



EUROPEAN PARLIAMENT

2009 - 2014

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*Committee on Development*

03.07.2013

# REPORT

of the Delegation of the Development Committee of the European Parliament to Zimbabwe (29 April - 3 May 2013)

Rapporteur: Norbert Neuser (Head of Delegation)

Following a decision by DEVE Coordinators on 10 October 2012 and subsequent authorisation by the Bureau of the European Parliament on 4 February 2013, a delegation of the Committee on Development visited Zimbabwe from 29 April to 3 May 2013.

The terms of reference for this visit were as follows:

"The visit is a part of the overall re-engagement process. The progress made towards the implementation of the Global Political Agreement has allowed the EU to work directly with the Government of National Unity to develop new assistance programmes. The purpose of the visit is to get a better overview and update of the government priorities, needs of the population and existing aid programmes in view of the programming and preparation of the Country Strategy Paper for EU cooperation with Zimbabwe in the framework of the 11th European Development Fund (2014-2020). Special interest lies in food security and agriculture, health and the energy sector."

The Members of the delegation were:

Mr Norbert NEUSER (Head of Delegation, S&D)  
Mr Filip KACZMAREK (EPP)  
Ms Judith SARGENTINI (Greens/EFA)

The delegation was accompanied by Ms Kadri Paris and Ms Pascale Canart of the DEVE Secretariat.

Details of the programme of visits are given in the annex. The work of the delegation also included a field trip to the St Albert's Mission Hospital and to the Mazowe agricultural project, which both receive EU funding.

The delegation would like to express its gratitude to Ambassador Aldo DELL'ARICCIA, Head of the EU Delegation in Harare and his staff, in particular Carl SKAU, Emilio ROSSETTI, Jorge PEREIRO PINON, Liesl INGLIS, Paolo BARDUAGNI, Chipu CHIWARA and EEAS Zimbabwe desk officer Marilyn JOSEFSON. They were instrumental in the organisation of the programme, in giving logistical support and in providing exceptional advice to the delegation in preparation and during its work in Harare.

## **Political and economic background**

### Political background

Following a political deadlock after the criticized 2008 presidential election run-off, the three political parties represented in parliament, led by a SADC mediator, agreed, in July 2008, to sign a Memorandum of Understanding (MoU). They negotiated a Global Political Agreement (GPA), which they signed on 15 September 2008, and subsequently formed a Government of National Unity (GNU) in February 2009.

On 16 March 2013, an overwhelming majority of the Zimbabwean electorate approved the new Constitution in a peaceful and credible public referendum. This represented a significant step in the implementation of the GPA and the SADC Roadmap, paving the way to peaceful, credible and transparent elections. Positive progress has continued following the successful referendum. The new Constitution was passed in Parliament and enacted by the President. The Party negotiators reached agreement on the Electoral Amendment Act with a number of improvements.

In 2013, Zimbabweans are to elect a new parliament and President. After its five-year constitutional life span, parliament dissolved itself on 29 June 2013. The political parties within the GNU have differing opinions on the date when elections are supposed to take place (at the latest by 29 October 2013, according to the Constitution). Before the dissolution of parliament, the electoral legal framework is to be aligned with the new constitutional provisions. The election date has still not been set, since the Constitutional Court's ruling that polls should be held on 31 July was appealed after a the regional SADC meeting and opposition parties have urged for more time for implementation of reforms and for election preparations.

The EU has been adjusting its policy to recognize progress and, on 25 March 2013, in response to the successful referendum, suspended the majority of the remaining restrictive measures (against 81 individuals and 8 entities). A number of key decision-makers (including President Mugabe) remain subject to restrictive measures until after credible and peaceful elections.

A number of statements of intention in the GPA have never been fulfilled, despite intense negotiations (e.g the opening-up of broadcast media and the security sector reform). However, although many challenges remain the Global Political Agreement has since its inception in 2009 achieved a measure of stability in terms of economic recovery; the political space is opening and the human rights situation has improved. . While targeted incidents of intimidation have continued in the period leading up to elections, the overall human rights situation remains improved compared to previous years.

#### Economic background

Zimbabwe reached economic meltdown in 2008 with unprecedented hyperinflation levels, blatant looting of foreign exchange reserves at the reserve bank, absence of essential goods in shops and the almost total evaporation of civil servant salaries and pensions.

The dollarization decision in February 2009 led to quick stabilisation and a fast growth rate. However Zimbabwe is currently experiencing a sustained path of slowdown in economic activity and consequently growth (estimated growth in 2013 will be 5% and will continue to be driven by mining and a recovering agricultural sector). This slowdown is partly linked to structural bottlenecks and the economic policies that still need to gain investors confidence, e.g:

- a) an unsustainable wage bill, taking-up over 65% of the national budget and over 20% of GDP (the recommended IMF benchmark is 8.15%);
- b) unresolved land issues, with beneficiaries of the land reform not having titles that can be used as collateral to raise loans;
- c) the indigenisation policy does not offer predictability for existing economic actors or potential investors;

Zimbabwe remains in debt distress, which is hampering its economic recovery. Total external debt is estimated by the IMF at USD 10.726 billion (113.5% of GDP at the end of 2011, of which 67.1% in arrears). IMF projections for the total external debt in 2012 are USD 12.54 billion (116.2% of GDP), of which 63% in arrears.

### **EU development cooperation with Zimbabwe**

On 18 February 2002, the Council of the European Union took "appropriate measures" against Zimbabwe following the conclusion of the consultations held under Article 96 of the Cotonou Agreement. Under the 10<sup>th</sup> EDF, Zimbabwe does not have a long-term programming framework in the form of a Country Strategy Paper and assistance is channelled through non- government streams. EU aid has been programmed on a short-term basis. Since 2009, annual short-term strategies (STS) are in place that steer the allocation of EU funding. The current STS covers 2012-2013.

The overall objective of EU development cooperation with Zimbabwe is to contribute to a democratic, peaceful and prosperous Zimbabwe. The EU's strategy is based on three pillars:

1. Delivering basic social services to the people: For both health and education, EU support is channelled through multi-donor pooled funds managed by UNICEF. With its contribution to the **Education Transition Fund**, the EU is supporting: a) a retention scheme for teachers; b) textbooks for 820.000 primary school children; c) the formulation of a credible education plan; d) targeted schools through school grants to enhance the quality of school environments; e) a 'second chance' education programme that provides opportunities for youth and young people who have missed out to re-enter formal education or to receive relevant skills training. Through the **Health Transition Fund**, the EU is contributing to: a) 80% availability of essential medicines and medical supplies; b) training and retention of critical human resources and a peripheral health facility to achieve the minimum required standards; c) improved obstetric and newborn care, community health service delivery, and a strengthened expanded programme for immunization and nutrition.

2. Supporting economic recovery: EU support in this sector is geared towards smallholder farmers, who form the largest and poorest population group in rural areas; they are given assistance to progressively evolve from subsistence farming towards more diverse income-generating activities and even graduating to commercial types of farming. Furthermore, a pilot project to support private sector development and trade is in the pipeline for 2013.

3. Governance: EU support focuses on strengthening civil society in its quest to uphold human rights and the rule of law, but also on reforms foreseen in the GPA, including

support to the Media Commission, the Human Rights Commission and the Election Commission.

Based on the progress made towards the implementation of the GPA, the appropriate measures were suspended by Council Decision 2012/470/EU, adopted on 7 August 2012, which allows the EU to work directly with the GNU and to develop new assistance programmes for the benefit of the people of Zimbabwe under the next EDF. It is against this backdrop that the 11<sup>th</sup> EDF programming exercise has been rolled out and a Country Strategy Paper, plus proposed areas of EU intervention have been submitted to headquarters for consideration. Three sectors are proposed:

- 1) Health;
- 2) Agriculture-based economic development;
- 3) Oversight of institutions and Governance.

As the development of the 2014-2020 strategy has taken place at a time of political transition in Zimbabwe and were new priorities could potentially emerge, an ad hoc review is foreseen in 2015. This would also allow synchronisation of the EU strategy with the priorities of the new National Development Plan in Zimbabwe, which is foreseen to be drawn-up in 2015 and to be implemented between 2016 and 2020.

The EU Delegation has also held consultations with EU Member States about the feasibility of joint programming and there is consensus to initiate this in 2015 too, in order for it to be synchronised with the National Development Plan.

The suspension of Article 96 has maintained the current management mode of EU development aid programmes under the 10<sup>th</sup> EDF. Disbursement of funds continues to be managed centrally by the Commission or through joint management and funds are continuously channelled through the UN and civil society organisations.

As no country strategy paper / national indicative programme was signed for Zimbabwe, EU funding has been provided in the form of ad hoc allocations from the 10<sup>th</sup> EDF B-envelope resources (EDF reserve for unforeseen needs); furthermore, funds are drawn from other EU funding instruments, e.g. the Instrument for Stability, the European Initiative for Democracy and Human Rights (EIDHR), non-state actors (NSA) and various DCI budget lines (e.g. food security, sugar). As mentioned earlier, assistance has been guided by short-term strategies on a one year basis. For 2012-2013, EUR 60 million have been allocated to Zimbabwe, of which close to EUR 52.2 million had been committed by the end of 2012.

In 2007, the indicative 10<sup>th</sup> EDF allocation for Zimbabwe amounted to EUR 138.6 million (A-envelope: EUR 130 million, B-envelope: EUR 8.6 million). So far, EUR 138 million have been drawn from the EDF reserves in the form of ad hoc allocations). Additional funds to top-up existing EU initiatives in Zimbabwe could be made available at a later stage, depending on the developments on the ground and depending on the availability of 10<sup>th</sup> EDF reserves. It needs to be noted, however, that a higher allocation would imply that Zimbabwe would receive more funds from the 10<sup>th</sup> EDF than it would have under normal cooperation.

## **Overview of EU humanitarian aid to Zimbabwe**

Over the last two years, ECHO and the EU delegation have made significant efforts towards LRRD. In the fields of food security and health, some of the previously ECHO supported programs have been partially addressed by the Food Security Thematic Program, the Water facility and the Health Transition Fund:

- **Food Security and WASH** (Water and Sanitation). Some projects implemented through NGOs and the Red Cross movement have been continued through the EU Water facility and the Food Security Thematic Programme.
- **Health:** ECHO's support to UNICEF for the supply of essential medicines and some of the reproductive health programs were taken over by the Health Transition Fund, also managed by UNICEF and of which the EU is a major donor. In the new EDF programming, the Delegation is also integrating a component to cover Early Warning and Rapid investigation of epidemic outbreaks, currently being funded by ECHO through NGOs.

In addition, in 2012-2013, ECHO has contributed to support the emergency food assistance operation jointly implemented by WFP and the Zimbabwean Government. Seasonal food insecurity is recurrent in Zimbabwe, but ECHO only intervenes in case of exceptional circumstances when the number of people at risk of food insecurity exceeds government's and WFP's regular capacity to address the situation. Food assistance should evolve towards decreasing vulnerabilities/improving resilience strategies which should complement agricultural and livestock development programmes. ECHO has supported WFP and UNICEF's transition strategies. Some of the aspects supported by ECHO are being considered by the Delegation in the new EDF programming through the food and nutrition security component.

## **Questions examined by the delegation and conclusions**

The delegation met with Permanent Secretary of the Ministry of Foreign Affairs, Joey Bimha (ZANU-PF), Minister of Finance, Mr Tendai Biti (MDC-T), Minister of Education, Sports and Culture, Mr David Coltrat (MDC-M), Minister of Energy and Power Development, Mr Elton Mangoma (MDC-T), Minister of Small and Medium Enterprises and Cooperative Development, Ms Sithembiso Nyoni (ZANU-PF) and Minister of Agriculture, Mechanisation and Irrigation Development, Mr Joseph Made (ZANU-PF), as well as 2 members of the JOMIC team (Joint Monitoring and Implementation Committee).

The DEVE delegation also paid a courtesy call to the Speaker of the Parliament, Mr Lovemore Moyo (MDC-T) and to the President of the Senate, Ms Edna Mandzongwe (ZANU-PF).

In addition, MEPs had a discussion on food security with the ECHO mission and attended the EU Heads of Missions meeting, followed by lunch with development

partners and dinner with electoral experts. There was a field visit to St Albert's Mission Hospital and to the Mazowe conservation agriculture project. The delegation also took part in a reception to celebrate the investiture of King William Alexander at the Embassy of the Netherlands and attended the opening show of the Harare International Festival of the Arts.

In conclusion: the future direction of the EU-Zimbabwe re-engagement process is largely linked to how the upcoming elections and democratic transition under the Global Political Agreement will be managed. The EU is ready to engage with whatever government that is formed as a result of peaceful, transparent and credible process. The country is facing serious development challenges, but it has a lot of advantages, such as an educated population, fertile land, a good climate and rich natural resources which, if managed sustainably, can contribute to the country's rapid development. Zimbabwe as a prominent player in the region and its organisations has a potential to positively contribute to the whole region's development.

## **COMMITTEE ON DEVELOPMENT**

### **Programme for the Delegation of the European Parliament Development Committee**

**Mission to Harare 29 April – 3 May 2013**

#### ***Tuesday 30 April***

- 0900hrs Internal Meeting  
*Presence - HoD/HoS/ECHO mission*  
*Venue - Main Boardroom*
- 1100hrs Meeting with PS Bimha Ministry of Foreign Affairs  
*Presence – AdA/CS*  
*Venue - Ministry of Foreign Affairs, Munhumutapa Building, S. Machel Ave*
- 1200hrs Discussion on Food Security with ECHO mission (Head of Unit for Central and Southern Africa)  
*Presence – AdA/LI/ECHO*  
*Venue – EU Delegation*
- 1300hrs Reception investiture of King William Alexander  
*Presence – AdA*  
*Venue – Embassy of the Netherlands, 31 Shortheath Road Chisipite*
- 1445hrs Meeting with Minister of Finance, Mr. Tendai Biti (MDC-T)  
*Presence - AdA/JPP/ER*  
*Venue – Treasury Conference Boardroom 6<sup>th</sup> Floor, B Block, Ministry of Finance Cnr 4<sup>th</sup> Street/ S. Machel Avenue*
- 1615hrs Courtesy call Speaker of the Parliament, Mr Lovemore Moyo (MDC-T)  
*Presence – AdA*  
*Venue – Chairman's Office, Harvest Office*
- 1800hrs Meeting with David Coltart, Minister of Education Sports and Culture  
*Presence – AdA/JPP*  
*Venue – EU Delegation*
- 1930hrs Opening Show Harare International Festival of Arts.  
*Presence – AdA*  
*Venue – HIFA*

### ***Wednesday 1 May***

- 0700hrs Departure for field visit: St. Albert's Mission Hospital "District Hospital Centenary"  
*Presence – JPP/PB*  
*Venue – EU Delegation*
- 0930hrs Arrival: St. Albert's Mission Hospital – *Meeting with District Health Executives, Visit to Hospital and Maternity Waiting Home*  
*Presence – JPP/PB, Hospital Director, MoHCW*
- 1100hrs – 1400hrs Transfer to Mazowe
- 1400hrs – 1600hrs Field visit Mazowe agricultural project (FAO)
- 1930hrs Dinner on Electoral Support  
*Presence – IR/Armin Rabitsch/Gaelle Deriaz*  
*Venue – Palms Restaurant, Bronte Hotel*

### ***Thursday 2 May***

- 0800hrs Minister of Energy and power Development , Mr Elton Mangoma (MDC – T)  
*Presence – AdA*  
*Venue - 1<sup>st</sup> Floor, Chaminuka Building, 4<sup>th</sup> Street & Central Ave*
- 1000hrs Courtesy call President of the Senate, Ms Edna Madzongwe (ZANU-PF).  
*Presence – AdA*  
*Venue – Parliament Building, K. Nkrumah Avenue*
- 1100hrs Meeting with EU HoMs  
*Presence – AdA/CS*  
*Venue – EU Delegation*
- 1230hrs Lunch with Development Partners/Multilateral Institutions  
*Presence – JPP/ER*  
*Venue – Amanzi Restaurant*  
*This would include UN Rep, WB, USAID, DFID, GIZ, AUSAID, CIDA, UNICEF*
- 1430hrs Minister of Small and Medium Enterprises and Cooperative Development, Mrs Sithembiso Nyoni (ZANU-PF);  
*Presence – AdA/AP*  
*Venue - Ministry of Small and Medium Enterprises, 7<sup>th</sup> Floor Lingenda House. N.*

*Mandela Avenue, Btwn 1<sup>st</sup>/2<sup>nd</sup> Street.*

1545hrs      Minister of Agriculture, Mechanisation and Irrigation Development, Mr  
Joseph  
Made (ZANU-PF).  
*Presence – AdA/LI*  
*Venue – Ministry of Agriculture, 1 Ngungunyana Building, 1  
Borrowdale Road,  
Harare*

1630hrs      *Debriefing Meeting*  
*Presence – HoD/HoS*  
*Venue – EU Delegation*

1800hrs      *Cocktail Reception hosted by British Council (Noisette – HIFA)*

