutions whose mandates include the protection or promotion of human rights. In terms of the Constitution, the Supreme Court is vested with the protection of human rights when it is constituted as a Constitutional Court. The Office of the Ombudsman is constitutionally mandated to receive and investigate allegations of contraventions of the Declaration of Rights by any officer or authorities. Like other State institutions in the country, the office of the Ombudsman's capacity to carry out its human rights mandate needs to be strengthen, while the establishment of a national human rights institution is underway. A Cabinet Resolution made in 1993 established an Inter-Ministerial Committee on Human Rights and International Humanitarian Law, whose main task is to compile State Party reports to different treaty monitoring bodies, among other human rights related tasks. The Inter-Ministerial Committee, as well as the Office of the Ombudsman and the support staff in the Judiciary, requires technical support and capacity building to enable them to carry out their human rights related tasks effectively. High staff turn-over and resource constraints in all the three sectors of Government have affected the execution of their mandates. This has particularly affected the Committee's ability to consistently prepare and submit State Party reports. On Gender Mainstreaming, the Government in partnership with stakeholders has come up with a National Gender Policy, which is a policy for mainstreaming gender in all sectors of development. In the area of gender-based violence, Government has come up with the Domestic Violence legislation to combat domestic violence and advancing human rights. A national strategy document on gender-based violence has been developed focusing on prevention, services, research and advocacy. Government shall be embarking on nation wide legal literacy programme to educate people, especially women, on family laws so as to empower them to turn to the law when their rights are violated. In all these strategies, shortage of resources to operationalise the programmes remains the biggest challenge.
Rural Development/Agriculture Strategy
A rural development policy framework has been launched to guide to promote, facilitate and coordinate rural development programmes and projects. This policy framework is based on its implementation plans and strategies, which are strongly based on the mobilization and coordination of other player's efforts. While the agricultural sector remains the mainstay of sustainable rural development, the holistic approach adopted by the Government is

undermined by the philosophy of providing sound, affordable, decent, sustainable rural housing and easily accessible social amenities. Government remains convinced that infrastructure provision in the rural areas would result in the following:

- Attract investors with potential to make rural sector more productive in comparison to other sectors.
- Promote skilled rural labor force.
- Create a dynamic rural economy with capacity to generate employment for the majority of the unemployed rural people.

More specifically, in the agricultural sector, the Government is committed to ensuring food security and employment creation through its *agricultural activities and agrarian reforms*.

Government will enhance coordination of inputs supply and gradually reduce its direct support whilst working on appropriate pricing mechanisms for agricultural produce. The aim is to reduce dependence on concessionary funding, encourage market forces in the allocation of resources and ensure viability of operations.

Government will target provision of agricultural input support towards the vulnerable groups and those farmers identified and contracted to produce particular commodities for Strategic Grain Reserve requirements.

Government is limiting its involvement in the financing of maize to the purchase of our National Strategic Grain Reserve.

Farm disruptions undermine the overall performance of the sector, negatively affecting the food security position on the nation. To this end, Government is committed to take a firm stand against any unwarranted disruptions on farming operations.

To further facilitate the participation of financial and other institutions in the funding of agriculture, Government will shortly issue transferable 99-year leases to qualifying farmers, where the land boundaries have been title surveyed.

The Agriculture sector, through the Ministry of Agriculture, intends to mainstream HIV/AIDS issues through the provision of strong HIV and AIDS Programme leadership and coordination as well as through other measures.

The strategy will focus on areas of comparative advantage such as food and nutrition security, poverty reduction through agricultural income generation projects. The biggest constraint, however, is the capacity among service sub-sectors to tackle HIV/AIDS related issues.

Environment

In order to face the several environmental challenges, the Government has an Environment Management Act in place and has developed several environmental policies, including the National Environmental Policy, Wildlife Land Reform Based Policy, Forestry Land Reform Based Policy, National Environmental Education Policy and Fire Protection Strategy.

Through the Environment Management Act, the GoZ has established The Environmental Management Agency whose mandate is to protect the environment.

Priorities for future environmental policy should include protection of tourism sites and integration of environmental concerns into policies addressing land use such as national water policy, land tenure policy and mining policy. In the area of illegal mineral mining, awareness raising, environmental education and law enforcement programmes shall be continued on provincial level. A list of major environmental agreements is given in Annex V.7.

II.4. Analysis of the viability of current policies and the medium-term challenges

GoZ bases its development strategy on the implementation report for the Millennium Development Goals (MDGs) and on a planned Zimbabwe Economic Development Strategy supplemented by an Export Strategy with the view to regain lost markets. As already been highlighted in chapter II.1.2 "Assessment of the reform process" GoZ is presently confronted with serious challenges which in the opinion of the EC Delegation - in line with other donors - can not be overcome by the development strategies presented. In this respect, the establishment of property rights as well as the re-establishment of the rule of law in the agricultural sector play a vital role for regaining confidence in the Zimbabwean economy. As long as GoZ's drive for indigenisation of the economy is not properly balanced with the needs for an investor friendly climate there will be no room for viable policies. The present economic policies with highly distorted prices invite for rent seeking and corrupt behaviour. Governance issues and an all encompassing pursuit of corruption have therefore to be addressed in order to create a conducive economic environment that will help to implement trade, social, agricultural and environmental strategies. Any moves towards a medium term poverty reduction strategy can therefore not have success as long as the root causes for the present crisis are not properly addressed.

A social protection strategy aims at reducing poverty, keeping children at school through the National Action Plan for Orphans and Vulnerable Children (OVC), keeping health services through the Primary Health Care approach and strengthening the National Aids Council and Natpharm. GoZ is implementing a National Strategy for Orphans and donors have subscribed to this strategy under leadership of UNICEF. Donors have also accepted the country’s Health and HIV andAIDS strategy and are supporting Zimbabwe’s efforts to acquire funds through the Global Fund (GFATM). While social protection strategies are focussing on the important issues their enforcement and viability is seriously hampered by the economic crisis. In this respect there is no medium term solution in sight for the brain drain problem.

Major challenges as outlined by GoZ include the lack of availability of Antiretroviral and other essential drugs, availability of transport and medical equipment and human resources in the **health sector.** In the **education sector** policy GoZ realises that basic education for all is increasingly challenging. The Basic Education Assistance Module (BEAM) is unable to cover all deserving cases because of the ever-increasing demand. The Government also realises that paying fees and levies and providing other school-based requirements is not enough and that students will drop out because of other undressed requirements at home. While there is overall commitment to maintain a certain level of resources in the social sectors, the expenditures for health and education are consistently reduced[13].

Regarding GoZ's human rights and rule of law policy the EC Delegation views the effectiveness of the Rule of Law and the respect of Human Rights as widely insufficient in Zimbabwe. Requests to support legislative and policies’ changes must be considered in view to genuinely improve the human rights situation and the effective rule of law. GoZ's policies in just seeking material and human resources support for human rights institutions is not a viable policy approach.

The strategy for the agricultural sector provides for a rural development policy framework with guidance for rural development programmes and aims at attracting investors through infrastructure investments. Agricultural activities shall ensure food security and employment

[13] The supplementary budget in 2006 led to a 14.5 fold increase of overall expenditures while expenditures in the social sectors only increased 8.8 fold.

creation in the agricultural sector. There is acknowledgement that farm disruptions undermine the performance of the sector and affect negatively on the food security. Regarding the implementation of a lease system GoZ has recently issued leases to about 100 commercial farmers. The full implementation of the system and its implications on the sector remain outstanding issues. There is acknowledgement that the provision of inputs of seeds and fertilizer should be limited to the vulnerable groups. GoZ, however, continues to subsidise farm inputs on a wider level and interferes in the input system. The issues of input interference, ownership and farm disruptions affect heavily on the performance of the agricultural sector.

The Government Strategy in the Rural Development/Agricultural Sector faces the following challenges:

- 70% of the population, i.e. nearly 8 million people live in the rural areas and depend on the land and its resources for their livelihood. They are highly vulnerable to hazardous climatic events, and chronic illness;
- despite a steep decline of production[14], following a massive agrarian reform program, agriculture (directly and through agro-industry) still is a major contributor to GDP and its recovery remains indispensable for the economic growth of the country;
- following the major and strongly contested “fast-track” Agrarian Reform, the former agrarian system based on large-scale commercial farming has been seriously disrupted and a modified socio-economic environment is in place, characterised by a large amount of small-holders (approximately 61% of the land) and a significant number of new commercial farmers (approximately 8% of the land)[15].

As indicated in its strategy, Government has the strong intent to deal with these challenges but it sees itself strongly hampered by the lack both financial and technical capacity. Basic issues like respect of rule of law, property rights and national and international investment agreements need to be complied with if Government strategies want to stand a chance to succeed.

<u>In the environmental sector</u> strategies and policies are in place except where GoZ considers the adjustments that need to be made related to the new agrarian productive environment with an increased number of small holder and new farmers. However, implementation is strongly hampered also here by the lack of technical and financial capacity in the implementing government agencies.

The major challenge in the Environment Policy concerns weak enforcement of legislation due to budgetary constraints to fund the Environmental Management Agency, which limits its capacity to deal with the increased pressure on the environment and increased pollution levels in urban centres.

In tackling cross cutting issues the recently launched Zimbabwe Agricultural Sector Strategy on HIV and AIDS is a positive initiative of GoZ in mainstreaming HIV/AIDS and in recognising that the agricultural sector could play an important role in the prevention and mitigation of the disease.

Regarding gender, the Domestic Violence legislation is a positive step to address gender based violence in Zimbabwe. The implementation of the National Gender Policy needs to

[14] A contraction of 26% just between 1999 and 2003, according to “Agricultural Growth and Land Reform in Zimbabwe: Assessment and Recovery Options”, AIAS & World Bank, Harare, 2004.

[15] PLRC, 2003, op.cit.

assure gender is mainstreamed as a cross cutting issue throughout policies in the different sections.

In a summary, major challenges to Zimbabwe's policies in the short and medium term remain the acknowledgement that lack of good governance and the rule of law are important issues for the development of sound policies. The actual ad hoc approach of tackling problems - especially with regard to economic policies - poses a serious short to medium term challenge.

Chapter III: Overview of Past and Present EC Cooperation, Complementarity and Consistency

III.1. Overview of past and present EC cooperation (lessons learned)

Overview of EC Assistance

The EC was among the first donors to offer support to Zimbabwe after Independence in 1980. Total EU aid accounts for two-thirds of total aid, and its share has been fluctuating between 45% and 65%. EC aid represented a quarter of EU aid in 1996, having grown steadily from 5% at Independence. Disbursements grew steadily, averaging € 70m a year during 1994-6. Apart from programmable EDF funds which rose from € 49m (EDF 5) to € 110m (EDF 8), Zimbabwe received a total of € 250m in concessionary loans from the EIB, € 49m under STABEX and € 60m under the structural adjustment facility.

The size and allocation of EC aid to Zimbabwe under the successive Lomé Conventions since independence reveal several trends: (1) EC aid grew significantly over time (2) financial assistance from EIB remained relatively constant (35%-40% of EDF resources); (3) there has been a shift from project aid to programme aid and budget support; and (4) aid focus changed over time: emergency assistance in the early 1980s; rural development from the mid-1980s to the late 1990s, and structural adjustment and the social sectors (i.e., health and education) thereafter.

Following the Council Decision of 18 February 2002 the 9th EDF of € 108m was suspended (except for the B-Envelope for humanitarian purposes). The remaining funds of the 7th and 8th EDF had been reoriented in projects for the benefit of the population. From the time of the Council decision aid was only granted in the form of projects. Sector programmes and budget support was no longer available. Over the last years the pattern of Community aid has shifted from EDF towards support through thematic budget lines in food security, health and governance, WFP Food aid and through ECHO humanitarian assistance. Two projects were approved from the EU Water Facility following commitment during the Johannesburg World Summit on Sustainable Development in 2002[16].

EC support relative to total EU support to Zimbabwe amounts to between 40% and 50% of total EU aid. Relative to overall donor support the EU support comes to approximately 30% of overall aid.

Lessons Learned

Since the CSP for the 9th EDF was not signed due to political circumstances, both mid-term and end-of-term review of the 9th EDF could not be conducted in the normal way.

Support shifted from sector programmes and budget support back to project support. This was regarded the only acceptable form of support in line with the Council decision. The aid programme was re-directed in direct support to the population. Apart from the EDF projects in the social (health and education) and community development sectors (Microprojects, Decentralised Cooperation) which had direct positive impacts on the urban and rural poor population budget line projects were complementing the activities, for instance, in food

[16] While previously budget lines accounted for less than 20% of the annual commitments, in 2005 budget lines, food aid and humanitarian assistance accounted for over 70% of the funds.

security, strengthening of livelihoods, combating poverty related diseases and support to human rights and good governance programmes.

In terms of food aid and food security, the funds were initially channelled through the World Food Programme (WFP) for the acquisition and distribution of food to the most vulnerable parts of the country. Later on, these activities were broadened towards funding of selected NGO's for food security related activities, in some cases accompanied by food distributions. The same kind of activities was also financed by ECHO. An amount of +/- 280 Million € was invested in such activities by the EC between 2002 and 2006[17]. However there were some concerns that a substantial amount of these funds was of limited benefit to the targeted population given the more structural problems of the agricultural sector, following the land reform. In this context, EC, DFID and USAID are undertaking a study in order to review these interventions. Meanwhile, the Delegation is orienting the assistance towards more food security related projects, keeping humanitarian aid strictly for targeted interventions through ECHO.

Several Results-Oriented Monitoring (ROM) missions were conducted which were in favour of the interventions selected which had a strong humanitarian component but at the same time giving the possibility for some local development. They had, however, objections to effectiveness (partly), impact and especially sustainability of the projects under the present economic environment. Evaluations of the Microprojects programme and the Decentralised Cooperation programme also highlighted that the present high inflationary economic environment had adverse effects on the effectiveness of the programmes.

At the request of the Delegation, these missions also looked at how well HIV was mainstreamed into projects. The Delegation had made some efforts to accomplish this, and was looking at ways to improve on the situation. The missions found that while a few projects had made some progress in this respect, the majority had not and recommended that greater efforts were needed in future programmes and projects.

Zimbabwe has been a relatively well performing country regarding absorption of funds.

III.1.1. Focal sectors (and macroeconomic support)

Following the General Affairs Council Decision of 18 February 2002 the programme of co-operation with the GoZ was reoriented with a Rider in 2003 to ensure EC support was directly benefiting to the population. Despite the CSP for the 9th EDF was never signed, during the period of its currency, the reoriented EC support remained focused on the focal sectors *Health* and *Basic Education*.

Health Sector Support Programme

Prior to the Council Decision, EC support was aimed at strengthening district health services and included a contribution to the Health Services Fund; a form of general budget support. Subsequently, support was re-orientated to provide only direct support for specific areas. These include provision of essential drugs, incorporating some support to the national procurement, supply and distribution institution, development of human capacity and tackling HIV&AIDS with a variety of direct and indirect programmes and projects. The goals of the National Health Strategy 1997-2007 remain fundamental to the design of EC support. The declining government health budget, in real terms, exacerbated by the exodus of trained staff and the withdrawal of support by a number of other donors, has increased the relative importance of the EC contribution. The EC is now the major donor supporting the national

[17] Food Security Budget Line and ECHO jointly, taking into account food aid/ food security related components within the ECHO Programs.

essential drug programme, guaranteeing a minimum of access for the population. Complementing this national programme, are a number of district level initiatives implemented by NGOs and the UN organisations. EC activities, and those of MS and other donors, who undertake more disease specific and youth focused activities, are complementary. Cross-cutting issues such as gender and environment have been mainstreamed into EC health support and strenuous and increasing efforts are being made to ensure that HIV&AIDS is mainstreamed into all activities.

Education Transition and Reform Programme

Since 2000 the EC has been supporting education in Zimbabwe with € 11.4M through the Education Transition and Reform Programme (ETRP), implemented by Ministry of Education Sport and Culture of Zimbabwe. The overall objective has been to contribute to a more efficient, equitable and sustainable education system in Zimbabwe. Its primary purpose has been to improve access to and increase learning outcomes of disadvantaged children particularly girls in eight district of Zimbabwe. The ETRP was designed as a pilot programme leading eventually to a SWAp, to which many donors would contribute. Following the EU General Affairs Council (GAC) decision of 18 February 2002, the programme funds were redirected towards direct support of the most disadvantaged groups of the population at district and school level through: a) Piloting provision of School Improvement Grants (SIG) to disadvantaged schools in four districts b) Targeted support to disadvantaged (in primary school) and gifted (in secondary school) children, with an emphasis on girls, through scholarships in these and four additional districts. The ETRP addressed HIV&AIDS mainstreaming through training sessions and gender through targeted action.

III.1.2. Projects and programmes outside focal sectors

The EC works directly with rural communities under the **Zimbabwe Microprojects Programme**, which funds community-identified very small infrastructure (schools, clinics, dams, irrigation schemes) and income-generation projects nation wide. Evaluations have shown that community involvement in project design has ensured effective implementation, the viability of investments and the satisfaction of poor people’s perceived needs. The empowerment effect on local communities of these demand-driven programmes is a major achievement.

The **Zimbabwe Decentralised Co-operation Programme** is in its second phase. It involves the non-state actors' in project management through the Non-State Actors Forum (NASF). The overall objective of this programme is to alleviate poverty through enhancement of self reliance of selected rural and urban communities through enhancement of the capacity of local authorities, non state actors (NSA) and the private sector to deliver services to the participating communities in an effective, co-ordinated and demand-driven way. The main aims of the programme are being achieved despite difficulties caused by the continuing inflationary environment, which increased costs and reduced the communities’ capacity to participate. Wider objectives such as the building up of a viable Non State Actors Forum have been up to now partially achieved and remain an important priority on which the current phase of the programme is put a lot of emphasis.

III.1.3. Utilisation of Envelope B

In line with the recommendations of the Country Team Meeting on Zimbabwe during the mid-term review in 2004 and recognising the deteriorating health situation, a new health programme – the Vital Health Services Support Programme – was prepared and signed in late 2005. This programme will be implemented from 2006 onwards. The project amounts to

€ 15.8 million. It is complemented by funds from DfID to the tune of € 2.9 million. The contribution to the health project together with the contribution to the African Peace Facility of € 1.9 million has taken up to € 17.7 million from the B-Envelope.

III.1.4. Other instruments

Some of the instruments, notably the Water Facility, thematic budget lines, food relief operations and ECHO operations, are implemented by the EC Delegation and ECHO office without the technical involvement of the NAO. However, the NAO is kept informed about these programmes.

- **STABEX 94.** Zimbabwe's third STABEX transfer amounted to around € 9 million. The transfer has been used for research and training in both the cotton and the coffee sector, and also for the enhancement of infrastructure in the coffee sector. The Cotton Training Centre continues to be supported through the cotton transfer whilst smallholder coffee farmers remain the beneficiaries under the coffee transfer. However, the support to smallholder coffee growers was interrupted due to the collapse of the commercial coffee sector. The EC Delegation has made concrete proposals to revive the coffee sector with a focus on smallholders. A response from GoZ is yet to come.

  STABEX 95. The STABEX 95 draft FMO was finalised during 2005 and submitted to EC Headquarters (HQ) for approval. It shall comprise *Support to the Livestock sector* including *control of Foot and Mouth disease* (8 million €), *Support to Crop / Commodity Production* (5 million €), *Support to the Farmers Unions / Associations* (3 million €) and *support to trade related training and capacity building* (2 million €). Activities under the FMO had not started in 2005.
- **A Regional Cooperation: SADC Regional Food Security Training Programme.** The programme implemented its final programme estimate in 2005 and the financing agreement ended on 31 December 2005. By the end of the programme, a total of 14 new regional courses had been developed and implemented, 78 people had participated in the work exchange programme, 45 regional training institutions had benefited from the capacity building activities, and a total of 2,170 people had directly participated in the programme of which women accounted for 36 percent. The programme also implemented a total of 26 national courses.
- **Intra-ACP Cooperation: Water Facility.** This initiative born out of the Johannesburg World Summit of Sustainable Development led to the conclusion of two projects under the first Call for proposals. The total amount of the two projects is € 6,910,479.62 with an EU contribution of € 5,182,859.62. The two selected projects are related to Co-financing, management, improvement and governance of water. One is a country wide programme, the other shall cover the Mt. Darwin area.
- **Intra-ACP Cooperation: Global Initiatives.** EC efforts at Geneva level and in-country contributed to the granting of funds to Zimbabwe from round 1 and 5 from the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM). So far, a total amount of US$83 million has been approved.
- **Thematic Budget Lines.** The Delegation's support for NGOs from EC thematic budget lines resources included projects in the area of human rights and governance, poverty related diseases (HIV, AIDS and malaria), strengthening the livelihoods of poor rural communities, care of orphans, environment and food security. In the absence of any new EDF funds these funds are becoming more and more important for supporting the population of Zimbabwe.
- **Food Relief Operations.** In consequence of the ACP–EC Article 96 restrictions on development aid imposed on Zimbabwe in 2002 and following the recurrent decline in

food production in Zimbabwe, the EC funding in the agricultural sector was refocused on the provision of food through food distributions and food security projects. Since 2002, a total of 152 Million EUR financed through WFP Food Aid programs and NGO Food security call for proposals were spent. **DG ECHO Operations.** DG ECHO (Humanitarian Aid Department of the European Commission) operations in Zimbabwe since June 2002 have focused on providing funding for humanitarian aid projects implemented by UN Agencies, International Organizations, the Red Cross and various International NGOs, aimed at alleviating the deterioration of the humanitarian situation in Zimbabwe. Since 2002 to date, seven financial decisions were adopted for a total of € 80,9 million to respond to the growing needs of the most vulnerable populations in Zimbabwe. The humanitarian aid operations had been implemented countrywide in the sectors of Food Security (Agriculture), Home-Based Care – HIV/AIDS, Water and Sanitation, Nutrition, Orphans and Other Vulnerable Children (OVCs) *and PLWHA*, Internally Displaced People (IDPs) and other vulnerable groups, Humanitarian Co-ordination. HIV/AIDS awareness and prevention was mainstreamed through all of the above mentioned programmes. Besides of those programmes, ECHO funding contributed to strengthened co-ordination mechanism of humanitarian actors, with FAO playing a leading role, and improved effectiveness and efficiency of humanitarian interventions. Current EC logger-term food security programmes are building upon this basis.

- **European Investment Bank.** There are currently no on-going EIB projects in Zimbabwe. The last loan disbursement to Zimbabwe was in June 1999. This is a consequence of Zimbabwe being in arrears on all but one of the outstanding loans since 1999/2000. Arrears amount to €114 million on 31 July 2006.
- **A Regional Initiative on HIV and AIDS.** In view of the major impact of HIV on current and future development efforts, it was decided that a regional perspective and approach might be useful. Consequently Nine SADC Delegations met in Maseru, Lesotho 28-30 June 2006 to consider how they could, individually and collectively, respond better to the HIV catastrophe which threatens to undermine the EU’s development activities in the region. 43 specific conclusions and recommendations were made and Delegations are now in the process of implementing these.

III.2. Information on the programmes of the Member States and other donors (complementarity)

Following the Council Decision of 2002 which led to restrictions of EC support to Zimbabwe the Member States limited their assistance to mostly humanitarian support and support of Governance programmes. Humanitarian support includes mitigation of the HIV&AIDS pandemic and support to orphans and other vulnerable children. During the food crisis in 2002/03 and later on EU Member States supported food aid programmes of the World Food Programme (like the Commission). There is also an increased understanding for more food security related measures. Many donors are involved in the support to the civil society in governance programmes.

In 2005, in terms of commitments, DfID was the second largest EU and overall donor (after EC). USAID was the third largest donor. Within the Member States, apart from UK, Austria, Belgium, Germany France, Sweden and Italy are providing assistance. Japan, Canada, Norway, New Zealand are rounding up the traditional donors. South Africa is providing assistance as well.

DFID is supporting in Zimbabwe the Expanded Support Programme (ESP) for HIV and AIDS, Prevention and Treatment, a multi-donor common funding mechanism that supports the National Strategy for HIV and AIDS, relies on UN agencies for implementation, and managed by a working group made up of government, donors, UN agencies and civil society. The ESP aims to support universal access by 2010 for all Zimbabweans in need of Anti-Retroviral Therapy (ART). The UK will contribute £18.5 million over three years.

The DFID funded Protracted Relief Programme (PRP) assists the poorest and most vulnerable households suffering from the effects of erratic weather, economic decline and the HIV and AIDS epidemic. The main objective is to reduce the need for food aid by increasing food production by the poorest and also to improve access to water and sanitation, and provide care to the chronically ill. The programme, implemented by 12 NGOs in collaboration with 34 local implementing partners, receiving technical support and advice from 4 technical partners, is reaching over 1.5 million poor and vulnerable people. The programme will end in July 2007, but DFID is working with others to design a new five year programme. The EC Delegation and DFID are working together to develop a common Monitoring and Evaluation system for the PRP and the EC Food Security Programmes.

Like the other major donors, Germany has stopped its bilateral co-operation with Zimbabwe in 2002. Since then the focus of Germany's assistance has been on humanitarian assistance and support to civil society organisations. Support is mainly given through German partner organisations, such as German Agro Action, Help, Misereor, the German Political Foundations, and DED. This organisations work together with Zimbabwean partner NGOs. GTZ runs minor programmes on HIV and AIDS and Governance in co-operation with partners on the ground. The pluralistic approach has so far worked very well. From the beginning of 2007 Germany has contributed to the OVC fund (€ 18 million for 4 years). In addition Germany's spending has been around € 10 million per year.

In terms of support to the Zimbabwean culture, Sweden is the main donor. Recently they created a development trust fund to support Zimbabwean culture (1 million USD per year), managed by an independent board. The Swedish are contributing to the OVC program (2 million USD per year) and to the Extended Support Programme (6.5 million USD for 3 years), both pool funding programmes.

The Swedish have slightly increased their overall budget in the last years and are providing assistance in the same sectors as in the past but the funds are allocated in a more rational way.

One of the lessons learned by the donors is that although Zimbabwe is a fragile state, it is possible to provide aid effectively through the UN system and NGOs to reach the very poorest at nationwide scale.

Although state capacity to respond to poverty is very limited, parts of the system can and do deliver services for poor people. For example, the Ministry of Health and Child Welfare is still well equipped and willing to undertake nutritional surveillance, and immunisation campaigns. Lessons emerging from the ongoing OECD/DAC fragile states pilot exercise indicate that we should continue to provide such non-financial and non-fungible support (albeit on a very limited scale) through the state in order not to undermine these systems for the future. Under the specific Zimbabwean context it is still possible to work in line with the Paris Declaration and aligning the development programmes with Zimbabwean policies.

Development partners in Zimbabwe need to work together to take a medium to long-term approach to addressing chronic poverty, but also be flexible enough to respond quickly for acute emergencies (for example displacement and disease outbreaks).

Donors should move beyond narrow humanitarian approaches (such as food aid) to develop aid instruments that respond better to the root causes of chronic poverty.

Multi-year, predictable social assistance will better enable to tackle the causes and impact of AIDS, economic collapse, social exclusion and growing hunger and vulnerability. These approaches are needed to increase the cost-effectiveness of aid, reduce dependency on relief hand-outs, and help empower communities to build resilient and sustainable livelihoods.

HIV prevalence rates are beginning to decline and a significant share of the decline has been attributed to real changes in behaviour leading to lower exposure to the virus by high risk groups. Behaviour change has resulted (partly) from a sustained programme of prevention activities based on consistent messages, increased availability of condoms and open communication. The UK has supported the largest prevention programmes in Zimbabwe and the results, though small, are significant and reinforce the need to deliver sustained support over a long period of time.

Working with civil society on issues of voice and accountability is imperative to develop a more effective and accountable state and reduce the exclusion of marginalised groups. Discussions with NGOs show it is possible for civil society to advocate on economic and social rights. But there remain profound challenges in responding in the present environment, where there is a high level of GoZ suspicion towards NGOs.

Donors also try to identify dialogue possibilities by creating platforms for dialogue.

IMF and World Bank due to the failure of GoZ to settle its debts with these institutions are at present not engaged. Within the LICUS (Low Income Countries under Stress) initiative under a so called Interim Strategy the World Bank has undertaken some assessments in economics, infrastructure with a social expenditure review still to come. A new Interim Strategy is under preparation.

Aid of EU member States and also other donors is mostly given as project support. UNICEF is leading a basket fund initiative for a major Orphans and other Vulnerable Children (OVC) programme to run during the next four years. Several EU and other donors have expressed interest to join the basket fund. This is a successful outcome of the OECD initiative on Harmonisation and Alignment, chaired by the EC Delegation. Efforts to further harmonise activities and to find mechanisms of coordination are under way in the health and food security sectors (be it pooled funding under leadership of UN agencies or actions of complementarity of each other programmes with different funding mechanisms).

A summary of OECD Donor commitments of 2005 is attached as Annex V.2.

III.3. Other EC policies

In line with the EU commitments on policy coherence for development some of the non direct aid policies are of particular relevance to developing countries and may need certain adjustment measures.

Agriculture and food security remain a priority of the development agenda of the country and the EU is a destination for Zimbabwe's agricultural exports. Within the framework of the EU Common Agricultural Policy the EU has committed itself to substantial reductions of trade distortion. Positive incentives of duty and quota free access to LDCs may hamper the benefits of the beef protocol where Zimbabwe has a quota (though suspended at the time because of Foot and Mouth disease). Assistance to potential agricultural exporters may be needed in meeting the high sanitary and phyto-sanitary standards of EU markets in order to get improved market access to European markets.

Regional integration and trade is central to poverty reduction and sustainable economic growth. Synergies between the non-focal sector trade and the EU trade policies and agreements, in particular the EPAs need to be maximised.

The reform of the EU sugar sector could pose a certain challenge with reduced export prices impacting on the export revenue. Sugar sector accompanying measures shall help to mitigate these effects.

The EU legislative framework on chemicals – registration, evaluation and authorisation of chemicals (REACH) could imply additional costs for registration and testing of certain exports. Zimbabwe as a mining product exporting country could be affected by this.

A substantial number of Zimbabweans are living in the diaspora and have also looked for greener pastures in European countries. The health and education sectors are particularly affected by brain drain. EU policies should ensure that migration is well managed and that migrant remittances benefit the local population in exploring ways of cheap and secure channels for private financial flows. Efforts should be undertaken to turn brain drain into brain gain (try to avoid active recruitment) but this needs full cooperation of the partner country in pursuing conducive and responsive economic policies.

III.4. Description of the political dialogue with the partner country

In February 2007, the EU extended for a further year the restrictive measures against Zimbabwe as well as the appropriate measures under Article 96 of the Cotonou Agreement suspending direct cooperation to the Government of Zimbabwe (GoZ). Indeed, it was esteemed that no progress had been made in meeting the conditions for reestablishment of relations.

Despite the difficult political context, the EU has maintained its availability to dialogue with the GoZ but there has been no formal political dialogue EU/GoZ since 2002. Only few meetings are held with the Heads of Mission of the EU Member States and some Members of the Government but no access was ever given at the top level to the EU for dialogue.

In the framework of relations with the EU, a positive development was the signature of the revised Cotonou Agreement late December 2005 by Zimbabwe that shows a commitment and interest to remain in a long term relationship with the EU.

Governance is central in the issues of concern of EU towards Zimbabwe. In the framework of the 10th EDF programming a Governance Profile was drafted by the EC and the Member States and commented by the GoZ. This Governance Profile is seen as a potential solid basis for a political dialogue. The EC and MS consider the following key areas of possible interventions as priorities for Zimbabwe in terms of 1) political Governance: national dialogue, fundamental rights, rule of law, Non State Actors and local authorities; and 2) economic Governance: economical planning and anti corruption. Within the particular context of Zimbabwe, the Governance Profile is not only a good basis for the programming exercise and possible dialogue on the Government’s commitments, but also for the challenging work ahead toward possible improved relations through political dialogue.

III.5. Description of the state of the partnership with the recipient country and progress towards harmonisation

Zimbabwe is not a signatory to the Paris Declaration. The country has been selected as one of the pilot countries under the "OECD Harmonisation and Alignment Exercise". The appropriate title of the exercise in Zimbabwe was agreed upon as "Principles for Effective International Engagement in Zimbabwe". The process is ongoing under the chair of the EC Delegation. Three groups are working towards coordination in the areas of Food security, HIV and AIDS and OVCs (Orphans and Other Vulnerable Children). While at present most donors do not have a regular dialogue with GoZ, the process shall aim at finding areas of discussion with Government authorities on different issues, for instance, on the further implementation of measures to achieve the Millennium Development Goals in Zimbabwe (see also Road Map on harmonisation in Annex.V.6). Therefore, any initiatives should be undertaken in a manner consistent with the basic principles developed by the OECD exercise on the principles of effective international engagement.

Chapter IV: RESPONSE STRATEGY

Zimbabwe's challenges are huge. The macroeconomic framework is heavily distorted, agricultural and other productive activities are at a low level. Due to changed agricultural production patterns the country has become food insecure. Infrastructure, social delivery in health and education, standard of living and the environmental situation have sharply deteriorated. Results of the recent poverty assessment study show that the population below the Food Poverty Datum Line increased from 29% to 58% and the population below the Total Consumption Datum Line from 55% to 72% between 1995 and 2003. Most indicators regarding the core set of 10 key MDGs show declining trends.

The response strategy takes account of the EC's goals of poverty eradication, integrating the developing countries in the world economy and sustainable development. It shall address the above challenges and the negative MDGs trends and should include measures having a direct and rapid impact on poverty alleviation.

GoZ regards the following concentration areas as primary targets of support:

- Human and Social Development (approximately 45% of 10th EDF Envelope)
- Rural development, territorial planning, agriculture, food security and environment (approximately 40% of 10th EDF Envelope)

Both areas would take care of traditional support sectors of the EC to Zimbabwe which are health, education and agriculture and food security. They would, however be complemented by activities in highly problematic areas such as the combat of HIV and AIDS, rural development under inclusion of rural infrastructure, land reform and environmental issues. This would maximise the impact and visibility of EC assistance to Zimbabwe and would be justified by the experience and impact of the EC assistance to Zimbabwe during the last decade. It also confirms EC's comparative advantage and particular competence in dealing mainly with social sectors. Regarding mainstreaming activities the recently launched 5 year Zimbabwe Agricultural Sector Strategy on HIV and AIDS could play its part in the overall support to rural development and agriculture.

There will be two non-focal sectors of support:

- Trade and Regional Integration
- Support to Non-State Actors

  (approximately 15% of 10th EDF Envelope for both non focal sectors)

The Government has decided that Governance should be a cross cutting issue, meaning in each focal and non focal sector Governance issues would be considered and tackled within the projects to be implemented (for instance, issues of rule of law, corruption, government effectiveness, economic governance, social governance). This could address Governance weaknesses as highlighted in the governance profile,. In this regard it may be necessary to conduct a study on how to streamline Governance issues in EU Development programmes at policy and at programme implementation level

Depending on when this CSP would enter into force[18] the situation could have dramatically worsened and the measures certainly have to include a mix of immediate relief measures with longer term rehabilitation and development support. Whatever the nature and timing of the response, taking steps to address the impact HIV will of necessity have to be integrated into all activities. In line with EC policy and the Regional Initiative mentioned earlier, HIV will be mainstreamed into all activities, whether they be of a humanitarian or development nature.

The response strategy will also reinforce the approach to the mainstreaming of Human Rights, including children's rights, gender equality and the rights of indigenous people in all projects/programmes pursued. Specific measures will be identified to promote women's rights and access issues which will contribute towards achieving gender equality. Gender analyses will be carried out in all sector programmes and strategies to ensure that gender is mainstreamed.

In addition, mainstreaming of Environment will also have to be obtained, namely through Sector Environmental Assessments (SEA) of sector programmes and strategies and by assuring consistency in sector policies and environmental mainstreaming as a cross cutting issue in different sectors.

1 Focal sector **Human and social development** (Health and HIV/AIDS, Education and social inclusion of the future generation)

It is expected that substantial external assistance of a humanitarian nature will have to be continued for a considerable period until the Government is in a position to provide adequate funding for all necessary social services. In addition, substantial development orientated assistance will be required for a recovery and rehabilitation programme. This will require joint efforts on the part of the EC, EU Member States and other donors. These efforts will support Government, public institutions and civil society.

1. Health

In line with national strategies EC support aims to support the attainment of the highest possible levels of population health. This will be achieved by improving equitable access to and availability of high quality, comprehensive health care services, supporting the fight against HIV and AIDS and supporting measures to alleviate the human resource capacity shortages.

Specific areas of assistance will include:

1. **Supporting decentralisation and health reforms**, including management capacity strengthening, strengthening health accounting and budget needs and allocations in the sector, improving information management and strengthening district health and referral systems.
2. **Improving availability of and ensuring equitable access to high quality comprehensive health care services** by reviewing health financing options to include health insurance and social protection, supporting activities aimed at alleviating the

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18 According to the Article 96 measures this can only be upon a successfully concluded dialogue with GoZ on EU concerns in 5 areas, namely politically motivated violence, freedom of the media, independence of the judiciary, land reform and free and fair elections to be followed by respective actions of the Government.

human resource capacity gaps, ensuring the supply of vital medicines in all peripheral health facilities, ensuring safe blood transfusion services, rehabilitating peripheral health facilities, and encouraging and supporting the participation of higher education and research institutions and other NSA in contributing to national strategy implementation.

3. **Supporting the fight against HIV and AIDS** by continuing support for programmes of prevention treatment and care, including provision of ART, supporting the National Blood Service and mainstreaming HIV into all EC non-health programmes. Attention will be given to behavioural changes, gender roles and abuses.

2. Education and social inclusion of the future generation

In compliance with MDG no. 2, the EC will ensure that by 2015 all Zimbabwean children, boys and girls alike, will be able to complete a full programme of primary education. Moreover, the EC will promote fundamental children rights in compliance with the Convention on the Rights of the Child (CRC) by improving access to all essential services without discrimination for all Orphans and Vulnerable Children (OVC) and protecting them from all forms of abuses. Zimbabwe has ratified the CRC in 1990 and presented reporting on the 92, 95, 97 and 2002 situation. This provides a basis for engagement in the field of children rights and it also provides the platform to raise standards in policy and political dialogue with the Government to address specific concerns in children rights.

Specific areas of assistance will include:

Education:

1. Improving peripheral functional school infrastructures;
2. Ensuring equitable distribution of learning and teaching materials;
3. Supporting training of teachers and their placement in peripheral schools.

OVC:

1. Supporting an appropriate legal framework and enabling social environment for ensuring birth certificates for all children;
2. Supporting a legal framework, community environment and family capacity conducive to equitable access to education for all OVC;
3. Ensuring OVC access to food, health services and water & sanitation;
4. Supporting a healthy family environment which ensures children rights and protects from abuse.

In line with the Paris Declaration, donors' harmonisation will be promoted through concrete implementation schemes, working with all stakeholders, including children, community based organisations, line Ministries and the donor community to support the implementation of this programme. NSA will be strengthened in their efforts to deliver service to OVC, through a donors' basket funding mechanism - Program of Support (PoS) to National Action Plan (NAP) for OVC, under UNICEF management. The PoS to NAP for OVC could be a scheme to shift to SWAp when the political pre-conditions will be in place. In regard to assisting OVC, donors and UNICEF are developing effective alignment and harmonisation action in compliance with OECD/DAC principles on aid effectiveness in the context of difficult partnerships.

2 Focal Sector **Rural development, territorial planning, agriculture, food security and environment**

The MDG no.1 ("Eradicate extreme poverty and hunger") and no.7 ("Ensure environmental sustainability") give the orientation for the overall objectives of the strategy.

EDF 10 will be the first EDF to take up Rural Development for eradicating poverty in Zimbabwe. The strategic relevance of this decision lies with the increased vulnerability of the Rural Populations following the recent Agrarian Reform and its impact on the economic and social stability of the country.

The modified land tenure situation, although undoubtedly more balanced in terms of access, has not been accompanied adequately by a consistent package of adapted policies in strategic areas such as land law and administration, rural credit, inputs access, trade and commercialization, research & extension, rural infrastructures;

The rural infrastructures system (e.g. roads, dams, etc.) efficiently conceived around the large commercial farms, has been challenged and widely broke down because of the fragmentation of the properties and maintenance duties.

The dramatic change of land use patterns and production systems, together with high demographic growth[19] and confusion on tenure rights, has raised serious concerns about the sustainable use of natural resources in new and old settlement areas (see Annex V.3 Executive Summary of the Country Environmental Profile). The agrarian producers have been left vulnerable to drought and increased risks of desertification in many regions of the country (see Annex V.3 Executive Summary of the Country Environmental Profile).

The increased vulnerability combined with a significant decline in the respect for law and order has caused the pressure on the environment in general to proliferate. Deforestation and pouching of private as well as national wildlife reserves will have a long lasting impact on the environment as well as on the economic sector through losses in tourism and controlled trade. Regularization of this situation is imperative but Government will not be able to go this alone without support from all stakeholders national as well as international.

No strategy for Rural Development can be effectively designed and implemented without the meaningful participation of a vast range of state and non-state actors: public services and departments, small-holders, commercial farmers and their associations, banking system, rural traders and agro-business sector, local and traditional authorities, community-based organizations, women, NGOs. Training and capacity building from central to community level will therefore be a core component of the strategy.

Finally, a successful recovery of the agriculture sector depends on the establishment by the GoZ of an environment conducive to security of tenure, respect of the rule of law, improvement of dialogue and participation of the main stakeholders, and to respect of the free market and the end of price controls.

In this context, while the aid will have to benefit the whole rural sector, particular attention will be given to support mechanisms that benefit women, OVC and people suffering from HIV and AIDS.

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[19] Zimbabwe population doubled from 6 to 12 million in the last 30 years.

This component will no longer include any activities related to food aid and short term food security as these activities have been shifted to ECHO through the re-allocation of funds from the food security budget line to the humanitarian aid budget line managed by DG ECHO as of 2007. However, activities will be designed and implemented in order to assume follow-up and improvement of nutrition of most vulnerable households in the context of Linking Relief, Rehabilitation and Development - LRRD. Therefore, cooperation with the operations of ECHO will be assured at all times.

Specific areas of assistance will include:

- On land reform and agrarian policies:

  Providing technical assistance to all stakeholders in order to facilitate the access to land and provide security of tenure for all agricultural enterprises;

  Promoting dialogue and encourage mobilisation of resources and investments;

  Promoting measures to assure better disaster risk reduction and management in view of the past major emergencies and disasters in the country like flooding, droughts and cyclones.

- On Sustainable land use, environmental management and territorial planning:

  Breaking down the vicious cycle between rural poverty and land degradation following the increased demographic pressure, mostly in communal areas, by improving sustainable use of natural resources (soil, water, forest and vegetation, wildlife);

  Re-establishing adequate management of the protected areas on state as well as private level.

  Although environmental sustainability will be researched throughout all interventions, major efforts will go towards support and sensitisation of the beneficiaries on areas like soil conservation, protection of biodiversity and the fight against deforestation.

- On agriculture and food security:

  Increasing agricultural productivity;

  Achieving food security among rural households;

  Establishing input and output dynamics adapted to the post land reform environment in the agricultural sector in Zimbabwe. New mechanisms need to be established, stakeholders sensitised, capacitated and trained and farmers reorganised.

- On rural infrastructures:

  Rehabilitating, improving and keeping operational key rural infrastructures (primary schools, rural clinics, water supply, roads and transport).

  Adaptation of existing infrastructures to the need of a post land reform environment. Beneficiaries need to be sensitized and government and other stakeholders need to be capacitated to take up responsibilities in the sector.

The proposed activities are designed to be closely coordinated with the Sugar Adaptation Strategy Interventions. This strategy foresees a further increase of the sugar production in order to absorb the loss of income from the EU market. This increase of production is build on the strengthening of the small and large scale “sugar”- out growers. The principles of support are exactly the same as the ones mentioned above.

3. Non focal-sector **Trade and Regional Integration**

With the entering into force of Economic Partnership Agreements in 2008 which have a major focus on *regional integration* (improvement of South-South trade) there is need to tackle impediments to trade which could comprise the macroeconomic policy framework and competitiveness issues, trade policy and the institutional framework, the regulatory framework for business and investment and customs and trade facilitation issues.

In addition, there is a need to increase stakeholders' capacity to comply with the demanding international trade standards and norms[20].

4. Non focal-sector **Support to Non-State Actors**

Support to *non-state actors* (NSA) shall comprise the definition of a long-term strategy to mainstream NSA participation so as to contribute to the development of a legitimate, effective and viable civil society in Zimbabwe. A mapping study shall identify how to "mainstream" NSA participation in cooperation processes and how to reinforce the capacity of NSA, in line with the principles of the Cotonou Agreement.

In addition to the work with NSA, there is a need to focus also on institutional development of State institutions. This will require establishing a more serious dialogue with the Government. An essential element of any dialogue around possible initiatives should be to encourage reform.

Furthermore *thematic budget lines* dealing with the area of human rights and governance (European Initiative for Democracy and Human Rights – EIDHR), poverty related diseases (HIV, AIDS and malaria), strengthening the livelihoods of poor rural communities, care of orphans, environment and food security will complement the activities under the EDF.

Following the EU sugar sector reform with changes in sugar prices for the sugar being exported to Europe funds will be made available for developing *sugar sector accompanying measures*. The disbursement of funds is subject to a sector strategy and shall be made available from 2007 onwards.

STABEX funds provided for under the 8th EDF but so far not disbursed will complement activities in the agricultural sector.

In order to tackle a protracted humanitarian crisis, additional funds from a *humanitarian envelope* of the 10th EDF should add to the overall funds available.

The Humanitarian Aid Department of the European Commission (DG ECHO) will continue channelling humanitarian aid to Zimbabwe, addressing the most urgent needs of the vulnerable populations groups. In line with its needs based approach, DG ECHO will support the humanitarian operations including food security, food aid-, OVCs-, IDPs-, water and sanitation- and health-interventions. The from 2007 onwards, DG ECHO may however start progressively phasing out those interventions that can supported by more suitable longer-term, relief-type instruments.

It should be mentioned that the OECD initiative on Harmonisation and Alignment for so called difficult partnership countries is aiming at ways and means to support those countries on their way to reach the MDGs. The initiative is followed in Zimbabwe (see chapter III.5) and donors are undertaking efforts to coordinate their resources so as to maximise impact and contribute to poverty reduction. While programmes of EU Member States can enter into force

[20] For example, the EU legislative framework on chemicals (REACH) can imply additional costs for registration and testing of certain exports.

at any time, the realisation of this CSP will be dependant on a solution to the EU concerns which triggered the Article 96 measures. Therefore it was not possible to undertake any real effort to harmonise the actual proposed interventions with that of other Member States. Such effort should be realised once the programme is ready for signature.

On Eligibility for General Budget Support (based on "Programming Guide for Strategy Papers")

As outlined in Section II.4, Zimbabwe does not have a consistent and viable development strategy under implementation. No macroeconomic reform programme is in place either, and Zimbabwe's voting rights in the IMF remain suspended due to arrears. Finally, public finance management is currently a very opaque process, as quasi-fiscal expenditure managed by the Reserve bank of Zimbabwe – and thus without parliamentary control – is a considerably fraction of overall government expenditure. Thus, Zimbabwe is a "weak candidate" for general budget support (GBS) in the programming period. Should Zimbabwe improve compliance with the eligibility criteria for GBS, there is a possibility of using part of the A-Envelope for GBS at a later stage, by agreement between the NAO and the Commission's services.

Chapter V: ANNEXES

V.1. "Country at a glance" tables

V.1.1. Table of indicators for the Millennium Development Goals

	Actual								Projection		Target
	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2015
1. Proportion of population below Total Consumption Poverty Line (%)	33.0	56.0				63					16.5
2. Prevalence of underweight children under five years of age (%)	13.0	17.0	13.0		20.0	17.1					6.5
3. Under-five mortality rate per 1000	80.0	90.0	117.0			126.0					26.7
4. Net enrolment ratio in primary education (%)	85.7	82.0	80.6	82.7	93.0	94.7	96.6				100.0
5. Proportion of pupils starting grade 1, who reach grade 5 (%)	92.4	75.0	75.0	73.2	69.5	67.3	67.6				100.0
6. Ratio of girls to boys in - primary education (%)	99.0		97.0	97.0	98.0	98.0					100.0
- secondary education (%)	87.0		88.0	89.0							100.0
- tertiary education (%)			59.0	58.0							100.0
7. Proportion of births attended by skilled health personnel (%)	76.0	87.0	73.0					80.0			85
8. Proportion of 1 year-old children immunized against measles (%)	87.0	87.0	70.0	68.0	58.0	80.0	86.3	90.0			90.0
9. HIV prevalence rate, pregnant women aged 15-24 years (%)			32.0		20.8		17.4				16.0
10. Sustainable access to an improved water source (% of pop.)	77.0				83.0						88.5

Sources: Zimbabwe MDGs, 2004 Progress report; http://millenniumindicators.un.org/

V.1.2. Table of macroeconomic indicators

	Indicator	2000	2001	2002	2003	2004	2005	2006
	Basic data							
1a	Population (million)	12.6	12.7	12.8	12.9	12.9	13.0*	
1b	Population growth rate (%)	1.0	0.8	0.7	0.6	0.6	0.6*	
2a	Nominal GDP (US$ m)	8,545	8,49	8,24	7,52	7,35		
2b	Nominal GDP per capita (US$)	678	669	645	585	569		
2c	Real GDP (1990 Z$ bn)	22.7	22.1	21.1	19.0	18.2	17.5	
2d	Real GDP growth (%)	-7.3	-2.7	-4.4	-10.4	-4.2	-4.2*	
2e	Real GDP per capita (1990 Z$)	1,804	1,74	1,65	1,47	1,40	1,34	
2f	Real GDP per capita growth (%)	-8.1	-3.5	-5.0	-10.9	-4.7	-4.0*	
3a	Gross capital formation (% of GDP)	10.6	7.3	5.5	3.2			
3b	- of which Government (% of GDP)	0.6	1.6	1.5	2.0			
3c	- of which Private (% of GDP)	10.0	5.7	4.0	1.2			
	International transactions							
4a	Exports, f.o.b. (US$ m)	2,200	2,11	1,80	1,67	1,68		
4b	Exports, f.o.b. (% of GDP)	25.7	24.9	21.9	22.2	22.8		
4c	- of which Agricultural (% of GDP)	10.0	9.8	7.8	6.9	5.2		
4d	- of which Minerals (% of GDP)	5.2	4.6	3.6	5.2	8.2		
4e	- of which Manufacturing (% of GDP)	9.5	3.7	3.5	9.2	8.4		
5a	Imports, f.o.b. (US$ m)	1,907	1,79	1,82	1,77	1,98		
5b	Imports, f.o.b. (% of GDP)	22.3	21.1	22.1	23.6	27.0		
6a	Trade balance (% of GDP)	3.4	3.8	-0.2	-1.4	-4.2		
6b	Current account balance (% of GDP)	-0.4	-1.0	-2.6	-4.6	-5.7		
7a	FDI net inflows (US$ m)	16.0	0.0	23.0	4.0	9.0		
7b	FDI net inflows (% of GDP)	0.2	0.0	0.3	0.1	0.1		
8a	External debt (US$ m)	4,014	3,84	4,37	4,84	4,96		
8b	- of which arrears (US$ m)	404	803	1,52	2,14	2,58		
8c	External debt (% of GDP)	47.0	45.3	53.0	64.4	67.4		
8d	Foreign exchange reserves (months of imports of goods and services)	0.1	0.1	0.1	0.1	0.1		
	Government							
9a	Government revenue (% of GDP)	25.3	19.6	17.9	25.0	34.0		
9ba	- of which Grants (% of GDP)	1.0	0.4	0.0	0.1	0.1		
10a	Government expenditure (% of GDP)	43.9	26.6	20.7	25.3	41.0		
10b	- of which Capital exp. (% of GDP)	0.7	1.6	1.5	2.0	5.1		
10c	Health share of budget (%)	5.3	4.5	8.7	8.9	9.2	8.7	6.3*
10d	Education share of budget (%)	14.6	11.3	14.2	18.4	17.6	17.2	12.8*
10e	Defence share of budget (%)	8.8	9.3	10.9	10.1	10.7	8.8	6.4*
10f	Debt service share of budget (%)				10.7	12.6	9.1	13.8*
11a	Gov't balance excl. grants (% of GDP)	-19.6	-7.5	-2.8	-0.4	-7.1		
11b	Gov't balance incl. grants (% of GDP)	-18.6	-7.0	-2.8	-0.3	-7.0		
12a	Total Government Debt (% of GDP)	81.6	50.6	32.1	48.5	84.1		
12b	- of which external debt (% of GDP)	36.8	23.2	11.7	37.8	77.0		
	Employment (period average)							
13a	Total employment ('000)	1,234	1,18	1,11	1,01	999		
13b	- of which in government ('000)	227	241	246	210	210		
13c	- of which in agriculture ('000)	325	290	221	158	154		
13d	- of which in manufacturing ('000)	181	179	171	141	136		
	Other (year-end unless otherwise indicated)							
14a	Inflation, annual average (% p.a.)	55.9	71.9	133.2	365.0	350.0	237.8	
14b	Inflation, end of year (% p.a.)	55.2	112.1	198.9	598.7	132.7	585.8	
15	Commercial lending rate (% p.a.)	68.2	38.0	36.5	97.3	278.9	235.7	
16a	Exchange rate, official (old-Z$/US$)	55	55	55	824	6,20	84,58	
16b	Exchange rate, parallel (old-Z$/US$)	n.a.	n.a.	1,40	4,90	8,75	95,00	

Sources: Reserve Bank of Zimbabwe, Central Statistical Office, Ministry of Finance, IMF. * Estimates
Notes: Any inconsistencies between series are a result of different sources and exchange rates.

V.2. Donor matrix

V.2.1. Matrix of OECD Donor commitments in 2005

	EC	Germany	France	UK	Belgium	Sweden	Italy	Austria	Greece	USAID (EUR)	Japan (EUR)	Norway (EUR)	Canada (EUR)	Total OECD
Health	20,000,000	360,675	2,480,000	15,952,706	0	2,041,229	1,489,608	0	0	10,333,333	0	78,037	2,665,739	**57,378,022**
Education	2,121,000	141,024	242,000	0	1,045,000	61,452	0	0	0	0	0	0	0	**3,610,476**
Child Protection	1,200,000	17,585	0	8,523,478	0	4,305,625	258,640	0	0	0	3,151,667	0	0	**13,151,370**
Water and sanitation	4,900,000	395,810	0	0	0	0	0	0	0	0	0	0	0	**5,295,810**
Governance, Human rights and capacity building to civil society	7,782,587	907,170	0	1,459,000	0	1,964,826	0	0	0	5,000,000	0	343,558	2,886,534	**22,672,606**
Community/ decentralised development	2,343,000	0	0	0	0	0	0	0	0	0	0	0	0	**2,343,000**
Rural development / livelihoods	0	250,000	800,000	0	0	48,384	0	0	0	0	0	0	0	**1,098,384**
Food security (agriculture relief/livestock)	13,660,000	1,979,645	1,424,000	0	0	191,268	0	0	0	0	0	0	1,331,470	**18,586,383**
Nutrition	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Food aid	23,450,000	2,456,040	1,000,000	14,590,000	600,000	0	0	0	30,000	33,666,667	1,500,000	0	0	**77,292,707**
Integrated humanitarian relief	0	240,000	0	17,613,614	0	1,807,272	0	0	0	4,166,667	73,177	0	166,667	**24,067,396**
Project support & non sector specific coordination	0	251,500	0	88,317	0	0	0	396,375	0	0	0	0	0	**736,192**
Nat. resources/ Environment	0	750,000	1,275,000	0	0	0	1,585,555	0	0	0	0	21,840	0	**3,632,395**
Budget support /SAP/debt relief	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Transport infrastructure	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Communication infrastructure	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Banking and financial services	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Business/Private sector	0	0	0	0	0	0	0	0	0	583,333	0	0	0	**583,333**
Energy	0	0	0	0	0	0	0	0	0	0	0	78,037	0	**78,037**
Industry and Mining	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Trade	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Tourism	0	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Cultural	0	103,000	400,000	0	0	770,976	0	0	0	0	0	26,503	0	**529,503**
Other	0	0	0	0	0	413,059	0	0	0	0	0	0	0	**1,184,035**
Total	**75,456,587**	**7,852,449**	**7,621,000**	**58,227,115**	**1,645,000**	**11,604,091**	**3,333,803**	**396,375**	**30,000**	**53,750,000**	**4,724,843**	**547,975**	**7,050,410**	**232,239,649**

V.3. Executive summary of the Country Environmental Profile

The state of the environment

High population growth rate and poverty, associated with fragile environmental conditions in some regions of the country, amplify the risks of natural resources depletion and environmental degradation.

In the rural areas, agricultural practices, mining and deforestation are seen as major causes of degradation, increasing food insecurity and household vulnerability.

Environmental and sustainability concerns are particularly serious in the Communal Areas challenged by demographic pressure, poor quality of soil and climatic conditions (75% of them lie in the arid and semi-arid regions of the country).

At the same time, the FTRP (Fast Track Resettlement Programme) implemented since 2000 with the purpose of a more socially equitable land distribution (actually app. 60% of the land is now allocated to small-holders), failed to adequately address land use issues and environmental concerns. As a result, in some of the new settlement areas land clearing for the purpose of agriculture, materials to construct houses and fuel wood is contributing to a gradual degradation and deforestation. Also lack of proper land use technology for small scale farmers is actively contributing to soil degradation leading to considerable soil erosion.

Wood is the single largest source of energy in Zimbabwe, abundantly used for cooking, lighting and heating by over 70% of the population (app. six million tonnes of wood / year) and accounting for more than 50% of the energy consumed. FAO estimates that, from 1990 to 2005, 30% of wooden land (10 million Ha) have been lost. The MDGs report suggests that deforestation ranges between 100.000-320.000 Ha. per year.

Global climate changes and the geographic situation of the country have lately increased weather unpredictability and contribute to recurrent droughts in the last few years, hence increasing desertification process in southern and western dry lands (62% of the country). As a consequence, water shortages both for domestic consumption and for agriculture are found in rural and urban areas. The unavailability of reliable sources for domestic and irrigation water has particularly increased the vulnerability of rural communities while existing equipment is lacking proper maintenance due to shortage of spares. Recent assessments indicate that 48% of rural communities have no access to safe water, well below the 73% indicated by statistics of 1997.

Natural and well conserved mosaic of savannahs, bushveld and woodland, preferred habitat of an abundant wild fauna, are being threatened by the man-made and natural causes described above, thus putting at risk wildlife and biodiversity that have been generating high incomes for years through tourism activities. Nevertheless, National Parks, Safari Areas and other public and private Conservancies still represent a considerable portion of the country (around 15% of the total area). The country also plays an active role in regional programmes of biodiversity conservation, such as the creation of a Trans-frontier Park with South Africa and Mozambique and the conservation of Rhino (black and white) populations.

The country is well endowed with relevant mineral resources that represent a considerable percentage of exports and approximately 8% of GDP, half of which produced by gold extraction. Accrued exploitation of very large deposits of coal (known reserves could last for more than hundred years at current rate of extraction) may have increasing relevance in energy production and heavy environmental impact. Increased uncontrolled gold panning as a consequence of unemployment is seen as particularly harmful in terms of land degradation and land pollution (siltation of dams and rivers, mercury pollution).

Annual growth rate of urban population is around 5% to 6%. As a consequence, living conditions are deteriorating in urban settlements for lack of adequate housing, difficult access to water and sanitation and to proper waste disposal. The rise of informal settlements has increased illegal waste dumping as well as surface and ground water pollution. Poor water and sanitation conditions have dramatic consequences in terms of public health (intestinal infections represented 23% of death among children between 1-4 years in 2002, outbreaks of cholera are recurrent). The MDGs 2004 report affirms that industrial, domestic and municipal waste poses a serious health problem in most urban areas.

Air pollution is becoming a serious problem, particularly in major urban areas and near the coal power stations. Coal power plants account for half of the production of Sulphur dioxide (SO2) and the industrial sector for the other 50%, raising the quantity of this pollutant to high levels. The City of Harare’s Health Dept. stated in 1999 that the concentration of SO2 was 87 micrograms / cubic meter (the WHO standard is 50 micgr /cubm.). The density of road traffic has increased from 30 to 62 per 1000 people from 1990 to 1998, thus starting to be significantly polluting in cities like Harare.

Because of the relevant contribution of energy intensive sectors (agriculture, industry, mining) to GDP and to a certain obsolescence of machinery, the so-called energy intensity (i.e. the quantity of energy needed to produce one unit of GDP) is high (some sources estimate to be four times the world average). Recent studies of UNDP/GEF show that energy efficiency could be improved by 40%. Zimbabwe is importing 100% of its liquid fuels (diesel, gasoline, etc.) for transport. It similarly imports electricity up to 40% of the consumption due to limited domestic power generation and to growing internal demand. Actually, compared with most African countries, Zimbabwe has a significant high population with access to electricity (36% in 1998, 18% in rural areas) and an on-going ambitious Expanded Rural Electrification Programme (EREP). The country has plans to expand domestic production of electricity mainly through expansion of coal extraction and coal thermal power plants that will have considerable environmental impact.

Environmental policy, legislative and institutional framework

Environmental policy in Zimbabwe, although quite comprehensive, has been for years highly fragmented and administered by various Government Departments. Nearly 20 Acts and 40 statutory laws are used in the country, covering the whole range of relevant environmental issue, from Natural Resources to Forests, from Water to Mines and Minerals, from Hazardous Substances to Atmospheric Pollution, among others.

This fragmentation has been the main cause of difficult administration, implementation and enforcement of environmental policies. It has also given ground for other relevant policies, for instance the Land Reform, to be implemented without a serious and comprehensive assessment on its environmental sustainability and impact. The need for harmonisation and coordination has been growing for years at Governmental, Civil Society and Private Sector levels, also thanks to the active participation of the country to the Rio Conference of 1992, to the follow-up summit of Johannesburg in 2002 and to various and relevant initiatives, policies and protocols at SADC regional level.

The Ministry of Environment and Tourism has been eventually recognized as the main coordinating environmental actor and a new institutional and legislative framework has been adopted in 2002 through the Environmental Management Act (EMA). The Act provides the regulatory and institutional framework for the sector, through a set of instruments such as the National and Local (District level) Environmental Action Plans, the establishment of the Environmental Management Agency, the compulsory realisation of EIA (Env. Impact Assessment) for all development projects, the State of the Environment Report (SOER) to be presented to the parliament every five years.

In recent years the country has significantly introduced the "polluter pays" principle through the "carbon tax" and the "effluent and solid waste charges", while some market-based mechanisms of pollution control like refundable glass bottles for soft drinks and beers are still well in use.

It is obviously too soon to evaluate the promising impact of the Act on the sustainable development of the country, although relevant feasibility concerns have already been raised due to the meagre human and financial available resources. In fact, despite a tremendous increase from 2005, the estimate budget of 2006 for “Environment and Tourism” represents nearly 0,4% of the total State budget for the year. When also considering the drastic reduction of the international tourism in the country, which has remarkably reduced national parks revenues, concerns for a fall of environmental protection, control and enforcement capability, seem quite justified.

The implementation of an effective system of environmental monitoring is strongly challenged not only by the lack of specialised human resources and of equipment, but also by the weakness of a statistic system of collection and data treatment for the sector. Some areas seem to be less provided than others, such as the monitoring of atmospheric and water pollution. Actually, the MDGs 2004 Report makes explicit reference to the weakness of the Monitoring & Evaluation system of the MDG no.7 (Ensure Environmental Sustainability).

There is an increased acknowledgment of the role of the Civil Society in the formulation and implementation of environmental policies. Participation in the environmental arena has been enhanced through environmental associations and NGOs, University institutes and departments, international environmental agencies based in Zimbabwe (e.g. IUCN, the World Nature Conservation) and existing network with “green” NGOs of the Region (particularly those of South Africa). Participation of Civil Society in environmental management has surprisingly also been very relevant in the rural areas, as the successful CAMPFIRE programme (Communal Areas Management Programme for Indigenous Resources) has demonstrated.

As far as Multilateral Environmental Agreements (MEA) are concerned, Zimbabwe is party of a number of them, such as: Convention on International Trade in Endangered Species on flora and fauna (CITES), Biological Diversity (the country has also formulated and adopted a comprehensive Biodiversity Strategy and Action Plan), Climate Change (however it has not yet signed the Kyoto Protocol), Ozone Layer Protection, Bamako Convention on Ban of Transportation and Importation of Hazardous Substances in Africa, Combating Drought & Desertification (UNCCDD). The country has also ratified a number of SADC protocols.

Integration of environmental concerns in the main sectors

Environmental concerns have been increasingly integrated into some relevant sectors and policies of the country.

Health is increasingly seen as a social issue strongly dependent on environmental conditions, such as living conditions, access to water and sanitation, etc.

Environmental themes have been introduced in Education curricula at all levels and a number of University Degrees and Courses are offered by Public and Private Institutions in different environmental areas.

The National Water Act of 1998 has substantially modified the previous Water Act of 1976 that was based on the principle of “first come, first served”, by introducing more sustainable and equitable principles of access and use of the resource.

The new National Tourism Policy (NTP) of 2005 looks at tourism as an important land use option and a major tool for poverty alleviation and sustainable economic development. Some proposed programmes like the Community Based Tourism, the Tourism Development Zones (linking tourism with territorial planning), the Trans-frontier Conservation Areas (aiming at Ecosystems conservation) seem particularly attractive from an environmental point of view.

As far as Rural Development is concerned, the situation is more complex. As mentioned before, the so-called Land Reform has clearly neglected or at least underestimated appropriate definitions of land use and environmental rights. Natural resources, such as land, water, mineral resources forest, wildlife have been too often treated as “commons”, with all the negative environmental and economic consequences, like under or overexploitation, misuse, conflicts.

EU and other donors cooperation

In absence of a NIP for the 9th EDF, it has been difficult to contemplate specific environmental objectives and mainstreaming in the current EC cooperation. Nevertheless, some interventions through Budget Lines programmes on Food Security, Water Facility and Energy Facility may have relevant positive environmental implications. Food security projects particularly include actions of sustainable agriculture such as soil and water conservation, conservation farming, drought resistant crops.

Interventions of environmental impact are planned in the context of the regional project against the Food and Mouth Disease while other STABEX financed programmes are foreseen to support directly the agricultural sector and, indirectly the Game and wildlife sector.

International co-operation with Zimbabwe has scaled down for political reasons since the late ‘90s, so that some traditionally environmental-oriented agencies and donors once active in sectors like sustainable agriculture, conservation farming, solar energy, reforestation have largely reduced their intervention. The Italian Co-operation is considered by the Government as being relevant in the environmental sector because of the Trans-Frontier Park and the Rhino conservation programmes, both of them regional and managed from Zimbabwe. The UN system is largely involved in strengthening the national capacity to deliver on the Johannesburg Plan of Implementation (JPI) of World Summit of 2002 and on the MDGs. UNDP programme for 2007-2011 has a main component in “Energy and Environment for Sustainable Development”.

Conclusions and recommendations

The implementation of a NIP will give the opportunity to mainstream environmental issues and concerns in focal sectors of intervention. Environmental sustainability should be seen as a core element in Rural Development, through soil and water conservation programmes, sustainable wood land management and reforestation, ecosystems conservation, fight against desertification and sustainable agricultural development in general. Human and Social Development should contemplate strong support to the improvement of living conditions and environmental health and to environmental awareness raising and education.

Capacity building in key environmental areas should be prioritised (e.g. Environmental Law, Land Law and Administration, Land Use Planning, soil Conservation, Environmental Policy, Economy and Statistics, Environmental Impact Assessment, Environmental Management, Pollution Monitoring).

Regional initiatives of ecosystems conservation and management (e.g. Trans-Frontier Parks, River Basin Management of Limpopo and Zambezi rivers) should be encouraged in the framework of the Regional Indicative Programme.

V.4. Country migration profile

Box 1: Immigrants/Internally Displaced Persons (IDPs)

Total number of residents 13.0 million (11.6 million according to the preliminary population census of 2002).

Immigrants

- **Refugees:**

10,000 at the end of 2002 (including 5,000 from DRC, 3,000 from Rwanda, 1,000 from Burundi and 1,000 from other African countries) **– to be updated**

- **Labour migrants /permanent** No data available.
- **Labour migrants/seasonal** Unlikely, given the economic situation.
- **Immigration trend:** Number of arriving immigrants since 2000: No data available, but immigration is likely to have declined given the economic situation and high unemployment rate.
- **Education:** Skilled labour: No data available.
- **Main countries of origin**: Refugees: DRC, Rwanda, Burundi;
  Other foreign residents recorded in a 1996/7 survey came from Mozambique (2.5%), Malawi (4.9%), Zambia (7.3%), the UK (19.7%) and South Africa (19.3%).
- **Rate of return:** No data available.
- **Finance: Amount of outgoing migrant remittances:** No official data available
- **Remittances as % of GDP:** No official are available

Internally displaced persons

- About 200,000 commercial farm workers (and their families, adding up to a total population of more than 1 Million people)
- 700,000 estimated to be directly affected by displacements as a result of Operation Murambatsvina, which began in May 2005.[21]

21 UN Special Envoy Report, July 2005.

Box 2: Emigrants

Total number of emigrants: It is estimated that up to 3.5 million Zimbabweans are living abroad which is 25% of the population. This percentage is very high compare to other countries.

Status emigrants

- **Refugees:** No precise data available.

⇨ Around …… Zimbabweans applied for asylum in industrialized countries in …. **To be completed**

⇨ Around 1000 commercial farmers have gone abroad or are intending to leave the country as a result of the Fast Track land reform.

- **Labour migrants /permanent**
- **Labour migrants/seasonal**

No data available, but legal and even more so undocumented labour migration to neighbouring countries especially South Africa, UK and Botswana does take place as the unemployment rate in Zimbabwe is estimated to be 80%.

- **Legal situation emigrants**

No data available, but unauthorised migration is likely to be quite high as reflected in the high deportation rates from Botswana and South Africa.

- **Trend**

Number of leaving migrants since 2000: No data available, but likely to have increased.

- **Education:**

No precise figures are known, but a significant brain drain problem exists as skilled people (mainly health and education professionals) go abroad (mainly to the UK and to South Africa).

- **Main countries of destination:** South Africa, Botswana, Zambia, Namibia, UK

- **Rate of return:**

While no current global data is available, the number of deported Zimbabweans is likely to be very high (currently 12500 per month at Beitbridge entry point, source: IOM).

Botswana currently deports between 300 to 600 per day illegal immigrants from Zimbabwe (source IOM) Given the dire social and economic situation, most deported Zimbabweans try to leave again as fast a possible. (South Africa used to deport between 15,000 and 20,000 Zimbabweans a year in the 1990s.)

Commercial farmers and skilled professionals, as well as other documented migrants, are unlikely to return in the current situation.

- **Finance**

Amount of incoming migrant remittances: No official data available

Remittances as % of GDP:

Figures from an initiative of the Reserve Bank of Zimbabwe (RBZ) to attract remittances through official channels - the so called Homelink Initiative – indicate that from *May 2004 until December 2004 54.8 million US$ were remitted.* This is 3% of the total foreign currency inflows in 2004. The remittances experienced a slump when the RBZ did not allow any longer the paying out of the remittances in foreign currency and the official value of the Zimbabwe Dollar became increasingly unrealistic.

Box 3: Other Comments

- Given the difficult political and economic situation in Zimbabwe, labour migration abroad is one of the survival strategies of poor Zimbabweans.
- Moreover, a significant brain drain problem exists as skilled professionals, especially from the health and education sectors, are leaving the country.
- As a result, Zimbabwe has transformed from a migrant-receiving to a migrant-sending country.
- IOM has recently conducted a study on the development potential of Zimbabweans in the Diaspora. A survey of 1000 emigrants in South Africa and United Kingdom revealed that almost 90% of the respondents would or might like to return to Zimbabwe at some point in the future. 80% saw as conditions for return improvements in the political and the economic situation of the country[22].
- A recent survey showed that 50% of 300 surveyed households are relying at a very significant level on remittances. However, there is no official record as most of the funds are apparently not transmitted through official channels.

22 IOM, The Development Potential of Zimbabweans in the Diaspora, January 2005.

V.5. CSP drafting process: particular attention to involvement of NSA and local authorities

The process of drafting the 10th EDF Country Strategy Paper (CSP) was a consultative one. The Government and the European Commission (EC) Delegation managed to consult with representative of the Non-State Actors (NSA) before the CSP was finalized, including gender stakeholders (Table V.5.1.).

This was mainly done through the Non-State Actors Forum (NSAF), a platform organization that comprises local NGOs, civil society organizations, local authorities, churches and trade unions. A mapping study of the Non State Actors was launched during the programming period. The objective of the mapping study is to define a long-term strategy to mainstream NSA participation so as to contribute to the development of a legitimate, effective and viable civil society. The outcome of the study will be useful in designing relevant capacity building support schemes for NSA.

The Government of Zimbabwe in close consultation with EC Delegation organized a Non State Actors Consultative Workshop on 7 June 2006. The purpose of the workshop was:

- To formally inform the Non-State Actors about the 10th programming exercise;
- To get Non State Actors' inputs on how best to involve them in this exercise.

The workshop was attended by close to 100 participants representing almost 50 organizations in the private sector, trade unions and civil society.

The Workshop was also attended by the Minister for Finance, Dr. H.M. Murerwa and Permanent Secretary for Finance, Mr. W.L Manungo who attended the whole workshop and chaired the morning session. Minister Murerwa acknowledged and emphasised the importance of non-state actors' participation and contribution to the programming process.

The European Union also represented by 6 Member States (Austria, Italy, Greece, Sweden, UK, Belgium), as well as Romania, alongside the European Commission Head of Delegation, Mr X. Marchal. The latest attended the whole workshop. The Austrian Ambassador, acting as EU president, addressed the participants. While endorsing the programming exercise, he highlighted the fact that it should "act as a lever to address issues of concern" between the EU and Zimbabwe.

The Non-State Actors stressed the importance of addressing the issues that were affecting the Zimbabwe-EU relationship. They also requested that 'key issues' such as governance, the rule of law and the problem of registration of civil society organisations be addressed as priorities during the programming process. They were also concerned about the rising levels of poverty and the unstable macroeconomic, social and political environment in Zimbabwe. Their inputs helped in shaping the write-up of the strategy paper in particular the sections on political analysis, economic and social situation.

Following the workshop on 7 June, the Non-State Actors through the Non-State Actors Forum organized various workshops with grassroots organizations, community based organizations to disseminate information and get views of the civic society regarding the 10th EDF programming exercise. The consultation process was structured into six thematic areas that included:

(1) Governance

(2) Food security
(3) Rural development
(4) Health
(5) Trade
(6) Child development and children affairs

Another workshop for the Non-State Actors was held on 15 September 2006. The Government and the EC Delegation were invited to this workshop as observers. However, this was an opportunity to get views regarding the priorities of the Non-State Actors. Various presentations were made followed by intensive discussions.

Several areas were identified for funding under the 10th EDF CSP. However, the first five priority areas were identified as follow:

- HIV/AIDS and health
- Poverty reduction
- Governance and human rights issues
- Environment
- Conservation and food security and Infrastructure development

Most of the priority areas coincided with the Government priority areas identified in consultation with the EC Delegation, which have been identified in the CSP. HIV/AIDS and health, environment and conservation/ food security will be addressed through the two non focal sectors. Poverty reduction is the overall objective of the CSP for Zimbabwe but also is the overarching objective of the general development policy of the EU. Infrastructure development will however not be addressed as a focal sector as it was not prioritized in view of the limited number (two) of focal sectors allowed. Finally Governance and human rights have not been chosen by the Government as non focal sector as proposed by the Delegation. It will be treated only as a crosscutting issue.

In this context, the EC Delegation is already supporting significantly the civil society in Zimbabwe as service providers in social sectors, but also as promoter of human rights defense, good governance and promotion of democratic principles mainly with the EC own budget (not EDF).

The consultation process was also extended to the representatives of the private sector to get views regarding Trade and Regional Integration. The Non-State Actors acknowledged the need for Trade and Regional Integration to be one of the Non-Focal Sectors. As such the EC is already planning to use part of the 8^{th} EDF balances to support a Trade Capacity Building project for the Non-State Actors. The objective is to capacitate the Non State Actors to better understand trade related issues and to be prepared for the enforcement by 1 January 2008 of the new trading arrangements under the Economic Partnership Agreements (EPAs).

Table V.5.1.Gender Stakeholders consulted during the 10th EDF Programming Exercise

NAME	ORGANISATION	ADDRESS
Mavis Chitsike	Zimbabwe Women's Bureau	43 Hillside Road, Harare
Mildret Machakaire	New Hope	8 Nirvana Road Hatfield, Harare
Onai Hove	GWAPA	Sahez Development House, 7TH St. Gweru
Mabel Sikhosana	ZIMRIGHTS	11 Hofmeyer St. Masvingo
Vimbai Mbirimi	ZIMRIGHTS	P.O.Box 3951 Harare
Rungano Bakasa	Zimbabwe Women's Resource Centre and Network	288 Herbert Chitepo Avenue Harare
Florence Mudzingo	Girl Child Network	131 Duri Road Chitungwiza
Deborah Makoni	Counselling Services	
Margie Mavudzi	Mother's Union	K4308 Katanga Norton
Isabella Kugotsi	Catholic Commission for Justice and Peace	Africa Synod House, Selous Avenue Harare
Memory Joe	ZIMCET	44 Tredgold
J.S Jenje Mudimbu	Storytime Promotions	P.O.Box A 1029 Avondale Harare
E. Mhonda	PADARE	83 Central Avenue, Harare
T. Matekaire	Women in Politics Support Unit	11 College Road, Alexandra Park, Harare
T. Kokerai	Zimbabwe Election Support Network	10 Rochester Crescent Belgravia Harare
R.S. Mahiya	Crisis Coalition	96 Central Avenue Harare
N. Mache	Zimbabwe National Students Union	46 Central Avenue Harare
J. Munakamwe	Progressive Teachers Union	8 R. Mugabe Way Harare
Namupa Give	IFOR Kadoma	89 Kafudza Road Kadoma
Philda Muzofa	Zimbabwe Women Lawyers Association	17 Fife Avenue Harare
N. Mushonga	Women's Coalition of Zimbabwe	43 Hillside Road, Harare
A. Ngoma	Women's Action Group	11 Lincoln Road Avondale
M. Sandasi	Women and Aids Support Network	
Mrs Choruma	Zimbabwe Nurses Association	

V.6. The harmonisation road map

EU ROAD MAP FOR ZIMBABWE

▪ **Categorization**	**Group 1 : Road map is yet inexistent** but a coordination/harmonisation process is ongoing under the OECD exercise of developing Principles of international engagement.
▪ **Type**	
▪ **Timeframe, steps, approach and key elements**	A matrix of actions was developed during a workshop in November 2005; Donor matrix with aid flows per sector has been developed for 2005 (as in previous years); Working groups on HIV/AIDS, Orphans and other vulnerable children (OVCs) and Food security have been created in 2005 and continued to meet during 2006; OVC group has a well advanced programme aligned to GoZ priorities to which several donors have subscribed (pooled funding mechanism); coordination of HIV/AIDS activities are also continuing but no joint funding mechanism; Donors continue to work on joint actions to analyse situation and to prepare for the future with a view to link from relief to development
▪ **Donors involved**	MS : France, Germany, Italy, Sweden (SIDA), United Kingdom (DfID); OECD: Canada (CIDA), Japan, United States (USAID), Norway MULTIL : EC, WB, UNDP
▪ **Leading donor**	No lead donor
▪ **Other information**	Note from EC Delegation to Director General DG DEV dated 25/11/2005 with annex "Matrix of Agreed Actions"

V.7. Table including partner country positions in relation to key international conventions

Main International and Regional Instruments which Zimbabwe <u>has Signed or Ratified</u>
International Instruments
The Convention Relating to the Status of Refugees, 1981
The Protocol Relating to the Convention Relating to Status of Refugees, Convention Governing the specific aspects of Refugee Problems in Africa, 1985
The International Covenant on Civil and Political rights, 1991
International Covenant on Economic, Social and Cultural Rights, 1991
Convention on the Prevention and Punishment of Genocide, 1991
Convention on All Forms of Discrimination against Women, 1991
Convention on the Rights of the Child, 1990
International Convention on Elimination of All Forms of Racial Discrimination, 1991
Discrimination (Employment and occupation) Convention, 1999
The Rome Statute of the International Criminal Court (signed and not ratified)
Regional Instruments
Convention Governing the specific aspects of Refugee Problems in Africa, 1985;
The African Charter on Human and Peoples Rights, 1986;
The Protocol to the African Charter on the Rights of Women (signed and not ratified)
The African Charter on Rights and Welfare of the Child, 1995
Main International and Regional Instruments which Zimbabwe <u>has not yet Signed</u>
The Convention against Torture and Other Cruel Inhuman or Degrading Treatment or Punishment and its Optional Protocol
The two Optional Protocols to the International Covenant on Civil and Political Rights
The Optional Protocol to the Convention on the Elimination of all forms of Discrimination Against Women
The two Optional Protocols to the Convention on the Rights of the Child
The Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women as well as the Rome Statute

Main International Environmental Agreements which Zimbabwe has signed
Biodiversity
Endangered species
Law of the Sea
Ozone Layer Protection
Main International Environmental Agreements in the process of ratification
Ramsar Convention on Wetlands
Montreal and Beijing Amendments to the Montreal Protocol on Substances that Deplete the Ozone Layer

Kyoto Protocol on Climate Change
Basel Convention on Transboundary Movement of Hazardous Wastes and their Disposal
Bonn Convention on the Conservation of Migratory Species of Wild Animals (CMS)
African-Eurasian Water Bird Agreement (AEWA)- A Technical Agreement Under the Bonn Convention
Stockholm Convention on Persistent Organic Pollutants (POPs)
Rotterdam Convention on Prior Informed Consent (PIC)
SADC Protocol on Forestry
SADC Protocol on Fisheries
SADC Protocol on Wildlife Conservation and Law Enforcement

V.8. Debt Sustainability Analysis (if available from the IFIs; where appropriate)

The debt sustainability analysis below is from IMF Country Report 05/360, October 2005.

Under the staff's baseline scenario, Zimbabwe's external debt is not expected to be sustainable in the absence of a debt rescheduling. The baseline scenario assumes an average negative real GDP growth at 4 percent until 2010 and an average positive growth of 3 percent thereafter with exports growing at 5 percent. On the fiscal front, budgetary consolidation is not expected in the near future although deficit declines after 2009.

Zimbabwe's total external public debt was US$5 billion (67 percent of GDP) at end-2004, of which US$2 billion were owed to multilateral creditors. Domestic public debt denominated in local currency accounted for about 7 percent of GDP in 2004. The baseline assumes a tentative arrears rescheduling in 2011 - outside of the medium-term scenario. The total stock of outstanding debt at the end of 2011 would amount to US$2.4 billion (34 percent of GDP).

In the baseline scenario, all public and publicly guaranteed external debt indicators are projected to improve only slowly following the debt rescheduling. The NPV of the debt-to-GDP ratios are expected to fall to about 50 percent, the NPV of the debt-to-exports ratios to fall about 130 percent and the debt service-to-exports would decline to 1 percent in the long-run. However, private external debt is projected to increase from 2010 given the need to obtain foreign financing.

The debt dynamics are most vulnerable to a depreciation and export decline. A onetime 30 percent depreciation would push up the NPV of the debt-to-GDP ratio to about 120 percent in 2010. A one-time two standard deviation shock in exports would raise the debt service-to-exports to 30 percent compared with 20 percent in 2025 in the baseline scenario, and the NPV of the debt-to-exports ratio would rise to 217 percent compared with 122 percent in the baseline scenario in 2015.

The public debt sustainability analysis could not be conducted due to difficulty in choosing applicable exchange rates since the analysis is undertaken in national currency. Given the highly overvalued official exchange rate and the multiple exchange rate system, large swings in the exchange rate have a dramatic effect on dollars amounts converted into national currency that are to be divided by GDP in national currency. To circumvent this problem we use nominal U.S. dollar GDP calculated by using the national real growth and the international inflation (1996 base year) in the external DSA since the analysis is undertaken in U.S. dollars.

V.9. List of Government's commitments

In the specific context of Zimbabwe, it is important to consider the Governance Profile as well as the comments of the Government to it as key documents in regard to the ongoing process for the future, as it will not only ensure the needed interactions within the programming exercise but also regarded a coherent tool to tackle the possible political dialogue under article 8 of the Cotonou Agreement. In the follow-up discussion with GoZ a possible list of commitments in 3 or 4 sub sectors of Governance may be developed.

Chapter I: INDICATIVE PROGRAMME

I.1. Introduction

On the basis of the cooperation strategy presented in Part One and in accordance with Article 4 of Annex IV to the Cotonou Agreement, the Indicative Programme has been drawn up as a set of tables showing the intervention framework for each sector. Under the current circumstances it is not realistic to provide the financial programming timetable and a detailed chronogram of activities for all listed programmes over a rolling three-year period.

Amounts mentioned in this chapter indicate the overall breakdown of funds between the focal sector(s), macro-economic support and other programmes. The breakdown may be adjusted in the light of the operational, mid-term, final or ad hoc reviews. However, for any adjustment resulting in a substantial change to the structure of the response strategy, a formal decision in the form of an addendum to the strategy document will be required.

I.2. Financial instruments

The implementation of the EC's cooperation strategy with Zimbabwe will be financed from several financial instruments. The following is an indication of their mobilisation as currently envisaged.

I.2.1. 10th EDF, Envelope, € 129,6 million

This envelope will cover long-term programmable development operations under the strategy, and in particular:

Human and Social Development - approximately 45% of total 10th EDF Envelope

Rural development, territorial planning, agriculture, food security and environment - approximately 40% of total 10th EDF Envelope

Other programmes - approximately 15% of 10th EDF envelope for:

- the non focal sectors:
    - *Trade and Regional Integration*
    - *Support to Non-State Actors*
- the Technical Cooperation Facility

I.2.2. Investment Facility

In addition to the financial instruments mentioned above, of which the A Envelope is the main programmable basis for the NIP, the 10th EDF also includes an Investment Facility, which is an instrument managed by the European Investment Bank. The Investment Facility is not part of the NIP.

Some specific activities may be supported by the Centre for the Development of Enterprise (CDE) and the Centre for the Development of Agriculture (CTA).

I.2.3. 10th EDF (provisional name), regional indicative programme ESA-IO Region € 465 Million and regional indicative programme SADC Region € 135 Million

This allocation will cover long term programmable development operations under the regional strategies for the Region of Eastern and Southern Africa and the Indian Ocean (ESA-IO) and for the Southern African Development Community (SADC) Region. The allocation is not part of the Indicative Programme but may have repercussions at national level depending on the participation of Zimbabwe in the programmes proposed under the regional framework. The 10th EDF Regional Indicative Programme Executive Summary for the ESA-IO Region and the SADC Region are presented in Annex II.1 and II.2 respectively.

I.2.4. Other financial instruments:

Specific activities may be supported by external actions funded by the general budget of the Commission carried out under the future financial perspective for 2007-2013 (e.g. thematic budget lines, sugar protocol, etc) and out of the own resources of the EIB. However, this financing is subject to special procedure and depends on the availability of funds.

I.3. Focal sectors

Human and Social Development (Health and HIV/AIDS, Education and Social Inclusion of future generations)

Health

The overall goal of the health programme of support is to achieve the highest possible level of health for the maximum number of people, with a particular focus on the health and health related Millennium Development Goals and targets:

- Halve, between 1990 and 2015, the proportion of people who suffer from hunger
- *Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate*
- *Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio*
- *Have halted by 2015 and begun to reverse the spread of HIV/AIDS*
- *Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases*
- In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries

This will be done by: supporting and strengthening decentralisation and health service management, improving availability of and ensuring equitable access to high quality comprehensive health care services also through fostering of appropriate social insurance schemes, and supporting the fight against HIV/AIDS. The proposed approach will be to continue current activities but with a considerable increase in scale and breadth.

As an indicative amount, approximately 30% of the 10th EDF resources will be allocated for these activities. This however will not be sufficient to meet the needs and, in addition to the EDF resources, considerable additional funding from other EC sources as well as MS and other donors will be required to fully address all the issues.

Specific areas of assistance (See Section I.6.1 for more details) will include:

- **Support to decentralisation and health reforms:** This will include, *inter alia*, support to management development, strengthening health accounting, improving information management, strengthening district health and referral systems.

- **Improving availability of and ensuring equitable access to high quality comprehensive health care services by:**
  - **Reviewing health financing** options, exploring health insurance and social protection opportunities.
  - **Alleviation of human resource constraints:** These activities will address issues relating to both quantity and quality of health personnel.
  - **Support for essential medical supplies and equipment:** Taking the national essential drug list as a starting point, this support will emphasise supply of drugs necessary to achieve the MDG targets, including anti-retroviral drugs.
  - **Rehabilitation of health facilities at district level.**
  - **Developing links with higher education and research institutes** that have health sector expertise such as University of Zimbabwe and the National Institute of Health Research.
  - **Support for the involvement and harmonisation of NSAs** to work in alignment with National Strategies.
- **HIV and AIDS**
  - **Prevention treatment and care:** The EC will continue to work in support of the National Strategy focusing on those areas in which it has experience and expertise, such as promotion of behaviour change, Prevention of Mother to Child Transmission and provision of anti-retroviral therapy. These activities will need to be complimentary to current thematic budget line project support. Furthermore the EC will continue to support the National Blood Transfusion Service and the National Programme of Action for OVCs.
  - **Mainstreaming:** By linking with other focal sectors and other programmes the health programme ensure that HIV is mainstreamed into all EC supported activities.

The implementing instrument of choice would be sector budget support preferably through a SWAp mechanism. However if this is not possible then alternative mechanisms will be considered, such as pooled funding, continuation of the current bilateral, co-management arrangements, or direct support.

The main sectoral policy measures to be taken by the Government as a contribution to the implementation of the response strategy in this field will include: maintenance or an increase in the financial commitment made from the national budget towards the sector; in particular this would include continuing support to the National Pharmaceutical Company and a proactive human resource strategy. Continuing commitment to tackling HIV in a multisectoral manner and to decentralisation of health services and results based management will also be required.

The main commitments by the Government to ensure mainstreaming of the crosscutting issues are: continued leadership and funding for the implementation of the national framework against HIV and AIDS; in particular continued support for the National AIDS Council and the three ones approach recommended by UNAIDS; continued efforts to coordinate between line ministries in relation to the fight against HIV.

Education and Social Inclusion

The following specific objective will be pursued: In compliance with MDG 2, ensure that by 2015 all Zimbabwean children boys and girls alike will be able to complete a full programme of primary education. Moreover, promote and fulfil fundamental children rights in compliance with CRC - Convention on the Rights of the Child - by enlarging access to essential services without discrimination for all Orphan and Vulnerable Children (OVC) and protecting them from all forms of abuses through strengthening of Government, public and civil society actors.

As an indicative amount, approximately 15% of the 10^{th} EDF resources will be set aside for this field.

The specific areas of assistance are:

Education:

1. Strengthening of peripheral functional school infrastructures;
2. Ensure the production of learning and teaching materials equitably distributed;
3. Maintain and further attract trained and operational teachers in peripheral schools.

OVC:

1. Promote appropriate legal framework and enabling social environment for ensuring birth certificates for all children through strengthening of Government, public and civil society actors.
2. Uphold legal framework, community environment and family capacity conducive to equitable access to education for all OVC;
3. Ensure OVCs' access to food, health services and water & sanitation;
4. Sustain a healthy family environment which ensures children's rights and protects from abuse through strengthening of Government, public and civil society actors.

The main implementing instrument will be: SWAp and when no possible, co-financing / pool funding mechanisms.

The main sectoral policy measures to be taken by the Government as a contribution to the implementation of the response strategy in this field are: Increase financial commitment on education as part of the national budget; Assume EFA (Education For All) commitments for free primary education; National budget reflecting commitments taken by NAP for OVC; Foster legal framework conducive to the promotion, protection and fulfilment of Children Rights as per CRC (Convention on the Rights of the Child); Promote enabling environment for civil society further participation in decision making, monitoring and implementation of National Policies and targets; namely: in education parents and communities are stakeholders and relevant partners, in NAP for OVC, civil society is a core actor in the National Action for addressing the overwhelming humanitarian challenge of OVC.

The main commitments by the Government to ensure mainstreaming of the crosscutting issues are: Continued leadership and funding for the implementation of the National Action Plan for OVC; Continued efforts to coordinate between line ministries in relation to NAP for OVC; Implementation of the National Strategy Plan for Education of Girls, OVC; Strengthened link with NAC (national aids council) and ESP (expanded support programme) as per three ones principle.

When needed, the appropriate type of environmental assessment (SEA or EIA) will be carried out.

Rural Development, Territorial Planning, Agriculture, Food Security and Environment

The following specific objective will be pursued:

> To assist Government in assuring food security for the Nation, through mitigation of the impact of the Land Reform Program on the Agricultural and Environmental Sectors.

As an indicative amount, approximately 40% of the 10^{th} EDF resources will be set aside for this field.

The specific areas of assistance are:

<u>On land reform and agrarian policies</u>:

- Providing technical assistance to all stakeholders in order to facilitate the access to land and provide security of tenure for all agricultural enterprise
- Promoting dialogue and encourage mobilisation of resources and investments;
- Promoting measures to assure better disaster risk reduction and management in view of the past major emergencies and disasters in the country like flooding, droughts and cyclones.

<u>On Sustainable land use, environmental management and territorial planning:</u>

- Breaking down the vicious cycle between rural poverty and land degradation, following the increased demographic pressure, mostly in communal areas, by improving sustainable use of natural resources (soil, water, forest and vegetation, wildlife);
- Re-establishing adequate management of the protected areas on state as well as private level
- Although environmental sustainability will be researched throughout all interventions, major efforts will go towards support and sensitisation of the beneficiaries on areas like soil conservation, protection of biodiversity and the fight against deforestation.

<u>On agriculture and food security:</u>

- Increasing agricultural productivity;
- Achieving food security among rural households;
- Establishing input and output dynamics adapted to the post land reform environment in the agricultural sector in Zimbabwe. New mechanisms need to be established, stakeholders sensitised, capacitated and trained and farmers reorganised.

<u>On rural infrastructures:</u>

- Rehabilitating, improving and keeping operational key rural infrastructures (primary schools, rural clinics, water supply, roads and transport).
- Adaptation of existing infrastructures to the need of a post land reform environment. Beneficiaries need to be sensitized and government and other stakeholders need to be capacitated to take up responsibilities in the sector.

The main implementing instrument will be: co-financing, project support, Grant (Call for proposal).

The main sectoral policy measures to be taken by the Government as a contribution to the implementation of the response strategy in this field are:

- assuring security of tenure and access to land to all nationals with the willingness and ability to produce;
- improve dialogue amongst all stakeholders in the sector (government, private sector, professional and trade unions, etc.);
- assuring respect for rule of law and property rights and adherence to national and international investment agreements;
- adhere to a free market system with gradual dismantling of all price controls on agricultural in- and outputs;
- implementation of legal provisions for environmental protection enshrined in the different environmental related acts and international agreements;
- allowing a market based fluctuation of the foreign currency in order to allow access to foreign markets.

The main commitments by the Government to ensure mainstreaming of the crosscutting issues are: provision of strong HIV and AIDS Programme leadership and coordination; capacity building on HIV and AIDS focal persons; development of Agricultural Management Information System; research; provision of HIV prevention services to the workplace and communities; facilitation of Special Care Treatment Programmes for Vulnerable Groups; strengthening the role of food and nutrition security; special mitigation programmes and Economic Empowerment of Vulnerable Groups and mainstreaming of HIV and AIDS in agricultural extension practices.

When needed, the appropriate type of environmental assessment (SEA or EIA) will be carried out.

Regarding the **Microprojects** and the **Decentralized Co-operation Programmes**, these will be funded under the 10th EDF resources allocated for the focal sectors as they address issues related both to Human and Social Development as well as Rural development, territorial planning, agriculture, food security and environment, in view of promoting community development.

I.4. General budget support

The indicative programme does not provide for general budget support. However, in the light of changing needs, it may be decided to reallocate funds from other application points in the NIP to this type of support. Such a decision can be taken in the form of a specific agreement between the Chief Authorising Officer and the National Authorising Officer or within the context of an operational, mid-term, final or ad hoc review.

I.5. Other programmes

An indicative amount of 15% of the 10th EDF resources is set aside for the following actions:

- **Trade and Regional Integration**:

Trade and Regional Integration has been selected as a non-focal sector for the EC-GoZ cooperation under the 10th EDF. With the Economic Partnership Agreements (EPAs) entering into force from 2008, Zimbabwe must prepare strategies for adapting to increased competition following liberalisations of regional trade and to use trade as a vehicle for economic development and poverty reduction.

The EC has been providing technical support to Zimbabwe in the trade area and in support to regional integration. The EC Delegation in Zimbabwe, in close relation with the GoZ, is currently finalizing a Trade Needs Assessment of Trade and Trade-Related Technical Assistance for Zimbabwe, were major constraints facing Zimbabwe's integration into the world trade system are identified and a strategy to address these constrains is proposed, as well as to mainstream trade matters in development and poverty reduction policies. In order for Zimbabwe to benefit more from trade and participate more effectively in the multilateral and regional trading systems, support in improving institutional framework and stabilizing policies is needed, as well as technical and financial assistance in crafting a comprehensive trade policy. There is also a need for improvement of stakeholders' consultation and to include the private sector in trade agreements negotiations, both at bilateral and multilateral levels.

In order to strengthen the capacity of Non State Actors (NSA) to participate effectively in international trade negotiations, the EC is planning to implement a Trade Capacity Building Project for relevant Non-State Actors involved in trade issues in Zimbabwe. The Project shall support training and advisory services; policy dialogue; communication, networking and information sharing; participation in trade negotiating missions; exchange missions; research and studies, while mainstreaming Gender and HIV/AIDS aspects in all trade related issues.

- **Support to Non State Actors**

The participation of the Non State Actors (NSA) is a fundamental principle of the Cotonou Agreement. Their role, along side Governments, in fighting poverty, promoting growth, delivering social services and fostering democracy and good governance is essential. The position of NSA is emphasised in the difficult context of Zimbabwe. In this environment, strengthening NSA’s capacities towards finding ways to overcome the crisis and developing the country must be a priority of the EU.

Despite the strained EU-Zimbabwe relations, the EC is currently maintaining a diversified programme of support to the civil society in the areas of Community development, Human Rights, Governance, Trade, Health, Education and Food Security trough EDF programmes (ZDCP and MPP) and budget lines (EIDHR, NGO Co-financing, health, food security,…).

In the context of the 10th EDF programming, the consultation process of NSA as enshrined in the Cotonou Agreement has been carried out[23] by the Government of Zimbabwe (GoZ) and the EC Delegation. Within the 10th EDF programming exercise, the support to NSA is identified as a non focal sector.

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[23] See the description of the consultative process as well the results of it and the way the recommendations of the NSA have been incorporated in the CSP.

A mapping study of civil organisations in Zimbabwe is currently being undertaken. It will provide the basis of a feasibility study for a support programme to CS in the 10th EDF. In addition, investigation of the potential or effective role of NSA in the concentration areas will be systematically carried-out, in view to propose specific activities and resources to support NSA. They should also be supported for their important role in decentralisation and good governance activities in Zimbabwe. Identified programmes for capacity building of NSA include: institutional development, networking and organisational processes, advocacy, monitoring, research and provision of services.

Support for Non State Actors covers Non-State Actors eligible for funding as defined in Article 6 of the Cotonou Agreement and article 4(1)(d) of Annex IV to the revised Agreement. Depending on their mandate, support to Non State Actors may cover activities including, inter alia, capacity building, advocacy, research, awareness raising, monitoring and delivery of services to the population. In supporting Non-State Actors, the EC may make use of article 15 (4) which allows it to be the Contracting Authority. An indicative amount of 7% of the 10th EDF resources shall be made available for this purpose.

- The Technical Cooperation Facility;
- Contributions to regional programmes and projects;
- Reserve for insurance against possible claims and to cover cost increases and contingencies.

When needed, the appropriate type of environmental assessment (SEA or EIA) will be carried out.

The Government has decided that Governance should be a cross cutting issue, meaning in each focal and non focal sector Governance issues would be considered and tackled within the projects to be implemented (for instance, issues of rule of law, corruption, government effectiveness, economic governance, social governance).

The EC Delegation is promoting a national plan of action on Governance in Zimbabwe with the intention to create avenues aiming at tackling the current political stalemate and also to contribute to define a governance plan in the framework of the EDF programming exercise. In this view, the Delegation recently supported through the EC Rapid Reaction Mechanism (RRM) the project of a key local NGO, Centre for Peace Initiatives in Africa (CPIA), to organise a national Conference Governance. The conference, which took place in November, involved all the relevant stakeholders of the Zimbabwean society to ensure the ownership of the action. This workshop was the first step of an innovative process. It responds to a real risk of a civilian crisis, aims at building up a national consensus on Governance and to restore confidence between the stakeholders.

Beside this initiative, the Delegation has worked together with the Member States on the Governance Profile included in the 10th EDF guidelines, which is expected to be used as a tool in political dialogue.

I.6. Intervention framework

I.6.1. Human and Social Development

	Intervention Logic	Objectively Verifiable Indicators	Sources of Verification	Assumptions
Overall Objectives	A reduction in morbidity and mortality especially in focus areas (MDGs): • Reduction in <5 mortality • Reduction in maternal mortality • Reduction in HIV prevalence • Reduction in incidence and mortality due to TB, malaria and other major diseases	<5 mortality rate Vaccination coverage Maternal mortality ratio ANC HIV prevalence Malaria incidence and mortality TB incidence and mortality Number of people accessing ART	Routine stats; DHS; special surveys ANC surveys; DHS; Routine health service stats Routine NTP stats Routine stats	Enabling macro-economic environment; National policies promoting enabling environment; National budget allocations rise towards international commitments level; Fostering of National policies addressing brain drain; Donors' support continues at least at present level.
Programme Purpose	The highest possible level of health for the population	Crude death rate Life expectancy	Routine stats	
Results	A well staffed health sector service providing equitable access to high quality services for the population	% of district level facilities with >75% posts appropriately filled % of people in need able to access appropriate health services in a timely manner % of people receiving appropriate treatment for selected conditions	Routine stats, survey, programme evaluation Survey, programme evaluation Survey, programme evaluation	

	Intervention Logic	Objectively Verifiable Indicators	Sources of Verification	Assumptions
Overall Objectives	1. To improve equitable access to education for all (EFA); 2. To promote gender equality and women empowerment; 3. To increase youth opportunities to descent work; 4. To promote, protect and fulfill Human Rights related to Education and Child Rights.	1. Literacy rate of the general population by age, sex, geographical areas and socio-economic profile; 2. Drop-out rate from primary to secondary level by sex; 3. Employment rates by age and sex.	1. Human development report 2. Human Rights National and Civil Society Reports on performance on ICESCR and CRC; 3. Ministry of Education reports; 4. MDG national report; 5. Ministry of Education reports.	1. Enabling macro-economic environment; 2. National policies promoting enabling environment to the fulfilment of education and child rights; 3. National budget reflecting international commitments for EFA; 4. Fostering of National policies addressing brain drain including primary teachers; 5. Donors' engagement in basket funding.
Programme Purpose	Through SWAp and large donors' basket funding, contribute to the fulfilment of MDG 2 "ensure that between 2000 – 2015, all Zimbabwean children boys and girls alike will be able to complete a full programme of primary education"	<u>MDG 2, indicators: 6, 7, 8, 9</u>: 6 – Primary school completion rate; 7 – Net enrolment ratio in primary education; 8 – Literacy rate of 15-24 years old; 9 –Teacher pupil ratio.		
Results	1. Peripheral school infrastructures in place and functional; 2. Learning and teaching materials produced and equitably distributed; 3. Teachers trained and operational in peripheral schools.	• Nr of Peripheral school infrastructures in • place and functional; • Nr and quality of teaching materials produced; • Nr of learning materials by pupil by sex and school; • Nr of teachers trained; • Teacher pupil ratio by geographical location.		

	Intervention Logic	Objectively Verifiable Indicators	Sources of Verification	Assumptions
Overall Objectives	1. To improve the quality of life of all orphans and vulnerable children – OVC – in Zimbabwe through provision of basic social services and protection; 2. To promote, protect and fulfill Child Rights according to CRC; 3. To improve equitable access to education for children with physical disabilities; 4. To promote an enabling environment for social peace and security through programmes against marginalisation of OVC.	1. Percentage of OVC aged 0-4 who have birth certificates; 2. Ratio of OVC to non-OVC aged 10-14 years who are currently attending school, by sex; 3. Ratio of promotion of OVC compared to non-OVC, by sex; 4. Completion rate of OVC compared to non-OVC, by sex; 5. % of households with safe water and sanitation; 6. Ratio of OVC versus non-OVC aged 5-17 who have the tree min basic material needs for personal care (a blanket, a pair of shoes, a change of clothes), by sex.	1. UNICEF national household survey 2. MDG national report 3. Ministry of education annual reports 4. Civil societies' reports on CRC country performance 5. GoZ reports on CRC country performance.	1. Enabling macro-economic environment; 2. National policies promoting enabling environment to the fulfilment of education and child rights; 3. National budget reflecting commitments on NAP for OVC; 4. GoZ coordination efforts on OVC maintained and strengthened; 5. Reporting on CRC; 6. Donors' commitment maintained.
Programme Purpose	Increase OVC access to basic social services and improve their protection from all forms of abuses through community-based responses and strengthen families' capacity.			
Results	At least 400,000 orphans and other vulnerable children reached with basic social services and protected from abuse; namely: 1. Increased % of children with birth certificates; 2. Increased school enrolment of OVC and decreased drop-out rate in primary and secondary level; 3. Increased OVC access to food, health services and water & sanitation; 4. More families with healthy environment for child abuse protect.			

I.6.2. Rural Development, Territorial Planning, Agriculture, Food Security and Environment

	Intervention Logic	Objectively Verifiable Indicators	Sources of Verification	Assumptions
Overall Objective	Assuring food security for the Nation, through mitigation of the impact of the Land Reform Program on the Agricultural and Environmental Sectors.	- The national state of Food Security.	Joint (GoZ/EC/FAO/WFP) Crop Estimates. Ministry of Agriculture and Central Statistics Office reports	- implementation of a joint (GoZ/EC/FAO/WFP) crop estimate.
Programme Purpose				
Assist GoZ in the implementation of the land reform program and promote adapted agrarian policies	Assist Government in assuring security of tenure and access to land for willing and capable farmers	- Nr of leases/permits provided to farmers.	- National Surveyor's Statistics.	
	Promoting dialogue and encourage mobilisation of resources and investments	- Variety of Stakeholders involved in dialogue. - Increased national and international investment in the agricultural sector.	- Minutes policy dialogue meetings - Statistics reserve bank. - Statistics Zimbabwe Investment centre.	
Improved food security situation	- Increasing agricultural productivity; - Achieving food security among rural households;	- National availability of small grains. - Level of increase of the agricultural productivity - Level of increase in national and international trade in agricultural produces.	- Statistics Ministry of Agriculture. - Nutritional statistics. - Statistics on national and international trade.	

Assist GoZ in assuring sustainable land use, environmental management and territorial planning:	- improving sustainable use of natural resources (soil, water, forest and vegetation, wildlife); -Re-establishing adequate management of the protected areas on state as well as private level	- adopted techniques for soil, water and forest conservation. - Stocking levels (wild life) of protected areas. - Investment as a % of GDP in the environment sector - Land use (proportion of urban/agricultural/forest land) - access to safe drinking water - Deforestation rate	- data Strategic Environmental Assessment - statistics national parcs - Statistics reserve bank / national budget - Statistics ministry of Lands - Statistics ministry of Agriculture - Statistics Ministry of Health	
Assist GoZ in the rehabilitation and adaptation of the rural infratructure	- Rehabilitating, improving and keeping operational key rural infrastructures	- Accessibility to primary schools, rural clinics, water supply, roads and transport - Accessibility to rural markets	- Ministry of national transport.	

I.7. Timetable of indicative commitments and disbursements

I.7.1. Indicative timetable of global commitments

	Indicative allocation	2008		2009		2010→	
		1	2	1	2	1	2
1è FOCAL SECTOR – <name>	**M €**						
- Project 1	M €						
- Project 2	M €						
'OCAL SECTOR – <name>	**M €**						
- Project 1	M €						
- Project 2	M €						
NON FOCAL SECTORS	M €						
- Institutional support for non state actors.	M €						
- Technical cooperation facility	M €						
- Contribution to regional programmes	M €						
-<optional> Support for EPA	M €						
-<optional> Support for Governance	M €						
-Other	M €						
Total Commitments:	**M €**						
Total Cumulative Commitments :	**M €**						

I.7.2. Indicative timetable of disbursements

	Indicative allocation	2008		2009		2010→	
		1	2	1	2	1	2
1ST FOCAL SECTOR – <name>	**M€**						
- Project 1	M€						
- Project 2	M€						
CAL SECTOR – <name>	**M€**						
- Project 1	M€						
- Project 2	M€						
NON FOCAL SECTORS	**M€**						
- Institutional support for non state actors.	M€						
- Technical cooperation facility	M€						
- Contribution to regional programmes	M€						
-<optional> Support for EPA	M€						
-<optional> Support for Governance	M€						
-Other	M€						
Total Commitments :	**M€**						
Total Cumulative Commitments :	**M€**						

I.8. Chronogram of activities

1st FOCAL AREA (…. M €)	Indicative allocation	**2008**				**2009**				**2010→**			
		Q1	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**
- Project 1	M €												
- Project 2	M €												
2nd FOCAL AREA (…. M €) Education		**2008**				**2009**				**2010→**			
		Q1	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**
- Project 1	M €												
- Project 2	M €												
NON FOCAL AREAS (…. M €)		**2008**				**2009**				**2010→**			
		Q1	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**
- Institutional support for non state actors.	M €												
- Technical cooperation facility	M €												
- Contribution to regional programmes	M €												
-<optional> Support for EPA	M €												
-<optional> Support for Governance	M €												
-Other	M €												

FS: Feasibility Study

FP: Financing proposal

FD: Financing decision

▮ : Project implementation

Chapter II: ANNEXES

II.1. Region of Eastern and Southern Africa and the Indian Ocean

10 EDF RSP RIP for the period 2008 – 2013 – DRAFT Version

EXECUTIVE SUMMARY

The regional organisations which are concerned with the ESA-IO RSP are COMESA, EAC, IGAD and IOC. The four regional organisations have decided to pursue the collaboration they started under the 9th EDF, to jointly prepare and implement the 10th EDF RSP/RIP for the ESA-IO region. The nineteen member States which form part of the ESA-IO region are heterogeneous in terms of size, economic structure, as well as resources endowment. They however share a common objective to address poverty reduction through regional economic integration and trade.

Regional economic integration process in ESA-IO was institutionalised in the late seventies and evolved into the formation of regional organisations that were attributed with mandates to address specific issues, with the ultimate common development objectives. COMESA and EAC pursue a regional integration agenda. COMESA launched its Free Trade Area in 2000 and is preparing to establish its Customs Union by 2008. EAC launched its Customs Union in 2005 and plans to finalise the process by 2010. IGAD and EAC are both focused on regional economic and functional cooperation and have signed MOU's with COMESA to fast-track their trade policies in harmony with COMESA.

The overall objective of the 10th EDF ESA-IO RSP is to contribute to the eradication of poverty in member countries and assist them in attaining the MDGs, as enshrined in the ACP-EU Partnership Agreement, by supporting economic growth and developing trade. The specific objectives are to support the regional integration agendas of the RECs; to strengthen regional cooperation and to support the integration of the region into the global economy. The underlying principles of the RSP is to align cooperation with the Paris Declaration on Aid Effectiveness and the EU Consensus on Development, to the mainstreaming of trade into the development objectives of the region and to ensure that trade assistance is delivered in a manner which is predictable, effective and sustainable.

Interventions are foreseen under two Focal areas: Regional Economic Integration and Infrastructure (Focal Area 1), and Management of Natural Resources, Environment and Food Security (Focal Area 2). Focal Area 1 aims at facilitating the implementation of the necessary regulatory framework, providing financial support for the trade liberalisation process and its possible impact on fiscal revenue losses, and developing trade-related infrastructure in the region in order to deepen regional integration and enhance trade. Focal Area 2 is to ensure the sustainable management of the natural resources of the region as a core asset for livelihood systems of the people and to ensure that it provides a basis for sustainable economic growth and food security. Under the non-Focal areas, interventions include peace and security, knowledge development and capacity building (such as support to inter-regional coordination mechanisms and involvement of Non-State Actors).

The Regional Indicative Programme of an amount of € 465 million (excluding any further resources which may be available under the incentive tranche) will be allocated as follows:

Regional Economic Integration and Infrastructure:	65%-75%
Management of Natural Resources, Environment and Food Security:	15%-20%
Other Programmes:	10%-15%.

Implementation will be made through the Inter-Regional Coordinating Committee - IRCC, to ensure better coordination in the implementation of programmes and contribute to the harmonization of policies in line with the recommendations of the AU. Two delivery mechanisms will be used to channel the funds to the ESA IO region: Contribution Agreements and Financing Agreements. Regional mechanisms such as the COMESA Fund and other equivalent mechanisms under other RECs will be used as much as possible to channel funds to infrastructure development projects.

II.2. Southern African Development Community, European Community Regional Strategy Paper and Regional Indicative Programme for the period 2008 - 2013

The main objective of the Regional Strategy Paper is to increase economic growth and reduce poverty in the SADC region through higher levels of regional economic integration. The specific objective is the successful implementation of both the Economic Partnership Agreement for the SADC group and the wider economic integration agenda of the full SADC membership notably through the planned Free Trade Area and SADC Customs Union. In addition the strategy aims to reinforce the political stability, integration and democratic momentum of the region.

The analyses of the region show reason for cautious optimism on the political and economic fronts, with many countries emerging successfully from conflict and instability into democratic governance. Economic performance is generally positive – though below the sub-Saharan average on many indicators - and mineral assets, including oil, have substantially boosted a number of economies in the region. Nevertheless the prevalence of HIV and AIDS (with almost 40% of the world's total of people living with HIV and AIDS located in the SADC region) continues to have catastrophic economic and human implications and has almost single-handedly reversed the previously positive life expectancy and Human Development Index trends.

The policy perspectives of the region are reflected in the SADC Regional Indicative Strategic Development Plan and the Strategic Indicative Plan for the Organ on Peace and Security both launched in 2003. However multiple national memberships of regional economic communities continue to pose a challenge for economic integration and only half of the current SADC membership is included in the SADC EPA group negotiating with the EU. Five states are in the Eastern and Southern Africa (ESA) grouping and one is in the Economic and Monetary Community of Central Africa (CEMAC) configuration.

Recent EDF performance has been comparatively slow and somewhat disappointing in the second focal sector of the 9th EDF programme – infrastructure - where no projects have, to date, come to fruition. The protracted restructuring and 'centralisation' of the SADC Secretariat lie at the core of this situation and capacity building has – as a result – become a key theme of EC/SADC cooperation.

The 10th EDF programme consists of two focal sectors. The largest – in financial terms - is Regional Economic Integration, Trade and EPAs, which has two components. The first will support implementation of the SADC-EU Economic Partnership Agreement in those SADC member countries that are members of the SADC EPA group and the second component will provide wider support to SADC economic integration and trade policies, including investment promotion, regional infrastructure and food security. The second focal area of Functional Cooperation will support capacity building in the context of regional governance including a regional political integration programme.

The € 135 million (exclusively in grant form) of the Regional Indicative Programme will be allocated as follows:

- Regional Economic Integration, Trade and EPAs - approximately 84% (€113 million)
- Functional Cooperation – approximately 15% (€ 20 million)
- Non-Focal areas – approximately 1% (€2 million)

SHORT-TERM RESPONSE STRATEGY UNDER 10TH EDF B-ENVELOPE TO SUPPORT THE ZIMBABWEAN POPULATION

1. Introduction

During the last seven years, Zimbabwe has faced serious economic difficulties with a contraction of the economy of more than 30%. The country is faced with a variety of serious problems in many sectors compounded by the HIV/AIDS problem, challenges in the agricultural sector due to the fast track land reform and a brain drain of qualified people. The country therefore finds itself in a protracted humanitarian crisis.

Though the country has developed a number of strategies in economic, social and agricultural sectors these have failed to address the problems. In the social sectors major challenges are linked to a lack of human and financial resources.

The current status in the political, economic and governance fields hamper Zimbabwe's potential for any improvement. Only a potential for political dialogue and renewed cooperation through the 10th EDF Programming and signature of a Country Strategy Paper (CSP) could alter the current trend. For this the concerns of the EU under Article 96 need to be addressed so that the respective measures could be lifted.

The following strategy addresses needs of the Zimbabwean population that should be alleviated until the full resumption of the EC-Zimbabwean cooperation under the 10th EDF. Needs that will be covered under this strategy are linked to the social sectors, orphans and other vulnerable children, food security, support to Non-State Actors, migration issues and, governance as a cross cutting issue, including human rights, the rights of children, gender and indigenous peoples. HIV and AIDS and environment should be also mainstreamed throughout all programmes and activities.

This strategy takes into account the OECD principles of effective international engagement in countries under difficult partnership.

2. EC assistance during last 5 years

Following the Council Decision of 18 February 2002 the 9th EDF of € 108m was suspended (except for the B-Envelope for humanitarian purposes). The remaining funds of the 7th and 8th EDF were reoriented in projects for the benefit of the population. From the time of the Council decision aid was only granted in the form of projects. Sector programmes and budget support was no longer available. Over the last years the pattern of Community aid has partially shifted from EDF towards support through thematic budget lines in food security, health and governance, WFP Food aid and through ECHO humanitarian assistance. Projects were also approved from the EU Water Facility following commitment during the Johannesburg World Summit on Sustainable Development in 2002[24].

The EC has been strongly engaged in food aid and food security where more than 200 million € were spent since 2002. For the health sector the EC support continued to provide essential drugs and support to the blood transfusion services. The EC has supported education services

[24] While previously budget lines accounted for less than 20% of the annual commitments, in 2005 budget lines, food aid and humanitarian assistance accounted for over 70% of the funds.

in very poor districts of the country. MPP and ZDCP continued to contribute to alleviation of poverty of the urban and rural poor population through notably provision of schools, health centres and micro irrigation. Water projects under the water facility to cope with the MDG target to half poverty by 2015 are being implemented. Projects to combat poverty related diseases and support to civil society, human rights and good governance programmes complement the activities. Annual spending since 2003 is at around 70 million € (including all budget lines).

New activities with remaining balances of EDF funds and funds of the humanitarian envelope of the 9th EDF will support the population with further procurement of essential drugs, increased attention for capacity building and service delivery in the health sector, support to Orphans and other vulnerable children (OVC) as well as food security and livelihood programmes. In this respect, the EC food security operations are on an upward trend as they seem to better prepare for the resilience of the population than the previous food aid operations (though in critical situations and for certain vulnerable target groups food aid will still be an option). Furthermore problems related to migration as well as gender will be addressed through IOM (within a national migration management strategy) and Non-State Actors. Total funds in the pipeline come to an amount of 53 million € for the years 2007 and 2008.

ECHO operations in Zimbabwe have focused on providing funds for humanitarian aid projects implemented by UN agencies, international organisations, the Red Cross, and various international NGOs aimed at alleviating the deteriorating humanitarian situation. Since 2002 to date seven financial decisions were adopted for a total of 80.9 million €. The humanitarian aid operations had been implemented countrywide in the sectors of Food Security (Agriculture), Home-Based Care, HIV and AIDS, Water and Sanitation, Nutrition, Orphans and Other Vulnerable Children (OVCs), Mobile and Vulnerable Populations (IDPs) and Humanitarian Co-ordination. The engagement of ECHO operations is on a certain phasing out trend with those operations that can be supported by more suitable longer term relief-type instruments.

EC support relative to total EU support to Zimbabwe amounts to between 40% and 50% of total EU aid. Relative to overall donor assistance the EU support comes to approximately 30% of overall aid.

Lessons Learned

A number of evaluations and monitoring missions advised on how best an impact could be made in an environment of a persistent economic crisis with high inflation rates and unfavourable exchange rates. While most projects were undeniably very important and responded to the actual crisis, their effectiveness, impact and sustainability was hampered by the economic crisis and limitations on policy dialogue and coordination. Projects were requested to shift expenditures as much as possible from Zimbabwe Dollar to Euro. Also the enormous brain drain had its toll on projects and thus slower implementation.

Donors in general limited their interventions in the Health Sector to HIV and AIDS strictu senso, where the Commission has adopted a more comprehensive approach. Mechanisms for implementation are moving towards basket funding; which should go beyond the single disease / vertical approach if EC wants to be in line with the spirit of Sector / Budget support. Further efforts are needed to find ways to implement this policy in the current difficult partnership context.

With the request of new policies to intensify efforts in mainstreaming environment, gender and HIV and AIDS the Delegation invited missions to advise on how best mainstreaming could be implemented in projects. As a response to the HIV and AIDS humanitarian crisis at present a study is being undertaken to advise on mainstreaming HIV and AIDS in all EC projects. The Delegation is also one of the initiators of the joint EC Delegations response to HIV and AIDS in Southern Africa. Efforts on gender and environment shall also be undertaken.

3. Programmes of Member States and other Donors

Following the Council decision of 2002 which led to restrictions of EC support to Zimbabwe, the EU Member States limited their assistance to mostly humanitarian support and support to Governance and rule of law programmes. Main humanitarian responses include mitigation of the HIV and AIDS pandemic and support to orphans and other vulnerable children.

UK assistance through DfID supports access to HIV and AIDS prevention, treatment care and mitigation, DfID is also partner in the OVC programme coordinated by UNICEF. Addressing the needs of the rural and urban poor is done through a livelihood programme now going in its second phase (Protracted Relief Programme (PRP)).

Sweden was one of the first donors to support the OVC programme. Sweden is also engaged in the health sector and in good governance programmes.

Germany has recently made a major contribution to the OVC programme and is also supporting projects in good governance and rule of law.

France is involved in a livelihood programme and in support to the fight against HIV and AIDS.

Italy supports the health sector, child protection and natural resources/environment

Netherlands is engaged in projects in support to good governance, rule of law and the media.

Other OECD donors (USA and Canada) are supporting the health sector, good governance and non-state actors. Japan gives aid to child protection. Norway is engaged in the area of Governance and civil society capacity building.

The Interim Strategy of the World Bank (IS I) had its focus mainly on economic issues, infrastructure assessment social delivery systems. A planned IS II is actually under preparation.

4. Donor Coordination in line with OECD Principles of Effective International Engagement in Zimbabwe

Zimbabwe is not a signatory to the Paris Declaration which aims at the harmonisation of donors and alignment of donor activities to recipient countries development priorities to effectively work towards the achievement of the MDGs. However, in order for those countries at present not signatories to the Paris Declaration not lagging too much behind in donor commitments to achieve the MDGs, an OECD harmonisation and alignment exercise was undertaken by OECD donors in several countries. In Zimbabwe donors decided to call the exercise “Principles for Effective International Engagement in Zimbabwe”. A number of principles were selected such as:

- Take the context as the starting point
- Move from reaction to prevention
- Focus on institutional development of state institutions
- Align with local priorities
- Agree on practical coordination mechanisms between international actors

These principles have proven to be useful in the Zimbabwean context and donors agreed to apply these principles not only to their actual humanitarian programmes but also to all their activities which go beyond the actual support and look towards the future where the restrictions in support shall be lifted.

The principle of moving from reaction to prevention is applied in the health sector with the response towards HIV and AIDS and is increasingly applied in the food security sector. A joint donor effort by EC, DfID and USAID in an evaluation of previous food aid programmes, which shall give advice on priorities of future programmes, aims exactly at avoiding previous reactive measures.

Alignment or "shadow alignment" as an alternative where direct alignment with the Government is not possible is at present practiced in the health sector and the OVC programme. Shadow alignment is the form of indirect support of the Government through UN agencies. The EC programme coordinated with the Ministry of Health on the procurement of essential drugs is an alignment with strategic plans of MoH.

Donors have supported the health strategy of the Ministry of Health. They meet regularly with technical staff of the Ministry to coordinate their response related to HIV and AIDS. A mechanism – Expanded support programme (ESP) – is at present being worked out to better coordinate the response to HIV and AIDS. This mechanism may be suitable to encompass health problems more comprehensively.

The OVC programme is based on the National Action Plan (NAP) of the Government driven strategy for orphans and other vulnerable children (OVC) through the Programme of Support (PoS). In the frame of the OECD exercise on principles of effective international engagement a working group on OVC, chaired by UNICEF, was able to include a number of donors in a basket fund arrangement now supported by UK, Sweden, Germany and EC.

The projects in food security and livelihood will be closely coordinated between DfID, France and EC. Efforts are already under way to establish a joint monitoring of these programmes. These donor coordination efforts are not limited to EU donors and will also include other OECD donors like USAID, Canada, Japan, Norway and others.

A joint donor gender analysis led by DfID is currently carried out. The support to Non-State Actors, where EC has just carried out a mapping study, shall equally be coordinated among donors.

Donor coordination on EU level is guaranteed by regular meetings on HOMS level and counsellors' level. OECD donor coordination is done on Ambassadors and Heads of Agencies level with regular meetings to which additional technical expertise can always be requested.

In addition, following the OECD pilot exercise on principles of international engagement donors have teamed up to look at possible future activities beyond their actual mandate. The Delegation will be an active partner within this group and will be closely associated with its three sectors of competence, namely economic cooperation, social sectors and governance.

5. Short term response strategy

The aim of this response strategy is to fund a period in which the actual funds of the EC which are based on previous EDFs and humanitarian funds of the 9^{th} EDF and which have to be committed by end of 2007 (sunset clause), have all been used and the 10^{th} EDF Country Strategy Paper has not been signed because the political relations with Zimbabwe have still not yet improved. This strategy is made for the period of 2008-2010.

The programmes are based on the following focal and non-focal sectors of the draft CSP:

- Agriculture, Food security, rural development and environment
- Human and social development
- Support to Non-State Actors

Projects do not include longer term development oriented measures but only the shorter term programmes which are implemented in line with our Article 96 policy towards Zimbabwe in support to the population mainly in social sectors and for humanitarian needs. Programmes in good governance and rule of law shall equally benefit. The projects shall provide a basis for future development support.

Programmes in which the Delegation has built up competence over the last 5 years or more and which shall need continued funding after expiry of the funds from previous EDFs and the 9^{th} EDF humanitarian envelope are the following:

- Operations in food security related programmes to support rural poverty alleviation on Call for proposal basis implemented with NGOs. Based on recent assessments on the environmental situation there is an increased need to combine food security related programmes with natural resources management programmes.
- Procurement of essential drugs (including ARVs) and equipment and improved quality and access to services in the health sector: Based on the experience gained with the Vital Health Services Support Programme a more comprehensive support to the health sector is envisaged.
- Support to orphans and other vulnerable children: This new approach (see below) is taken aboard as a number of donors have teamed up to support a UNICEF led mechanism of pooled funding.
- Governance and support to Non-State Actors, including support to community development programmes (MPP and ZDCP). This builds up on successful urban and rural poverty alleviation programmes.
- Further support to **education** as one of the main support sectors of the Delegation is envisaged under the OVC programme in form of school fees to orphans and vulnerable children. School infrastructure and provision of textbooks should be part of the community driven development programmes.

Given the seriousness of the HIV and AIDS epidemic in the region, special attention will be given to the mainstreaming of HIV and AIDS in all sectors, programmes and main activities of the strategy, including those which are not directly concerned with the issue. The short term response strategy will also reinforce the approach to the mainstreaming of environment.

Mainstreaming of governance including human rights, rights of children, gender and indigenous people will be specifically addressed under chapter 5.4 and 5.6. All the programmes would have to take mainstreaming issues into account as effective as possible by including clear linkages to the provisions of the relevant international instruments.

5.1 Food security and agriculture

Zimbabwe has been facing food security challenges over the last six years. As the problem being mostly structural / policy related, it leaves no doubt that the solution should not be sought in the broad application of strictly humanitarian tools like food aid.

Although Government has repeatedly announced the end of the land reform program, and has put in place a mechanism to issue 99 year leases and offer letters, there are reports of evictions of large scale (mostly white) commercial farmers still going on and the EC is concerned that there is no firm policy in place that gives farmers any form of long term security of tenure. In the meantime, the overall macro-economic decline is making it increasingly more difficult for farmers to sustain even the most basic needs to assure productivity.

The land reform has significantly increased access to land to a larger group of the population and where before the agricultural sector was mostly controlled by large scale commercial farmers, today, this situation has changed drastically. Unfortunately, this change in "décor" has not been accompanied by an adapted set of policy and other accompanying measures. The lack of capacity at Government to deal with this has left the farming sector with huge challenges to address while the poor quality of the dialogue between Government and the different stakeholders is not making matters any easier.

The EU has been focussing its dialogue, in absence of a dialogue with Government, on the professional and private sector. An important support program, funded with STABEX funds, is to start soon aimed at improving the situation of the Farmers Unions representing the different farming sectors. The central point is the management and prevention of discord in the agricultural sector. The main part of the effort should focus on promoting increased and improved co-existence and cooperation between the small scale and the large scale agricultural sector.

As this route until now shows to be the most interesting one it is proposed that the hereby presented short term strategy will further support this process by implementing programs under which communal and small scale farmers can increase their productivity and livelihoods by benefiting from the capacity and knowledge of the large scale growers through improved cooperation and coordination. The latter from their side can be capacitated to approach more the communal and small scale sector and consolidate further the food security situation of Zimbabwe.

Another challenge directly related to the economic decline is the severe impact on the environment. The disruption of existing farming structures, the lack of policy accommodation and technical guidance has led to strong soil degradation. In the meantime, increased poverty and erratic availability of electricity and other energy sources like paraffin have left the poor in the rural as well as in the urban areas with no choice but to turn to the already scarce wood / forest reserves. Deforestation is high and the impact will be a very long term one. Lack of policy and corruption when it comes to distribution of land resources, have not spared the wildlife and forest reserves. At the same time increasing poverty in the communal areas pushes people to get food and firewood wherever this is possible without taking note of environmental concerns. Poaching and firewood collection are reaching critical levels while the decreasing capacity of police and environmental institutions make it very difficult to control it. Part of this short term strategy will therefore aim at dealing with the problems in the buffer zones of the natural reserves trying to decrease the pressure as much as possible.

The access to clean water and proper sanitation is also becoming a major problem in the country, both in urban and rural areas. The ongoing decay of water distribution facilities in urban as well as rural areas is leading to increasing health related problems such as Cholera and should soon be addressed as one of the fastest growing health/humanitarian concerns. Given the high threat posed by the HIV and AIDS pandemic, mainstreaming HIV and AIDS-related interventions within the overall agricultural assistance programmes will be a priority.

Taking into account other financial resources available to rural development/food security for the period 2007-2010, this strategy would focus on the short term, using a multi-pronged strategy addressing, in parallel, problems of poverty alleviation, land use, agricultural productivity, natural resources management and rural infrastructure.

<u>Land Use:</u>

- Food security programmes concentrating on adapted technical approaches through capacity building, input affordability and availability
- Support to the development of small-holder production through out-grower type schemes with the private sector and commodity organisations.
- Capacity building in order to increase awareness on sustainable agriculture, based on, amongst others, control of soil degradation, water management, small scale irrigation.
- Sensitisation on the management of rural and agricultural infrastructure.
- Training on post harvest technologies and market mechanisms.
- Management and prevention of discord in the agricultural sector through promotion of dialogue.

<u>Natural resources management:</u>

- Programmes aimed at slowing deforestation trends.
- Reversing soil degradation trends through adapted technical approaches to agriculture.
- Control and management of the pressure on forestry and wildlife reserves.

<u>Infrastructure:</u>

- Rural roads (access to inputs and markets).
- Agricultural productive infrastructure, mostly water management systems (conservation, irrigation).
- Programmes aimed at the rehabilitation of critical, small scale, water & sanitation infrastructure in small towns or high density (and poorest) suburbs of some of the main cities of the country.

The activities will be mainly implemented through the application of grants on project basis to UN agencies, Professional Unions and NGO's or other modalities, when needed. Private sector is seen as an important implementation partner and cooperation and coordination will be pursued where possible.

Indicative amount required: € 25 million (three years).

5.2 Social Sectors: Health

In terms of public health and related people's fundamental human rights, Zimbabwe today faces enormous challenges; namely: **a)** dramatically increasing demand due to the HIV and AIDS pandemic and increasing poverty trapping people in the vicious cycle of malnutrition, illness, poverty; **b)** steadily decreasing health service delivery capacity; **c)** people's poor access to health services.

Available key health indicators, even if sometimes outdated, clearly show a net negative trend and dramatic deterioration. A health assessment conducted by WHO in May 2002 states that one million people countrywide had no access to basic health services. 50,000 children die every year before the age of 5. Unpublished surveys and on-site experience reveal that access to health facilities is in accelerated decline. The need for essential drugs is estimated at $35M/year. The EC is the only donor in this area and provides just 30% of actual needs for essential drugs. The response to the HIV and AIDS crisis has increased the needs and demand for essential drugs and ARVs. This minimal coverage of 30% must at least be maintained or should be increased in the light of other donor support to the health sector. The current EC support started addressing problems of service delivery through support to maintain and attract essential health staff. This is only a modest undertaking in the context of the enormous needs of the country.

The National AIDS Council M&E Task Force in December 2006, with reference to data of 2005 – mid 2006, reports a total of 132 medical doctors countrywide! Health service for the poor (i.e. 80% of the population) is delivered through public and mission hospitals. Estimates concerning public hospitals doctors give an average of 3 doctors per 100.000 people. In some provinces the number of doctors doubles (6 doctors per 100.000 people) thanks to mission hospitals. Nevertheless, the trend is clearly negative and complementary to the life expectancy indicator which dropped from 51.5 years in 1970-75 to 36.6 in 2003

In line with the EU strategy for Africa (2005) *“to make basic social services available for the poorest people in Africa (MDGs 1-6)”*and with the European Consensus on Development, which highlights cooperation with Civil Society and NGOs as vital players and promoters of democracy, social justice and human rights we propose the following actions:

- To maintain the contribution for essential drugs and increase support for vital medicines including items for Opportunistic Infections (OI), TB, Sexually Transmitted Infections (STIs), maternal and child health and HIV and AIDS.
- To continue and increase the support to keep and attract qualified essential health staff through incentive packages.
- To support outreach health services to increase people’s accessibility to health.
- To provide support for emergency interventions for outbreaks of infectious diseases.
- To coordinate HIV and AIDS mainstreaming throughout all Delegation activities.
- Explore and develop appropriate mechanisms for health financing and social inclusion (health insurance) and explore other social governance measures.

These measures are considered emergency measures of mitigation and support to avoid further weakening of the public health system. This humanitarian operation is also intended to address social exclusion and specifically children rights in relation to health.

Indicative costs for a two year intervention are estimated as follows:

- *Commodities: 8 million €*
    - *(essential drugs and equipment, including ARVs)*
- *Service support: 8 million €*

  - *Training*
  - *Incentive package:*
  - *Supervision and M&E*
- *Health insurance 1 million €*
- *Emergency Interventions such as for outbreak of infectious diseases: 1 million €.*

Indicative amount required: € 18 million.

5.3 Social sectors: Orphans and other vulnerable children (OVC) support programme

Zimbabwe has ratified in 1990 the Convention on the Rights of the Children – CRC – and presented reporting on the 92, 95, 97 and 2002 situation; this provides a basis for engagement in the field of children rights. It also provides the platform to raise standards in policy and political dialogue with the Government to address specific concerns in children rights. Therefore it is vitally important to contribute/participate to the National Action Plan (NAP) for Orphans and Other Vulnerable Children (OVC) through the Programme of Support (Pos)This programme aims to contribute to increase OVC access of to basic social services and improve their protection from all forms of abuses through community-based responses and strengthen families' capacity. The action will be implemented through a basked funding mechanism, under the management responsibility of UNICEF. The working party of officials is chaired by the Ministry of Public Service, Labour and Social Welfare. Several donors (DFID, SIDA, Germany, and New Zealand) are already contributing to pool funding. The service delivery to OVC will be mainly implemented through grants awarded to local actors (communities, NGOs and umbrella NGOs, NSA) through the competitive mechanism of call for proposals.

This is a new intervention for the EC but it fully relies on article 72 of the Cotonou Agreement that "*humanitarian and emergency assistance shall be accorded to the population in ACP States faced with serious economic and social difficulties of an exceptional nature...*"

The proposal is also in line with the EU strategy for Africa (2005) and with the European Consensus on Development.

The proposed project is embedded in the NAP for OVC. NAP, as the policy / strategy framework on OVC, has been elaborated through wide consultative process of all stakeholders, including NSA and international community (UN and donors).

The programme fully complies with "*The Framework for the Protection, Care and Support of Orphans and Vulnerable Children Living in a World with HIV/AIDS*" developed at international level (UNICEF, 2004) and recommended by the EC as the appropriate framework for OVC programmes.

The NAP for OVC in Zimbabwe seeks to prioritise urgent issues facing OVCs, their families and communities. Provision of resources for immediate and full implementation for existing legislation/policies is a priority as well as a review of this legislation/policy in light of the current situation. The situation of OVC in Zimbabwe is an increasing threat to society and economic development. The main concern being, the deterioration of the social safety net in general and for vulnerable children in particular. PoS document set the number of orphans as high as 1.8 million. In 2004, the UNICEF baseline survey (21 districts, 12,000 households) concluded, over 40% of the children were either orphaned or vulnerable. Orphaned children are most likely to fall into other categories of vulnerability. The NAP estimates from a total of 1.22 million OVC, 1.1 million are orphans. These children have low access to health, education and basic rights.

Average cost of the NPA by strategic objective is 203 M€ covering 4 years of activities (2006 – 2010). PoS to NAP for OVC is currently budgeted M€57 for four years. Therefore to have any meaningful impact for the Programme of Support (PoS) in the implementation of the National Action Plan for OVC a significant contribution from EC funds is necessary. This puts the EC at the forefront in promoting partnership with international stakeholders and the UN.

Indicative amount required: €10 million *(to be provided to the basket fund for the years 2009-2010 with UNICEF as Implementing Partner).*

5.4 Support to Non-State Actors, including support to Community Development programmes and Gender issue

Support to *Non-State actors* (NSA) shall comprise the definition of a strategy to mainstream NSA participation so as to contribute to the strengthening of a legitimate, effective and viable civil society in Zimbabwe. A mapping study recently launched by the EC Delegation has identified strengths and weaknesses of a significant sample of NSAs. It gives directions on how to "mainstream" NSA participation in cooperation processes and how to reinforce the capacity of NSA, in line with the principles of the Cotonou Agreement. A first phase of a NSAs support programme is currently in the pipeline (decommitted funds from the 8^{th} EDF) and aims at supporting the organisations' development through capacity building initiatives coordinated by structured umbrella organisations. This initiative will have to be pursued until a full fledged support strategy for NSAs is supported by the 10^{th} EDF.

Another avenue to support and reinforce civil society at grass-roots level is the promotion of community development. The EC has worked for more than 20 years in Zimbabwe directly with rural communities under the Zimbabwe Microprojects Programme (MPP), which funds community-identified very small infrastructure (schools, clinics, dams, irrigation schemes) and income-generation projects nationwide. Evaluations have shown that community involvement in project design has ensured effective implementation, the viability of investments and the satisfaction of poor people's perceived needs. The empowerment effect on local communities of these demand-driven programmes is a major achievement.

The Zimbabwe Developing Communities Programme (ZDCP) is another community development programme in its second phase. It involves the non-state actors' in project management through the Non-State Actors Forum (NASF). The overall objective of this programme is to alleviate poverty through enhancement of self reliance of selected rural and urban communities through enhancement of the capacity of local authorities, non-state actors (NSA) and the private sector to deliver services to the participating communities in an effective, co-ordinated and demand-driven way. Wider objectives such as the building up of a viable Non State Actors Forum have been up to now partially achieved and remain an important priority on which the current phase of the programme is put a lot of emphasis.

The results and achievements of these two programmes will be used in the continuation of a NSA support programme as the support to grassroots communities is seen as part of the overall support to NSAs.

Gender issue is a cross-cutting issue but it can be also directly addressed through NSA support by targeting specific organisations that are promoting gender equality. In the short response strategy, the EC is proposing to extend the present pipeline NSA/Gender support programme.

Indicative amount required: € 5 million.

5.5 Migration issues

A significant number of migration related issues (brain drain, massive emigration of unskilled, increasing level of remittances as survival means for a large part of the population, human trafficking…) in Zimbabwe are a direct consequence of the national decline. Some of them, like the brain drain in the health sector, are also further affecting the population which is already deeply stuck in the economic crisis. In this sense, migration issues are both a consequence of and a contributing factor to the crisis. Addressing those issues is in line with the EU policy towards Zimbabwe of providing direct support to the population. It is also of utmost importance to tackle these issues for the future of the country.

A set of studies are currently proposed to be undertaken on the different migration issues that the country is facing as well as the setting up of a database on migration aspects. The EC aims at supporting IOM (International Organisation for Migrations) with EDF decommitted funds from 2007 to 2009. This project aims at assisting Government to define a national migration management strategy on the long term.

This short term strategy shall support the follow-up phase (implemented through IOM or/and specialised civil society organisations) with the implementation of the national migration management strategy in view of addressing the most burning issues like i.e. the brain drain in social sectors, the massive illegal emigration and the immense deportation of people.

Indicative amount required: € 4 million.

5.6 Governance as a Cross Cutting Issue

Good governance is one of the most important factors in eradicating poverty and promoting development. This concern is reflected in the Cotonou Agreement, the basic framework for EU – Zimbabwe relations.

The European Commission has put the issue of governance in its interaction with the Government. Governance at a large sense is at the centre of the 10th EDF programming exercise; and the Governance Profile is a key element of a wider process of encouraging all stakeholders to focus on this topic. Work on the *Zimbabwe Governance Profile 2006*, undertaken with the Government, has made explicit the EU's concerns about the state of governance in the country. The Governance Profile is a good basis for the programming process and possible dialogue on the Government's commitments. It is a result of a joint work between the EC and Member States and its main outputs have been shared with the enlarged donor community.

Currently, various initiatives in the area of Governance are already supported by the Delegation. This support needs to be extended and widened especially if the 10th EDF is not signed and if consequently there will be no 10th EDF funding from 2008 to address governance issues in this framework. This would imply a combination of an intensive engagement within the ongoing activities, together with the development of alternatives and/or new forms of engagements that have priority.

Governance issues are affecting all levels of the society, politically, economically and socially, and contribute to the sharp deterioration of the overall situation of the country.

Indeed, as Governance is a cross cutting issue, it is essential to ensure that the following key issues are adequately addressed in all sectors of intervention, in terms of: 1) representativeness of the participants in the decision-making process including disadvantaged groups (minorities, indigenous people, children, gender analysis), 2) transparency and accountability of the decision making process through the existing procedures, 3) pluralistic participation ensured by the participation of all relevant actors at the different level (national, local, NSA), 4) respect for Human Rights (political and economic rights), 5) non discrimination on the grounds of race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status, 6) guarantee that the national legal framework is conducive to promote equity and to the expression of the full potential of Non State Actors (freedom of expression, association and freedom to establish and register non governmental entities).

In order to reinforce the approach to the mainstreaming of Human Rights, including children's rights, gender equality and the rights of indigenous people, specific focus will be given to targeted actions on education, awareness-raising and advocacy as much as possible.

At policy level all the programmes should also provide adequate services to the population complying with economic governance principles, namely: macroeconomic and structural policies encouraging private investment and stimulating pro-poor growth, sound management of public finance seeking to improve revenue management and transparency, a stable efficient and harmonised legal framework for business, anti corruption measures and sound management of natural resources.

Proposed interventions:

In addition to work with the civil society, there is a need to also focus on institutional development of State institutions. This will require establishing a sustained dialogue with Government of Zimbabwe and other donors, on how the international community can respond to current needs. An essential element of any such dialogue around these various initiatives should be to encourage reforms.

The EU's major focus should be on how best to help improve democratic governance and respect for the rule of law. All other interventions, for instance in the areas of economic and social governance, should be assessed also in light of their impact on these overriding objectives. These key areas of possible interventions would be further developed in the light of the forthcoming Government's list of commitments and in respect of the donors' coordination process addressing the same issue. Moreover, these activities could also be developed in complementarity with other actions and/or studies carry out under thematic budget lines such as the European Initiative for Democracy and Human Rights and/or the Stability Instrument.

In terms of Political Governance key areas of intervention are proposed below:

1) Promotion of national dialogue

Assistance to targeted Non-State Actors (including the churches) who have the capacity to bring together influential politicians, public servants, civil society leaders, business people, and academics, to address the crises facing the country.

2) Fundamental rights

The European Commission intends to explore with the existing and proposed constitutional bodies with a mandate to protect fundamental rights, as well as with related civil society bodies, what assistance might be made available to help improve the effectiveness of these institutions. This should look at the legal and constitutional framework within which they currently operate as well the capacity constraints which undermine the ability of each to implement their respective mandates. This type of initiative would help to tackle various critical issues, notably the creation of the Human Rights Commission, the proper functioning of the Ombudsman office and the elections process.

3) Rule of law

In the light of the UNDP programme to strengthen the judiciary, the EC is interested to undertake an informal review to determine what further gaps need to be filled. On this basis, a relevant programme of support to encourage the independence and strengthen the effectiveness of the judiciary could be designed.

4) Other initiatives

Reform of local government, in part to strengthen its independence and to improve its financial viability, should be an integral part of any new constitutional dispensation.

The support to the Media is another critical area that needs to be supported in view of safeguarding Human Rights and the democratic process.

In terms of economic governance the main area of intervention would be:

5) Economic planning

In order to determine how best the international community might provide assistance as the current crisis unfolds, it is important to have a better understanding of how the economy is functioning (baseline data; structure of the economy including the informal sector and; the role of remittances, etc.) and what practical measures will be required to re-establish stability.

6) Fight against corruption

Any initiative aiming at fighting against corruption should be considered as a key area of intervention.

Indicative amount required: € 1 million.

5.7 Studies, Technical assistance

Furthermore there is need to follow up a number of actions in the form of studies or technical assistance. Remaining funds from the previous EDFs will help to increase the amount of the Technical Cooperation Facility (TCF) to be used during coming years. However, additional funds should be made available through this short term strategy.

Indicative amount required: € 1 million.

5.8 ECHO

The Humanitarian Aid Department of the EC (ECHO) is expected to continue channelling aid to Zimbabwe, addressing the most urgent needs of the vulnerable population groups. In line with its needs based approach, ECHO will support humanitarian operations including food security, food aid, OVCs, IDPs, water and sanitation and health interventions. It is, however, understood that ECHO may progressively phase out such interventions that can be supported by more suitable longer term, relief-type interventions. A close coordination between the Delegation and ECHO office will be needed.

5.9 Coordination of short term strategy with EU donors

The programmes are following the coordination mechanisms already established between donors for the different programmes. The Delegation and DfID have started to coordinate their operations in the Protracted Relief Programme of DfID and the Food security/Livelihood programme of the Delegation. In the interventions of the French Government in this sector shall equally be included in this coordination. The Delegation will explore ways to join a broadened ESP covering the health sector including HIV and AIDS. For the OVC programme the Delegation will join in the basket fund already established and funded by different donors like DfID, SIDA and Germany.

Summary Table: Support to Zimbabwe under the Short- term Strategy (three year project cycle, 2008-2010).

Sector	**Million € (estimate)**
Agriculture – Food Security	25
Health	18
OVC Support Programme	10
Non-State Actors	5
Migration	4
Governance as a cross-cutting issue	1
Studies, TA	1
Total	**64**