

The EU supports transport infrastructure and agriculture in Zambia

Today, the European Commission has adopted the 2010 Annual Action Programme for Zambia, making available €49.9 million from the European Development Fund in support to the implementation of the country's National Development Plan. The priorities of this new programme are transport infrastructure (roads and aviation) and support to public sector capacity in Agriculture.

"The support from the European Union will contribute to the implementation of the Zambian National Development Plan and help the country meet the objectives set in the Millennium Development Goals. The projects approved today will contribute to unlock some of the constraints to growth and poverty reduction in Zambia, in relation to infrastructure access (by road and by air) and in the agriculture sector." said Ambassador Derek Fee, Head of the EU Delegation to Zambia.

Three priority interventions have been retained as part of this new programme, supporting transport infrastructure and agriculture:

- **Great East Road Rehabilitation (€ 38 million):** the project forms part of the regional integration agenda and supports the rehabilitation of the Great East Road in Zambia, the major East-West axis linking Zambia to Malawi, and further to the deep sea port of Nacala in Mozambique. It will therefore contribute to the socio-economic development of Zambia by developing trade axis for the movement of services, goods and people. The project will furthermore contribute to a safe and reliable road network in Zambia.
- **Aviation Sector Support Programme (€3 million):** this programme addresses and responds to the issue of non-compliances of Zambia's civil aviation safety, security and economic oversight system with international standards. This non-compliance generates various negative effects among them: the perception of an unsafe Zambian aviation industry; increased probability of accident/incident occurrences and constraint on traffic growth and tourism; and diminishing viability of the industry. After the July 2009 banning of Zambian Air Carriers to enter the Community Airspace (blacklisting) these negative effects were felt ever stronger and lead mainly to a limited ability of the sector to contribute to tourism growth and economy development in the country. The programme will focus on technical assistance services, training and specific sector related supplies.
- **Support to the Agriculture Performance Enhancement Programme, PEP (€8.9 million):** this institutional development programme aims at capacitating the Ministry of Agriculture and Cooperatives (MACO) and the Ministry of Livestock and Fisheries Development (MLFD) in a way that enables the two Ministries to assume a renewed role in the sector, by creating a conducive environment, with relevant policies, and deliver appropriate services to spur agriculture growth, in partnership with the private sector.

Background

The Zambian economy has experienced strong growth in recent years (about 6% per year in 2005-09), led by the mining, construction, and services sectors. However, with weak performance in agriculture, this growth has not been sufficiently pro-poor. Zambia's poverty levels remain high (around 64% of the population is below the national poverty line), while the bulk of the poverty reduction has been concentrated in urban areas. The challenge of achieving broad-based growth in Zambia still has to be met.

The EU provides support to Zambia mainly through the European Development Fund. Earlier this year, the Commission also adopted an ad hoc allocation of EUR 6 million to support the strengthening of the justice sector. For the period 2008-2013, a total of EUR 475 million have been earmarked for Zambia.

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