

The EU supports the recovery of the sugar sector in Zimbabwe

Today, the European Commission (EC) agreed to fund a programme to support the reform of the sugar sector of Zimbabwe to the tune of € 13 779 000. This intervention in Zimbabwe forms part of the EC's programme of Accompanying Measures for Sugar Protocol Countries for 2010.

"The Zimbabwe Sugar Industry is of strategic importance to the country's economy which is just re-emerging from a drastic decline that culminated in 2008, with a sugar production below 300 000 tons per year. This projects aims at restoring the capacity and the level of production of the sugar industry, on which the livelihood of more than 200 000 people depend. The EU funds will also contribute to the implementation of the national land audit programme, which is critically needed to ensure a proper framework for an increased productivity of the agriculture sector in Zimbabwe.", said Ambassador Aldo Dell'Ariceia, Head of the EU Delegation to Zimbabwe.

In 2006, the Government of Zimbabwe approved a National Sugar Adaptation Strategy (NSAS) adjusting to the new EU sugar market regime and future changes. In response, the European Commission allocated € 22 million to support this strategy over the period 2007-10.

The NSAS identifies the following priorities:

- Arresting the present decline in the production of sugar in the short term.
- A re-establishment or rehabilitation phase, necessary to return the industry to its former levels of production (>600,000 tonnes of sugar per year) through the rejuvenation of the existing cane production areas in the short to medium term.

So far an amount of € 9.2 million from the 2007-2010 allocations has been committed to support this reform. The new allocation of € 13 779 000 will continue the support to the sugar sector. As part of this amount, € 4.9 million will be allocated to the national land audit to be implemented following the conclusion of the Global Political Agreement of the Government of National Unity of Zimbabwe.

The response strategy is focusing on channelling support to the more vulnerable stakeholders of the industry, i.e. the out-growers whose cane input to the mills has greatly declined, with the ultimate objective of restoring their livelihoods.

With the support to the land audit, the strategy has also the ambition to support a key deliverable of the Global Political Agreement, essential building block towards the resolution of conflicts on land.

However, this programme continues within the current framework of appropriate measures that the European Union adopted in 2002 under Article 96 of the ACP-EU Partnership Agreement. Consequently, the programme excludes direct support to Government or funding to farmers on land where conflict will persist.

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