

Zambia: Poverty Reduction Strategy Paper Progress Report

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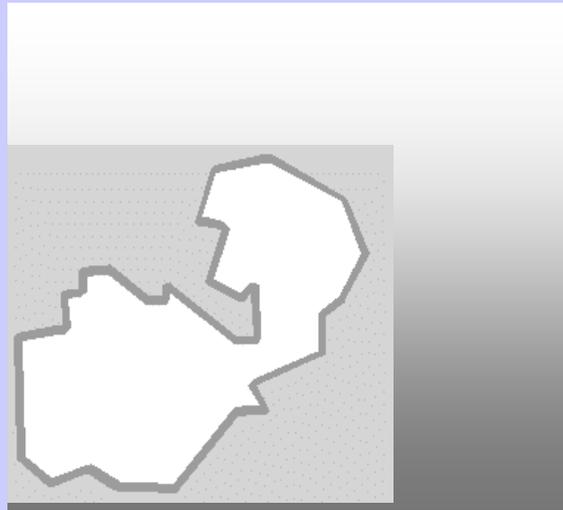
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Republic of Zambia

Second PRSP Implementation Progress Report
July 2003 – June 2004



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EXECUTIVE SUMMARY

Overview

The second Poverty Reduction Strategy Paper (PRSP) Implementation Progress Report reviews status of the PRPs for the period July 2003-June 2004. The report notes improvement in funding to priority Poverty Reducing Programmes (PRP's) from K140 billion in the period January 2002 - June 2003 to K430 billion in the period July 2003 to June 2004. Major improvements in public finance management were achieved in the first half of the budget year 2004, mainly due to the introduction of the Medium Term Expenditure Framework (MTEF) and Activity Based Budgeting (ABB). Disbursements to the key social sectors, including the respective releases to district levels are all well in excess of 40 percent of the annual budget.

Despite these achievements, a number of sectors continued to experience implementation problems. Apart from this, an accurate assessment of progress was hampered by data limitations especially on output and impact indicators.

Efforts were made to strengthen stakeholder involvement in reviewing the implementation of Poverty Reduction Programmes (PRPs). In this regard the Sector Advisory Groups (SAGs), as part of the monitoring framework, played an important role in the review process.

At macroeconomic level, significant progress was recorded. Real GDP growth increased from 3.3 percent in 2002 to 5.1 percent in 2003. The domestic budget deficit was contained at less than 2 percent of GDP by June 2004 from 5 percent at close of 2003. This led to a fall in the level of interest rates. Inflation rate fluctuated between 17.2 percent in December 2003 and 18.6 percent in June 2004. The exchange rate remained generally stable. The improvements in fiscal performance paved way for reaching an agreement on a new Poverty Reduction and Growth Facility (PRGF) with the IMF in June 2004. This restored credibility with the cooperating partners thus allowing for increased

external inflows.

Notable developments in the area of policy reforms included the Public Expenditure Management and Financial Accountability Reforms (PEMFAR) and Financial Sector Reforms, Legal, Regulatory and Administrative Reforms. .

Sector Implementation Progress

In **agriculture**, major PRSP interventions were the Input Pack Support Programme, out-grower schemes, land and infrastructure development, technology development, agriculture extension and maize marketing in support of small-scale farmers. In addition, Government continued to develop commercial farming through the development of new farm blocks.

A total of K 56.9 billion and K142.3 billion was allocated to the sector in 2003 and 2004 budgets respectively. Total funding to the programmes of intervention were K46.1 and K79.6 billion for 2003 and January to June 2004 respectively. Most of the resources were spent on the Input Support Programme for the purchase of inputs such as fertilizer and seed, as well as maize marketing or the procurement of maize from farmers. Hence for the second year running, a surplus food balance was experienced.

In the **mining sector**, there was little progress in the PRSP implementation. The gemstone exchange was yet to be established and only some movable assets for operations were procured. For plant hire scheme, no progress was made, although K500 million was released in 2004. This fell short of the requirements estimated at approximately K12.5 billion for the acquisition of a complete set of mining equipment.

The creation of the revolving fund proceeded at a slow pace though efforts were made to determine modalities of how such a fund could be administered. Further, the mining diversification fund, a subsidised commercial loan facility provided by the European Investment Bank, continued to be out of reach for most of the indigenous small-scale miners, mainly for lack of

appropriate collateral. However, the mining sector as a whole recorded an improvement due to the sustained global demand for copper coupled with high prices. This in turn increased copper production. Although export earnings from gemstones did not reach the exceptionally high levels of 2002, the long-term positive trend continued in 2003, reaching US \$ 23.8 million, against only US \$ 11.5 million in 1998.

In the **tourism sector**, major interventions focused on infrastructure development through the rehabilitation of access roads mainly in the Mosi o tunya National Park, Kafue National Park, Lower Zambezi and the South Luangwa National Park. Tourism and Marketing promotions continued to be undertaken through trade fairs and the production of promotional materials. Additionally, the Tourism Development Credit Facility (TDCF) established in 2003, was enhanced with 43 small-scale Zambian entrepreneurs benefiting.

In order to strengthen the institutional framework in the **energy sector**, Government implemented institutional and legal reforms. In this regard, the entry-point-action for the commercialisation of ZESCO was undertaken while the Electricity Act and the Energy Regulation Act were amended in December 2003. Parliament also enacted the 2003 Rural Electrification Authority Act. Other key interventions over the period included initiation and development of major power supply projects to increase export and domestic supply of electricity. These projects were the Zambia-Tanzania interconnector and the Zambia-Namibia transmission line. Other major intervention in the sector was the rural electrification programme whose implementation was stepped up during the period under review. Government also aimed at establishing the petroleum reserves by encouraging strong private sector participation.

In the **manufacturing sector**, Government continued to target investment, trade and export promotion, rural industrialisation and Micro, Small and Medium Enterprises (MSMEs) Development. In the area of investment promotion, efforts were made to attract both local and foreign investors into the country. In this regard, the Zambia Investment Advisory Council

was launched to facilitate the design and implementation of investment programmes. The National Investment Plan was also finalised. In order to promote exports, Government created the Zambia Export Processing Zone Authority (ZEPZA) to facilitate the promotion of investments in Export Processing Zones (EPZs). Government continued to focus on rural industrialisation and MSMEs. This was mainly done through the Small Enterprises Development Board (SEDB), which is facilitating the promotion, training and sensitisation of MSMEs while providing them with marketing support services.

In the **Roads sector**, the second version of Road Sector Investment Program (ROADSIP), renamed the Rehabilitation and Maintenance Program (RRMP), was negotiated with Cooperating Partners. During the period under review, Zambia Railways Limited was concessioned and a feasibility study on the private sector participation in Tanzania-Zambia Railway Authority (TAZARA) was commissioned. Furthermore, the development of the Information Communication Transport (ICT) policy reached an advanced stage. However, there was slow progress in the building of support infrastructure at the new Katima Mulilo and Chirundu bridges.

Government continued its commitment towards the improvement of social service delivery especially in the areas of education and health.

In **education**, the total releases in 2003 amounted to K691 billion, representing 142 percent of the original budget allocation of K 486 billion. Even without the personnel emoluments, which in this sector had to be increased to 151 percent of the budgeted amount, releases to the sector stood at 123 percent of the budget allocations? In 2004, the allocation was scaled up to K784 billion, representing 20.8 percent of the discretionary budget, from 20.6 percent in 2003. By end of June 2004, disbursements against this budget already amounted to K 385 billion (49.2 percent). The sector also attracted significant support from Cooperating Partners through the sector-wide approach, benefiting in particular basic education at district level. The major Programmes implemented in the sector were the expansion of

the school infrastructure, curriculum development, provision of education materials, provision of bursaries to vulnerable children and orphans, equity and gender and HIV/AIDS. These interventions led to improvement, in terms of access to education at all levels. For example, there was a clear positive outturn in terms of basic enrolment, which increased to 75.5 percent for girls and 77.2 percent for boys. In 2003, completion rates also increased to 66.7 percent for girls and 80.3 percent for boys from 63 percent and 77 percent respectively in 2002. In spite of this, the sector continued to face problems as the sector could not engage new teachers to fill vacant positions due to the employment freeze in the public service. The impact was more in rural areas.

In the **health sector**, Government allocated K58.8 billion out of which K34.8 billion was released in 2003. In 2004, a total of K36 billion was released by June against the total allocation of K74.5 billion.

Major Programmes implemented in the health sector included the Integrated Malaria Control (Roll-back Malaria), acquisition and distribution of essential drugs, child health survival, reproductive health and rehabilitation of health facilities. ARVs were Procured and distributed to 12,000 patients. These interventions contributed to improvements in the sector. Favourable outcomes in terms of utilization of the services in the sector included the increase in the utilization rate of the health centres for the under-five year olds (2.15 as against 2.0 in 2002) and the percentage of supervised deliveries by skilled health personnel (excl. trained Traditional Birth Attendants) which increased to 39% in 2003 from 35% in 2002. However, due to the delay in the availability of drugs, the full immunisation coverage rate for children under one year of age only slightly improved to 75% in 2003 from 74% in 2002. Impacts attributable to the improved services delivery included the reduced Malaria incidence, which in the first half of 2004 was estimated at 114/1000 compared to 122/1000 in the first quarter of 2003.

Government continued to implement programmes relating to crosscutting issues of Gender, HIV/AIDS and Governance. The focus in

Gender was on improving women participation in decision-making and economic empowerment through land ownership. By means of a focused appointment policy, the percentage of women in decision-making positions increased from 10 percent in 1997 to 18 percent as at June 2004. Government also embarked on a land survey whose aim was to facilitate the allocation of at least 30 percent of land to women.

In tackling the **HIV/AIDS** problem, Government focused on reducing the number of infections as well as the social economic impact of the disease. In this regard, Government released a total of K4.5 billion for the period January to June 2004 as compared to K7.11 billion for the period July to December 2003. The total budgeted allocation for HIV/AIDS for the period July 2003 to June 2004 was K53.8 billion. Major interventions included HIV/AIDS prevention campaigns, Voluntary Counselling and Testing (VCT), Prevention of Mother to Child Transmission (PMCT), Anti-Retroviral Therapy (ART), home based care, care for Orphans and Vulnerable Children (OVCs) and the work place programme. Most of these Programmes were implemented using a multi-sectoral approach. As a result of the continuous efforts, HIV/AIDS prevalence rate reduced from 20 percent in 2001 to 16 percent in 2003. There is evidence that Young people started delaying sexual activity, at least for males, the starting age increased from 16 years in 1998 to 17 years in 2003, while it still remained stagnant for females at 17 years. Condom use increased among males from 28 percent in 1998 to 43 percent in 2003 and from 24 percent to 34 percent among females.

In the area of **Governance**, interventions focused on improvements in the electoral reform process, improvements in the equitable and transparent use of public resources as well as ensuring guaranteed justice for all. In addition, Government continued to receive submissions in the constitutional review process in order to come up with a new constitution. Other activities in the area of Governance included the construction and rehabilitation of court rooms.

With respect to **regional development**, Government focused on infrastructure development, land resettlement and industrial

development, infrastructure development included the rehabilitation and construction of schools, hospitals, health posts, dams, feeder roads and resurfacing of aerodromes and airports. In the Land Resettlement Programme, Government demarcated plots, drilled boreholes and gravelled roads in major resettlement areas. In addition, small-scale industrial development Programmes included activities such as the promotion of bee keeping and honey processing.

The implementation of the PRSP resulted in some progress for at least some of the social indicators. With respect to achieving the Millennium Development Goals (MDGs), Zambia is potentially capable of achieving MDG targets by 2015 in the areas of nutrition, enrolment ratios in primary education, gender equality, literacy rate, HIV infection and HIV prevalence rates. This potential was largely attributed to strong Government support to the social sectors during the period under review. Nevertheless, other indicators such as maternal mortality rate may not improve much in the next ten years.

In realizing the difficulty in achieving some of the MDGs as set by the Millennium Summit, Government has started to localize some of the MDGs targets in order to make them conform to the local socio-economic and institutional capacity. With these efforts in place and more support from Co-operating Partners, prospects are high that most of the MDGs will be achieved by 2015.

Lessons and Conclusions

During the PRSP Implementation in the last twelve months, Government recognised the importance of fiscal discipline and increased spending towards priority poverty reducing programmes. Prudent fiscal policy resulted in improved macroeconomic environment and allowed funding to poverty reduction programmes to increase. This outturn restored credibility with the donor community.

The spreading of resources across too many projects as seen in the rural electrification programme, only delayed implementation, progress and undermined the efficient utilisation of resources.

Even though, funding improved to PRP's in the first half of 2004, late disbursement of funds especially in 2003 affected the execution of some programmes in particular those of a seasonal nature such as rehabilitation of feeder roads and Monitoring. There is need to improve on project/programme profiling. In addition, the tender thresholds delayed progress in execution. All programmes with expenditure above K 5 million had to seek tender authority from the Zambia National Tender Board. This delayed progress in many interventions especially at provincial level. In 2004, Government received recommendations to increase the spending thresholds.

The process of determining priority programmes has not been systematically defined or applied and the criteria for prioritisation are still not clear. Similarly, monitoring to determine the success of implementation was still weak. This affected the measuring of progress in particular at the level of outcomes and impacts, for a number of interventions. For example, input indicators on budgets, releases, and expenditure, as well as some output indicators on clearly defined services provided have been reported. However, indicators on the utilisation of these services (outcomes) and direct benefits attributable to particular interventions (impacts) are only meaningful on a yearly basis when surveys have been undertaken. In view of these difficulties, there is need to improve and strengthen the institutional framework for priority setting, planning, budgeting, implementation, monitoring and reporting, emanating from the grass root level.

Data capture from Cooperating Partners on their contributions to PRSP priority interventions continued to be difficult. This is problematic, since about 67 percent of the resources to implement the interventions are funded from external sources. The Harmonization-In-Practice (HIP) initiative is expected to improve monitoring and coordination of donor funds. With the joint identification of priorities through the SAGs, donors are expected to provide more transparency on projects carried out under their responsibility.

The PRSP (2002-2004) which Government began implementing in July 2002 comes to an end in December 2004. When the New Deal Government took office in January 2002, the Ministry of Finance and National Planning was tasked to prepare the Transitional National Development Plan (TNDP) 2002-2005 and five-year development plans from 2006 onwards. In response to the challenge, the TNDP was prepared and published in October 2002. The TNDP encompasses all the areas in the PRSP and

includes others such as the Judiciary, law, order, Defence and security. With the coming to an end of the PRSP, the TNDP, which still has a year to run, will be employed as the national development document for 2005. Within the course of 2005, the successor to the TNDP will be prepared to guide the development process. As with the TNDP, the next five year development plan will encompass poverty reducing programmes.

CHAPTER 1

INTRODUCTION

In July 2002, the Zambian Government officially launched the implementation of the programmes and activities in the Poverty Reduction Strategy Paper (PRSP) for 2002-2004. The First PRSP Implementation Progress Report, covering the period January 2002 to June 2003 was published in March 2004. This PRSP Implementation Progress Report covers the period July 2003 to June 2004.

The second report is a product of consultative process involving stakeholders among which were SAGs. The composition of the SAGs is broad and includes civil society, the private sector, academicians and Cooperating Partners. In addition, a draft copy of this report was sent to stakeholders for comments.

The areas discussed in the report are all contained in the PRSP namely, the economic and social sectors, infrastructure and the cross-cutting issues of governance, gender and HIV/AIDS.

The report highlights progress on the programmes and activities undertaken during the review period. The report concentrates on the inputs and outputs achieved against the targets and where possible it has indicated some outcomes and impacts. The outcomes and impacts could not be comprehensively reported as most of the programmes were still under implementation and expected to be completed at the end of PRSP

period after which a comprehensive outcome and impact assessment would be made. During the period under review, no major surveys were undertaken apart from a Living Conditions Monitoring Survey (LCMS III) whose results are discussed in chapter 3. In addition, the reporting period, which is not in line with the financial year, made it difficult to make comprehensive comparisons between the planned and actual outputs.

The second chapter discusses macroeconomic performance, with particular emphasis on the extent to which the targets in the PRSP have been attained. The second chapter also assesses Zambia's progress towards achieving the Millennium Development Goals (MDGs). The third chapter looks at the status of poverty in Zambia while Chapter 4 provides information on the economic and social sectors, the crosscutting areas of governance, gender and HIV/AIDS. In this chapter, the sectors report on the progress made in the implementation of programmes. Chapter 5 discusses the implementation of PRPs in the provinces while chapter 6 dwells on the institutional framework for the implementation of the PRSP. Finally, chapter 7 reviews the lessons learnt in the implementation of PRPs over the review period. It also makes some recommendations on how PRP implementation could be enhanced.

CHAPTER 2 MACROECONOMIC PERFORMANCE AND STRUCTURAL REFORMS

2.1 Macroeconomic Performance and PRSP Indicators

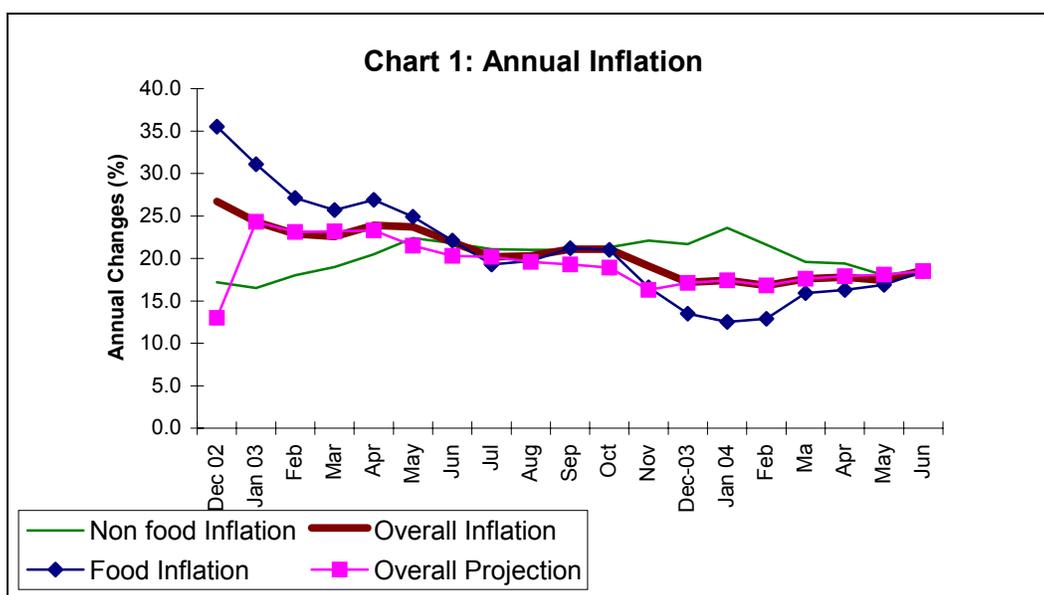
The overall macroeconomic goal in the PRSP is to attain a high and sustainable growth in Gross Domestic Product (GDP), low inflation rate and a sustainable external sector position.

Zambia's economic performance markedly improved. Real GDP growth increased from 3.3 percent in 2002 to 5.1 percent in 2003, exceeding the PRSP target of 4 percent. Consequently, real per capita income increased by 2.6 percent in 2003 from 2.2 percent in 2002. Economic activity continued to improve in the first half of 2004 with output in the key sectors of agriculture, mining, manufacturing, construction and tourism registering an increase.

The implementation of PRSP programmes in agriculture and tourism contributed to growth. The interventions, such as input pack programme in agriculture and improvements to infrastructure such as trunk roads and airports, aided investment and growth in tourism. In the mining sector, growth was largely attributed to the rise in global

metal prices, the re-capitalisation of large mining companies and new investments. As a result, overall investment as a percentage of GDP rose to 27.1 percent in 2003, surpassing the PRSP target of 20 percent (Refer to appendix 1 for progress on policy actions).

During the period under review, inflation recorded a fluctuating trend. (See chart1). As at end June 2004, Inflation rate stood at 18.6 percent compared to 21.9 percent in June 2003. Food inflation during the first half of 2004 rose by 5.0 percentage points to 18.7 percent in June 2004 from 13.5 percent in December 2003. This was on account of the pass-through effects of the upward adjustment in the price of fuel which led to increased production and transport costs and ultimately pushed up food prices. However, non-food inflation slowed by 2.1 percentage points to 18.5 percent in June 2004 from the target of 20.6 percent despite the upward adjustment in the energy prices.



Source: Bank of Zambia

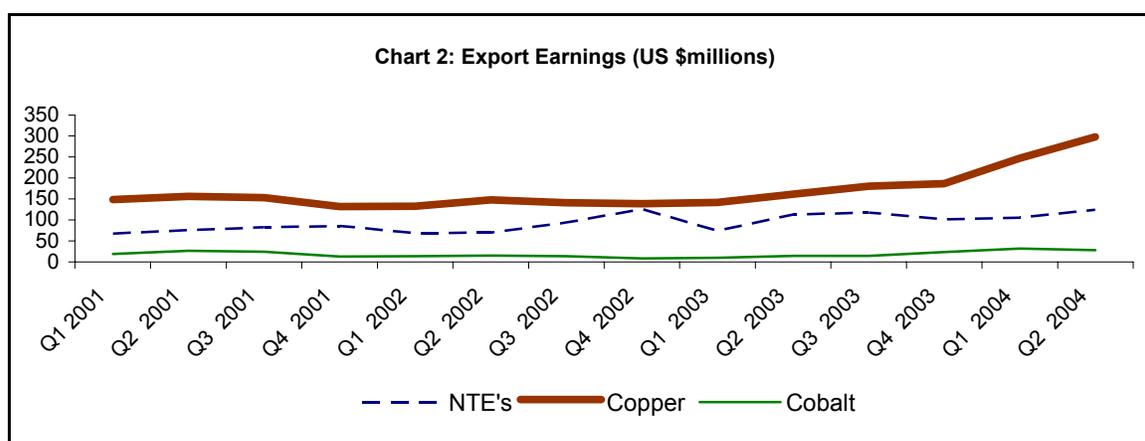
During the review period, the Government securities market continued to be characterized by declining yield rates. Yield rates on

Government securities declined to their lowest levels in 10 years largely due to the decline in Government borrowing. The weighted average

yield rate on Treasury bills fell to 6.7 percent in June 2004 from 19.7 percent in December 2003. Commercial banks' lending interest rates, although still high continued declining. The Average Lending Rate (ALR) declined to 36.9 percent in June 2004 from 45.6 percent in December 2003

In the external sector, the PRSP target was 7.5 percent as an average annual growth in exports receipts. In 2003, merchandise export receipts rose by 24 percent to US \$1.1 billion. During the first half of 2004, export receipts grew by 56 percent compared to the same period in 2003 (See chart 2).

The value of merchandize exports in the first half of 2004 increased to US \$ 764.2 million from US \$ 489.7 million during the same period in 2003. The growth was due to a significant rise in world metal prices, expansion in domestic mineral production and strong growth in non-metal exports. The value of non-metal export earnings increased by 22.7 percent to US \$ 229.4 million from US \$ 187.0 million realized during the first half of 2003. The increase was due to an improved export regime especially fiscal incentives and a competitive market based exchange rate.



Source: Bank of Zambia

Domestic resource mobilization improved following reforms in tax administration and revenue enhancing measures. Domestic revenues as a percent of GDP remained at about 18 percent. Notwithstanding these improvements, overall fiscal performance in 2003 was unsatisfactory. The overall fiscal deficit in 2003 rose to 6.6 percent of GDP from 6.3 percent in 2002, exceeding the year target of 1.5 percent. This was mainly due to the failure to contain non-priority expenditures. The delayed conclusion of a new Poverty Reduction and Growth Facility (PRGF) with the IMF also resulted in shortfalls in external programme assistance from Cooperating Partners.

The high fiscal deficit in 2003 was financed mainly through domestic borrowing, which amounted to K1 trillion or 5.1 percent of GDP compared to K 600 billion or 2.1 percent in

2002. The effect of such high recourse to domestic borrowing was a rise in debt servicing, thereby affecting spending on poverty reduction programmes.

The implementation of the Staff Monitored Programme (July to December 2003) with the IMF during the review period was largely unsatisfactory, mainly due to expenditure overruns in the last quarter of 2003. In addition, the quantitative benchmarks on payment of domestic arrears, non accumulation of external arrears and deposits into HIPC Control Account No. 49 at Bank of Zambia were not met. However, the quantitative targets on net domestic assets of the Bank of Zambia, Gross International Reserves, the ceiling on external debt and the

ceiling on the cumulative Central Government wage bill were met.

In 2004, Government continued its commitment to strong fiscal discipline in order to maintain macroeconomic stability and reorient spending towards priority poverty reduction programmes.

Fiscal performance through June was satisfactory with expenditures at or below their budgeted levels (see table 2.1). Funding to PRP's in the first half of 2004 increased significantly with a total of K255 billion having been disbursed by June 2004 compared to K212.9 billion in the whole of 2003.

Table 2.1: Domestic Budget Performance: January to June 2004 (in K'Billions)

	Target	Outturn Preliminary	Variance	Variance % Of Target
TOTAL DOMESTIC REVENUES	2,194,047.00	2,164,730.00	(29,365.00)	(1.3)
Tax Revenue	2,113,666.00	2,114,458.00	(792.00)	(0.03)
Non Tax Revenue	80,429.00	50,272.00	(30,157.00)	(37.5)
TOTAL DOMESTIC EXPENDITURES	2,712,629.00	2,541,223.00	(171,406.00)	(6.3)
Current Expenditures	2,386,279.00	2,270,084.00	(116,195.00)	(4.9)
Wages and Salaries	999,700.00	969,898.00	(29,802.00)	(3.0)
Recurrent Departmental Charges	335,200.00	327,598.00	(7,602.00)	(2.3)
Transfers and Pensions	202,650.00	187,605.00	(15,045.00)	(7.4)
Domestic Interest	404,729.00	355,756.00	(48,973.00)	(12.1)
External Debt Payment	344,700.00	279,688.00	(64,312.00)	(18.7)
Other Current Expenditure	192,200.00	138,923.00	(53,277.00)	(27.7)
Of which : Maize Reserves in Rotating Fund (HIPC-PRP)	42,100.00	-	(42,100.00)	(100.00)
Fertiliser Price Support (HIPC-PRP)	65,000.00	52,694.00	(12,306.00)	(18.9)
Capital Expenditure (Domestically Financed)	326,350.00	271,139.00	(55,211.00)	(16.9)
of which: HIPC-PRPs	209,275.00	200,104.00	(9,171.00)	(4.4)
GRZ Road Projects	30,000.00	8,000.00	(22,000.00)	(73.3)
Fuel Levy	38,250.00	47,450.00	9,200.00	24.1
Ordinary Capital	39,075.00	15,585.00	(23,490.00)	(60.1)
Domestic Balance	(518,534.00)	(376,493.00)	142,041.00	(27.4)
Domestic Financing	434,000	434,000	0	0

Source: Ministry of Finance and National Planning

As a result of the firm fiscal policy in the first half of 2004, Government managed to limit the budget deficit to 2.6 percent of GDP and domestic borrowing to 1.6 percent of GDP. Following the satisfactory macroeconomic policy performance, the IMF in June 2004 approved a new PRGF arrangement for Zambia. With the PRGF in place and Government's commitment to successfully implement it through to December 2004, the implementation of the HIPC Completion Point Triggers was firmly on course. (See Table 2.1 and Box 1)

Box 1: Progress on the Implementation of HIPC Completion Point Triggers as of June 2004

Reforms Objectives/ measures	Status
<p>Poverty Reduction Adoption of PRSP to be prepared through a participatory process; and satisfactory progress with the implementation and monitoring the PRSP for at least one year based on annual report.</p>	<p>The PRSP was prepared and adopted through a consultative process. The implementation is ongoing. The first annual progress report was completed in April in 2004. Progress in implementing and monitoring the PRSP was limited. However, from July 2003, PRSP implementation was significantly scaled up and a second Implementation Report is being prepared</p>
<p>Social Sectors Progress in combating HIV/AIDS</p> <ul style="list-style-type: none"> ▪ full staffing of secretariat to National HIV/AIDS/TB council. ▪ Integrate HIV/AIDS awareness and prevention programs in the pre-service and in-service programs in at least ten key ministries. 	<p>Staffing for the original structure done Observed. Pre-service and in-service programmes done in ten key ministries. In addition all line ministries have awareness programmes.</p>
<p>Progress in Education Sector Reform as indicated by the following:</p> <ul style="list-style-type: none"> ▪ Increasing the share of education in the discretionary budget from 18.5 percent in 1999 to at least 20.5 percent. ▪ Raising the starting compensation of teacher in rural areas above the poverty line for a household, as defined by Central statistics office. ▪ An action plan for increasing student retention in northern, eastern, northwestern, and western provinces, and Luapula Province. 	<p>The ratio was met in 2001, but fell to 18 percent in 2002. Government plans to meet this ratio by end of 2004</p> <p>Hardship allowance is given to rural teachers and monthly salary is above poverty line as defined by CSO Observed, using various strategies such as the bursaries scheme, Page programme and re-entry policy</p>
<p>Progress in Health Sector Reform as indicated by:</p> <ul style="list-style-type: none"> • Implementation and scaling up of an action plan for malaria • Procedures and mechanism for the procurement of drug reorganized to be fully transparent and efficient. • Timely release of complete, detailed, annual health expenditure data; and • Actual cash releases to district Health Management Boards shall be at least 80 percent of the amount budgeted. 	<p>Observed, e.g. introduction of Coartem, distribution of ITNs etc. Observed. Tender procedures and mechanisms are fully transparent Observed, finalization of income and expenditure report done observed</p>
<p>Macroeconomic and Structural Reforms</p>	
<ul style="list-style-type: none"> ▪ Maintenance of a stable macroeconomic environment, as evidenced by satisfactory performance under a program support by PRGF arrangement. 	<p>Zambia agreed on a new PRGF in June 2004. Successful implementation is required through to December 2004</p>
<ul style="list-style-type: none"> ▪ Implementation of an Integrated Financial Management Information System (IFMIS) on a pilot basis for at least three ministries and mid-term review of the pilot program. 	<p>Procurement of hardware and software for IFMIS is expected the second half of 2004. Piloting in three line ministries is expected to start thereafter. As at June five sites were selected for piloting</p>
<ul style="list-style-type: none"> ▪ Implementation of a Medium-Term Expenditure Framework (MTEF) prepared by MoFNP and approved by the Cabinet. 	<p>MTEF for 2004-06 was prepared; Cabinet approved the MTEF along with the 2004 budget parameters. Preparation of 2005-07 MTEF is on going.</p>
<ul style="list-style-type: none"> ▪ Restructuring and issue of international bidding documents for the sale of a majority (controlling) interest in power company, Zambia Electricity Supply Corporation (ZESCO). 	<p>The Government is implementing a strategy to commercialize ZESCO to meet the same objectives as privatization. Implemented.(entry point was reached in December 2003)</p>
<ul style="list-style-type: none"> ▪ Issuance of international bidding documents for the sale of majority (controlling) interest in the Zambian National Commercial Bank (ZNCB). 	<p>Negotiations for sale to the preferred bidder are on going.</p>

Source: ministry of Finance and National planning 2004

Table 2.2: Status of the Key PRSP Macroeconomic Indicators as of June 2004

Indicator	Base year	Base Year status	Target	Year	Status as at end 2003	Status as at end June 2004	Remarks
Real GDP Growth	2001	4.9%	4.0%	2004	5.1 %		Achieved
Real Annual Per Capita GDP growth rate	2001	2.2 %	1.1 %	2004	2.6 %		Achieved
Overall Fiscal Deficit			2%	2004	5.5%		Not Achieved
Annual Rate of Inflation	2001	18.7 %	5 %	2004	17.2 %	18.6 %	Not Achieved
Annual growth in exports	2001	7.5 %	7.5 %	2004	10 %	10 %	Achieved
Domestic Arrears reduced to zero (K, billion)	2001		0	2006	K 578.6	K567.4	Not likely to be achieved
HIPC Completion Point Reached				2003	Not Reached	Not Reached	Not Achieved.
Activity Based Budgeting adopted across government (no of ministries)	2001	7	All	2004	Done	Done	Achieved
Funding to all departments reflects yellow book	2001		Over 80 %	2004			
Overall Expenditure patterns reflect the priorities in the PRSP			Over 80 %				
Incidence of Poverty (Headcount %)	1998	73 %	65 %*	2004	67		
Rural Incidence of Poverty (Headcount %)	1998	83 %	75 %	2004	N/A		
Urban Incidence of Poverty (Headcount %)	1998	56 %	50 %	2004	N/A		
Poverty Gap (incidence and depth)	1998	0.55	0.4	2004	N/A		
Gross Domestic Investment % of GDP	1998	14.9%	20 %	2004	27.1%		Achieved
Inflows of FDI	2001	US \$72 m	US\$88m	2004	\$153 m		Achieved (though mostly concentrated in mining)

Source: Ministry of Finance and National Planning

* Poverty level should be understood in the context of new methodology employed by CSO therefore the 1998 LCMS figure is not comparable with the 2002 LCMS figure.

Macroeconomic framework and the Medium Term Outlook

The macroeconomic frameworks in the PRSP/TNDP and the first PRSP Implementation Progress Report have had to be revised, largely on account of outturns in 2003 and the preliminary output level for 2004. The revised macroeconomic targets for 2005-2007 are to: achieve GDP growth rates of 5.0 percent in 2005, 2006 and 2007; bring down end-year inflation to 15 percent in 2005, 10 percent in 2006 and 5.0 percent in 2007; reduce domestic borrowing to 1.6 percent of GDP in 2005, 1.3 percent in 2006 and 0.7 percent in 2007; improve the country's external sector's viability by increasing the official Gross International Reserves (GIR) to 1.5 months of import cover in 2005, 1.7 months in 2006 and 1.9 months in 2007 and remain current with foreign debt service payments (See table 2.3).

The growth targets are premised on favourable performance in the key sectors of agriculture, mining, manufacturing and tourism. In agriculture, Government's focus will be to improve productivity of the sector through well-targeted interventions such as the Fertilizer Support Programme (FSP). In the mining and quarrying sector, higher growth is anticipated largely due to increased production of copper and cobalt, due to the coming on stream of Kansanshi and Lumwana mines in North-western province. In the tourism sector, impetus for continued growth is expected to come from the benefits of the economic diversification programmes being undertaken by Government. In manufacturing, growth is premised on the higher domestic demand from the mining, tourism and agriculture sectors. In order to further aid manufacturing growth, initiatives

in the area of private sector development will continue.

Fiscal policy in the medium term will be key to preserving macroeconomic stability. Domestic revenue is expected to average 18.3 percent of GDP, Personnel emoluments will be maintained at 7.96 percent of GDP over the period 2005-2007 while domestic financing is expected to decline to 0.7 percent of GDP by 2007.

In the external sector, the strategy is to restore a sustainable external debt position by reaching the Completion Point under the HIPC initiative and reducing the current account deficit to a sustainable level. Merchandise exports are expected to increase by 9.1 percent over the period, largely on account of higher copper export volumes.

Table 2.3: Key Macroeconomic Targets: 2003-2007

	2003	2004	2005	2006	2007
	Rev.	Proj..	Proj.	Proj.	Proj.
Real GDP Growth Rate	5.1	4.6	5.0	5.0	5.0
Inflation Rate (end period)	17.2	20.0	15.0	10.0	5.0
Nominal GDP (K' billions)	20,520	25,704	31,172	35,174	39,542
Current Account Deficit Incl. grants (% of GDP)	(5.6)	(4.6)	(3.9)	(3.7)	(3.8)
Domestic Borrowing as % of GDP (cash basis)	5.1	2.2	1.6	1.2	0.6
GIR months of Import Cover	1.3	1.0	1.5	1.7	1.9

2.2 Progress on Implementation of PRSP Policy Actions and Structural Reforms

The PRSP identified many structural/policy actions required to facilitate growth and poverty reduction. The implementation of the actions was at various stages as at June 2004 (See Appendix I). However, it is important to elaborate progress on the identified key structural/policy reforms in support of the PRSP. These are; (i) Public Expenditure Management and Restructuring of the Public Service; (ii) Financial Sector Reforms (iii) Private Sector Development, and (iv) Legal, Regulatory and Administrative reforms.

2.2.1 Public Expenditure Management and Restructuring of the Public Service

The Public Service Reform Programme (PSRP) under which measures to reduce operational costs in the public service was at an advanced stage by June 2004. Central Government, except three ministries and provinces, was restructured.

However, the objective of the programme to have a lean, efficient and cost-effective civil service

that delivers quality service was yet to be achieved. This was due to a number of challenges that included weaknesses in the management of the establishment register and payroll. Notwithstanding the above, there was need for continued recruitment in the Health and education sectors.

In order to address these challenges, Government undertook positive steps, which included developing an interim Establishment Register, cleaning up the payroll and implementing a new Payroll Management Establishment Control (PMEC) system. In addition, Public Service Commission Regulations were revised, new Terms and Conditions of Service developed and engagement of new staff suspended.

The objectives of the PMEC system were to improve payroll management, provide better data and control mechanisms, accuracy of the payroll and tighter budget control. It also focused on aligning the size of the civil service with resource

availability. By June 2004, Personal Emoluments (PE) releases were based on the PMEC system.

The interim establishment register was premised on a reduction in the number of positions on the establishment. This was done in order for the establishment to be consistent with an agreed optimum budget level for PEs. This entailed the matching of each public servant to a specific post on the establishment and all positions beyond the establishment were accounted for and if necessary reviewed with the possibility of elimination.

In June 2004, Government approved the Public Expenditure Management and Financial Accounting Reforms (PEMFAR) roadmap. The roadmap contains a broad range and detailed programme of reforms in public expenditure management. By June 2004, Implementation of the initial steps to strengthen public expenditure management had commenced.

In addition, Zambia stepped up efforts in strengthening the planning and budgeting process and the expenditure/programme monitoring through the Medium Term Expenditure Framework (MTEF) process and Activity Based Budgeting (ABB). To further strengthen the implementation of the budget and programmes under the reformed planning process, Sector Advisory Group consultations and a stronger and more participatory monitoring system was put in place. In this regard, the 2004 budget was prepared in ABB format. The process to award a contract for the supply and installation of hardware and software needed to implement the Integrated Financial Management Information System (IFMIS) was also underway by June 2004.

2.2.2 Financial Sector Reforms

The Government working closely with the Bank of Zambia and other stakeholders embarked on a project to draw up a Financial Sector Development Plan (FSDP). The vision of the plan

is to develop a stable, sound and market based financial system that will support efficient mobilization and allocation of resources necessary for economic diversification, sustainable growth and poverty reduction. The FSDP was subjected to comments by the stakeholders and approved by Cabinet in June 2004.

2.2.3 Private Sector Developments

Government working with the private sector and other stakeholders, prepared and launched in June 2004 a Private Sector Development Initiative (PSDI) aimed at improving the environment for private sector growth. The key elements of the PSDI are revision of business regulations and licences and the development of a new policy on tax incentives to remove obstacles to investment in agriculture, tourism, gemstone production, telecommunications and energy. The process of implementing the PSDI was envisaged to take two years and an action plan was developed by June 2004.

2.2.4 Legal, Regulatory and Administrative reforms.

During the review period, Government embarked on reforms with the overriding policy of minimising the need for direct regulatory determination for effective private sector participation and sustained large-scale investment. These included the coming up with rules and regulations of the Gemstone exchange, the amendment of the Electricity Act and the Energy Regulation Act, and the Water Resources Management Act. Furthermore, Government commenced the development of the Communication Transport policy, revised the Telecommunications act and commissioned a study on the private sector participation on the International Gateway.

Government also merged two ministries in order to reduce operational cost. These were the Ministries of Environment and Tourism to form the Ministry of Tourism, environment and Natural resources.

2.3 PRSP Implementation and Millennium Development Goals

The PRSP implementation is one of the strategies Government was using to achieve 2015 Millennium Development Goals (MDGs) targets, which were set in the Millennium Declaration during the United Nation Millennium Summit of 2000.

In this respect, reported indicators over the PRP period, 2002 to 2004, show that Zambia has the potential to attain some of the MDGs by 2015. For instance, Reducing under-five mortality rates by two thirds, halting and reversing the spread of HIV/AIDS by 2015 as well as halting and reversing the incidence of malaria and other major diseases by 2015 are some of the MDG targets Zambia is potentially capable of attaining by 2015. Other potential areas include nutrition, enrolment ratios in primary education, gender equality, literacy rate, HIV infection and HIV prevalent rates. The optimism in these areas is attributed to the policy and institutional support being rendered to address specific sector problems in education, health, the HIV/AIDS pandemic and other communicable diseases. These measures are articulated in detail in respective sector chapters of this report.

Nevertheless, the efforts being made by Government in the above mentioned areas through the implementation of Poverty reduction strategies were still below what was required to achieve most of the MDGs. The challenge therefore, remained to be overcome, especially that of achieving the level of economic growth needed to eradicate the overarching problem of poverty and hunger.

However, Government realized the difficulty it faced in order to achieve the MDGs as set by the Millennium Summit. To this end, Government commenced a process to localize the MDGs

targets so that they can conform to the local socio-economic and institutional capacity of the country as stipulated in the PRSP/TNDP.

While some indicators showed potential for improvements as noted above, other indicators such as maternal mortality rate did not. Possible reasons for the poor performance of maternal mortality included; negative cultural practices in birth attendance, current high levels of HIV/AIDS prevalence among women (according to the 2003 annual health statistics bulletin, 23% of women tested under PMTCT programme were positive). The other possible reason was limited access to reproductive health services leading to 56 percent of women delivering at home without professional or traditional birth attendants.

The 2003 MDG report on Zambia noted weak institutional capacity to reinforce environmental laws as well as failure to co-ordinate trans-boundary resource management efforts. Coupled with this weakness was the weak global partnership for development especially in the area of environment.

Despite the above-mentioned problems, Government has showed great commitment during the period under review, both in policy direction and resource mobilisation, in addressing the current high levels of poverty and improving social services. This commitment was demonstrated through scaling up of implementation of PRSP, TNDP, introduction of the MTEF as a strategic planning and budgeting framework and the implementation of major components of the Public Service Reform Programme, which included the decentralization policy.

If the current supportive environment from Government, Co-operating Partners and other stakeholders was sustained, the prospect of Zambia achieving the Millennium Development Goals by 2015 is high. (See Table 2.4)

Tab Table 2.4 PRSP and MDG Indicators

Goal/Indicators	Reported indicators (Annual progress)								Target s for 2015
	PRSP indicators								
	1990	1991	1998	2000	2001	2002	2003	2004	
Goal 1: Eradicate Extreme Poverty and Hunger									
Proportion of people living in extreme poverty		58.2	58.0						29.1
Percentage of under weight Children (under 5 years of age)		25				28			12.5
Percentage of stunted children (under 5 year of age)		40				47			20.0
Percentage of wasted children (under 5 years of age)		51				5			2.5
Goal 2: Achieve Universal Primary Education									
Net enrolment ratio in primary education									
Net enrolment ratio in primary education%	80						72		100
Girls %	69						75		
Boys %	71						71		
Proportion of pupils starting grade 1 who reach grade 7 %.	64						73		100
Girls%	57						66		
Boys%	71						80		
Literacy rate of 15 – 24 year olds %	75						70		100
Female Literacy rate 15-24 years old %	71						66		
Male Literacy rate 15-24 years old %	79						75		
Goal 3: Promote Gender Equality and Empower Women									
Ratio of girls to boys in primary schools				0.98			0.98		1
Ratio of girls to boys in Secondary Schools				0.92			0.90		
Ratio of females to males at tertiary levels				0.46	0.46				
Ratio of literate females to males of 15 – 24 years old.	0.90					0.80			100
Share of women in wage formal employment in non agric sector	39				35				
Proportion of seats held by women in National parliament		6		12					
Goal 4: Reduce Child Mortality									
Under 5 Mortality Ratio (U5MR)		191				163			63
Infant Mortality Ratio (IMR)		107				95			36
Proportion of 1 year old children immunized against measles		77			90 ¹	84	75 ²		N/A
Goal 5: Improve Maternal Health									
Maternal mortality ratio (per 100,000 live births)				649	729				162
Percent births attended by skilled health personnel			51		45				N/A
Goal 6: Combat HIV/AIDS, Malaria and other Diseases									
ESS Trends of HIV infection Among ANC			20			19			19.1
ZDHS HIV prevalence rate (Male and Female rate)						16			16
Children orphaned									1 Million
New cases of Malaria	255			377	394		428		<or =121
Malaria fatality rate per 1,000	11					48	46.1		N/A
Goal 7: Ensure Environmental Sustainability									
Percentage of land covered by forest		59.8				59.6			
Percentage of Land protected to maintain biological diversity		38.8				39.2			
GDP (Million Kwacha) per unit of energy used - Tons of Oil Equivalent (TOE)			1.29	1.60					
Carbon dioxide emissions per capita		0.3		0.2					
Percentage of population using solid fuels		88		85.2					
H/ holds with access to safe drinking water %		48				51			74
H/ holds with access to improved sanitation %		17				15			42

CHAPTER 3: STATUS OF POVERTY

3.0 Introduction

This chapter presents a poverty profile for Zambia on the basis of the Integrated Surveys (IS) system of the poverty monitoring framework. There are two distinct types of surveys which have been used in the poverty monitoring framework for Zambia, the Indicator Monitoring Surveys (IMS) and the Integrated Surveys (IS). The IMS is designed to be carried out every two years while the IS planned to be conducted every five years. The two surveys employ different data collection methods with the IMS collecting cross-sectional data while the IS collect longitudinal data.

The 1998 Living Conditions Monitoring Survey II (LCMS II) is an example of the IMS while the 2002/2003 LCMSIII survey belongs to the IS system. As a result, it is difficult to undertake a comparative analysis of poverty using results from the two surveys. It is for this reason that the poverty profile contained in this chapter only relates to the results from the LCMSIII survey of 2002/2003.

Although it is not possible to compare the poverty results with that from the 1998 LCMII, the level of absolute poverty still remained very high in the country and is still largely a rural phenomenon.

In terms of regional distribution, high levels of poverty were also identified in particular provinces. These are Northern (81 percent), North Western (72 percent), Eastern (71 percent) and Luapula (70 percent). The incidence of poverty was lowest in highly urbanized regions such as Lusaka and Copperbelt provinces, at 57 and 58 percent, respectively.

The extremely poor constituted 46 percent of the overall headcount poverty ratio of 67 percent. Extreme poverty was more of a rural than urban phenomena, at 52 and 32 percent, respectively. The majority of rural households in Zambia depend on consumption of own produce. The LCMIII results show that about 75 percent of the rural income is spent on food compared to only 52 percent in urban areas.

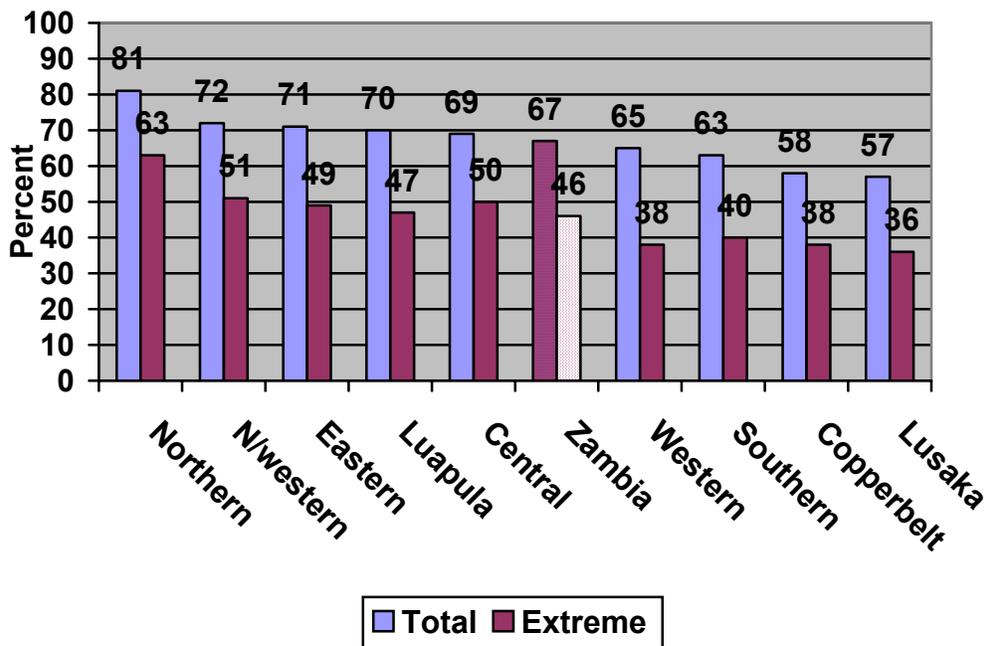
3.2 Status of Poverty

The current poverty profile is based on the poverty lines constructed from the 2002/2003 LCMSIII survey consumption expenditure data. The preliminary results from the LCMIII reveal that the proportion of the population living in moderate poverty did not vary much among provinces however, there were significant variations in the proportion of the population living in extreme poverty across provinces. The rate of extreme poverty varied from 36 percent in Lusaka province to 63 percent in Northern Province. The observed high levels of extreme poverty in Northern, North western, Central and Eastern provinces have an adverse effect on the food security situation in these regions. The extremely poor are more likely to be food insecure especially that they are unable to access a simple food basket that meet their minimum nutritional requirements.

3.7 Contribution to Overall Poverty

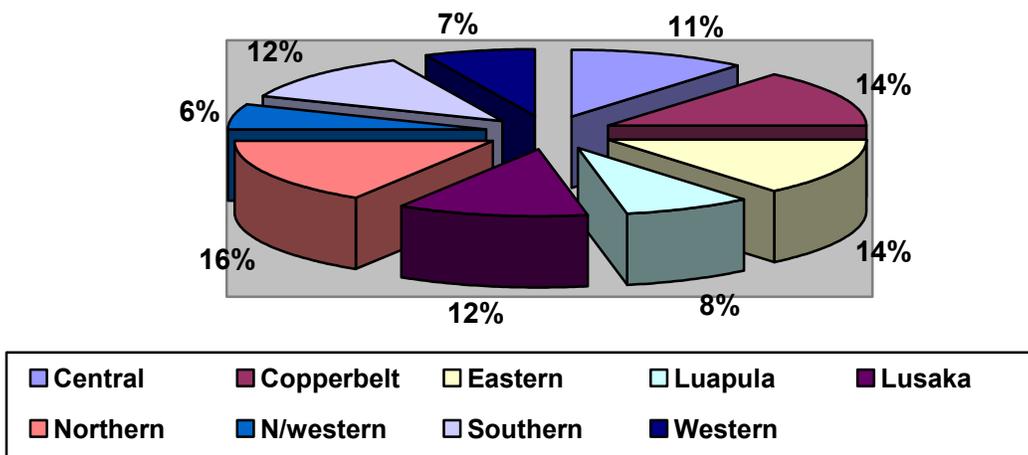
Poverty in Zambia is more widespread in rural than urban areas. The percentage contribution to overall poverty by province show that the population in rural areas accounted for 72 percent of the overall poverty compared to only 28 percent of the urban areas. Northern Province contributed 16 percent, followed by Copperbelt and Eastern provinces, each contributing 14 percent to national poverty while North western, Western and Luapula provinces, contributing 6, 7 and 8 percent respectively. Further, small scale farmers and low cost urban dwellers contributed more than 95 and 92 percent to overall rural and urban poverty, respectively.

Fig 1: Incidence of Poverty by Province, 2002/2003, Zambia

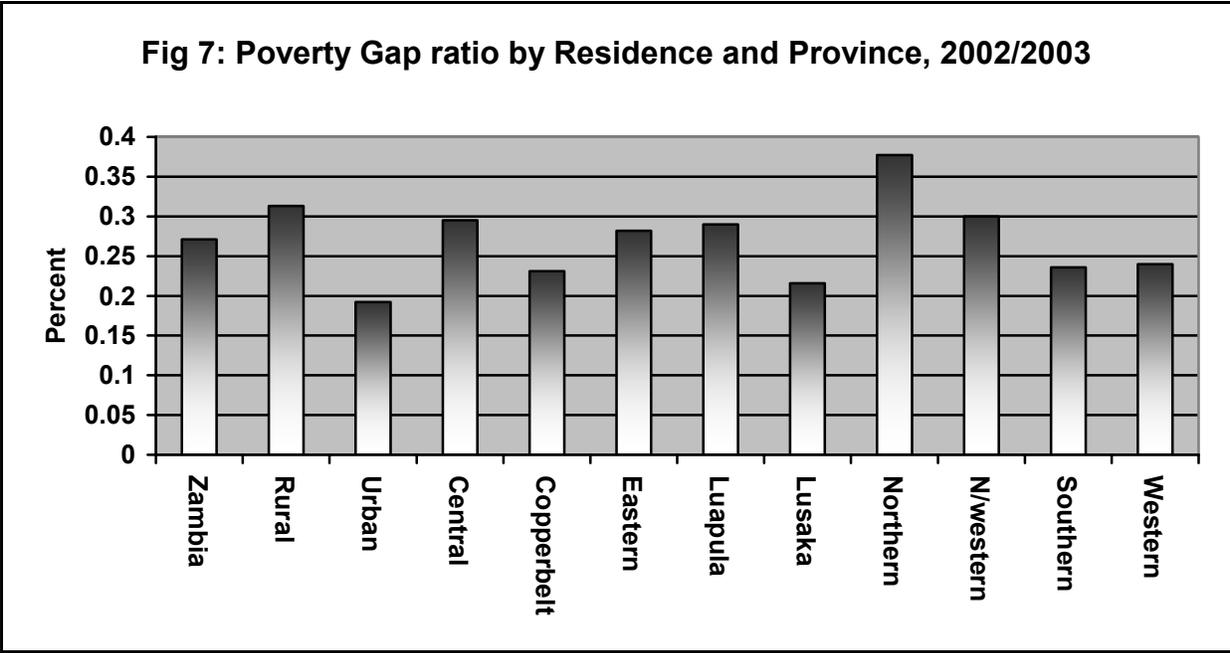


Source: Living Conditions Survey Report 2002/3, CSO

Figure 6: Percent contribution to overall national poverty by provinces, 2002/3



Source: Living Conditions Report 2002/3, CSO



Source: Living Conditions Monitoring Survey Report 2002/2003, CSO

3.8 Distribution of Income in Zambia

The survey reviewed the uneven distribution of income with 50 percent of the Zambian population claiming only 15 percent of the total income, while the top 10 percent claims 48 percent of the total income, which is more than 3 times the income share of the 50 percent population. Within rural areas, 50 percent of the

population claims 22 percent of the total income, while 10 percent claims 33 percent, or 1.5 times the income share of the 50 percent rural population. In urban areas, 50 percent of the population received 12.0 percent of total income, while 10 percent receives slightly more than half of the total income (51 percent).

CHAPTER 4: SECTOR IMPLEMENTATION.

4.1 ECONOMIC SECTORS

4.1.1 Agriculture

The overall goal in Agriculture is to promote a self-sustaining export led agricultural sector that ensures increased household income and food security. The major areas of intervention in poverty reduction were promoting commercial agriculture, land and infrastructure development, technological development and provision of extension services and targeted support system for food security.

In 2003, a total of K56.9 billion was allocated for poverty reduction programmes of which K46.1 billion, representing 81 percent of the allocation was released. The Agricultural Input Support Programme received the larger share of 69.2 percent from the total amount released. Out grower schemes received 14.7 percent while the rest of the programmes received the remaining 16.1 percent. A significant amount of the fund released towards the Input support Programme was after June 2003 for the purchase of agriculture inputs, such as fertilizer and seed, for the 2003/2004 agriculture season.

In 2004, a total of K142.3 billion was allocated for poverty reduction programmes. The bulk of the allocation was for the Fertilizer Support Programme, which had 49.2 percent, crop marketing had 33.2 percent and Nasanga Farm Block had 9.1 percent. The remaining 8.5 percent was for other investment programmes. By the end of June 2004, K79.6 billion or 56 percent of the total PRP budget allocation was released. The maize marketing programme and the Input Support programme received 96 percent of the amount. (See the appendix 3)

Out-grower Schemes

The rationale behind promotion of out-grower schemes was to enable small-scale farmers benefit from commercial farmers' expertise in the production and marketing of high value agricultural products. Through the out-grower schemes, Government increased its outreach in delivery of extension services to small-scale farmers.

In 2003, a total of K9.5 billion was allocated for the development of Tobacco, Coffee, Cotton, Dairy, Vegetables and Paprika Out grower Schemes of which K6.8 billion was released. The PRSP 2002-2004 targeted to support 126,000 small-scale farmers in a period of three years through out the out-grower schemes. A total of 36,000 farmers were targeted to receive support in 2003, of which more than 21,540 benefited. (See appendix 2)

In 2004, a total of K1.9 billion was allocated and released by the end of June 2004 to support out grower schemes. The funds were earmarked for input disbursements and extension services.

Irrigation Development Programme

The Irrigation Development Programme aimed at promoting small-scale irrigation schemes especially for drought prone areas. In 2003, an amount of K6 billion was allocated of which K2 billion was released for the programme. Ten projects were implemented in 2003 under two components: (i) Dam construction/rehabilitation and (ii) Irrigation Scheme Development. By the end of 2003 six projects were completed and four were between 40 and 90% completion.

Land Development Programme

Government's aim in the Land Development Programme was the establishment of new farm blocks at Kalumwange in Kaoma, Nasanga in Serenje and Luena sugar project in Kawambwa. The objective of developing the farm blocks was to increase the land area under cultivation in order to increase agricultural production. The planned activities under the three farm blocks included land capability, soil surveys, crop suitability, layout plans, infrastructure development and socio-economic amenities as well as marketing and agro-processing.

A total of K15 billion was allocated for land development in 2003. Each of the three farm blocks was allocated K5 billion. The activities

targeted included feasibility studies, the demarcation and clearing of 100 000 hectares of land, and the construction of dams. Other activities targeted were the construction of 100 km of trunk roads and 300 km of feeder roads in each farm block. An amount of K950 million for Nasanga, K700 million for Kalumwange and K1 billion for Luena sugar plantation were released, mostly after June for the development of these farm blocks. As at the end of 2003, a total of 86Km of trunk road, one health centre, 1 bridge and demarcations of 828 farms were completed.

Government's focus in 2004 was on the development of Nasanga farm block which was allocated K13 billion for infrastructure surveys and constructions. Kalumwange farm block and Luena Sugar Plantation were also allocated K500 million each for environmental impact surveys. (See appendix 3)

Agro Research and Technological Development

In an effort to seek better farming methods and crop varieties, an amount of K500 million was allocated for agricultural research and technological development in 2003 out of which K55 million was released. The funds were disbursed in line with approved experiments at different research stations around the country.

Rural Investment Fund

The Rural Investment Fund (RIF) is aimed at supporting community based rural infrastructure development. To this effect, matching grants were given to farmer groups for rehabilitation and construction of boreholes, markets, storage sheds, bridges, feeder roads and irrigation facilities.

A total of K1.98 billion was allocated to RIF in 2003 of which K693.3 million was released and disbursed to farmer groups whose projects were approved. By the end of 2003, RIF received a total of K3 billion from HIPC funds. Since these funds were received during the months of October, November and December 2003, it was not possible to carry out all the projects as the rainy season had just begun. A total of 23 major projects were funded at a total cost of K2.8 billion.

Agricultural Input Support Programme

The Agriculture Input Support Programme aims at supporting vulnerable households through the provision of agricultural inputs. An amount of K10 billion was allocated and released for this programme in 2003. An additional amount of K21.9 billion was released for the programme through the supplementary budget to meet the cost of required inputs. A total of 150,000 farmers benefited, of which, 130,000 grew rain fed crops and 20,000 used wetlands and winter agriculture. A diversified range of agro-inputs were procured and distributed to farmers. (See appendix 2)

Seed Multiplication

In order to improve the provision of good seed, an amount of K1.06 billion was allocated to the Seed Multiplication Programme of which K464 million was released. An amount of K250 million was disbursed and distributed to 11 districts for purchase of chemicals and fertilizer, K56 million was used for seed production, and the rest of the funds were for final seed inspection and monitoring, yield estimates and sampling of seeds.

Animal Draught Power

In order to eliminate labour constraints, improve on timely tillage operations and increase area cultivated per household, the Animal Draught Power Program embarked on a donkey and power equipment acquisition. In 2003, a total of K2 billion was allocated of which K500 million was released. The allocated amount was for the procurement of Power tillers for 30 rice growing farming groups in Western Province and 300 donkeys for 150 households in Southern, Eastern, Luapula and Northern Provinces. Furthermore, 300 Oxen were to be purchased for 150 households in Lusaka, Southern, Central, Western, Copperbelt and North Western Provinces. A total of 60 donkeys, 25 power tillers and 80 oxen were purchased and distributed.

Livestock Restocking

The objective of livestock restocking is to reduce poverty through restoration of breeding stock and increased animal draught power. In 2003, an

amount of K500 million was allocated but was not released. This allocation was to be used for purchase of 200 heifers for breeding, 250 beef heifers for distribution to farmers and training of 60 farmers in beef and animal husbandry. However, funding was made to southern province towards the programme. In 2004, a total of K50 million was allocated for monitoring the programme, as at June 2004 the funds were yet to be released (See appendix 2).

Animal Disease Control

To preserve the current population of livestock, and in order to have an effective livestock-restocking program, the Animal Disease Control Programme was designed and K1 billion was allocated in the 2004 Budget. In the programme, local manufacture of vaccines was to be promoted while vaccines for the Contagious Bovine Pleural Pneumonia, New Castle Disease and Corridor Disease were to be procured from within the Southern African sub-region.

Rehabilitation of Agricultural Training Institutions

A total of K2.87 billion was allocated in 2003 for the rehabilitation of infrastructure at five agricultural training institutions in the country. These are Katete Cooperative Centre, Popota Tobacco Training Institute, Zambia Centre for Horticultural Institute, Zambia Institute of Animal Health and Cooperative College. A total of K855 million was released for the rehabilitation of Zambia Institute of Animal Health and the Cooperative College.

In 2004, a total of K379 million was allocated for the completion of rehabilitation works at Cooperative College and rehabilitation of Zambia Centre for Horticultural Institute. By the end of June, K2.7 million was released.

Aquaculture and Fisheries Development

The objective of the programme is to promote food security through provision of protein food for the population. In 2004, an amount of K1.7 billion was allocated for aquaculture and fisheries development. Government targeted to undertake the following activities: the opening of 36 sites in all the nine provinces, the construction of 720 fish ponds and the training of 1300 farmers in

fish seed production. An amount of K17 million was released by the end of June 2004.

4.1.2 Tourism

The overall goal in tourism sector continues to be that of transforming Zambia into one of the major tourist centres in the world. In order to realize this goal, Government's major objectives during the period under review were as follows: -

- To develop infrastructure in tourism areas in order to make them easily accessible;
- To promote investment in the tourism sector;
- To encourage community participation in wildlife conservation;
- To diversify the tourism portfolio to exploit niche markets; and
- To encourage private sector participation in the training of tourism personnel

In order to achieve the objectives in the tourism sector, Government undertook three programs during the period under review. These were the Infrastructure Development in Tourism Areas, the Promotion of Investment in the Tourism Sector and the Tourism Marketing and Promotion. Government allocated to the sector a total of K 36.45 billion during the period under review out of which, K 10.1 billion was released for the implementation of programmes in the sector.

Tourism Infrastructure Development

In 2003, a total of K2 billion was allocated for infrastructure development of which K900 million was disbursed. These funds enabled Government to embark in the second half of 2003 on the rehabilitation of the Livingstone museum and three other heritage sites. Apart from Government resources, Cooperating Partners provided additional resources to complete the rehabilitation of the Livingstone museum. In addition, rehabilitation works commenced on access roads in the Kafue National Park, the Lower Zambezi/Siavonga Development project and the Luangwa National Park. These rehabilitation works were on going by June 2004.

In 2004, a total of K8.85 billion was budgeted for infrastructure development in the sector. By June 2004, K 2.1 billion had been disbursed. These funds were used to complete project preparatory work in Livingstone for the solid waste management system, tourist access roads and the capacity building for the Livingstone City, as well as the building of the South-West Regional Tourism office.

Investment Promotion

In 2003, a total of K5 billion was allocated and released to tourism credit facility for small-scale entrepreneurs. The total number of enterprises that applied to access the credit facility were forty five. After screening the applicants, the number of successful beneficiaries of the facility was forty-three. These included micro, small and medium sized enterprises. In 2004, a further K5 billion was allocated to the credit facility. In addition, K1 billion was allocated for tourism investment promotion of which K900 million was released. These funds were used to officially launch the tourism investors' forum at the Pamodzi Hotel on 25th February 2004 to attract tourism investors to Livingstone and the Kafue National Park. (Refer to appendices 4 and 5)

Marketing and Promotion

A total budget of K5.6 billion was allocated in 2003 for tourism marketing and promotion activities of which K1.2 billion was released to carry out the following activities: -

- Attending three international trade fairs;
- The production of 5000 Generic brochures, 3000 promotional CDs, and 2000 tourist maps;
- Media sensitisation exercise; and
- The re-opening of the Zambia National Tourist Board New York office.

Other activities undertaken during the first half of 2004 included the preparation of reports on the inventory of existing and potential tourism products, the collection of Preliminary data/information from other countries on the Tourism Satellite Accounting (TSA) at a cost of K200 million and the continued preparation of the National Tourism Master Development Plan.

4.1.3 Mining

Government's overall goal in the sector is to promote investment in the mining industry and ensure the development of a self-sustaining mineral-based industry. Derived from the overall goal are two objectives. These are as follows:

- To attract investments for the development of large mines through infrastructure development; and
- To revitalize and ensure realisation of the potential of the small-scale mining sub-sector

The current PRSP interventions only relate to small-scale mining. In this regard, four programmes were planned to be undertaken. These were the establishment of the Gemstone Exchange, the creation of a Mining Community Development Fund (Revolving fund), the introduction of the Plant Hire Scheme, and the SYSMIN Mining Diversification Programme.

In 2003, government allocated and release K1 billion towards the establishment of a Gemstone Exchange. The disbursement was made at the end of the second quarter, thereby facilitating activities in the last half of the year. In 2004, the government targeted to implement three programmes. To this end, a total of K2 billion was allocated and K 2.06 billion was disbursed by June 2004(See Appendix 7).

Establishment of the Gemstone Exchange

Over and above the consultations conducted in 2003, a number of activities in the programme were accomplished by June 2004. In this regard, the Zambia Gemstone Exchange Limited was registered and a board of directors recommended by stakeholders. In order to move the process forward, a Cabinet Memorandum was prepared. In addition, the rules and regulations of the Gem Exchange were drawn up in consultation with the Lusaka Stock Exchange (LuSE) and the Securities and Exchange Commission (SEC).

Creation of a Revolving Fund

In order to create the Mining Community Development Fund (Revolving Fund), Government was in the process of commissioning a consultant to design an appropriate mechanism to administer the

initiative. An amount of K500 million was budgeted and released for the consultancy.

Introduction of a Plant Hire Scheme

The released amount of K500 million for the introduction of the Plant Hire Scheme was inadequate for a complete set of mining equipment for hire. The complete set of mining equipment would require K2.5 billion. For the planned four schemes to operate effectively, Government would require a total of K50 billion. Therefore, the possibility of varying the funds to the Revolving Fund was being considered to increase its capital base.

Mining Sector Diversification Programme (MSDP) Fund

Table 4.1 No. of licences issued by June 2004

Type of Licence	2001	2002	2003	2004 *
Small-scale mining	17	22	37	27
Prospecting permits	12	24	22	27
Gemstone Licences	43	57	62	58
Artisan Mining Rights	106	95	115	-
Total	178	198	236	112

Source: Ministry of Mines and Mineral Resources

*Note Figures for 2004 are indicative of January to June only

The construction of a new power line to service Kansanshi and Lumwana mines in the North-Western Province progressed according to schedule. An estimated 70 percent of the line was constructed, while an estimated 90 percent of the substation buildings were completed by June 2004. The entire project was expected to be completed by end November 2004.

4.1.4 Manufacturing

The overall goal in the manufacturing sector is to promote growth of an export-led industry leading to employment creation and poverty reduction. In order to realise this goal, Government's objectives in the sector during 2003 and 2004 were the following:

Despite the slight revision to the stringent conditions attached to the loan facility, the intended beneficiaries continued to face difficulties in accessing the funds. Consequently, the situation did not improve significantly, as only two additional recipients benefited since the last reporting period. Of the total three recipients that benefited from the Fund, since its inception, only one was a Zambian small-scale mining company.

Other Developments

The mining sector continued to show higher levels of activity resulting from increased private sector investment. The number of licences issued continued to indicate increased interest in the mining sector (see Table 4.1).

- To increase domestic and foreign investment in manufacturing;
- To increase exports from manufacturing especially in areas where Zambia has comparative advantage;
- To improve industrial skills and craftsmanship;
- To improve the application of science, technology and research and development (R&D);
- To develop and improve operations of Micro, Small and Medium Enterprises (MSMEs); and
- To develop rural based enterprises.

During the review period, Government continued the implementation of manufacturing programmes as planned in the PRSP (2002-

2004). Specific programmes that were targeted were investment, trade and export promotion, rural industrialisation and micro small and medium enterprises development.

In 2003, Government budgeted for three programmes in the sector. These were industrial development, primarily targeting Export Processing Zones (EPZs), Small Industries development and the provision of ARVs to public service workers in the sector. During the year, releases were made only for EPZs and the HIV/AIDS initiative as shown in table 1 below:

TABLE: 4.2 PRPs GOVERNMENT RELEASES FOR 2003

Programme	Budgeted	Releases
Export Processing Zones	2,000,000,000	1,000,000,000
Small industries Development Board	1,000,000,000	0
HIV/AIDS	500,000,000	100,000,000

Source MOFNP 2003

During 2004, Government allocated a total of K4.8 billion for PRPs in the sector, out of this amount; K 2.1 billion was released as at end June 2004. These funds were for privatisation, small-scale enterprise, export and investment promotion and the harmonisation of taxes to level the playing field in the sector (see appendix 9) .With regard to implementation of these programmes by end of June 2004, Government was yet to implement planned programmes as the activities and the logistics for implementing the year's programmes were underway.

STATUS OF IMPLEMENTATION

Investment promotion

During the review period, Government did not disburse any PRP funds for investment promotion. However, Government continued to attract both local and foreign investors through the sector ministry and Zambia Investment Centre (ZIC). Arising from 91 investment pledges recorded at ZIC, a total of US \$ 120.7 million was pledged during 2003 while the complementary employment pledges stood at 11,800.

At policy level, Government launched the Zambia Investment Advisory Council to facilitate the design and implementation of investment programmes. Other activities undertaken included the finalisation of the National Investment Plan

and the integration of investment components into sector plans.

During the first half of 2004, Government exhibited at 2 Agricultural and commercial shows and held a seminar on project management. Consistent with these efforts the ZIC in its continued efforts to promote investment undertook two investment promotion trips to South Africa and Germany. The theme for the South African trip was to promote mining while the German trip focused on several investment opportunities including the promotion of the provision of irrigation equipment.

Trade and Export Promotion

During 2003, a total of K1 billion was allocated and released for the Export Processing Zones (EPZs) programme as part of trade and export promotion. In this regard Zambia Export Processing Zone Authority (ZEPZA) was created to facilitate the promotion of investments in EPZs. The released funds were mainly used for:

- i. The preparation of EPZ licensing regulations and documents;
- ii. The preparation of organizational structure and conditions of service of ZEPZA staff, their contracts of employment and recruitment;
- iii. The preparation of Human Resources guidelines and grievances procedure code;
- iv. The preparation of financial rules and regulations;
- v. The preparation of operational documents, promotional materials, budget and workplans;
- vi. Undertaking of foreign and local promotions including a familiarisation tour of Namibia's EPZs;
- vii. The implementation of operational systems and purchase of equipment; and
- viii. The consideration of applications for permits and licenses.

During the review period, ZEPZA was established. ZEPZA's functions were hampered by the suspension of the processing of applications so as to enable a comprehensive review of the potential revenue loss that would arise from abuse of the incentives.

Rural Industrialisation and Micro Small and Medium Enterprises

In 2003, Government allocated K 1 billion for rural industrialisation and the Micro, Small and Medium Enterprises (MSMEs) programmes. There were no PRP funds released for these programmes. Notwithstanding, Government through the Small Enterprises Development Board (SEDB) carried out several activities to support the operations of MSMEs.

The major activities undertaken included training and sensitisation workshops, acquisition of equipment, provision of marketing support services, monitoring and networking and a consultancy on dimensions of stone evaluation. With regard to training and sensitisation, SEDB received K 63.2 million and serviced 469 beneficiaries. Government allocated K21.4 million for the purchase and transportation of four nut crackers for women groups in Western province. In the area of monitoring and networking, Government through SEDB spent K6.9 million on monitoring and evaluation activities and participation in relevant workshops on promotion of micro and small enterprises. In addition to these activities 12 training courses were conducted in Lusaka, benefiting 184 SMEs.

During the first half of 2004, Government through SEDB carried out several promotional activities for SMEs. The major activities included workshops on the theme 'start your business and generate your business idea' which had 239 beneficiaries. Other activities involved participation by 140 beneficiaries in the business enterprise exhibition and the International trade fair.

Industrial and Craftsmanship Development

During the review period, Government allocated funds to the sector for Poverty Reduction Programmes for industrial training. The resources were utilised for the rehabilitation of training institutions in order to improve training environments and enhance quality of service delivery. Details for these programmes are reported under the Education Sector of the report.

4.1.5 Energy

The overall goal in the energy sector is to promote optimum supply and utilization of energy. In order to streamline the implementation

of the sector programmes and meet the sector goal, Government speeded up the implementation of structural and legal reforms in the sector. Government continued to use the following strategies to attain the sector goal:

- (i) Enhancing the capacity in energy delivery infrastructure in order to ensure efficient and reliable supply to cater for increased domestic demand and exports;
- (ii) Promote targeted interventions in power supply to increase access to vulnerable populations such as those in rural and peri-urban areas through promotion of off-grid power supply and alternative energy sources and technology;

In this regard, Government facilitated the meeting of the entry point actions by ZESCO as contained in the Commercialisation road map of the institution. By the end of 2003, all the entry point actions were undertaken for the commercialisation of ZESCO.

The legal reforms implemented during the period under review included, the amendment of the Electricity and the Energy Regulation Acts, which was done in December 2003. These Acts were amended in order to make them more responsive to the current socio-economic situation of the country and to provide a more favourable environment for private sector participation in the development of the energy sector. In addition, Parliament enacted the 2003 Rural Electrification Authority Act. The Act provides for the formation of the Rural Electrification Authority that will be responsible for coordinating the implementation of Rural Electrification Programmes.

In the petroleum sub sector, Government continued to facilitate the efficient operations of the sector by putting in place mechanisms that will encourage the private sector to supply the country with petroleum feedstock using own financing. Further, efforts were made in improving the security of petroleum supply, and facilitating the acquisition of resources for the rehabilitation of the petroleum infrastructure.

In this respect, Government constituted a Committee in 2003 whose mandate was to

develop mechanisms for the maintenance of petroleum strategic reserves.

Status of Programme Implementation

During the period under review, the bulk of the projects implemented under Poverty Reduction Programme were rural electrification projects. In 2003, a total budget allocation of K6.0 billion was made for PRPs, of which K5.0 billion was for rural electrification and K1 billion for the other PRP projects. While the sector performance in 2003 was not very good on account of limited releases of the allocated funds, the last quarter of 2003 and the first quarter of 2004 recorded some improvements in the timely releases of funds to the energy sector. Out of the total allocation of K11.96 billion for PRPs in the 2004 budget, K1.27 billion was released by second quarter.

Rural Electrification Programme

In 2003, a total allocation of K5 billion was made for rural electrification, out of which K2.5 billion was released during the 4th quarter for the implementation of the 11 rural electrification projects. Table 4.3 below shows the distribution of the K2.5 billion among the 11 projects. The implementation of the 11 projects is still ongoing.

Table 4.3: Distribution of K2.5 Billion to Rural Electrification Projects

PROJECT NAME	Apportionments of the funds (K' billion)
Katuba Farming Block, Central Province	0.15
Lufwanyama, Copperbelt Oprovince	0.15
Mpongwe, Copperbelt Province	0.20
Masaiti, Copperbelt Province	0.20
Kafubu Farming Block, Copperbelt Province	0.10
Areas Surrounding Chiefs Mujimanzovu And Kapijipanga,	0.10
Nyimba Kacholola And Mtilizi – Eastern	0.10
Gwembe-Tonga, Southern Province	0.60
Kaputa – Northern	0.45
Tapo-Lukona, Western Province	0.20
Monitoring And Evaluation	0.25
Total	2.50

By end of 2003, six rural electrification projects were completed in five provinces namely, Lusaka, Central, Copper belt, North Western, and Southern provinces, with Southern Province having 2 projects completed. The total expenditure for these completed projects was K2.59 billion financed by ZESCO. The 6 completed projects in 2003 do not include the 11 projects mentioned in table 4.3 above which received a funding of K2.5 in the fourth quarter of 2003.

The other project, which was implemented in 2003, under the rural electrification programme, is the Solar PV-Energy Service Companies (ESCO) Project. The project was funded by Co-operating partners through a private sector arrangement. By December 2003 the project was completed. However, an agreement was negotiated for extension to June 2005, involving the purchase of extra 100 solar systems, earmarked for Nyimba, Chipata and Lundazi.

In the 2004 budget, a further provision of K9 billion was made towards rural electrification programme. During the period under review, no funds were released for rural electrification because the programme was profiled for funding during the second half of the year, after the completion of the Rural Electrification Master Plan.

Out of the K1.27 billion released by second quarter in 2004, K24.5 million was for the development of a Rural Electrification Master Plan. The remaining amount was being utilized to implement other PRP projects, which include: Bio Gas, Energy exploration, Gel Fuel, Liquidified Petroleum Gas (LPG), Improved Cook stoves and Global Village Energy Partnership projects. (The detailed implementation progress on these projects is outlined in the Appendix 10).

Nansanga Farm Block Electrification project

The Nansanga Farm Block Electrification project involved the construction and energizing of an overhead electricity line in Nansanga Farm Block. A total of K480 million was allocated for this project in the 2004 budget out of which K460 million was released by the end of June 2004. During the period under review, the Inter Ministerial Committee was formed to oversee the implementation of the project. The committee started meeting during the period under review.

In addition to the above stated projects, the following poverty reduction related projects were implemented in the energy sector:

Zambia – Namibia Transmission Line Project

The Zambia–Namibia Transmission Line Project will involve the construction of 230 km of 220kV transmission line, including installations and substations extensions, from Victoria Falls in

Zambia to Katima Mulilo in Namibia. The total project would cost US \$ 12 million and would be jointly financed by the African Development Bank (ADB), Development bank of South Africa (DBSA) and Zambia Electricity Supply Corporation (ZESCO).

By end of 2003, tender evaluation for the project was completed. The contract negotiations commenced in 2004 and by the end of the current reporting period, project contracts were approved and were awaiting signing. It is expected that the mobilisation to site will be completed by September 2004 and project commissioning would take place in 2005.

Once completed, the project is expected to increase electricity exports to Namibia and improve local power supply to Southern and Western provinces.

Malawi-Zambia Power Cooperation Project

The Malawi-Zambia Power Cooperation Project involves the construction of a 129 km 33kV line on the Malawian side and 3km line from the border to Chama as well as a 14 km line from the border to Lundazi. This is a SADC rural electrification programme partially funded by the World Bank. The implementation of the project will be carried out by ZESCO and ESCOM. The two electricity corporations participated in the funding of the project.

The works involving the connection to Lundazi were completed in 2001 and financed by ZESCO and ESCOM while the World Bank is funding the works to connect Chama from the Malawi border. The works connecting to Chama are scheduled to be completed by August 2004.

It is envisaged that this project will improve power supply efficiency, reliability and reduce the cost of supplying electricity to Lundazi and Chama which were initially electrified by expensive diesel powered generators.

Zambia-Tanzania-Kenya Power Interconnector

The Zambia-Tanzania-Kenya Power Interconnector project involves the construction of a power line and supply of power from Zambia to Kenya and Tanzania. By end of 2003, the three countries (Zambia, Tanzania and Kenya) had signed an Inter-governmental Memorandum

of Understanding and agreed to co-operate in the development of the project. By second quarter of 2004, phase 1 feasibility study report and draft solicitation documents had been submitted by consultants and were reviewed by the three countries.

At the end of the reporting period, the no-objection from the World Bank was being awaited for the funding to cover the Environmental and Social Impact Assessment (ESIA) for the Tanzanian Internal Reinforcement and for use to engage consultants for contract negotiations.

4.1.6 INFRASTRUCTURE

Government's overall objective in the sector is to create an efficient Transport and Communications system that will promote economic growth and poverty reduction. The major focus for the sector include;

- To expand, rehabilitate and maintain paved and unpaved roads and feeder roads.
- To develop safe, sufficient and sustainable maritime and inland waterways transport systems.
- To preserve the investments that has been made in the transport and communications sector.

In order to realize these objectives, Government embarked on various programmes in the following sub sectors; Roads, Buildings, Water transport, Railway, Air transport and Communications.

Road Sub-sector

In 2003, Government allocated a total of K447.7 billion to the road sub-sector out of which K12.2 billion was for feasibility studies, K46.3 billion was for poverty reduction programmes, K18.4 billion for Bridges and pontoons and K370.8 billion for the rehabilitation of roads with the support from Co-operating Partners.

As at end December 2003, a total of K70.4 billion was disbursed out of which K44.97 billion was spent on poverty reduction programmes. The balance of K25.43 went to other capital

programmes in the sector. Total disbursement from Cooperating Partners was approximately K221.28 billion.

In 2004, Government allocated K348.6 billion to the road sub-sector. Feasibility studies was allocated K13.9 billion, poverty reduction programmes K71.3 billion, Bridges and pontoons K16.8 billion and rehabilitation of roads K209.4 billion with support from Co-operating Partners. Periodic maintenance was allocated K35.7 billion

and institutional transformation into the Roads Development Agency K1.5 billion. As at end June, a total of K176.9 billion was released towards feasibility studies, poverty reduction programmes, rehabilitation and periodic maintenance of roads. The funding for poverty reduction programmes was also apportioned to the provinces as outlined in table 4.4.

Table: 4.4 Funding for Poverty Reduction Programmes to Provinces in 2004

Province	Estimate in K'Billion	Cumulative Funding in K'Billion	Cumulative Expenditure in K'Billion
Central	4.28	4.28	4.97
Copperbelt	2.15	2.15	0.88
Eastern	14.28	14.28	5.80
Luapula	4.10	4.1	0.64
Lusaka	3.50	3.50	1.36
Northern	16.02	16.02	16.42
North-western	14.17	14.170	11.20
Southern	6.70	6.70	3.00
Western	6.10	6.1	0
Total	71.3	71.3	44.27

Source: Ministry of Works and Supply – Roads department 2004

Government continued with the implementation of the 2002 transport policy through the establishment of the Road Development Agency (RDA), Road Transport and Safety Agency (RTSA) and National Road Fund Agency (NRFA). Boards of Directors for the RDA and RTSA were appointed while that of the NRFA was awaiting Cabinet approval.

In order to expand, rehabilitate and maintain paved, unpaved and feeder roads, Government in collaboration with Cooperating Partners, continued to implement the Road Sector Investment Programme (ROADSIP). The first phase of ROADSIP officially came to an end in 2003 and recorded some achievements as outlined in table 4.5. The second phase of ROADSIP which was renamed the Road Rehabilitation and Maintenance Programme (RRMP) was expected to start after June 2004.

Table: 4.5 Status of Implementation for ROADSIP Phase I

Name Of Project	Financier	Status
1 Kasama-Mpika Road	GRZ	Completed in 2003
2 Chingola-Solwezi Road	GRZ	Complete in 2003
3 Batoka-Maamba Road	GRZ	Complete in 2003
4 Magoye-Chivuna	GRZ	Complete in 2003
5 Kapiri-Mposhi & Chisamba Road	EU/GRZ Counterpart	Completed in 2003
6 Lusaka Road Phase II	JICA/GRZ Counterpart	Completed in 2004
7 Livingstone-Sesheke Road	KfW-Germany/GRZ Counterpart	Completed in 2004
8 Katimamulilo Bridge	KfW-Germany/GRZ Counterpart	Complete in 2004
Kabwe-Kapirimposhi Road	EU/GRZ Counterpart	Completed in 2004
9 Mporokoso-Bulaya	GRZ	80% complete
10 Periodic maintenance of roads	World Bank/GRZ Counterpart	75 % complete
11 Community roads/capacity building	World Bank	75 % complete
12 Mongu-Kalabo Road	Badea /Kuwait/OPEC Fund/GRZ Counterpart	60% complete
14 Capacity Building & Institutional development	NORAD	60% complete
15 Lusaka-Mongu Road	Danida/GRZ Counterpart	15% complete

Source: National Roads Board 2004

The performance of the road sub-sector in 2003 was satisfactory. An overall improvement in the paved road network was recorded. Government

planned on maintaining 25,276 Km of roads but only 18,636 Km were maintained representing 74 percent of the planned target. The length of the paved road network in Good condition reduced from 59 percent in 2002 to 56 percent in 2003 and the length in poor condition reduced from 19 percent to 17 percent for the same period

Table 4.6

	Name of Project	Financier	Status
TRUNK ROADS			
1	Great North Road	World Bank / DANIDA	Completed
2	Siavonga Road		Completed
3	Lusaka - Kabwe	EU	Completed
4	Monze - Zimba	EU	Completed
5	Mpika – Kasama	Road Fund	Completed
6	Lusaka – Mongu	DANIDA	15% Complete
7	Luangwa Bridge – Nyimba	Road Fund	Completed
8	Lusaka - Makeni	World Bank	0% complete
9	Makeni – Kafue	World Bank	30% complete
10	Mongu – Kalabo	OPEC	40% complete
URBAN ROADS			
	Lusaka urban roads rehabilitation	Road Fund	Completed
	Lusaka Phase I	JICA	Completed
	Lusaka Phase II	JICA	Completed
	Kitwe city roads	World Bank	Completed
	Ndola city roads	World Bank	Completed
FEEDER ROADS			
Province	Full improvement	Accessibility improvement	Financier
Luapula	323 Km	252 KM	World Bank
Northern	523 Km	895 Km	World Bank
Western	0	865 Km	World Bank
TOTAL	846 Km	2,012 Km	

Source National Roads Board

Whilst the reduction in the length of the paved road network in poor condition was due to rehabilitation works that were undertaken during the period under review, the lack of consistent routine and periodic maintenance led to a rapid deterioration of the roads that were previously in good condition. This resulted in an increase in the length of the paved road network in Fair condition from 22 percent in 2002 to 27 percent in 2003.

Routine and periodic maintenance was on a twelve month performance contract, which were labour intensive guaranteeing jobs for small-scale contractors and local inhabitants who were employed along project roads. In this regard, 8,400 jobs were created under the feeder roads

programme and 9,700 jobs under the trunk roads programme as at end December, 2003.

At the close of 2003, audited arrears for projects stood at K271.7 billion in the Roads sub sector. This amount includes interest charged on contracts that were previously outstanding. Government realizes the negative impact that arrears have on projects, therefore, a committee to renegotiate with contractors that are owed huge amounts due to interest charges was established.

National Road Safety Action Plan

Government continued to implement the National Road Safety Action Plan (NRSAP). In order to reduce the number of accidents, the minimum age requirement for Passenger Service Vehicle (PSV) drivers was increased from 18 to 21 years and a re-training programme was introduced. A total of 10 motorcycles were bought for road patrols and mounting of speed traps was stepped up. Breathalysers were also bought to help in conducting on the spot alcohol tests for drivers.

Buildings

Government disbursed K14.6 billion to undertake building programmes in 2003. The New Chirundu and Katima Mulilo Bridges were completed and commissioned in December, 2003 and May, 2004 respectively. However, construction of support infrastructure at Chirundu and Katima Mulilo was still under way by June 2004. In addition, building work continued at the New Government Complex. Other projects that were undertaken during the period under review are outlined in appendix 11a.

New Chirundu Bridge Infrastructure

Government undertook to improve infrastructure at the new Chirundu Bridge. The project included building of the water treatment plant, security wall fence and guard houses, 50 houses, Police station, passenger control building, freight terminal and street lights.

Government disbursed a total of K13.7 billion which was spent on the Chirundu Bridge infrastructure against an approved budget of K6 billion in 2003. This resulted in a supplementary budget of K 7.7 billion for this particular project. As at end June, 2004, K13.6 billion had been

disbursed against a budgeted allocation of K35.96 billion.

Progress on works continued at a slow pace with some works yet to begin due to inadequate funding, compounded by the outstanding payments to contractors and consultants. At the close of 2003, arrears for Buildings projects stood at K4.7 billion. However, a total of K10.3 billion was paid to contractors while K1.4 billion was paid to consultants. As of June 2004, a total of K7.4 billion was paid towards contractors the civil works were at an advanced stage with approximately 95 percent of the programmed works complete. (See appendix 11b).

Katima Mulilo Infrastructure

In order to enhance revenue collection, Government embarked on improving the support infrastructure at Katima Mulilo border post. A total of K 7.2 million was funded out of an approved budget of K200 million. By June 2004, the project was at tender stage.

New Government Complex

In order to reduce on expenditure on rentals, Government embarked on building the new government complex. In 2003, an amount of K2 billion was allocated of which K678 million was released towards the purchase and installation of lifts, telephones and electricity. As at June 2004, a total of K330 million was released against an approved budget of K800 million. (See appendix 11a).

3.1.6.3 Communications sub sector

Information and Communications Transport (ICT)

Government was in the process of developing a multi-sector National ICT Policy framework, which would spell out the broad areas that would provide guidance in terms of investment, performance and targets. As at June 2004, the national ICT Policy development process had reached an advanced stage. Consultations were being finalised and the revision of the first draft was on-going. The policy was expected to be finalised by December 2004. Government with the support from Cooperating Partners was in the process of commissioning the following studies;

1. The assessment of latent telecommunications services demand and possible mechanisms including licensing incentives that would stimulate the extension of the service to rural and underserved areas.
2. Review of the 1994 telecommunications Act.
3. Review of the licensing frame work and the unbundling of Zambia Telecommunication Corporation Limited (Zamtel).

4. Evaluation of performance and feasibility of multiple players in the International Gateway operation.

These studies were part of the reform process in the Communications sector and were expected to be completed by 30th September 2004.

3.6.1.4 Railway Sub-Sector

In order to preserve investments made in the railway sub-sector, Government during the period under review implemented the following programmes outlined in table 4.7.

Table: 4.7 Programme implementation status for the railway sub sector

Company Name	Status
Zambia Railways	Government completed concessioning the company to SpoorNet New Limpopo Bridge Investment Project in December 2003. The company is now called Railway System of Zambia.
Mulobezi Railway	An option study for private sector participation in the company to ascertain available options on the future of the rail-line is underway and a report is due in August 2004.
Tanzania Zambia Railways	An option study for private sector participation is underway. A report is due in September 2004.
Chipata Mchinji	A feasibility study was underway to establish the viability and possible cost of establishing the railway line. As at June 2004, Government had released K1.2 billion for monitoring and evaluation of the works to be undertaken by the private sector
Njanji Commuter Services	Government has approved concessioning. ZPA is yet to commission a study on the concessioning of the Njanji Commuter services.

Source: ZPA, 2004

Chipata / Mchinji Railway

The Government of the Republic of Zambia signed a Memorandum of Understanding with Eldlow Resources Limited, in the second half of 2003, to carry out feasibility study on the viability of the Chipata / Mchinji Railway project on Build Operate and Transfer

At the time of this report, Government was yet to receive a feasibility study report.

Maritime and Inland Waterways

In order to develop safe, sufficient and sustainable maritime and inland waterways transport systems, Government, allocated K3.36 billion for rehabilitation of canals and waterways out of which K750 million was disbursed for works in Luapula, Western and Northern provinces. Each of these provinces received K 250 million. A total of 849.5 km of canals and waterways were dredged out of a target of 1,349 km.

As at June, 2004, the approved budget of K 550 million had been funded for rehabilitation of canals and waterways. No works had been done as Government was in the process of disbursing these funds to the various projects in the provinces in consultation with the provincial leadership.

Civil Aviation Sub-sector

In order to preserve investments that have been made in the Civil Aviation Sub-sector, Government in 2004 started a process of establishing a national airline as public-private partnership and it was expected that the national airline once established would improve air services to complement other transport modes and make Zambia once more a regional air transport hub.

Procurement of Consultancy Services to prepare a bankable document to solicit investment into the establishment of a national airline reached advanced stage by June, 2004. The study was expected to take-off end of September 2004. It was expected

that the study would produce a bankable document, which Government would use to solicit external investment and identify either a foreign or local private sector partner in the establishment of a National Airline. Government continued to rehabilitate aerodromes to improve the poor state of disrepair which most of them were (See regional chapter for status in each province).

Chipata Airport

The Chipata airport was closed in 2001 due to extensive damage of the runway by heavy rains. Rehabilitation work started in 2002 and was completed in March 2003.

Lusaka International Airport

The Lusaka International airport underwent a face-lift at a cost 3 million Euros. The renovations included modernization of the entire airport's lighting system, provision of emergency, rescue and fire fighting equipment, ground service equipment, installation of escalators, baggage carrousel, flight information display system and security screening equipment.

Livingstone International Airport

The runway at the Livingstone International Airport was resurfaced in 2002 at a cost of US \$ 1.9 million. The works comprised an asphalt overlay to strengthen the load bearing capacity of the runway.

4.2 SOCIAL SECTORS

4.2.1. Education Sector

The overall goal of the Education sector is to provide relevant, equitable, efficient and quality education for all so as to contribute to economic growth and poverty reduction. In order to realise this goal, Government pursued the following objectives in the sector:

- Increase access to basic education and improve relevance and quality.
- Increase access and retention and ensure quality education;
- Improve the quality, access and capacity to education providers;
- Increase access, quality and relevance of skills training; and
- Reduce disparities in the education sector, including gender disparities.

In order to achieve the above objectives, the following programmes were implemented; Infrastructure development, Curriculum development, Education materials provision, Bursaries provision to Orphans and Vulnerable Children (OVCs), Equity/Gender and HIV/AIDS.

STATUS OF PRP IMPLEMENTATION

4.2.1.1 Infrastructure Development

Rehabilitation of Vocational Training Institutes

A total of K8.3 billion was budgeted for Poverty Reduction Programmes in 2003 for vocational training, under Ministry of Science, Technology and Vocational Training. Out of this amount, K1.95 billion was released for various rehabilitation works of students' hostels and cafeteria of 16 training institutes and colleges which represented twenty five percent of the allocation. These funds were released late hence most of the institutions started implementing the programmes in 2004. (See appendices 12c)

In 2004, the amount released for vocational training as at end of June was K3.4 billion against the budget of K6.6 billion representing 56.4 per cent of the budget. The funds were disbursed to the respective institutions.

The original overall budget allocation for the Education sector in 2003 was K486 billion. However, during the course of the year, the Government increased personal emoluments by 151% arising from Trade Unions demands. Consequently, the releases rose by 123% from the original budget of K486 billion to K691 billion. The PRP budget stood at K51.7 billion. Of this amount, Government was to contribute K5.1 billion. However, by the end of the year, Government contributed K6.3 billion.

In 2004, the allocation to education was further scaled up to K784 billion representing 20.8 percent of the discretionary budget, a rise of 2 percentage points, from 20.6 percent in 2003. By end of June 2004, disbursements against this budget amounted to K385 billion which represented 49.2 percent of the budget.

The sector also attracted significant support from Cooperating Partners through sector-wide approach, benefiting largely basic education at district level.

Rehabilitation of the University of Zambia and Copperbelt University

In 2003, K680 million and K500 million were released for rehabilitation works at the University of Zambia (UNZA) and Copperbelt University (CBU) as against the budgets of K4 billion and K3 billion respectively.

This was followed up by further releases of K4.9 billion and K2.3 billion in May 2004 for the rehabilitation of water reticulation system at both universities and resealing of concrete roofs at UNZA. Activities in the Access to Education programmes included the construction of Chinsali College, construction of for teachers' houses and construction of three rural secondary schools. Budget for all these in the period under review was K20.5 billion (see appendices 12 a-12c).

Other Infrastructure Development Programmes

Other Infrastructure Development Programmes Government undertook during the period under review included the construction of Chinsali

teachers' training college, teachers' houses and three rural secondary schools. The budget for these programmes was K20.5 billion. Due to financial constraints faced by Government, only Chinsali college received funding of K500 million (see appendix 12b).

5. Support to Community Schools

By June 2003, there were more than 1,793 community schools which enrolled more than 175, 789 pupils of whom 88,688 were males and 87,101 were female and employed over 2,934 Teachers. Most of the community schools lack the necessities required in a conventional schools. In 2004, Government allocated K3 billion for community schools out of which K750, million was released. The support to community schools was meant to supplement the community efforts to run their schools.

6. HIV /AIDS Awareness

In the area of awareness sensitisation, workshops were held in all provinces and various campaign materials such as T shirts, caps, and posters were bought or printed and distributed countrywide. Class debates and popular arts (drama) were performed. Provision of ARVs to affected members of staff and distribution of female condoms were also carried out. A sum of K3 billion was budgeted for these activities in the sector in 2003 and 2004 of which a total of K743.4 million was released by end of June 2004.

7. Rural Hardship Allowance

The Rural Hardship Allowance was meant to be one of the incentives for Teachers serving in rural areas of the country. An amount of K2.billion was budgeted for 2004 of which K324.6 million was released by end of June 2004 and later disbursed to five rural provinces; Northern, Luapula, Eastern, North-Western and Western provinces.

8. Provincial Allocations

During the period under review, a total of K10 billion was budgeted for school requisites and rehabilitation under PRP in the provinces under the Provincial Administrations. Of this amount, K9.4 billion was released. For the first time, under PRP, secondary level education was provided with funds for rehabilitation of schools,

which had greatly deteriorated as it did not qualify for funding under the previously run European Union (EU) funded Micro Projects Unit.

The total allocation in 2004 budget was K32 billion and the beneficially Ministries were Education and Science, Technology and Vocational Training. A total sum of K18.7 billion was released to the two ministries, two universities and Provincial Administrations by end of June 2004 (See appendix 12b for details).

Performance of Education Sector in Relation To the Millennium Development Goals

Access to Education

During the period under review, access to education at all levels of the sector increased. Table 4.8 below gives the total number of pupil enrolment ratios for grades 1-7. In 2003, the total number of pupils was 1,876,811 of whom 971,452 were male and 905,359 female.

Gross and Net Enrolment

The Gross Enrolment Ratios in the basic education were 95 for males and 89 percent for females resulting in the net national average of 92 of which 77 percent was for male and 76 percent for female, thus surpassing the 2003 targets of 75 and 74 percent respectively. The national average, based on the estimates, is expected to increase to 94 percent in 2004.

The five districts with the least NERs were, starting with the worst, Shang'ombo (48%),Chadidza (51%),Petauke (53%),Katete (56%) and Nyimba (57%). Of the five districts, four were in Eastern Province. The five districts with highest NERs were, starting with the highest, Lufwanyama (118%), Isoka (98%), Chavuma (97%), Chililabombwe (96%) and Kafue (94%). The ratios appear to be well distributed among five provinces.

Ranking of District Education Performance

Out of the 72 districts, a sample of ten districts was considered comprising five worst and ten best in terms of NER and GER as shown in the tables below.

Table 4.8: Ranking of five Districts: Worst and Best NERS Performers

Worst Districts	NER (%)	Best Districts	NER (%)
1. Shangombo	48	1. Lufwanyama	118
2. Chadiza	51	2. Isoka	98
3. Petauke	53	3. Chavuma	97
4. Katete	56	4. Chilabombwe	96
5. Nyimba	57	5. Kafue	94

Source: Ministry of Education

The increase in the national average was as a result of new Government policy of abolishing school uniforms in schools, abolition of primary school leaving examination fees, and the declaration of Zambia as Free Primary Education (FPE) for grades 1-7. These policy measures contributed to the improvement in the enrolment rates. Coupled with the above measures was the increase in the sector budgetary allocations from 19.7 percent of the discretionary budget in 2003 to 21 percent in 2004, the prospects of achieving

the universal primary education by 2015 are therefore very high. Thus by maintaining current annual increase, it will most likely lead to the attaining of the Millennium Development Goal on universal primary education.

Academic Production Units

Government, during the period under review, continued the running of the Academic Production Units (APU) as a parallel stream for grades 8-12. The APU were run as afternoon sessions using the same facilities and teachers. In 2003, there were 51,686 pupils attending such classes of whom 14,093 were in grades 8-9 and 37,593 in grades 10-12. These efforts were regarded other strategies for increasing access to education. However, the APU data was not part of the enrolment ratio computations in this report. It therefore, follows that the enrolment ratio would increase in the subsequent years once this data was captured and included in the enrolment ratio.

Table 4.9: Enrolment of Pupils in by Gender, Grades 1-7

Year	Male Students	Total male pupil enrolment	Female students	Total female Enrolment	Total Pupil Enrolment *Net	Total Population Of SGA	Male GER (%) NER (%)	Female GER (%) NER (%)	Average GER (%) NER (%)
2003	971,452 *789,820	1,023,246	905,359 *773,085	1,023,556	1,876,811 *1,562,905	2,046,802	94.94 *77.2	89 *75.5	92 *75.5
2004	988,938		921,655		1,910,594	2,083,644	*97	90	94

NB: a) 2004 are estimates derived from GER/NER growth rates from 101% in 2003 to -110% in 2007 from the Strategic Plan 2003-2007, by Ministry of Education at 1.8% and 2.3% Per Annum respectively.

b) SGA: School Going Age * Net figures or ratios

Completion Rate

The proportion of pupils starting grade 1 who reached grade 7 in 2003 was 73.5%. Meanwhile, the percentage of girls who started grade one, and reached grade 7 was 66.7 which was below the 2003 target of 72 percent, while 80.3 percent of boys who started grade 1 reached grade 7, which was below by 2% from 82 percent target

The gap of completion rate, especially for girls, worsens with the subsequent higher grade.

It is evident from both tables above for GERs and CRs that Shang'ombo and Chadiza are the worst as they appear in the Worst categories of the tables with Shang'ombo topping the list in both tables and Chadiza being second in terms of GER.

Table 4.10 Ranking of five Worst and Best Districts performers in terms of CRs Grades 1-7

Worst Districts	CR (%)	Best Districts	CR (%)
1. Shangombo	30	1. Kalulushi	106
2. Chiengi	33	2. Chililabombwe & Kafue	104
3. Chilubi	42	3. Livingstone	98
4. Mpulungu	45	4. Mumbwa	97
5. Chadiza	48	5. Ndola & Kitwe	94

Source: Ministry of Education

From the ranking of Net Enrolment Ratios (NER) in table 3.7 above, it is evident that Eastern Province is occupying four positions out of the worst five positions after Shan'gombo which is occupying the first position. This is in conformity with the TNDP 2002-2005 (Page 285) which states "The school enrolment levels in the province are far less than the school going age.

This partly disadvantages girls". One other factor that has been attributed to this is the tendency by parents in the province to withdraw children from school for cultivation.

Table: 4.11 Achievement of Universal Primary Education, 2003

Indicator	Base-Line (%)	Target (%)	Achievement %
NER: grades 1-7 (girls)	2000:69	<i>(2000::74)</i>	75.5
	2001:69	74	
	2002:71		
NER: grades 1-7 (boys)	2000:71	<i>(2003:74)</i>	77.2
	2001:72	75	
	2002:73		
National Average		79.9 (74)	76.35
CR: grades 1-7 (girls)	2000:64	<i>(2000::67.7)</i>	66.7
	2001:63	72	
	2002:63		
CR: grades 1-7 (boys)	2000:78	<i>(2000::80.8)</i>	80.3
	2001:76	82	
	2002:77		
National Average		80 (74.25)	73.5

Source: Adapted from Ministry of Education data

NB: Figures in italics are original ratios prior to 2004 PRSP Annual Review. In brackets are revised figures for 2003.

Despite the CRs for both girls and boys failing to meet the CR targets for 2003, the NERs beat both targets for boys and girls better still, even the revised ones (in brackets). Furthermore, it's only the CR for girls, which are below the national total or average of 80 per cent and the revised figure (calculated) of 74.25 percent. On the whole the achievement of CR of 73.5 percent against the revised 74.25 per cent is quite fair. If this slight underperformance is further seen against the progress made from the baseline figures for the years 2000 to 2002, ranging between 63 percent and 64 percent, the progress made is still impressive and could, in principle, be considered as having met the target

Efforts Made To Improve the Ratios

Efforts were being made by the sector through teachers, in liaison with NGOs, to encourage girl child education by counselling traditional chiefs and parents on the importance of girl education. Efforts bore fruit when some traditional local court justices commenced imposing fines on erring parents. Further, girls were encouraged to take education as their right. If these efforts are sustained, the chances are high that children, both boys and girls will be able to complete a full course of primary education. The re-entry policy for pregnant teenage mothers and special bursary provision for girls by Government, FAWEZA, CAMFED and others will help improve girl enrolment in schools.

Literacy rate

The national literacy rate of the age group 15-24 years old in 2003 was 70%. On the other hand 66 percent, of female in the population of the same age-group was literate while 76 percent was the case for males. Introduction of evening classes in schools helped increase literacy in the country. The literacy rate for women 15-24 years old tallied with the education completion rate of girls for grade 7 while the literacy rate for male of same age group (15-24 years old) was less than the completion rate for grade 7 by 4 percentage points indicating that more girls than boys undertook literacy classes (or non formal basic education), thus signifying that they were keener than boys in non formal education. Alternatively, it serves as a safety valve for the girls after prematurely having left formal education earlier on.

BASIC SCHOOL LEVEL

At the Basic school level (grades 1-9), out of the school going population of 2,558,898 in 2003, about 79 percent were absorbed at basic school level compared to 75 percent of 1,731,579 of 2002, giving an increase of 4 percentage points.

Table 4.12: Gross and Net Enrolment Ratios by Gender, Grades 1-9

Year	Enrolment	Male Students	Male Population	Female Students	Female Population	Total Student Enrolment	Total Population of SGA	Male Pop/n Enrolment ratio (%)	Female Population Enrolment ratio (%)	Total Population Enrolment Ratio (%)
2003	Gross	1,056,140	1,278,843	974,547	1280054	2,030,687	2,558,897	82.59	76.13	79.36%
	Net	943,883		905,073 907,338		1,848,956		73.81	70.71	72.26
2004	Gross	1,082,544				2,081,455	2,620,311			
	Net					2,538,359				

NB: a) 2004 are estimates (at 2.4% per annum (CSO) growth rate from 2003 actual figures as provided by Ministry of Education
b) SGA*: School Going Age

HIGH SCHOOL LEVEL (SECONDARY SCHOOL, GRADES 10-12)

The High school level recorded an increase from 205,393 in 2002 to 210,061 in 2003. The rise in pupil enrolment at the high school level was

attributed to the increase in the number of secondary schools by 5.4 percent from 335 in 2002 to 353 in 2003. (See the table below).

Table 4.13: Gross & Net Enrolment ratios in Secondary Schools, Grades 10-12

Year	Enrolment	Male Students Population	Total male Population	Female students Population	Total female Population	Total Students Pop'n	Male Enrolment rate (%)	Female Enrolment rate (%)	Total Enrolment rate (%)
2003	Gross	93,692	622,808	78,776	649,367	172,468	15	12	14
	Net	70,716		622,808		134,709		11	10
2004	Gross	96,034	638,378	80,745	665,601	178,780	15.42	12.43	13.90
	Net	72,484	638,378	65,593	665,610	138,077	12	10	11

NB: a) 2004 are estimates (at 2.4% per annum growth rate from 2003 actual figures as provided by Ministry of Education)

For details on Gender Enrolment Ratios and Completions Rates, see Appendix 12 i.

Staffing Position and Pupil Teacher Ratios

The number of school teachers increased to 38,891 in 2003 of whom 19,817 were males and 18,945 were females. About 129 teachers were unknown in terms of their qualifications and gender. The numbers of pupils in grades 8-12 was 172,468 and that of teachers, 7,880 giving the pupil/teacher ratio of 21.89 whereas in basic education, it was 52.22. There were 9,000 vacant teaching positions of which 8,500 were in basic education and 500 in high schools

These ratios could have improved if all the estimated 9,000 vacant posts in the education sector were filled by graduate teachers from colleges in the years 2002-2003. Every year, 4,000 to 5,000 graduates leave teaching colleges. The high attrition resulting from deaths and brain drain also aggravated the high pupil /teacher ratios in schools. Due to the wage bill ceiling, the sector could not employ teachers who graduated in 2002 and 2003. Only replacements of existing workforce were done. A total of 1,400 teachers were absorbed through this replacement process

in April 2004 which still was below the requirement for the sector.

Quality of Education

The emphasis during the period under review was on developing and implementing a basic education curriculum which was relevant, effective and in line with the basic education reforms. It was also meant to improve the teaching and learning outcomes through a school curriculum with flexible methodologies and increased thrust on relevant core skills.

In order to monitor education standards, 7,320 basic school inspections and 725 secondary

Table 4.14: Number of Orphans and Impaired Children at Basic Education level

	Number of orphans	Number of Vulnerable Children/ Impaired		Total
	No of Orphans	physically Impaired	Mentally impaired	
2002	235,515	19,761	3,448	258,724
2003	350,292	25,626	5,138	381,056
2004*	350,301	26,267	5,266	381,834

Source: Ministry of Education NB: a) 2004 are estimates (at 2.5% per annum Growth rate from 2003 Actual figures not yet finalized at the reporting time

At Basic Education level, 350,292 orphans and 25,626 impaired children in 2003 were absorbed in the system compared to 235,515 orphans and 19,761 impaired children in 2002. (See table below).

school inspections were carried out. In addition, the supply of reading English text books also increased to 9,870,191 in 2003. However, the quality of education was negatively affected by the shortage of teachers resulting in the high pupil/teacher ratios.

Equity and Efficiency

As a way of meeting the needs and increasing education requirements of vulnerable children and orphans, Government responded favourably by providing bursaries and special education needs (SEN) to orphans and physically impaired children

At secondary school level, the numbers increased to 29,480 orphans and 2,657 physically impaired in 2003 compared with 20,437 and 1,820 in 2002 respectively.

Table 4.15: Number of Orphans and Impaired Children at Secondary Education level

Year	Number of	Vulnerable/impaired children		Total
	No of Orphans	Physically impaired	Mentally I	
2002	20,437	1,820		22,257
2003	29,480	2,657		32,137
2004	30,217	2,723		32,940

SOURCE: Ministry of Education

Source: Ministry of Education NB: a) 2004 are estimates (at 2.5% per annum Growth rate from 2003 Actual figures not yet finalized at the reporting time

Pregnancy Re-admission Policy

The Pregnancy Re-admission policy was targeted at school girls who became pregnant whilst at school. It was meant to afford them with an opportunity to complete school. The policy resulted in 1,836 re-admissions resulting from

4,405 pregnancies registered in basic schools and 657 re-admissions from 926 pregnancies registered in high schools in 2003. The policy aimed at increasing access to education by girls, thereby raising their progression rate.

Table 4.16: Re admission due to pregnancies

Year	Basic Education level		High Schools Level	
	No of Pregnancies	No of Re-admissions	No of Pregnancies	No of Re-admissions
2001	1,153	724		
2002	3,663	1,322		
2003	4,405	1,836	926	657
2004	4,515	1,882	949.15	673.43

Source: Ministry of Education NB: a) 2004 are estimates (at 2.5% per annum growth rate from 2003 Actual figures not yet finalized at the reporting time

Other measures contributing to equity and efficiency were Bursaries and support to community schools. Community schools played a crucial role in helping communities in inculcating a sense of self-reliance in undertaking community development programmes and promote increased access to education by the poor.

4.2.2 Health and Nutrition

Government's overall goal in the Health sector is to improve the health status of all people in Zambia, especially the poor. To achieve this goal, the sector aims to meet the following objectives:

- To increase life expectancy of the population;
- To encourage lifestyles that support health;
- To create environments that support health;
- To achieve equity in access to health care;
- To provide assured quality health services; and
- To provide quality policy and technical guidance to service providers.

In its quest to meet the Millennium Development Goals of Reducing Child Mortality by two thirds, Improving Maternal health by three quarters and halting HIV/AIDS, Malaria and other diseases, Government committed itself to pursuing the policy environment as articulated in the National Health Policies and strategies that remained conducive and supportive to the delivery of the Health programmes. Zambia has potential to reduce the under-five mortality rate, reverse the trend of HIV/AIDS and other major diseases though much needs to be done in the area of Maternal Mortality rate and the incidence of Malaria.

In 2003, the total budget allocation for the PRP's was K 58.8 billion out of which K 34.8 billion was released. In 2004, the budget allocation for the health sector increased to K74.5 billion out of which K36 billion was disbursed by June 2004. Government continued the implementation of the following PRP programmes: the rehabilitation of health facilities, acquisition and distribution of essential drugs, Child Health Survival, Reproductive Health, Integrated Malaria Control (Roll back Malaria); and the Acquisition and Distribution of Essential Drugs.

An indication of general improvement in disbursement of budgeted figures to District level at 79 percent or K11.9 billion out of K 15 billion of the budgeted amounts by Government was also recorded as disbursed to Districts and Hospitals for 2003.

Status on the Implementation of Programmes

Rehabilitation of Health and Training Facilities

In 2003, Government allocated K10.1 billion for the rehabilitation of health facilities out of which K4.6 billion was released. Five third-level hospitals and all provincial hospitals were rehabilitated. In addition, a total of K10.0 billion was budgeted for the development of housing units for health personnel of which K1 billion was released and spent on the rehabilitation of 37 staff houses and flats.

In 2004, an amount of K2.25 billion was allocated for rehabilitation works out of which K1 billion was released by June, 2004. Rehabilitation of Nchanga North, Kakoso Urban Health Centre, Kamuchanga District Hospital and Mutundu Health Centre were undertaken while Ndola Central Hospital was partially rehabilitated. Other activities during the period included the extension of Garneton Clinic Registry and the Construction of an Out-Patient Department (OPD) at Lubengele Clinic which was on going at the end of June 2004. Furthermore, K3.25 Billion was budgeted and released for the Rehabilitation of Training facilities. However, during the period under review, rehabilitation works could not commence.

Integrated Malaria Control Programme (Rollback Malaria)

In 2003, a total of K5.5 billion was allocated for the Roll Back Malaria programme out of which K500 million was released. The amount was used for the purchase of 82,349 Insecticide Treated Nets (ITNs) which were distributed to the following districts: Mambwe (13,222); Nyimba (18,532); Chilubi (12,500); Kaputa (23,200); and Kalulushi (14,895). Furthermore, ITNs pilot projects were carried out in North Western Province. Furthermore, Government attempted to scale up the coverage of ITN's by combining the measles campaign with ITN distribution. A major development in the control of Malaria was a shift in Malaria treatment from chloroquine to more effective drugs.

In 2004, a total of K3.76 billion was allocated for the Roll Back Malaria programme out of which K4.08 billion was disbursed for the scaling up of Co-artem in 28 Districts. The amount released was higher than the budgeted due to the discretionary funding that the sector received. Implementation of Co-artem as a first line drug was undertaken in the targeted 28 districts. Additionally, Indoor Residue Spraying (IRS) was scaled up to cover 5 districts namely Ndola, Kitwe, Kabwe, Lusaka and Livingstone. The total number of households sprayed was 71,206 out of the targeted 75, 206 households. Furthermore, One million Insecticide Treated Nets were distributed at subsidised prices to expectant mothers and under- five children.

As a result of these interventions, Malaria incidence reduced from 122/1000 in 2003 to 114/1000 in the first quarter of 2004.

Child Health Survival Programme

In the second half of 2003, a total of K 2.4 billion was expended for the Child Health Survival programme out of the budgeted K4 billion. Immunisation of children against measles was thus undertaken in the targeted eight provinces. As a result of this intervention, measles cases reduced from 2.5 cases per 1000 in the fourth quarter of 2002 to 0.3 per 1000 cases in the same quarter in 2003.

In 2004, a total of K4.7 billion was budgeted out of which K392 million was disbursed. Activities undertaken included the promotion of Acid Flaccid Paralysis (AFP) surveillance, Nutrition surveillance and sensitisation on exclusive breastfeeding. Additionally, follow-ups on underweight children were undertaken on a weekly basis. The immunization coverage stood at 71 percent in the first quarter of 2004 against 76 percent in the fourth quarter in 2003.

Health centre utilisation in general by under-five age group in 2003 was 2.15 as average per capita attendance as compared to 1.84 for 2002. High utilisation was recorded in the North western province while low utilisation was recorded in the Northern Province.

Essential Drugs

In 2003, a total of K28.5 billion was allocated for the essential drugs programme out of which K13.4 billion was released for the purchase of essential health drugs which included Anti-Retroviral (ARVs) drugs. The ARVs catered only for 6,000 patients against the target of 10,000 patients for the selected health facilities. The ARV's were purchased and distributed to Seven provincial hospitals and Third-level hospitals, the University Teaching Hospital (UTH), Kitwe and Ndola Central.

In 2004, the Essential Drugs Kit programme was allocated K2.8 billion out of which K2.2 billion was released. The procurement of drugs was on going at the time of this report. Additionally, to ensure transparency and accountability in the storage and distribution of drugs, the medical stores contract was re-tendered.

In the same period, an amount of K5.9 billion was allocated for the purchase of ARV's for 3000 patients living with HIV. However, K 6.4 billion was released and used for the procurement of ARV's for 12,000 people. The scaling up of Anti-Retroviral Therapy (ART) resulted in a number of sites for the provision of ARVs established in most of the districts. The scaling up programme steadily increased the number of people living with HIV/AIDS on the ART programme from 2,833 recorded in the first quarter of 2004 to 5,586 in the second quarter of 2004.

Reproductive Health

In 2004, K 1.17 billion was allocated out of which K98.1 million was released. Activities undertaken included the completion of the reproductive health Policy, procurement of equipment and drug supplies for essential obstetric for all districts, Maternal and Child records were reviewed and updated, PMTCT data management was integrated with Voluntary Counselling and Testing (VCT) and 3000 Women were counselled and tested. Furthermore, an Integrated Adolescent, Youth Friendly programme on reproductive health was developed. As a result of these interventions, 93 percent of expectant mothers attended antenatal care. However, 56 percent of women continued to deliver at home. In 2003, the percentage of

supervised deliveries by qualified health personnel was 39 percent while a further 16 percent were delivered by trained Traditional Birth Attendants (tTBAs). The worst performing district in this regard was Serenje, which had 23 percent of supervised deliveries at health institutions.

Status of Selected Health Indicators

Generally, there was improvement in most of the health indicators. This was largely due to the supportive environment coupled with the prompt provision of essential drugs. Infant Mortality Rate (IMR) and Under-five Mortality Rate (UFMR) declined, whilst Measles cases remained below 10 percent. However, Maternal Mortality rate and the incidence of Malaria remained high (See table below).

Table : 4.17 Selected Essential Health Indicators, 2001-2004

Indicator	Baseline	2001	2002	2003	2004
Infant Mortality rate (per 1000 live births)	109 (1996)	87	95	85	83
Under Five Mortality Rate (per 1000)	197 (1996)	145	168	136	131
Maternal Mortality (per 100,000)	649 (1996)		729	729	
Malaria Incidence (per 1000)	406 (2001)	394	377	428	114*
Malaria Fatality Under Five (1000)	26 (1999)	42	42	40	
Low Birth Weight New Borns (percent)	10 (1999)		8.9	7.7	
Measles Incidence Under Fives (per 1000)	5.7 (1999)	3	3	< 10	<10
Supervised Deliveries (percent)	32(1999)	44	49	55	58
Tuberculosis Cure Rate (percent)	50 (1999)	55	58	64	Still under Treatment
Life Expectancy at Birth	46.9(1990)	51.8	51.9	52.4	52.4*

Source: Ministry of Health/Central Statistics Office , Data based on Projections
Malaria incidence for 2004 is for the first quarter

In 2003, the overall detection rate for Suspected Measles Cases (SMCs) was 7.9 cases/100000 inhabitants above the target of greater than 1.0 cases in all the nine provinces between July 2003 to February, 2004. SMCs were reported from 74.9 percent of districts in the country indicating significant performance since the establishment of case based performance since establishment of case based surveillance following a country wide mass measles catch-up immunisation campaign in June, 2003.

Nutrition

Government's overall goal in the area of nutrition is to strengthen its institutional capacity in the co-ordination, facilitation, advocacy, provision of Information Education and Communication (IEC) in the prevention of malnutrition and promotion of appropriate diets in the life cycle of all Zambians. The implementation of PRP interventions in 2003 and 2004 were centered on the following programmes namely;

- Expanded Programme on Immunisation (EPI)
- Child Health Week (CHW) and National Immunization Days (NIDS)
- Fortification of Sugar with Vitamin A
- Fortification of Maize Meal with Vitamin A
- Infant and Young Child Feeding; and
- Integrated Management of Childhood Illness (IMCI)

Expanded Programme on Immunisation

The Expanded Programme on Immunisation (EPI) commenced in the second half of 2003 and was updated in 2004 with new manuals being disseminated throughout the country. Furthermore, District staff received training in Vaccine management. As at June 2004, the EPI coverage was above 75 percent for children aged between 6 months and 5 years

Child Health Week and National Immunization Days

In 2003, about 2,385,000 children were immunised in the last half of the year. This exercise was carried out mainly through the Child Health Week (CHW) and during National Immunization Days (NIDs) and covered the under-five children in all districts.

In 2004, routine immunization services were undertaken and were complemented by immunization campaigns. These campaigns were undertaken to provide vitamin A supplementation and de-worming.

Fortification of Sugar with Vitamin A

During the last half of 2003, the following activities continued to be undertaken which included the collection and analysis of samples from households during the post Child Health Week mini surveys. Results showed that about 80 percent of the samples had vitamin A.

In 2004, enforcement of the fortification of sugar with vitamin A was intensified to ensure compliance in the sugar industries of Kafue, Nakambala and Kalungwishi.

Fortification of Maize Meal with Vitamin A

In 2003, fortification trials were undertaken in Chongwe and other peri-urban areas of Lusaka. The trials were successful in that communities which participated in the trials accepted fortification of maize meal with vitamin A.

By June 2004, a proposal was being finalized to forward to the Global alliance for improved food nutrition so that food fortification is scaled up at both commercial and small-scale harmer- mill level in Zambia.

Salt Iodations

Iodated salt in Zambia is available to 90% of the population according to the impact survey conducted by the Nutrition commission in 2000. Mandatory Legislation prohibiting importation of non iodated salt exists in Zambia and monitoring of salt in all border areas was intensified through the establishment of mini Laboratories. Fortification of salt produced locally at small scale was initiated by government in local salt

mining areas and these efforts resulted in the increased consumption of iodated salt from 65.5% to 90%.

During the period under review, 97 percent of under-five children in Zambia lived in households that use salt containing iodine. Use of iodised salt was lowest in the Western region (86%) but ranged from 94-99% in the rest of the Zambia. However, the national average for all households stood at 77.4 percent. Rural households compared with urban households used more iodised salt i.e. 79.1 percent than 74.5 percent of urban dwellers (DHS 2001/2)

Vitamin 'A' Supplementation

By June 2004, Vitamin A supplementation had been on going for five years mainly supported by Cooperating Partners with Government providing personnel. From 2000, Vitamin A supplementation coverage increased steadily due to a large extent input from Cooperating Partners (ZHIP, UNICEF, MOST and CARE and other stakeholders). In 2000, first round coverage was 72.3 percent which increased in the second round to 78.8 percent. In 2001, the percentage of children covered with vitamin A supplementation increased further to 89.6 percent and reaching a peak the following year in 2002 to 97.7 percent. In 2003, three Vitamin A supplementation campaigns were carried out, increasing coverage by 110 percent in June, 2003. However, Vitamin A supplementation coverage decreased to 73.3 percent by June, 2004.

The decrease in Vitamin A supplementation coverage was attributed to Low sensitisation in communities due to late release and arrival of Logistics from Cooperating Partners. Other areas could not be adequately covered. In 2004, the low coverage could be attributed to the pull out of the programme initially supported by Cooperating Partners. Other factors that contributed to low level coverage included the pattern of shifting from residential areas in the rainy season to areas of cultivation in rural areas.

Strengthening National Food and Nutritional Commission

In 2003, Government demonstrated its support towards strengthening institutional capacity of Strengthening National Food and Nutritional Commission (NFNC) by adoption the food and nutrition policy. By June 2004 the report was awaiting adoption by Parliament. Government also developed the five year strategic plan. However, Capacity building in terms of training was yet to be embarked upon although, a Bachelors degree programme was proposed for 2005 and would be hosted by the University of Zambia. A proposal focusing on curriculum development, laboratory facilities, Library materials, transport, and accommodation was also developed.

Infant and Young Child Feeding

In 2004, the infant and young child-feeding programme was scaled up to at least 4 districts with the support from AED-linkages, WHO and UNICEF. Furthermore, a proposal was developed for Breast Feeding Hospital Initiative (BFHI) for consideration by Government.

Integrated Management of Childhood Illness (IMCI)

In 2004, Zambia began the implementation of the Integrated Management of Childhood Illness (IMCI). This programme aims at managing the Child in totality. Thirty four districts were implementing IMCI whilst 23 implemented various aspects of the community component.

4.2.3

Water and Sanitation

The overall objective for the water and sanitation sub-sector is to ensure that Zambia's water resources are effectively developed and managed to contribute to poverty reduction through increased access to safe water and sanitation, increased food production, and food security for low income rural and urban Zambians.

To achieve this broad objective, major programmes implemented included the water resources management, dam construction and rehabilitation, groundwater exploration and

mapping, capacity building, complementary D-WASHE support programme and rural water supply and sanitation programme. In 2003, a total of K444.4 billion was allocated to the sector out of which K364 billion was released, representing 82 percent of the budget. Out of the total Expenditure, K6.9 billion was Government funded while K357 billion was from Cooperating Partners. In 2004, K698 billion was allocated, out of which K689 billion was from Cooperating Partners and K8.4 billion was from Government. A total of K6.6 billion was released by mid 2004, representing 1 percent of the budget. (See table 4.18)

Table: 4.18 PRSP Budget performance 2003-2004, (K' million)

Year	GRZ Budgeted	Donor Budgeted	Total	GRZ Amt Spent	Donor Amt Spent	Total	percent of budget
2003	6,871	437,535	444,400	6,934	357,084	364,019	82
2004	8,438	689,162	697,601	6,372	186	6,558	1
Total	15,310	1,126,697	1,142,008	13,306	357,270	370,577	32

Source: Ministry of Finance and National Planning

Implementation Status

Water Resources Management

The main intervention in 2003 was the implementation of the Water Resources Action Programme (WRAP). A total of K182 million was allocated for consultations and consultancies in the review of the legal and institutional framework against which K176 million was released. To this effect, the legal and institutional framework was put in place in the first half of 2004 and preliminary work on the draft bill was completed.

In 2004, Government continued with the implementation of WRAP. A total of K182 million was allocated and released while a further K5.2 billion was expected from Cooperating Partners. The drafting of the water act was in progress as government released the budgeted K182 billion by mid 2004. In addition, Government together with Cooperating Partners allocated an amount of K723 million to the Integrated Water Resources Management and the Environmental Protection Programme.

Dam construction and Rehabilitation

Government embarked on water resource infrastructure development programme, especially in drought prone areas. This programme involved dam construction and rehabilitation. The programme was meant to improve the water supply in rural areas in all the nine provinces. To this effect, 62 earth dams were completely rehabilitated in 2003 at a cost of K1.8 billion. A further K1.6 billion was allocated in the 2004 budget and released to rehabilitate another 50 earth dams to which works begun by mid 2004.

Ground Water Exploration and mapping

During the period under review, Government undertook to improve the ground water exploration and mapping in order to ensure effective development and use of ground water resources. A total of K430 million was allocated and released for the construction and rehabilitation of 30 hydrological stations and construction of 8 observation wells in 2003.

In 2004, Government continued with the programme of improving the ground water exploration and mapping and planned to rehabilitate 30 hydrological stations, establish 30 new hydrological stations and rehabilitate 6 water monitoring wells at a cost of K463 million. By mid June 2004, an amount of K153 million was released and 17 hydrological stations and 6 monitoring wells were rehabilitated by mid 2004.

Capacity Building

Government continued to support the planning, execution, management, operation and maintenance of rural water supply and sanitation. A total of K284 billion was spent against the budget of K362.9 billion. Of this expenditure, K4.1 billion was spent on the construction of water kiosks in commercial water utilities and training of communities to manage the water kiosks. In addition, K208 million was spent on the establishment of 11 Water kiosks on the Copperbelt.

In 2004, the Third In - Country Training Course in Community Empowerment for Water Supply and Sanitation Management was planned with the help from Cooperating Partners, who pledged K276 million. This programme was aimed at Developing Skills of Water Supply and Sanitation management through community empowerment. This programme had not commenced by mid 2004 due to the non release of funds by Cooperating Partners.

Complementary D-WASHE Support Programme

During the period under review, Government continued with the implementation of the improvement of water supply and sanitation programmes in Eastern, Southern and Northern Provinces. In 2003 an amount of K477 million was allocated to construct 139 water points and 1,945 pit latrines. Of this allocation, a total of K473 million was spent to construct 44 water points and 700 pit latrines.

In 2004, K825 million was allocated for the construction of 165 Water Points and 4,250 pit latrines. However, work had not yet commenced by mid 2004 because funds were yet to be released.

Rural Water Supply and Sanitation

During the period under review, Government embarked on the Rural Water supply and Sanitation programme to improve access to water and sanitation in rural areas. In 2003, a total of K51.5 billion was allocated for the construction of water points. The programme targeted to construct 967 water points, of which 346 water points were constructed by end of 2003. This programme was undertaken by various stakeholders. Other activities undertaken during the same period included the improvement of water supply and sanitation in drought prone areas where 271 boreholes were drilled at the cost of K18.7 billion against the target of 370 boreholes which were budgeted at K18.9 billion.

In 2004, a total of K39.6 billion was earmarked for rural water supply and sanitation of which K37.9 billion was from Cooperating Partners and K1.7 billion from Government. The programme was aimed at drilling 608 Boreholes, rehabilitating 562 boreholes and constructing 300 water points. By June 2004, 57 Boreholes were drilled and 220 water points constructed at a cost of K1 billion.

Peri-Urban and Urban Water Supply and Sanitation

In 2004, a total of K643 billion was pledged by Cooperating Partners for the improvement of water supply and sanitation in peri-urban and urban areas. Major activities included the Water supply and Sanitation projects in Eastern, North-western and Southern provinces with an allocation of K610 billion. Work on this project had not started by June 2004 because of the non-release of funds.

4.2.4 SOCIAL SAFETY NET

The Social Safety Nets are part of Government interventions in mitigating the impact of the Social economic recovery programmes such as privatisation, retrenchments as well as the effects of natural calamities such as drought on the poor. The social safety nets that were implemented include the Food Security Programme (FSP), Peri- Urban self- Help (PUSH) Public Welfare Assistant Scheme (PWAS) and the National Social Safety Net (NSSN).

Food security pack

The overall objective of the Food Security Pack (FSP) is to increase food productivity and household food Security thereby contributing to poverty reduction among the targeted beneficiaries. The (FSP) targeted 200,000 vulnerable but viable farmers out of which 150,000 benefited. These included female-headed household, Child headed households, households headed by the terminally ill, the aged and the disabled.

In 2003, a total of K4 billion was allocated to the programme for the purchase of farm input out of which K1.4 billion was released under the Wetland programme (June 2003- August 2003).

In 2004 a total of 86 billion was allocated to the programme for the purchase of farm inputs out of which K43 billion was released under the rain-fed programme (September 2003- June 2004). The programme targeted 150,000 beneficiaries during the 2003/2004 agriculture season. The information on beneficiaries by province and gender is given in the table below.

Table: 4.19 FSP Beneficiaries by Gender (September 2003- June 2004)

Province	Female	Male	Total
Eastern	10,340	9,120	19,460
Western	14,263	12,097	26,361
Southern	6,904	6,203	13,107
Lusaka	4,094	2,335	6,429
Central	8,430	2,961	11,391
N/Western	8,086	7,879	15,965
Copperbelt	6,866	4,667	11,534
Northern	13,710	13,986	27,696
Luapula	9,356	8,701	18,057
Total	82,049	67,951	150,000

Source: Ministry of Community Development and Social Services

FSP aims at promoting crop diversification to reduce the risk of crop failure and enable beneficiaries realize nutritionally balanced diets as well as to facilitate crop rotation for conservation of soil resource base. To this end, a variety of seeds and other farm inputs such as fertilizer, fishing nets and various types of small livestock were procured and distributed to the vulnerable but viable farmers during the period under review. As a result, the programme

contributed to the food surplus in the country for the 2002/2003 and 2003/2004 farming seasons.

FSP also undertook training in food processing and nutrition and conservation farming. The training in food processing and nutrition was aimed at enabling beneficiaries broaden the utilization of food, add value to produce for income generation and reduce wastage. Conservation farming was the basis of production under the programme to ensure increased and sustained production (Details showing the various farm inputs and activities are shown in Appendix 3)

Peri- Urban Self Help (PUSH)

The overall objective of the Peri-Urban Self Help (PUSH) is to improve the standard of living of vulnerable households among disadvantaged communities with particular focus on women. Major interventions included development and rehabilitation of infrastructure including skills training using community participation approaches.

During the period under review, a total of K2 billion was allocated to the programme out of which K331 million was released. Under the programme Government planned a number of peri-urban infrastructure related activities that included road rehabilitation with particular focus on gravelling, rehabilitation of culverts and bridges as well as progress on the construction of community development Centres. All the planned activities were to apply labour based techniques as a way of building capacity of targeted vulnerable communities as well as provide temporal employment to counter the effect of high unemployment situation in the country.

Public Welfare Assistance Scheme (PWAS)

Government continued to implement the Public Welfare Assistance Scheme (PWAS) to assist the most vulnerable in society to fulfil their basic needs, particularly health, education, food and shelter.

During the period under review, a total of K4.5 billion was allocated for poverty reduction programmes of which K4, 300, 000 or 95 percent

was released. The funds were distributed to the 72 districts in the country. PWAS targeted 200,000 households out of which 26,221 households (9503 female-headed households and 16,718 male-headed households) were assisted based on the districts that submitted reports. The assistance provided was in the form of blankets, clothes, food, school requirements for both primary and secondary schools and Health fees.

National Social Safety Net

The overall objective of the National Social safety Net is to design and implement social mitigation programmes, co-ordinate other safety nets and mobilize resources from a broad base to finance the programmes as they relate to displaced workers and vulnerable people in the country.

During the period under review, a total of K294 million (Donor) was allocated out of which K230 million was released. In the same period, Government released a total of K151 million to the programme.

The National Social Safety Net was designated by Government to implement the Social Mitigation Component of the Zambia Railways restructuring programme. During the period under review, the activities that were undertaken included psychosocial counselling and small Business awareness, Agriculture based training, resettlement seminars and vacation training skills.

4. 3 CROSSCUTTING ISSUES

4.3.1 Governance Sector

Government's overall goal in the Governance Sector is to promote good governance in the management of private and public affairs as a mechanism of poverty reduction. To achieve this goal, Government pursued the following key objectives, namely:

- To undertake regular and wider consultations between government and the citizenry;
- To ensure efficient, equitable and transparent management of scarce public resources; and
- To ensure guaranteed justice for all.

In the period under review, K22.5 billion was released by Government to the governance sector in various institutions against the planned K24.5 billion, while the Cooperating Partners released US \$ 6.064 million. The main areas of emphasis were constitutional and judicial reforms including the rehabilitation of court infrastructure, electoral reforms and enhancement of public accountability and transparency.

Socio-Political Governance

Constitutional Reforms

Government began the process of reviewing the constitution in 2003. In this regard, a constitutional Review Commission (CRC) was set up in April 2003 whose aim was to address a number of governance issues in the constitution. As of June 2004, the Commission was still gathering submissions countrywide.

In order to undertake the Constitutional Review exercise, K 26 billion was required. Of this amount, Government budgeted and released K9 billion by June 2004 while Cooperating Partners' component of K 17 Billion was yet to be received by June 2004. In addition, the Electoral Reform Technical Committee was set in August 2003 to analyse and make recommendations regarding the legal and regulatory framework of the electoral process in the country. This Committee had broad representation of civil society, media and churches. The Committee completed and submitted its report to Government. To support this activity, Government released an amount of K3 billion.

During the period under review, Government continued to implement Parliamentary Reforms to enhance accountability, transparency and good governance. Parliamentary scrutiny of the Executive was improved by decongesting the business of the house to Committees. The ability of Parliamentary Committees to review reports was improved. In addition, live Parliamentary debates continued to be covered on FM radio up to a radius of 50 kilometres.

Economic Governance

Public Expenditure Management Reforms

Government, with the support of Cooperating Partners, continued with reforms under the Public Expenditure Management and Financial Accountability Review (PEMFAR), in order to improve public expenditure and financial management. Included in the PEMFAR programme are the Medium Term Expenditure Framework (MTEF), Integrated Financial Management Information System (IFMIS), the Activity Based Budgeting (ABB), the Financial Management System (FMS) and the Commitment Control System (CCS).

Under the Medium Term Expenditure Framework (MTEF), training of all MPSAs throughout the country was done. Government also introduced the Activity Based Budgeting (ABB) to enhance the tracking of expenditure by activity as well as the disbursement of funding according to the approved budget.

During the second half of 2004, an amount of K169 million was released against the planned amount of K 820 million from government towards the IFMIS project. In addition, donors released US\$ 0.84 million against the total budget under PSCAP of US \$ 3.1 million. Under the project, the FMS was retooled and contributed to the timely production of Financial Reports, while the introduction of the Commitment Control System enhanced expenditure controls. In addition, since the FMS and CCS share the same database, reporting and controlling of public funds improved. By the end of the second quarter of 2003, a total of 350 accounting staff were trained on both the FMS and CCS. Technical Requirements including the implementation schedule for the IFMIS project were drawn up in 2003; Site preparation started and 5 sites were selected for piloting. The Pre-qualification bid document was done and selection of the contractor reached negotiation stage by June 2004. The contract was expected to be signed before the end 2004.

Democratic Governance

Government developed the decentralization policy and approved a five (5) year implementation Action Plan. The implementation

of the action plan was expected to commence in 2005. It was envisaged that this will enhance the implementation of the PRSP at lower levels. Meanwhile, between 2002 and June 2004, Government released PRP funds directly to provinces in the health and education sectors.

To strengthen district administration, Government reviewed the functions of the office of the district administrator and renamed it District Commissioner's Office. Furthermore, the academic qualifications for the Office of District Commissioner were reviewed to ensure that only degree holders were appointed to the position.

In order to ensure equal access to media, coverage for all political parties, the Independent Broadcasting Authority Act No. 17 of 2002 was enacted to regulate the broadcasting industry in Zambia.

Transparency and Accountability

In 2004, an amount of K400 million was released to support the operations of the Anti-Corruption Commission (ACC). A total of 1044 complaints were recorded of which 504 were authorized and 773 reports from members of the public on corrupt cases were received. In addition, the Commission developed a new strategic plan for the period 2004-2008. Other programmes undertaken included the rehabilitation of Kulima house ACC offices.

A National Governance Baseline Survey commissioned in 2002 was completed in 2003. The survey provided benchmark indicators for future review of elements of governance and the extent of corrupt practices in Zambia. As at June 2004, K20 million from Government and US \$ 97,000 from Cooperating Partners was spent on the administration of the survey.

Law Enforcement and Human Rights

Government continued to support poverty reducing programmes in the Police and Prisons Service. In 2004, Government's total PRP allocation towards the Police and Prisons Service stood at K 7.6 billion and K 5.7 billion was released and disbursed as follows; K2.9 billion for the rehabilitation of police camps, K1.5 billion for the rehabilitation of police cells and

K1.3 billion for the grading of Police and Prison camp roads.

In order to enhance human rights, Government embarked on a State Reporting exercise on the International Convention on the Elimination of all forms of Racial Discrimination. A total of K800 million was disbursed for the exercise. In addition, K252 million was released by Government to the Human Rights Commission for Capacity Building for good governance, sensitisation meetings and training of law enforcement officers. In this regard, the Commission undertook 3 Poverty and Human Rights Seminars, 3 Prisons Inspections and Investigations and Legal Services. Furthermore, as at June 2004 Part three of the Constitution was in the process of being translated into the seven main local languages.

Judicial Reforms

In the period under review, the Judiciary refined its Strategic Plan to enhance effective planning and implementation of programmes. In this regard US \$ 32,000 was released from Cooperating Partners while the budgeted amount of K40 million was yet to be released by Government.

During the same period Government undertook the rehabilitation of Subordinate and Local Courts. In this regard, Government released an amount of K650 million against a budgeted figure of K1.4 billion, while DANIDA released US \$ 800,000. These resources were utilized on the rehabilitation of 66 local courts and 6 subordinate courts. The Judiciary also procured office equipment and furniture for judges and magistrates at a total cost of US \$ 727,206.

The construction of Phase I of the Magistrate Court Complex reached advanced stage with total expenditure of US \$ 2.2 million coming from NORAD. An additional amount of US\$ 1.2 million was allocated and released for the procurement of furniture, fixtures and fittings of the complex under Phase I. However, the procurement of fittings was still at tender stage at the time of this report.

In the period under review, the Judiciary undertook training of Adjudicators and Support Staff, Magistrates and Judges, Secretarial Staff

and Clerks. The training of Court Reporters was scheduled to take place in December 2004. A total of K 675 million was expended on the training programme against a budgeted amount of K 878 million from government, while Cooperating Partners released US \$ 511,786.

Government improved access to the justice delivery system through a number of reforms and interventions. These included the establishment of Mediation as Alternative Dispute Resolution Mechanism. In this regard 5,449 cases were referred for mediation of which 1358 were successfully settled. In addition, a Committee to realise the Small Claims Court was set up at a cost of K 20 million against a budgeted amount of K61 million in 2003. The Commercial Courts set up in 2000 to speed up the delivery of justice of commercial nature continued to make progress. In this regard 2,052 cases were filed of which 1,059 were disposed of. The Juvenile Justice Systems, aimed at respecting children's rights in the administration of Justice were also implemented in Kitwe, Ndola, Livingstone and Lusaka, with assistance from Cooperating Partners amounting to US \$ 216,450.

In order to enhance information dissemination and easy retrieval and processing of case records, the Judiciary undertook the computerisation of the criminal and civil registries at the Lusaka High Court Registry as well as the networking and connecting of Lusaka High Court, Central Administration and Chikwa courts. Cooperating Partners contribution towards this exercise was US \$ 53,442 against the budgeted amount of US \$ 123,442.

In order to facilitate the process of court circuiting, which aimed at facilitating justice in provinces with no Resident Judges, 12 vehicles were procured by Cooperating Partners in 2003 at a cost of US \$ 221,000.

4.3.2 HIV/AIDS

During the period under review, Government's overall goal was to reduce the level of new infections and the social impact of HIV/ AIDS. This was supported by the following specific objectives:

- To reduce new HIV/AIDS infections;

- To promote healthy and positive living among asymptomatic HIV positive people;
- To improve the quality of life for people living with HIV/AIDS;
- To improve the quality of life for orphans and Vulnerable children (OVCs); and
- To put in place an efficient and effective monitoring, evaluation and surveillance system.

In order to achieve these objectives, Government addressed these interventions through a multi sectoral approach. The programmes that were carried out during the period under review are HIV Prevention Campaigns, Reduction of Transmission, Prevention of Mother to Child Transmission (PMTCT), Safe Blood Transfusion, Reduction in Morbidity and Mortality and Mitigation of the Socio-Economic Impact of HIV/AIDS. Other programmes implemented were Voluntary Counselling and Testing (VCT), Anti- retroviral therapy (ART) and Home Based Care (HBC), Orphan and Vulnerable Children and HIV Work Place Programmes.

Government released a total of K4.5 billion for the period January to June 2004 as compared to K7.11 billion for the period July to December 2003. The total budgeted allocation for HIV/AIDS for the period July 2003 to June 2004 was K53.8 billion. In addition, Government also received support from Cooperating Partners through the Global Fund. Implementation was focused on the programmes outlined in the PRSP and these are reduction in HIV/AIDS/STI, mitigating the impact of HIV/AIDS on society intervention to prolong and improve life of the PWA.

These resources were used for HIV/AIDS sensitisation campaigns, procurement of drugs and condoms and coming up with HIV/AIDS work place policies. In addition, a total of K6.4 billion was released for the procurement of Anti Retroviral (ARV) drugs by June 2004 while the National AIDS Council (NAC) received K665 million for its activities for the period June 2003 to June 2004.

Status of implementation of HIV/AIDS Prevention programmes

HIV Prevention Campaigns/Reduction of Transmission

During the period under review, a number of interventions were undertaken to reduce the level of new infections in the country. Major interventions included the distribution of condoms, a multi-sectoral behavioural change, communication campaigns and production of sensitisation materials.

The HIV prevalence rate among women who attended antenatal care stood at 20 percent in 2001. The prevalence rate among the adult population stood at 16 percent. During the period under review, HIV knowledge among Zambians was very high with 98 percent and 99 percent of the male and female population respectively, aware of the pandemic.

Statistics showed that young people were increasingly delaying to start sexual intercourse. In 1998, males started sexual intercourse at 16 years while females started at 17 years. For males, the age increased to 17 in 2003 but remained the same for females at 17 years. Condom use increased among males from 28 percent in 1998 to 43 percent in 2003 and 24 percent to 34 percent among females. It was estimated that 16.3 million condoms were distributed in 2002 and the private sector sold 12.3 million condoms as at December 2003.

Voluntary Counselling and Testing

During the period under review, a number of voluntary counselling and testing (VCT) were conducted. These activities were conducted by various stakeholders and were funded by both Government and Cooperating Partners. The number of VCT sites showed a steady increase from 46 sites in 2001 to 172 in 2003 and 226 in 2004. The number of people, who visited these sites cumulatively, was 386,000 with 266,000 having been tested for HIV and 34 percent testing positive. It is estimated that 9 percent of the population were tested for HIV in 2003.

Prevention of Mother to Child Transmission

For the Prevention of Mother to Child Transmission (PMTCT) programme, sites increased from six in 1999, 64 sites in 2002 to 83

sites in 2003. Averages of 5,000 women were counselled in these centres every month. At the time of this report, PMTCT had become an integral part of maternal and child health services. An average of 72,000 women was counselled in 2003. Of this figure, 66 percent women opted to go for HIV test and 23 percent tested positive. A total of 62 percent of mothers and 2,718 babies received Nevirapine. Forty percent of children born to HIV positive mothers were infected with the virus, representing 250,000 new HIV positive babies every year. In addition, only 368 or 1 percent partners opted to be counselled and of this figure, 48 percent tested positive.

Safe Blood Transfusion

In an effort to reduce infection through blood transfusion, Government put in place measures to provide safe blood. These measures included increasing the number of screening centres from 33 in 1987 to 90 in 2004.

Anti- Retroviral Therapy

During the period under review, Government embarked on a programme to mitigate the effects of HIV/AIDS by making available medication to prevent opportunistic infections. The number of people receiving Anti- Retroviral Therapy (ART) reached 12,000 in June 2004. The figure has shown a steady rise from 2,833 in March 2004 to 5,586 in May 2004 out of the targeted 12,000 people to receive ART. Government implemented the administration of ARVs in three phases. The implementation of Phase I was at major hospitals i.e. Ndola Central Hospital and UTH while Phase II included all provincial hospitals. By June 2004, Government was implementing Phase III of the ART.

In addition, Government put in place a policy of providing free treatment for all those infected with Sexually Transmitted Infections (STIs) and tuberculosis (TB). The programme aimed at providing quality health care to HIV positive people and those infected with STIs and TB.

Orphan and Vulnerable Children

There was an estimated 650,000 orphans in Zambia out of which 6 percent were street kids and less than 1 percent lived in orphanages.

Government established a mechanism to provide foster-parent household assistance in the form of a grant to families that provided a home to an orphan or any vulnerable child. There were an estimated 381,834 orphans receiving primary education out of 1,517,852. In addition, 13, 038 children received education support from the street children centres in Lusaka alone.

HIV Work Place Programmes

In the business sector, a total of 100 companies received support to establish work place programmes in the private sector. All ministries at the time of this report had developed HIV/AIDS work place programmes. The Zambia Business Collision on HIV/AIDS played a leading role in the private sector. National AIDS Council (NAC) led Government effort to fight HIV/AIDS in ministries. For this purpose, Government allocated and disbursed to the Council a total of K665m for the period June 2003 to June 2004.

Challenges

Government faced a number of challenges in dealing with the issue of HIV/AIDS during the period under review. These included young people's perception of low risk, mainstreaming of HIV/AIDS programmes in strategic plans in the work place, shortage of Test Kits in VCT centres, issues of cost and cost sharing in the provision of ARVs, difficult in data capture in most indicators and the increasing number of OVC verses the depleting resources in households. The overall challenges were the implementing and scaling up of best practices, coordination of the multi sectoral response up to district level, strengthening of the monitoring and evaluation systems, political will, community and resource mobilization. The other major challenge facing government was to develop a system of monitoring and tracking resources going into HIV/AIDS programmes in the country.

4.3.3 ENVIRONMENT

During the period under review, the Community Environmental Management Programme (CEMP) was launched. The programme was aimed at encouraging community ownership and management of the environment through the promotion and funding of community based

micro-projects for poverty reduction. The programme was implemented in six out of the total targeted eight districts at a cost of K450 million disbursed to fourteen micro projects in Nchelenge, Mpika, Mufumbwe, Petauke, Kafue and Chibombo. Planned outputs ranged from construction of apiaries, bee hives, nurseries, honey-processing-shades, construction of wells and Fish ponds. Other interventions included the Environmental Protection and Natural Resource Management Project to which K252 million was allocated of which K237 million was released. In addition to the specific programmes and projects, most of the environmental concerns are addressed in the specific sectors in this report.

4.3.4 GENDER

Government overall goal on gender is to promote gender balance to ease the burden of poverty, especially of women, at household, community and national level. To attain this goal, the PRSP outlined the following objectives:-

- To enhance access to and control of productive resources;
- To enhance women's participation in decision-making processes; and
- To facilitate the generation and analysis of gender-disaggregated data and information.

In 2003, PRP budget for Gender in Development Division (GIDD) was K500m out of which K250 million was released.

The total Government budget allocation for gender activities amounted to K5.6 billion in 2004. The total budget allocation for gender activities under GIDD, which includes other poverty related programmes, was K2.1 billion, and by June 2004 Government had disbursed K1.2 billion. In addition, Government released K1.07 billion out of the K5.6 billion to other line Ministries to assist in the implementation of the Gender policy. Government's focus during the period under review was on improving the participation of women in decision-making, and promotion of women's economic empowerment through land ownership and strengthening monitoring and evaluation institutional framework.

In line with achieving the 1997 Southern African Development Community (SADC) Gender Declaration, Government embarked on a survey, whose aims was to establish land ownership by sex. The survey when completed will facilitate the implementation of the draft land policy, which proposes 30 percent of land be demarcated and allocated to women and other vulnerable groups to reduce discrimination practices in the Land Act, Chap. 184 of the Laws of Zambia.

The 1997 SADC Gender Declaration required that 30 percent of all decision making positions be reserved for women. In order to achieve this, Government appointed women to decision making positions and women representation grew steadily from 10 percent in 1997 to 18 percent in 2003. Government further adopted a decision that the representation of women on all Statutory Boards should strive to attain the 30 percent mark. In 2004, the women representation in Parliament was 14 percent. Generally, by the end of June 2004, progress could be seen in the appointment of women to decision-making positions as reflected in the selected positions (see table 4.20 and chart 4 below).

Government continued with the process of strengthening the institutional framework for coordination, monitoring and evaluation of the implementation of gender and development activities. During the period under review, monitoring and evaluations missions were undertaken in four provinces. During the missions, four PDCCs Gender sub-committees and sixteen DDCCs Gender Sub-committees were formed. The process of capacity building for gender sub-committees, through training in gender analytical and technical skills was also commenced.

Government also disseminated over 2000 copies of the National Gender Policy and 2000 copies of the Strategic Plan of Action for the National Gender Policy. The Policy was simplified and translated into seven local languages.

Government in partnership with ILO In-focus Programme on Women Entrepreneurs, Development and Gender Equity (WEDGE) trained over 120 women entrepreneurs in association, capacity building, marketing skills

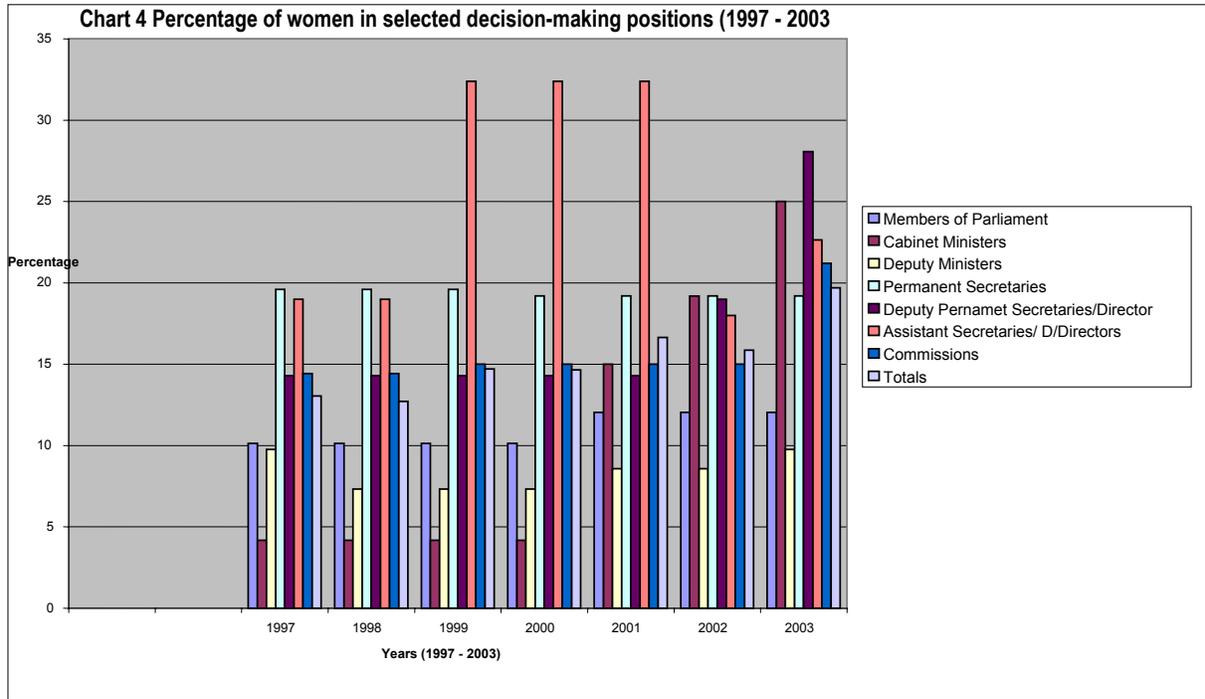
and entrepreneurship development network, during the period under review.

During the period under review, Government commenced the process of domesticating the Convention on the Elimination of all forms of discrimination Against Women (CEDAW) into the Zambian law. To this end, representations were made to the constitutional review commission to include the principles of CEDAW and other regional and international instruments into the constitution.

Table 4.20: Decision making positions disaggregated by sex, June 2004

Decision-Making position	Total			Percentage	
	Total	Women	Men	Women	Men
Cabinet Ministers	21	5	16	24	76
Deputy Ministers	41	4	37	10	90
Members of Parliament	158	19	139	14	86
Secretary to Cabinet	1	0	1	0	100
Deputy Secretary to Cabinet	1	0	1	0	100
Secretary to the Treasury	1	0	1	0	100
Permanent Secretaries	40	8	32	20	80
Special Assistants to the President	4	1	3	25	75
Anti-Corruption Commission	5	3	2	60	40
Electoral Commission of Zambia	5	2	3	40	60
Director of Public Prosecutions	1	1	0	100	0
Attorney General	1	0	1	0	100
Solicitor General	1	0	1	0	100
Speaker of the National Assembly	1	0	1	0	100
Deputy Speaker of the National Assembly	1	0	1	0	100
Auditor General	1	1	0	100	0
Clerk of National Assembly	1	1	0	100	0
Deputy Permanent Secretaries	24	0	24	0	100
Directors	100	23	77	23	77
Deputy Directors	71	13	58	18	82
Assistant Directors	177	37	140	21	79
Assistant Secretaries	35	11	24	16	84
District Commissioners	68	11	57	16	84
Permanent Human Rights Commission	1	1	0	100	0
Public Service Commission	6	1	5	20	80
Teaching Service Commission	4	0	4	0	100
Police and Prisons Commission	7	1	6	17	83
Commission for Investigation	2	0	2	0	100
TOTAL	779	143	636	18	82

Source: GIDD 2004



Source: GIDD 2004

CHAPTER 5

REGIONAL IMPLEMENTATION PROGRESS

It should be noted from the onset that the regions while retaining their status as regions, are essentially made up of sectors. The only defining factor for purposes of this report is that the funds accounted for under the regions are those received through the Provincial Administration and not through the sector ministries. This chapter, therefore, analyses the releases, expenditures and outputs per region. An attempt was also made to have an analysis at outcome level. (See appendix 23)

During the period under review, Government continued to focus on infrastructure development, land resettlement and industrial development in the regions. Infrastructure development included the rehabilitation and construction of schools, hospitals, health posts and dams. In addition, other programmes included feeder roads and

rehabilitation of airports and aerodromes. Land development programme included plot demarcations, borehole drilling and provision of amenities in the resettlement areas. Industrial development focused mainly on the bee keeping income generating activities.

In 2003, the total PRP budget was K76 billion out of which K32 billion was released during 2003 representing 41 percent. In 2004, the total budget allocation for the PRPs to the provinces was K40 billion out of which K17 billion had already been released by June 2004 representing 42 percent of the total budget. With 42% of the budget released by June 2004, it could be concluded that improvements were made in terms of disbursements compared to 41 percent released in the whole of 2003.

Table 5.1: PRP allocations per province

Province	Allocations Per Year					
	2003			2004		
	Planned GRZ Inputs	Actual GRZ Inputs	Release as % of Budget	Planned GRZ Inputs	Actual GRZ Inputs as of June 2004	Release as % of Budget as of June 2004
Western	8.0	3.1	39	3.7	2.5	69
Central	7.8	3.8	48	1.4	1.4	100
Copperbelt	6.9	1.5	21	4.0	2.6	65
Eastern	9.4	3.1	33	7.0	1.2	17
Luapula	8.4	3.1	37	5.9	1.8	30
Lusaka	7.7	5.4	70	4.2	2.5	60
Northern	6.9	2.3	33	2.8	1.5	54
North-western	10.9	4.8	44	4.6	0.8	17
Southern	10.4	4.9	48	6.0	3.3	55
Totals	76.8	32.2	41	40.0	17.8	52

Source; Ministry of Finance and National Planning 2004

5.1 Central Province

In 2003, the approved PRP allocation to Central province was K7.9 billion out of which K3.8 billion was released. The PRP activities during the same period included land resettlement, provision of school desks, rehabilitation of health facilities and roads. In 2004, Government allocated and released K1.4 billion for PRP's in the province.

During the period under review, out of a total budget of K2 billion for feeder roads programme in 2003, K1.8 billion was released for the continued rehabilitation of Landless corner-Mumbwa road as well as maintenance on selected roads in the districts.

Further, Government earmarked K500 million which was released and used for the land resettlement programme. Other uses for the funds included the construction of roads in the schemes. Furthermore, Government sunk and equipped

boreholes with hand pumps. Out of the targeted 990 plots, 837 farm plots were allocated to settlers in the schemes. Other amenities provided in the scheme include one clinic out of the targeted six.

In 2003, government released K700 million for the rehabilitation of district hospitals and Kabwe General Hospital. As at June 2004, works were on going.

In order to increase agricultural production and income among small-holder farmers, Government allocated K200 million and K1 billion was released. In addition, Government released a further K200 million for irrigation development.

In 2004, Government implemented the Industrial Development programme in the province. Activities undertaken included the bee-keeping project whose aim was to empower people economically. The expected output of this project was the procurement of raw honey and protective clothing, procurement of honey and bees wax processing machine, rehabilitation of storeroom, mobilization and sensitisation of bee keeping groups and the training of 420 people in bee keeping in seven districts.

5.2 Copperbelt Province

The total PRP budget allocation in 2003 for Copperbelt province was K6.9 billion out of which K3 billion was released. In 2004, Government allocated K4 billion to PRPs and K2.6 billion had been released by end of June.

In 2003, the main activities undertaken were bee keeping, rural development, infrastructure development and resettlement programmes. The bee-keeping activities received K1.5 billion in 2003. To this effect, the funds were used for the rehabilitation of the Mwekera Honey Processing factory and the training of 450 beekeepers (See appendix 23).

Furthermore, a total of K950 million was released for feeder roads but monitoring of these activities were yet take place by June 2004. In the resettlement programmes, activities undertaken included the drilling of 15 boreholes, rehabilitation of 28 old boreholes, rehabilitation

of 3 dams and the designing and surveying of 2 dams.

In health, out of the budgeted K500 million, K400 million was released and the Ndola Central Hospital was rehabilitated using these funds.

In 2004, the PRP activities implemented in the province included those in education and health, infrastructure development, rehabilitation of feeder roads and bee keeping. Activities in education programme included the rehabilitation of school infrastructure and procurement of furniture.

In 2004, the Land resettlement programme received K500 million out of which K149.94 million was spent for drilling 4 boreholes and installation of 6 culverts at Kambilombilo (Lufwanyama) and Lukanga North (Mpongwe). Sixty plots were demarcated at Kafubu West Dam resettlement scheme where 6 kilometres and 9 kilometre of road was graded and constructed respectively.

The rehabilitation of feeder roads programme targeted rehabilitation of ten feeder roads, one in each district and the funds were released. (See appendix 23)

5.3 Eastern Province

The total authorised PRP budget for Eastern province in 2003 was K11.03 out of which K2.9 billion was released. In 2004, K7 billion was budgeted for and K1.2 billion had been released by June. Major interventions included provision of infrastructure in resettlement schemes.

In 2003, Government focused on rehabilitation of school infrastructure as well as procurement of desks. Desks were purchased out of which 378 were distributed to three schools. Government also rehabilitated Chipata General Hospital. In addition, Government embarked on the rehabilitation of the children's rehabilitation centre and by June 2004, works were on going.

Furthermore, funds received towards the end of 2003 were earmarked for repair of washed away bridges and culverts and other projects. However, the funds could not be utilised immediately due

to the onset of the rainy season. A total of 11 dams were rehabilitated in the province for rainwater harvesting.

In 2004, Government earmarked K7 billion for education programmes, feeder road rehabilitation, infrastructure development, land resettlement, electrification of Chimtengo forestry and other related activities. Government released K1 billion for the rehabilitation of feeder roads in the province and the programme was on going at the end of June 2004. Under the disease control programme, Government allocated and released K450 million for the disease control programme. As at June 2004, Rabies drugs had been procured and the implementation of the disease control programme was on going.

Government prioritised the electrification of Chimtengo forest and the saw-mill became operational including the installation of power supply lines.

Funds released for the resettlement programmes were spent on water and sanitation, construction works and grading of roads in Maziatuba resettlement schemes. The borehole siting was done and tender procedures by June 2004 were in process to secure a contractor. The demarcations in Madzialuwa were targeted to be completed in September 2004.

4.4 Luapula Province

The approved budget for the PRPs for Luapula Province in 2003 was K8.4 billion out of which K3.1 billion was released. In 2004, the authorised budget for Luapula Province was K4.96 billion of which K1.8 billion was released as at June. Major interventions during the period under review included provision of school desks, rehabilitation of health infrastructure, rehabilitation of feeder roads, bee keeping and rehabilitation of Government infrastructure.

In 2003, the education sector in the province was allocated K150 million for the procurement of school desks. The desks were purchased and at the time of this report they were yet to be distributed. Government disbursed K1.1 billion for the provincial feeder roads programme in 2003. The funds were spent on repair works and

construction of feeder roads. In 2003, Government focused to rehabilitate local courts at a cost of K200 million.

During the period under review, resettlement schemes received K250 million which was used to demarcate 179 plots out of the targeted 600 farm plots. In addition, 5.8 kilometre of access road was pegged and stumped and the construction of one bridge was on going.

Government rehabilitated the OPD at Mansa General Hospital from the allocated K1 billion in 2003. The works on the rehabilitation of district hospitals, which received K200 million in 2003, and K1 billion in 2004 were on going as at June 2004. The other rehabilitation programmes in Health, Roads and procurement of school requisites were at tender stage and were expected to be completed before the end of 2004.

Government also focused on Biodiversity and watershed conservation activities in all districts. The output was the protection to the headwaters of the Luapula river tributaries, ultimately leading to a continuous and even flow of clean water in the streams. Two dams were also constructed in 2004.

5.5 Lusaka Province

In 2003, the approved PRP budget for Lusaka province was K7.7 of which K5.4 billion was released. In 2004, the total PRP budget was K4.2 billion out of which K2.5 billion was released by end of June. The PRPs were meant for the rehabilitation of health facilities, monitoring and evaluation, infrastructure development, education, roads, forestry, Water Affairs and entrepreneurship training.

In 2003, a total of K300 million was released for the resettlement programme and was used to demarcate six hundred plots in all the schemes, namely Kasenga, Rufunsa and Yapite resettlement schemes.

In 2003, Government allocated K1.2 billion for the rehabilitation of district hospitals. The K1.2 billion was released and an additional K400 million released as supplementary funding. In 2004, K1 billion was allocated for the construction and rehabilitation of health posts.

In the infrastructure development in the province, construction works included the purchased of one office block, the rehabilitation of one official residence. At the time of this report, two local courts at Matero and Chilenje were awaiting construction. The process was at provincial tender stage. By the end of 2004, it was expected that one block of district offices will be built in Chongwe and Kafue districts. Actual outputs as at June 2004 included the finalization of building plans and the identification of plots. Government also continued to procure desks for schools in the province.

In 2004, the set targets in education were to rehabilitate school infrastructure and procure Basic School desks for 8 schools in Chongwe district, 12 schools in Lusaka urban, 5 schools in Luangwa district and 8 schools in Kafue District. In addition, Government focused on the procurement of desks for High schools in the province. It was expected that by the end of the year, 22 High schools would benefit.

In the period under review, Government continued to undertake activities in the tree planting programme in the forestry sub-sector. These activities were aimed at mitigating deforestation effects by establishing five nurseries in all districts. By June 2004, nursery capacities were built in readiness for the tree-planting season. Other activities envisaged to be undertaken in the province were one orientation workshop, area identification and site selection in all districts for bee keeping projects.

In 2004, Government undertook to rehabilitate four dams in Chongwe and the strengthening of nine hydrological stations. The actual outputs were the employment of labour to start clearing vegetation, procurement of cement and stones, payment of gauge readers, and the rehabilitation of all 9-gauge stations in the province.

4.7 North Western Province

The authorised PRP budget allocation for 2003 for the North Western province was K8.1 billion out of which K3.8 billion was released and spent by December 2003. In 2004, the province was allocated K4.6 billion and K802 million was released as at June. Government continued to

focus on infrastructure development and resettlement programmes in the province.

In 2003, Government focused on the construction of new infrastructure, provision of school requisites, feeder roads, bee keeping and resettlement programmes. Works done included the construction of four houses, rehabilitation of seven local courts and the rehabilitation of Solwezi General Hospital.

4.6 Northern Province

The total PRP budget allocation for Northern Province in 2003 was K6.9 billion out of which K2.3 billion was released by end of 2003. In 2004, the total budget was K2.8 billion and K1.5 billion was disbursed by June. These allocations were meant for infrastructure development, provision of school requisites, development of resettlement schemes and bee keeping.

In 2003, a total of K1.5 billion was released for activities in the province out of the approved K2 billion. From the K450 million allocation, K150 million was released for rehabilitation works at Kasama General Hospital. In addition, the district hospitals were also rehabilitated. In the feeder roads programme, a total of 1, 331 Kilometres of feeder roads were rehabilitated, 6 bridges and 2 culverts constructed. Funds were also expended on the rehabilitation of Kawishika dam in Mporokoso, Mwandwizi dam in Mbala, de-silting of Nakonde dam and surveying for a new dam site (Refer to Appendix 23).

In 2004, K44 million of the approved K146 billion was released for pothole patching. The status of roads in the province remained more or less the same as in 2003. Part of the funds released in 2004 was spent on the Lukashya trades College for the rehabilitation of hostels, recreation hall and kitchen.

4.8 Southern Province

The total approved PRP budget allocation for Southern Province in 2003 was K10.4 billion out of which K4.9 billion was released. In 2004, the

total PRP budget was K6 billion and K3.3 billion was released as at June.

In 2003, Government focused on procurement of desks for Basic and High Schools in the province, rehabilitation of health facilities and infrastructure and the resettlement programmes.

In 2003, K500 million was released for Resettlement activities in the Province. The funds were used for land acquisition and demarcation as well as the provision of infrastructure. In the resettlement programme, three boreholes were drilled and three wells rehabilitated at a cost of K69.9 million. A total of 5,000 hectares were targeted of which 434 hectares of land was acquired.

In 2004, Government continued with the procurements of desks at a cost of K600 million. In terms of school infrastructure development, 2 staff houses were constructed, 120 bunker beds for 2 blocks of dormitory were procured and distributed, 1x2 classroom blocks was at gable level, and another 1x2 classroom block was completed. Government also rehabilitated a number of roads under the National Feeder Roads rehabilitation programme.

4.9 Western Province

In 2003, Western province was allocated K8 billion, out of which K3.1 billion was released representing 39 percent of the allocation. In 2004, a total of K3.8 billion was allocated out of which K2.5 billion was disbursed as at June 2004. The funds were used on rural infrastructure development, land resettlement and the provision of amenities in the resettlement areas.

During the period under review, Government continued with the programme of infrastructure development. One office block was purchased while other Government buildings were rehabilitated. Government procured metal desks and wooden desks for distribution to schools. In the infrastructure development programme, Government rehabilitated roads in 2003 and 2004 (for details refer to appendix 23).

By end of second quarter of 2004, a total of 162 boreholes were sunk, 2 dams constructed and 2 others surveyed (See table below)

Table 5.2 Distribution of Water Points

District	Number of water points
Kaoma	75 boreholes sunk and 2 dams constructed
Sesheke	45 boreholes sunk and 2 dams surveyed
Shangombo	31 boreholes
Mongu	11 boreholes

In 2003, K500 million was approved for the provision of water in the three resettlement schemes and Government drilled 16 boreholes out of the planned 26. Furthermore, Government through the Rural Investment Fund (RIF) drilled seven boreholes in Lombelombe at a cost of K16 million. In addition, all the demarcated plots in the three settlements were allocated to settlers. In 2004, the Resettlement programme received K250 million, which was utilised to demarcate 600 plots in Kalumwange, Lombelombe and Dongwe resettlement schemes

CHAPTER 5: INSTITUTIONAL FRAMEWORK FOR PRSP IMPLEMENTATION, MONITORING AND EVALUATION

5.1 Institutional framework

As proposed in the first progress report, the institutional structure for the implementation and monitoring of the PRSP is composed of membership from various stakeholders at the district level, provincial level, sectoral level and national level.

In order to build capacity for effective monitoring and evaluation of all projects and programmes countrywide, the Planning and Economic Management Department in the Ministry of Finance and National Planning had been interfacing with Sector Ministries, Provincial and District consultative structures such as the Inter Ministerial Technical Committee, District Development Coordinating Committees (DDCC) and the Provincial Development Coordinating Committees (PDCC) which operate under the Cabinet Circular Number 1 of 1995. These committees have been used to collect and compile data on all projects and programmes including poverty reducing programmes. The Sector Advisory Groups are the consultative structures formed at national level, under the same Cabinet provision.

In terms of tracking progress of implementation of Poverty reducing programmes, the planning sub-committees of the DDCCs and the M&E Secretariat of the PDCCs undertake monitoring and evaluation of projects and programmes under implementation. These committees facilitate the collection of information on output indicators in various sectors. Through such structures, Government was able to compile reports on the performance of poverty reduction programmes in all sectors. These structures feed into the Sector Advisory Groups (SAGs) at national level. During the period under review, SAGS played an advisory role to Government on matters concerning budgeting, monitoring & evaluation and reporting on PRPs.

The M&E unit in the Planning and Economic Management Department of the Ministry of Finance and National Planning facilitated nine monitoring and evaluation tours involving Inter-

Ministerial Technical Committee members and Provincial M&E Secretariat members. A total of 116 poverty reduction projects were inspected. The provincial and district M&E stakeholders were oriented to the PRSP indicator set and indicators under various sectors were presented.

At district level, the District Development Coordinating Committees (DDCCs) are the consultative structures at district level and their role is to discuss, assess and scrutinize the data on tracking programme/policy implementation and development issues. The DDCCs prepare reports that are consolidated into provincial reports. At provincial level, the Provincial Development Coordinating Committees (PDCCs) are the consultative structures who discuss the consolidated district reports and subsequently forward them to Ministry of Finance and National Planning and Cabinet office.

At sectoral level, the Sector Advisory Groups (SAGs) are the consultative structures. The SAGs discuss the consolidated provincial reports and the overall sector reports. The various reports are then consolidated, presented and discussed at the National Annual Poverty Review Forum (NAPRF). The reports from the NAPRF are forwarded to cabinet.

In addition, the line ministries gather their planning and monitoring data from provinces and grant aided institutions and consolidate them for discussion with SAGs as inputs into the National forum. It is important to note that the information provided by DDCCs and PDCCs is strictly on the PRPs implementation.

5.2 Implementation and monitoring instruments

Government continued using various instruments of planning and monitoring the implementation of the PRSP which included the use of the standardised questionnaires, funding profiles, and the refined PRSP indicators system. In addition, Government developed expenditure projection forms, which Ministries, Provinces and Other Spending Agencies (MPSAs) use to provide cash flow projections based on their expenditure plans.

Furthermore, the weekly data monitoring meetings were enhanced to ensure that financing was within the fiscal framework.

The continued use of the questionnaires and the refined indicator system led to an improvement in the capture of data. In addition, the introduction of the expenditure projections improved the funding profiles and the PRPs were funded according to planned schedules. The profiling system however, still needs further strengthening. To this end, MPSAs were, in the review period, being trained on the preparation and use of the funding profiles through the budget committees.

Notwithstanding these developments, Government identified the need to further strengthen the capacity in the MPSAs on the full understanding, interpretation, use and integration of the implementation and monitoring instruments. To this effect, Desk officers at the Ministry of Finance and National Planning were trained on the collection of data using the refined indicator system. Government planned on extending the training to SAGs, PDCCs and DDCCs to further enhance the quality of data provided.

Furthermore, Government strengthened the system by physically moving the Poverty Monitoring and Analysis (PMA) unit from Zambia Social Investment Fund (ZAMSIF) to Planning and Economic Management Department (PEMD) at the Ministry of Finance and National Planning in January 2004. Similarly, the Monitoring and Evaluation Unit was moved from

Economic and Technical Cooperation Department of the Ministry of Finance and National Planning to PEMD to ensure that planning, monitoring and evaluation were integrated.

The evaluation of the PRSP will be done through surveys such as the Living Conditions Monitoring Surveys and economic surveys through the Central Statistical Office. These surveys have not been undertaken since the implementation of the PRSP and therefore the impact of the PRSP is yet to be measured.

Way Forward

The monitoring and evaluation of the PRPs would be undertaken within the above stated institutional structures. The SAGs will continue to advise government on the implementation of programmes in the various sectors.

It was agreed between Government and stakeholders that there would not be a second generation of the PRSP. Government formulated a Transitional National Development Plan (which incorporated the PRSP) to run from 2002-2005. Therefore, programmes for implementation in 2005 would be drawn from the TNDP.

In 2005, Government shall embark on the formulation of a 5-year National Development Plan and a comprehensive PRSP progress Report covering; January–December 2004, would be produced by 1st quarter of 2005.

CHAPTER 6

LESSONS AND RECOMMENDATIONS ON THE IMPLEMENTATION OF THE PRSP

It is generally acknowledged that the poverty strategy for 2002-2004 provides a credible framework for overcoming the poverty challenge. The implementation of the poverty interventions for the period June 2003-June 2004, gives an opportunity for all stakeholders to appraise the progress that was attained in the poverty reduction effort. It is also an opportune moment to reflect on the lessons, both positive and negative, that will enhance the efforts to reduce the poverty levels in the country. Furthermore, determination on how best PRP programmes should be implemented in future can be made.

Lessons and Recommendations

The implementation of PRPs in the review period was characterized by a number of lessons, some of which were also identified in the first progress report.

Among the lessons learnt was the difficult associated with the reporting period, which is not consistent with the fiscal year and available targets and annual statistics. This made it difficult to make comprehensive comparisons between the planned and actual indicators.

It was observed that there is need to carry out regular evaluations to assess progress on outcome and impact indicators.

The dominant challenge that was identified by implementing agencies was the inadequate and untimely disbursement of funds. Certain activities, especially capital projects and input supply in agriculture, have to be undertaken at specific periods during the year. Delays in the releases of resources tended to negatively affect the smooth progression of such activities.

In the first PRSP Implementation Progress Report, it was noted that the PRSP is largely foreign financed. In addition, the report observed that ministries did not provide adequate

information to enable analysis of the impact of such funds in poverty reduction. This assertion is still valid. In order to overcome this shortcoming, the following measures are recommended:

- The Ministry of Finance and National Planning and all relevant players should establish a mechanism for capturing donor inflows preferably through the Accountant Generals office.
- MPSAs as well as grant aided institutions must be compelled to provide accurate and timely information on performance of development programs and utilisation of PRP funds to the Ministry of Finance and National Planning.
- Donors should be encouraged to provide information to the Ministry of Finance and National Planning on the projects that they are financing throughout the country. Preferably, this information should be provided on a quarterly basis.
- Cooperating partners should be encouraged to consider direct budget support to enable government effectively track flow of resources to various PRP programs.
- In all agreements for project support, a clause should be included which compels project managers to provide information to the Ministry of Finance and National Planning on a regular basis

The implementation of PRPs over the review period also indicated that even in situations where funds were disbursed on time, implementing agencies lacked the capacity to absorb the resources. A number of factors were attributed for the underperformance. These included:

- Implementing agencies did not seem to fully appreciate the importance of the PRSP/TNDP as the guiding document in national

development. In addition, they did not have a strategy to undertake the activities that were identified in the PRSP. In some cases, decisions on how the activities would be undertaken were only made once the funds reached the institution. In order to overcome this deficiency, there is need for institutions to be fully aware of the programmes in the PRSP, and how they were to be undertaken in a particular year, with a clear grasp of the sequencing for the activities. In this regard, close attention should be paid to the funding profiles that are agreed upon with the Ministry of Finance as well as ensuring that the budget is followed. There is also need to improve the information flows between the Ministry of Finance and National Planning and other MPSAs with regard to changes in the funding profile, if any.

- An important observation made during the review period was the misapplication of funds earmarked for PRPs. In addition, there was poor information flow within ministries on receipt of funds for PRPs, for example the planning departments in some cases were unaware of funds received for PRPs. In order to address this problem, the ABB was commissioned in 2004 and all the funds released in the first half of 2004 were according to activities as indicated in the budget. In order to further improve the situation, it is recommended that:
 - (a) Budget releases for PRPs should be published in the media on a monthly basis;
 - (b) MPSAs should improve their information management systems as well as the internal flow of information;
 - (c) Desk officers at the Ministry of Finance and National Planning should play an active role in monitoring releases to ministries; and
 - (d) MPSAs should utilise the quarterly expenditure report prepared by the Accountant Generals office.

- The tender procedures currently in place hamper quick implementation of programmes. The implementing agencies expressed the need for Government to consider adjusting the current thresholds upwards, to enable MPSAs carry out their programmes expeditiously. In addition, implementation of the proposed reforms on the tendering procedures under the PEMFAR programme should be speeded up.

In the review period, total expenditure on PRPs continued to be understated. For instance, Personal Emoluments on teachers and health workers are essentially poverty reduction expenditures. However, these are not classified as such in the budget. In order to overcome this problem, the Ministry of Finance National Planning prepared an Annex to the budget which captures all poverty reducing expenditure in the budget.

It was noted that there was political interference in PRP implementation during the review period. The adverse effect of political interference is that resources are spread thinly across the nation on a large number of projects. There is a recognised need to prioritise the development process, with an understanding that economic growth has spill over effects. In this regard, the MTEF process recognised the importance of involving all stakeholders, including politicians, at an early stage so that decisions on how national resources would be employed were made consultatively. Once the decisions on expenditure have been made, the process of arriving at the consensus on Government expenditure in the medium term should be upheld by all.

The preparation of this report, as well as the quarterly SAG meetings indicated that:

- There is low utilization of the PRSP Indicator system by MPSAs. This made it difficult to assess the progress that has been made by a particular sector, as the input and output indicators are not clearly articulated. In order to overcome this bottleneck, implementing agencies should clearly indicate the expected output from a given monetary outlay, as well as the expected outcome and impact of the intervention.

Government noted the weak reporting of outcomes and impacts and began the process of developing a reporting format that would accurately measure progress towards PRSP goals. There is therefore need to strengthen capacity of data collection and analysis for PRSP monitoring and planning interventions at national, provincial and district levels.

- Implementing agencies should improve on their management information systems. The accurate keeping of data will greatly enhance the ability of MPSAs to undertake poverty analysis. In this regard, resources for developing MIS should be included in the budget for PRPs.
- There is need for all agencies to provide accurate and timely information to the Ministry of Finance and National Planning to enhance its coordination role.

The use of the 5 percent allowed for PRP monitoring in the budget was not clearly understood by many institutions. In this regard, the Ministry of Finance and National Planning should provide guidance on how these funds should be utilised.

The institutional framework for the implementation of PRPs had not been clearly formulated. There seemed to be too many structures at national level involved in coordinating the development effort. In this regard, there is need for the harmonization of efforts at national level. Furthermore, Cabinet office should review the 1995 circular by redefining the terms of reference for the PDCCs to focus on addressing poverty reduction. The roles of the National Development Coordinating Committee and the national SAG should also be clearly defined.

Although the PRSP/TNDP had been recognised as the main development tools, there was inertia and a lack of commitment to undertake the programmes in the documents. For instance, the new Strategic Plans in many ministries had not focused on PRPs. There is thus urgent need for ministries and other institutions to prepare plans that focus on poverty reduction. Furthermore, the performance appraisal of MPSAs should be on

the basis of the outturns from poverty reduction programmes.

The contrast in fiscal discipline over the review period gave an indication of how important adherence to the approved budget was for the implementation of PRPs. The successful implementation of the programmes is directly related to the releases as well as the disbursements. In this regard, the Ministry of Finance and National Planning should enhance the discipline in subsequent years.

The other positive development during the review period was the formation of SAGs. The formation of SAGs enhanced the entire implementation process. The quarterly SAG meetings that were held during the period helped to identify areas of weaknesses in program implementation before the end of the year, which enabled a review of programmes before the end of the year. This was an improvement over the past when post-mortems on development were only done at the end of the year.

Risks to the PRSP Strategy:

This section which incorporates detailed importance of the Risks and possible impact on attaining PRSP/MDG goals and possible strategies to mitigate these risks was added to the second PRSP Progress Report after recommendation of the Joint Staff Assessment mission. The risks are addressed herewith:

Risk: To improve PRSP implementation, Government will face demands for additional resources for PRSP expenditure programmes. However, the elections planned for 2006 might lead to 'short-termism', which could displace the poverty reduction agenda as a priority and hence increased appropriations for PRSP expenditure might not materialise, leading to a continuation of current trends in PRSP implementation.

The cost of elections in 2006 is quite substantial and indeed will affect spending on Poverty Reduction Programmes. About 2.2 percent of the budget in 2006 will be spent on the elections. In 2005, about 1.5 percent of expenditure will be towards preparations for the elections in 2006. In the absence of additional resources, spending on other areas could obviously be affected. However, there are indications of increased budget support from the Cooperating Partners in 2005-2007. This could ease the expected pressures related to the election and still allow more resources to be channelled toward priority poverty reduction programmes. In order to secure the budget support, donor programme grants in-flows for 2005, Government and Cooperating Partners have already began the process of finalising indicators for the Performance Assessment Framework, for monitoring budget performance in the same year. Effectively, with planned additional resources, the election process will be implemented without derailing the development agenda of the PRSP and MDG goals.

In the unlikely event that Cooperating Partners support does not materialise, expenditure reduction in a number of areas will have to occur. However, with the Medium Term Expenditure Framework (MTEF) and Activity Based Budgeting (ABB) systems; a programmatic classification of the budget, in place, Government

plans to maintain expenditure patterns within this framework. Government will ensure to protect core priority expenditures in Education and Health sectors as it has in the past. In which case, the poverty reduction agenda will remain a priority, as implemented within the context of the proposed Development Plan (2006-2010), to be formulated in 2005.

Risk: Important institutional risks to programme execution are posed by weaknesses in implementation capacity and financial management in line ministries and other government agencies. In particular, slow progress in executing programmes to contain the impact of the HIV/AIDS pandemic carries serious potential risks to Zambia's future.

Notwithstanding the progress made in 2003, significant shortcomings still exist in ensuring sound public expenditure management and financial accountability. Institutional capacities are lacking within line ministries, and poor absorption capacities for programme implementation and financial management has been a setback to quality, delivery, efficiency, and cost effectiveness of public services. Distinctly, Government recognises the poor and slow disbursement in implementation of Government or Cooperating Partners financed projects. Government, with assistance from the World Bank, designed and started implementing its Public Service Capacity Building Project (PSCAP) in 2001. Much of the support under PSCAP was focused on improving public expenditure management and accountability, and service delivery in the public sector.

Moreover, Cabinet has approved for submission to Parliament a revised Finance Act that strengthens financial management and accountability. The Act aims at strengthening the Accountant General's office and Financial Management System includes provisions strengthening the role of internal audit through the establishment of audit committees and defines the responsibilities of the Accountant General's department among others.

Using the Activity Based Budget classification, the Accountant General's department generated a report from the Financial Management System on

actual expenditure by each ministry for the first six months of 2004. On-going reforms of line ministries under the Public Sector Reform Programme (PSRP) are aimed at improving institutional capacities.

The Integrated Financial Management Information System (IFMIS) allows for training of a cadre of accounting professionals to manage the software for efficient reporting in public expenditure management and accountability.

The decentralisation policy, once implemented will decentralise and devolve power to local authorities to enable efficient and effective action planning, implementation and budgeting, and monitoring and evaluation of programmes.

As regards HIV/ AIDS, although progress was slow initially due to slow disbursement of funds from Cooperating Partners, there has, in recent times, been an escalation in financing of HIV/AIDS programmes. In addition to the Global Fund, USAIDS, and other Cooperating Partners, workplace and community response interventions funded through the World Bank's Zambia National Response to HIV/AIDS (ZANARA) Project resulted in the scaling up of executing programmes to contain the impact of the HIV/AIDS pandemic.

The organisational structure of the National AIDS Council (NAC) has been developed and is under implementation. Processes to improve staffing in accordance with the original programme agreement have included the recruitment of four managers. A monitoring and evaluation system is currently being installed to improve the monitoring of programmes. In addition, HIV/AIDS awareness and prevention programmes have been integrated in pre-service and in-service programmes of ten key ministries; Health, Education, Agriculture, Science and Technology, Community Development and Social Services, Home Affairs, Finance and National Planning and Youth, Sport and Child Development. In tandem, all line ministries have awareness programmes integrated into their programmes.

Risk: Zambia remains vulnerable to droughts and to terms-of-trade shocks. Risks stemming from the dependency on international copper prices were partially addressed by sectoral policy to promote economic diversification, namely in agriculture, non-copper mining, manufacturing, and tourism. The recent increases in copper prices might re-ignite the hope that Zambia can rely once again on the copper sector for economic prosperity.

Indeed, Zambia's economy remains vulnerable to drought and terms-of-trade shocks. In the last two years (1999 and 2001), when drought occurred, real GDP growth was dampened, arising from the major share of Agriculture to GDP (16%) and the prevailing strong linkages between the sector and the country's economy. With declines in prices of copper, food shortages resulted, threatening food security, while the country has had to import food at enormous cost. Similar terms-of-trade shocks affected earnings and increased the import bill.

It is imperative that the Zambian economy should be diversified further in the face of fluctuating copper prices. While non-traditional exports have continued recording double-digit growth rates in the recent past, these account for over 35 percent of total exports. The Private Sector Development Initiative is one strategy intended to remove obstacles to investment in the areas key to trade expansion and growth. This initiative will take about two years to implement. Other strategies by Government include the Support to Economic Expansion and Diversification (SEED) programme, farm block creation in the tourism and agriculture sectors respectively, and the Indaba resolution, aimed at sustaining an outward looking approach from copper mining.

It should however be mentioned that Zambia is well endowed with vast mineral deposits and when the mineral resource is fully exploited, the mining sector would, in the foreseeable future remain a dominant part of the economy. Recent price increases have stimulated investment in the sector and many mineral ore deposits are being developed, in a highly competitive environment at low cost of production. Moreover, the Government has demonstrated a commitment to providing an enabling environment for the

operation of small-scale mining, particularly the gemstone exchange to facilitate gemstone mining.

Risk: Weak fiscal discipline could generate significant risks to macroeconomic performance. In the short run, risks could stem from potential difficulties in fully implementing expenditure and tax reforms. In particular, pressures from civil service unions for increased wages demands for additional resources from non-priority sectors, e.g. defence, constitute substantial risk to the fiscal programme. In the medium term, risks could also stem from pension liabilities.

Admittedly, weak fiscal discipline has for a long time been the weakness of expenditure management. This is, among others, evidenced by large variations between budget and actual, to the effect that high fiscal deficit, borrowing and other constraints have led to ineffective re-ordering of public expenditures on areas of non-priority. There have been recent reforms to address these weaknesses including the Public Expenditure Management and Accountability Reforms (PEMFAR), MTEF and IFMIS. Although it will take some time before these programmes are fully implemented, the attempt to re-order public expenditure aright constitutes a positive step and is needful to ensure that (tax) reforms are implemented as planned. Related to this, is strong political will which is necessary to maintain expenditure allocations to non-priority sectors, particularly defence, within budget.

Structural measures to improve fiscal performance include a freeze on wages and temporary cessation of recruitments into the civil service for 2004. The government has on-going, negotiations with trade unions to manage the process of wage increases and ensure that such implementation is within the fiscal framework. The right-and-down-sizing processes in the Public Sector Reform Programme are additional measures aimed at ensuring positive fiscal performance in the long term. As part of the macroeconomic framework restructuring process, initiatives are in process to ensure a financially sustainable pension system. Furthermore, a Debt Sustainability Analysis framework is expected to be in place to address such risks as would arise from internal pressures on the budget.

APPENDIX 1: MACROECONOMICS POLICY ACTIONS

Objective	Policy Action	Status as at End June 2004
To promote increased investments	Target and attract credible foreign investors, especially in export activities	In Agriculture, Government held major conference in 2003. Started the process of developing Farming Nasanga and Kalumwange Blocks. In Tourism, developing infrastructure in Katue National Park
	Establish linkages and synergies between local and foreign investment	Private advisory council. In mining facilitating the of large scale investors such at Kansanshi and Lumwana
	Encourage both small-scale and large investors in all economic sectors and establish synergies between them through networks, seminars, etc.	PSDI
	Establish good governance through policy stability to promote investments	Tourism Credit Development Fund was established and disbursements have started. As of June had benefited
	Set performance standards for institutions facilitating investment promotion and establish a system for monitoring with stakeholders	
	Recapitalise DBZ	No public money is being used to recapitalise the DBZ.
	Promote the role of pension funds in capital formation	Little progress drafting of investment guidelines that do not require board approval of specific investments except in exceptional cases, and (3) agreement on training for trustees as well as plan for carrying this out;
To promote exports to lead economic growth	Emphasise export growth in all economic sectors	On-going. Export led growth is being encouraged in agriculture through out grower schemes and agro processing is encouraged in manufacturing. Exports in 2003 increased to ... from ... in 2002.
	Focus on a few areas with greatest export potential	On-going. Focus is on agriculture, mining, tourism and manufacturing.
	Adequately fund export promotion institutions	Funding has improved as these institutions are funded through the PRP's.
	Set performance standards for export promotion institutions and establish a system for monitoring with stakeholders	
	Re-orient the Zambian diplomatic service to play a greater role in identifying and negotiating market preference for Zambia	Tourism attaches are being sent in the diplomatic service. (HOW many have been sent To date)
	Improve capacity in government for handling trade grievances and disputes	On-going. MCTI still soliciting for TAs so that more officers are trained in this field.
	Eliminate barriers to trade and fair competition	There are no Non Tariff Barriers (NTBs) anymore apart from the SPS Regulations, which are principally for health reasons.
	Resist discretionary tariff/duty concessions	The Minister of Finance no longer gives discretionary tax concessions.
	Remove competitive disadvantage suffered by Zambian exporters due to taxes	On-going. With regard to VAT, exports are zero-rated while for customs and excise, there is a Duty Drawback Scheme and the Manufacturers Under Bond (MUB).
To manage national debt affairs	Meet conditionalities required to attain HIPC and other debt relief initiatives	Most of the triggers have been met so far (see Annex). Meetings are also held regularly to monitor the implementation the PRGF, which is a key trigger for reaching the HIPC Completion Point.
	Make the incurring of national debt more transparent and accountable	Preliminary work has begun on developing the debt policy and reviewing of legal and institutional arrangements while the strategy currently on incurring national debt is within the HIPC initiative.
	Continue lobbying for deeper debt relief	The crusade for deeper debt relief is being done through NGOs while Government is following what is in the debt strategy
	Establish a strategy for reducing the huge domestic debt	Not yet done though a draft strategy is in place

	Reduce government arrears to suppliers and pension funds	Funds have been allocated under the macro economic framework. About K76 billion has been allocated for clearance of domestic arrears in 2004. By end-June 2004, actual payments amounted to only K30 billion. Total arrears stand at K480 billion as at end march 2004
To rehabilitate infrastructure and carry out key institutional reforms	Rehabilitate core infrastructure like roads, railways and energy	A lot of progress has been made to improve the country's roads, major bridges Katima Mulilo and Chirundu) were commissioned in 2004 and airports (Livingstone, Lusaka and Mfuwe). And feeder roads and national park roads. See the Chapter on Infrastructure for details
	Encourage economic growth to generate resources capable of rehabilitating infrastructure in future	
	Minimize development of new infrastructure unless it is immediately tied to a major productive venture	
	Institute institutional reform leading to lower prices for energy and telecommunications	A process to review regulatory and legal framework for network utilities with the overriding policy of minimizing the need for direct regulatory determinations is an indispensable precondition for effective private participation and sustained (large-scale) investment in a country with a long history of administrative controls and without facilitating competition. Key elements of the program could include:
		Information Communication Technology Policy is being developed whilst the Telecommunication Act is being reviewed.
		Study on the Private sector participation on the international Gateway was commissioned.
		Unbundling of Zambia Telecommunications Corporation (Zamtel).
		Commercialisation of ZESCO
	Merge government departments to reduce operational costs	Only a few have been merged Ministry of Environment and the Ministry of Tourism to form the Ministry of Environment, Natural Resources and Tourism
Re-orient fiscal expenditure to support growth and poverty reduction		The process of reducing operational costs in Government has been going on since 1997 through the Public Sector Reform Programme (PSRP). So far, restructuring of most central government ministries has been completed except for Ministry of Community Development and Social Services, Ministry of information and Broadcasting Services, Ministry of Communications and Transport, Ministry of Home Affairs and the nine provinces.
	Implement an Integrated Financial Management and Information System (IFMIS)	The contract for the supply and installation of the hardware and software needed to implement IFMIS was supposed to be awarded in June 2004. The process of reviewing the evaluation has however been delayed. In this regard, a review of evaluation for award of contract for procurement of hardware and software was completed on 8th July 2004. A no objection to award contract to a preferred bidder was sent to PSCAP for onward transmission to World Bank on July 9, 2004 for No Objection
	Improve public service pay and drop non-performance related allowances	Progress has been made to some extent to decompress basic salaries especially for professional and technical staff through the Medium Term Pay Reforms. A strategy to improve public service pay was adopted by Cabinet in August 2002 through what is known as the "Medium Term Pay Reform". This has facilitated the decompression of basic salaries in 2003 with emphasis given to professional and technical positions, elimination of some allowances and rationalization of others and cleaning up the payroll to identify overstaffing and erroneous pay.
	Extend Activity Based Budgeting (ABB) to more ministries	ABB has been extended to all the line ministries and the 2004 Budget was prepared in the ABB format. However, funding is not yet done by activity as the development of the funding module had not yet been completed. This is expected to be completed in the second half of 2004 and it is expected that in 2005 funding will be by activity.
	Release capital funds timely to enable earlier execution of projects	Funding profiles are now submitted by Ministries, Provinces and Spending Agencies (MPSAs) every quarter to the Treasury

	Fund provinces and local government directly to execute their programmes and be made accountable to their communities as part of decentralisation	Provinces are funded directly while Local Government (Councils) are not funded directly but through Ministry of Local Government and Housing. The Decentralisation Policy has not yet been implemented therefore funding councils directly has not been operationalised.
	Guarantee social spending and capital expenditure against expenditure compression	Ministries of Health and Education are funded 100% (All their monthly funding requests in are being met). For capital expenditures, every month, deposits are made in Account 49 for Poverty Reducing Programmes (PRP's) which are mostly capital expenditures.
	Expunge District Administrators from budget	Still being funded from the national budget. The government has decided to retain the District Administrators and has since renamed them as District Commissioners.
Re-orient fiscal revenue to support economic growth and poverty reduction	Improve tax compliance so that the tax/GDP ratio reaches 20 percent	Tax administration has improved with the Tax/GDP ratio at about 18 % in 2003 and expected to reach 18.7 % in 2004
	Reduce discretion in the reduction of tax rates and on taxes	There is no discretion in the reduction of tax rates as this is done through the enactment of Bills by Parliament. For the mining companies that were granted concessions in their Development Agreements, most of them are coming to an end in 2005 and Government is negotiating with these companies to ensure that the at the concessions that will be provided are sustainable, general and non-discretionary.
	Attack leakages in customs duty collections	Government through the Zambia Revenue Authority has introduced a Flexible Anti Smuggling Team (FAST) to follow up suspected smuggling. Government has also facilitated the acquisition of motor vehicles and speedboats for ZRA to effectively patrol areas suspected to be routes for smuggled goods.
	Transform collection and utilisation system governing levies	Government has embarked on modernizing non-tax revenue collection to make them effective, efficient and accountable. In this regard, the Road Traffic Commission has been computerized so as to improve revenue collection and minimize pilferages.
To attain stable macroeconomic environment through prudent fiscal and monetary policy	Ensure that debt relief and pledged donor support will be accessed hence reducing the need to borrow from Bank of Zambia	This is on course. Zambia was placed back on the PRGF on 14th June 2004 therefore new programme aid inflows from donors and balance of payments are now expected to resume (in second half of 2004, US \$20 million expected from the World Bank, US \$ form the European Union and form the African Development Bank. This will also facilitate Zambia reaching the HIPC Completion point.
	Plug state enterprises losses and preserve Bank of Zambia's financial integrity	The loss making state enterprises have prepared their survival plans which Government are reviewing. Government has also approved a Financial Sector Development Plan aimed at addressing the financial weakness of state owned Non Bank F
	Establish monetary control by GRZ refraining from borrowing from BoZ	In the 2004 Budget the fiscal deficit has been limited to 2.0 percent of GDP so as to constrain government borrowing to 2.2 % of GDP
	Make open market operations more transparent, efficient and better understood by commercial banks and other stakeholders	
	Encourage the use of other money market instruments	
	Grant BoZ greater legal and operational autonomy	This is being addressed under the Financial Sector Development Plan (FSDP) which was sent to Cabinet for consideration and approval in June 2004

Appendix 2: Agriculture 2003

Objective: To promote a self-sustaining export-led agricultural sector which ensures increased household income and food security

INTERMEDIATE INDICATORS						
Programmes or Field of intervention	Planned GRZ Inputs (K' Million)	Actual GRZ Inputs (K' Million)	Planned Donor Inputs	Actual Donor Inputs	Planned Outputs	Actual Outputs
Promotion of Commercial Agriculture						
Out grower Schemes	9,500,	6,800,			No. of out growers targeted for support	5 out grower schemes
Cotton	2,000	1,500			300,000 farmers	18,043 farmers, 21,169 Ha, expected yield value of K23 b
Tobacco	2,000	800			800 farmers	983 farmers, 891 hectares, expected yield value of K6.2 billion
Coffee	2,000	1,500			500 farmers	163 farmers 126 hectares, expected yield value of K6.9 billion
Vegetables & Paprika	2,000	2,000,			5000 farmers	2,351 farmers 1,070 Ha, expected yield value of K2.3 billion,
Dairy	1,500	1,000			120 farmers to benefit 200 dairy calf heifers to be purchased	
Land and infrastructure development e.g. feeder roads, ware houses etc						
Rehabilitation of agricultural Training institutions	2,870,	855,				
Zambia Institute of Animal Health	500,	500,				Rehabilitation works still going on
Katete Co-operative College	300					
Co-operative College	370,	355,				
Popota Tobacco Training Institute	500					Rehabilitation works still going on
Kasaka Fisheries	500					
Zambia Centre for Horticulture Training	700					
Irrigation development and Dam construction	6,000	2,000			10 Irrigation projects	6 projects implemented 4 dams constructed, 1 dam 90% complete 4 irrigation schemes 40%-50% works completed 1 Borehole, resevoir & pump
Land development programme	15,000	2,650				
Kalumwange farm block	5,000	700			1 health centre, 100km road 525 farm plots	1 health centre, 20km roads

Nasanga farm block	5,000	950	5 bridges,300km road 1214 farms	1 bridge, 16km road 828 farms plots
Luena sugar project	5,000	1,000	advocacy, 200km roads, 1601 farm plots	50km road
Rural Development				23 projects started 10 irrigation schemes and dams 10 boreholes, 3 farm blocks being developed
Rural Investment Fund	1,981.8	693.32		
Soils and crop research	500	55		
Animal drought power	2,000	500	30 rice farming groups,150 households, power tillers, 300 donkeys,300 oxen	60 donkeys, 25 power tillers 80 oxen
Provision of anti retroviral drugs	500	200	Ailing members of staff	Not yet utilised due to lack of implementation guidelines
Community radios	500			
Input support programme	10,000	31,914.6		150,000 farmers benefited 748 mt cereals seed,1038.2 mt legume seeds, 15,470mt fertilizer and lime distributed
Targeted support system for food security				11districts received funds
Seed Multiplication	1,060	464,		

Appendix 3: Agriculture 2004

To promote a self-sustaining export-led agricultural sector which ensures increased household income and food security							
Objective	INTERMEDIATE INDICATORS						
	Programmes or Field of intervention	Planned GRZ Inputs (K' Million)	Actual GRZ Inputs (K' Million)	Planned Donor Inputs	Actual Donor Inputs	Planned Outputs	
Promotion of commercial Agriculture	Out grower Schemes					Number of out-growers targeted for support	
	Cotton	300	300			2000 farmers/1500 Ha	
	Tobacco	300	300			1000 farmers/ 1300 Ha	
	Coffee	350	350			100 farmers/200 H	
	Vegetables/Paprika	850	850			1700 farmers/ 1000 Ha	
	Dairy	500	5.4			Litres of dairy products produced	
	Cashew Nut	100	100			3000 farmers/1500 Ha	
	Land and infrastructure development e.g. feeder roads, ware houses etc	Irrigation development programme					
		Dam construction/Rehabilitation					
		Irrigation development					
Land development programme							
Kalumwange farm block		500				Demarcation/environmental	
Luena Farm Block		500				impact assessment	
Nasanga farm bloc		13,000				60km trunk road, 200 km farm roads, electrification, dams, bridges	
Rural Investment Fund		1,500				Rice Dehaullers, irrigation schemes, boreholes and storage sheds	
Rehabilitation of agricultural Training institutions							
Zambia Institute of Animal Health		400				College Infrastructure and Equipment	
Co-operative College	100				Poultry unit		
Kasaka Fisheries Training Institute	200				Construction of ponds Infrastructure rehabilitation		

	Zambia Centre for Horticulture Training	279				Two 40 H.P. Water pumps Two 40 H.P. Electrical Motors Two switch panels Four 6m*6" aluminium suction pipes
	Farm Institutes and Training centres rehabilitation	100				Maintenance of buildings at Mansa, Kembe & Namukashende FTIs
Technology development and provision of agricultural extension services for food security.	Agriculture Research	1,500				6.2 Ha, 20.75 Ha seed, crop protection, demonstrations
	Farm Advisory services	700				
	Participatory Extension approach	500				Extension manuals
	Conservation farming	100				Farmers and staff
	Food processing and utilization	100.9				Extension staff, farmers, women
	Provision of anti-retroviral drugs	557				
	Research adoption and promotion of small scale equipment	100				Research and trials
	Farmers registrations	50				farmers register
	Community Radios	600				Free play radios
	Animal Disease Control	1,000				Manufacture and Procurement of vaccines
	Livestock Restocking Monitoring	50			0	Monitoring visits
Fisheries Extension	1,000					
Fisheries Co-management	500				Awareness campaigns, Training in kapenta net construction	
Aquaculture Development	500				Site selection - 4 per province, 900 farmers at 36 sites to be trained, 720 ponds at 36 sites to be constructed	
					72 fish farms- pond stocking	
	Co-operative education and training	421.3				
Targeted support system for	Input support programme					

food security	Fertiliser support programme	+ 70,000	36,744			32000mt fertilizer, 1600mt seed	15000mt of fertiliser, 1600mt of seed
	Seed Multiplication	128.5					
	Crop Marketing Food Reserve Agency	47,200	20,509.68			62,000 metric tons of maize purchases	13,500 metric tons of maize purchases
	Dairy Out-grower scheme	500				Litres of dairy products produced	

Appendix 4: Tourism 2003

Objective / Programmes or Field of Intervention	To enhance the tourism sectors contribution to economic growth and poverty reduction						Actual output
	Planned GRZ Inputs (K'billion)	Actual GRZ inputs (K'billion)	Planned Donor Inputs (K'billion)	Actual Donor Inputs (K'billion)	Planned Outputs		
Infrastructure in Tourism areas							
• Mosi-o-tunya National Park Access Road Project	0.8	0.65			<ul style="list-style-type: none"> Access roads upgraded (Kilometers) 	<ul style="list-style-type: none"> 15 Km access roads rehabilitated 	
• National Museums/Heritage Sites Rehab Project	1.05	0.30			<ul style="list-style-type: none"> Infrastructure at museums and heritage sites still undergoing rehabilitation 	<ul style="list-style-type: none"> Livingstone Museum and 3 Heritage sites still undergoing rehabilitation 	
• The Livingstone Tourism Development Project	0.5	0.5			<ul style="list-style-type: none"> Solid waste management system in place Tourist access roads in Livingstone and surrounding areas upgraded. Capacity for the Livingstone City and the South-West Regional Tourism Office built. 	<ul style="list-style-type: none"> Project preparatory stage completed Project preparatory stage completed Project preparatory stage completed 	
• The Kafue National Park Development Project	2.03	0.60			<ul style="list-style-type: none"> 90Km of Access roads rehabilitated in Kafue National Park 	<ul style="list-style-type: none"> 58 Km of access roads being rehabilitated in Kafue National Park 	
• The lower Zambezi/Siavonga Development Project	2.3	0.60			<ul style="list-style-type: none"> 50 Km of access roads rehabilitated. 	<ul style="list-style-type: none"> 13Km of access roads to be re-advertised 	
• Luangwa National Park Development project	2.62	1.50			<ul style="list-style-type: none"> Access roads rehabilitated 	<ul style="list-style-type: none"> Zambia Wildlife Authority has been contracted to rehabilitate 40Km of access roads. 	
Promotion of Investment in the Tourism sector							
• Tourism Credit Facility	5.0	5.0			<ul style="list-style-type: none"> Provision of tourism fund (Credit amounts disbursed) 	<ul style="list-style-type: none"> Forty three micro, small and medium Enterprises 	
Tourism Marketing and Promotion	1.73	0.35			<ul style="list-style-type: none"> 6 main local and international fairs attended. 	<ul style="list-style-type: none"> 3 international trade fairs attended. 	
• National Tourism Master Development Plan	1.05	0.10			<ul style="list-style-type: none"> Tourism zones done 	<ul style="list-style-type: none"> Project not yet launched. 1000 promotional materials have been done (brochures and CDs for KNP) 	
• Tourism Investment Promotion Project	2.6	0.30			<ul style="list-style-type: none"> 1000 investment promotional material developed 	<ul style="list-style-type: none"> Reports on Preliminary data/information from other countries collected on the TSA. 	
• Tourism Satellite Accounting-	0.56	0.35			<ul style="list-style-type: none"> Preliminary data/ information collected 		

<ul style="list-style-type: none"> Lusaka Regional Development project 	0.20	0.20				<ul style="list-style-type: none"> Inventory of existing and potential tourism products undertaken for Lusaka, Eastern and Central Provinces No. of game management (GMAs) 	<ul style="list-style-type: none"> Report on the Inventory of existing and potential tourism products undertaken for Lusaka, Eastern and Central Provinces. Not funded
<ul style="list-style-type: none"> Community Participation in Wild life conservation Community Alternative Source of income Private Sector Capacity Building & Human resource development 	0.42	-				<ul style="list-style-type: none"> 175 people trained per province 	<ul style="list-style-type: none"> Not funded

Appendix 5: Tourism 2004

Objective / Programmes or Field of Intervention	To enhance the tourism sectors contribution to economic growth and poverty reduction						Actual output
	Planned GRZ Inputs (K'billion)	Actual GRZ inputs (K'billion)	Planned Donor Inputs (K'billion)	Actual Donor Inputs (K'billion)	Planned Outputs	Actual output	
Infrastructure in Tourism areas <ul style="list-style-type: none"> Mosi-o-tunya National Park Access Road Project National Museums/Heritage Sites Rehab Project The Livingstone Tourism Development Project 	0.65	0.634			<ul style="list-style-type: none"> Access roads upgraded (KM) Infrastructure at museums and Heritage sites rehabilitated. Solid waste management system in place. Tourist access roads in Livingstone and surrounding areas upgraded. Capacity for the Livingstone City and the South-West Regional Tourism Office built. 	<ul style="list-style-type: none"> No budgetary provision for the 2004 period Livingstone Museum and 3 Heritage sites still on-going Project preparatory stage completed Project preparatory stage completed Project preparatory stage completed 	
<ul style="list-style-type: none"> The Kafue National Park Project 	1.00	0.9			<ul style="list-style-type: none"> 90Kkm of Access roads rehabilitated in KNP Hold investor promotion forum in Livingstone and KNP. The paths to potential sites cleared. 	<ul style="list-style-type: none"> No budget provision made in the 2004 period Launched the KNP investment promotion programme and the investment forum to be in September 2004 Paths to 10 sites cleared 	
<ul style="list-style-type: none"> The lower Zambezi/Siavonga Development Project Luangwa National Park Development project Tourism Credit Facility 	0.20 1.00 5.00	0.20 0.20 -			<ul style="list-style-type: none"> 50Kkm of access roads rehabilitated. Access roads rehabilitated 	<ul style="list-style-type: none"> 13km of access roads to be rehabilitated 	
Tourism Marketing and Promotion <ul style="list-style-type: none"> National Tourism Master Development Plan Tourism Investment Promotion Project Tourism Satellite Accounting 	0.57 0.25 -	0.07 -			<ul style="list-style-type: none"> Provision of tourism fund (Credit amounts disbursed) 6 main local and international fairs attended. Tourism zones done 1000 investment promotional material developed Preliminary data/ information collected and designing the TSA Framework 	<ul style="list-style-type: none"> Funds not yet released One (1) Media sensitization exercise undertaken Project to be launched by the 4th quarter of 2004 No funds have been released yet. TSA Secretariat established to drive the process and workshops planned 	
<ul style="list-style-type: none"> Lusaka Regional Development project 	0.15	-			<ul style="list-style-type: none"> Inventory of existing and potential tourism products undertaken for Lusaka, Eastern and Central Provinces. 	<ul style="list-style-type: none"> Preparations to tour other provinces 	

Appendix 6: Mining - 2003

Objective/Programmes or Field of Intervention	INTERMEDIATE INDICATORS					
	To promote investment in the mining industry and ensure the development of a self –sustaining mineral-based Industry			To promote investment in the mining industry and ensure the development of a self –sustaining mineral-based Industry		
	Planned GRZ Inputs	Actual GRZ Inputs	Planned Donor Inputs	Actual Donor Inputs	Planned Outputs	Actual Outputs
<ul style="list-style-type: none"> Establishment of the Gemstone Exchange Centre 	K1 billion	K1.06 billion	Nil	Nil	<ul style="list-style-type: none"> Establishment of the Gemstone Exchange Centre 	<ul style="list-style-type: none"> Board of Directors nominated awaiting appointment by the Hon. Minister of Mines Organizational structure designed Job descriptions prepared Rules and Regulations drafted Identification of Regulatory Body Cabinet Memorandum prepared
<ul style="list-style-type: none"> Introduction of the Plant Hire Scheme 	K500 million	K500 million	Nil	Nil	<ul style="list-style-type: none"> 4 Plant Hire Schemes 	
<ul style="list-style-type: none"> Creation of the Revolving Fund 	K500 million	K500 million	Nil	Nil	<ul style="list-style-type: none"> 1 Revolving Fund 	

Appendix 7: Mining 2004

Objective/Programmes or Field of Intervention	To promote investment in the mining industry and ensure the development of a self –sustaining mineral-based Industry					
	Planned GRZ Inputs	Actual GRZ Inputs	Planned Donor Inputs	Actual Donor Inputs	Planned Outputs	Actual Outputs
<ul style="list-style-type: none"> Establishment of the Gemstone Exchange Centre 	K1 billion	K1 billion	Nil	Nil	<ul style="list-style-type: none"> Establishment of the Gemstone Exchange Centre 	<ul style="list-style-type: none"> Re-registration of the Zambia Gemstone Exchange Limited Equipment for operation procured Identification of Regulatory Body Terms of employment drawn
<ul style="list-style-type: none"> Introduction of the Plant Hire Scheme 	Nil	Nil	Nil	Nil	<ul style="list-style-type: none"> 4 Plant Hire Schemes 	
<ul style="list-style-type: none"> Creation of the Revolving Fund 	Nil	Nil	Nil	Nil	<ul style="list-style-type: none"> 1 Revolving Fund 	

Appendix 8: Industry 2003

To promote growth of a competitive and export-led industry in the context of a free market economy, leading to employment creation and poverty reduction						
Programmes or Field of intervention	Planned GRZ Inputs (K'million)	Actual GRZ Inputs (K'million)	Planned Donor Inputs (K'million)	Actual Donor Inputs (K'million)	Planned Outputs	Actual Outputs
Investment promotion,						
Export Processing Zones (EPZs)	1,000	1,100				EPZ licensing regulations and documents prepared;
						ZEPZA organizational structure and conditions of service of staff prepared
						Human Resources guidelines and grievances procedure code prepared;
						Financial rules and regulations developed;
						1 study tour to Namibia undertaken
						Foreign and local promotions undertaken
						Operational equipment purchased;
						Applications for permits and licenses considered.
Small industries Development Board	1,000	-				
SEDB purchase of equipment		21,420,000				4 nut crackers purchased
SEDB training		63				469 beneficiaries
Rehabilitation of training Institutions (MSTVT)	8,283	1,950				16 tertiary training institutions rehabilitated
HIV/AIDS						
Provision of ARVs for Staff	500	100			Number of employees provided with ARVs	Funds yet to be utilised

Appendix 9: Industry 2004

To promote growth of a competitive and export-led industry in the context of a free market economy, leading to employment creation and poverty reduction

Programmes or Field of intervention	Planned GRZ Inputs (K' million)	Actual GRZ Inputs (K' million)	Planned Donor Inputs (K' million)	Actual Donor Inputs (K' million)	Planned Outputs	Actual
Export and Investment Promotion						
Domestic and foreign investment Promotion	1,426	28				
Tax Harmonisation (Level the playing field)						
Private-Public Partnership Institutional capacity building	200	24,				
Local empowerment of Small scale industries	100	39				
Small scale Industries Association of Zambia	100	38			No. of Exhibitions at 2 Agric. shows no. seminar on project mgt.	Exhibited at 2 Agric. shows 1 seminar on project mgt.
Privatisation Promotion						
Nation wide survey of MSEs	700	485			1 Nationwide survey	
Zambia Privatisation agency	850	180				
Small scale Enterprise Promotion						
Promotion of Local products	440	403				
Implementation of trade remedies	255	233			Number of MSME training centres	
SEDB skills training activities						11 training workshops undertaken
Mine monitoring procurement project	235	215				379 beneficiaries supported
Sensitisation of AGOA Canadian Initiative, GSPs	195	178			Change in the volume of exports to USA, Canada etc	
					No of new Zambian firms to enter joint ventures with USA	
Zambia Weights and measures Agency	350	320			9 Provincial workshops	

Appendix 10: Energy 2004

Fields of intervention/ Programmes		Objective: To ensure optimum supply and utilisation of energy					
	GRZ Planned Inputs (K'million)	GRZ Actual Inputs (K'million)	Planned Donor Inputs (K'million)	Actual Donor Inputs (K'million)	Planned Outputs	Actual Outputs	
Electricity access for rural and urban areas	11.03	0.49	8.143	-			
1. Rural Electrification Master Plan	0.25	0.024	0	0	A national Implementation Master plan for rural electrification	An action plan has been drawn up for developing the Rural Electrification Master Plan.	
2. Nansanga farm Block Electrification	0.48	0.46	0	0	Constructed and energized overhead hydro electricity lines in Nansanga farm block	An Inter Ministerial Committee, to oversee the implementation of the project, has been constituted and has been meeting	
3. Rural Electrification	9.00				38 identified rural areas from all provinces electrified		
4. Power Rehabilitation Proj. Gwembe	-	-	8.14	0			
5. Solar Energy Services Project	1.52	0	0	0			
Promotion of the use of alternative energy resources and reduction in dependency on fuelwood	9.39	0.79	-	-			
1. Bio Gas	0.12	0.01	0	0	Surveyed areas with biogas digesters. 4 installed biogas plants.	Evaluation exercise is being done.	
2. Energy Exploration	0.19	0.17	0	0	A compiled report on petroleum explorations. A data base with information on hydrocarbon potentials in the Country	Exploration Strategy paper being worked on	
3. Gel Fuel	0.14	0.12	0	0	No. of HH using Gel Fuel from a pilot project.	An action plan has been drawn up involving the purchase and distribution of approximately 2,000 stoves and the gel fuel.	
4. Liquefied Petroleum Gas (LPG)	0.31	0.30	0	0	Implementation of 2 promotional pilot projects	An action plan for the dissemination of the LPG Stoves has been drawn up for distribution of about 1,000 stoves to identified households	
5. Improved Cookstoves	0.17	0.17	0	0	Increased access to information on improved cook stove technology. Increased use of the improved cook stove	The action plan on promoting the use of improved cook stoves has been drawn up for distributing 2,500 improved cook stoves in 6 (six) areas in Lusaka province and 3 (three) on the Copper belt by end of year.	
6. Global Village Energy Partnership (GVEP)	0.01	0.01	0	0	Implementation of a number of co-ordination activities of GVEP through partnership	A GVEP Working Group has been set up for coordinating energy projects/activities in Zambia. The Group, comprises membership from GRZ, Private Sector, NGOs, individuals, etc.	
Electricity exports	-	-	68.34	-			
<i>Programmes:</i>							

1. Zambia-Tanzania-Kenya Power Interconnector					Total Load of 200 MW of hydro Power through a 330 kV transmission line covering 600KM on Zambian Side and 100 KM on Tanzanian side.	Phase 1 feasibility study report has been submitted by the consultants. The consultants have also submitted draft solicitation documents which have been reviewed by the three countries (Zambia, Tanzania and Kenya). The no-objection from the World Bank is being awaited for the funding to cover the Environmental and Social Impact Assessment (ESIA) for the Tanzanian Internal Reinforcement and for use to engage consultants for contract negotiations. The study is estimated to cost US\$300,000.
2. Zambia/Namibia Transmission			68.34			
Supply and efficient use of petroleum	-	-	-	-		
Sector Total	11.96	1.27	76.48			

Appendix 11 a: Infrastructure

Programme	Objective: Construction of road works and public buildings to enhance revenue collection and fast clearing of trucks.				Planned Outputs		Actual Outputs	
	Planned GRZ Inputs K' million	Actual GRZ Input K' million	Planned Donor Inputs	Actual Donor Inputs	Planned Outputs	Actual Outputs		
Road works/civil works at Chirundu Bridge	2003	2004	2003	2004				
Police station	10,018	13,405	-	-	Roads, parking bays, cycle paths, other civil works	95% of the works have been done		
Construction of Freight Terminal	0	3,632			Police Station	Works completed with only fuel tanks yet to be installed		
Construction of Passenger Control Building	12,025	0			Fright terminal building	Tendering finalised. Works to take 46 weeks.		
Construction of Houses Consultancy	4,527	0			Passenger control building	Tendering finalised. Works to take 52 weeks.		
Sewerage Disposal System	3,309	5,091			50 Staff houses	50 houses completed.		
Water Treatment Plant	1,000	1,819			Consultancy			
Administrative costs	4,300	0			Sewer disposal system	Awaiting GRZ Financing		
New Government Complex	780	922			Water Treatment Plant	98% of works done		
Katimamulilo Infrastructure	800	678			Bilateral/site meeting			
	2,082	330			Communication trucking and ducts, Finishes to the building, provision of lifts, electricity and telephones	The lifts and telephones were installed. (2004) Tender procedures had started for the installation of electricity.		
	200	7,2			Construction of the border post support infrastructure	Project is at Tender stage		
Total		36,759						

Appendix 11 b: Infrastructure 2003 – June 2004

Programme	Objective: Renovations of public buildings to enhance good working environment.				Planned Outputs		Actual Outputs	
	Planned GRZ Inputs K' million	Actual GRZ Input K' million	Planned Donor Inputs	Actual Donor Inputs	Planned Outputs	Actual Outputs		
Kitwe Vocational Training Centre Renovations	2003	2004	2003	2004				
Luanshya In-service Trust Renovations	500	75			Renovations to be Completed in 16 weeks	10% of Works done		
Zambia Institute of Business & Industrial Trust renovations	271	54			Renovations to be Completed in 8 weeks	50% of Works done		
Power substation Generator	321	188			Complete works in 16 weeks	95% Works completed		
Auditor General's Office rehabilitation	1,000	0			Power substation	Awaiting funding		
Maxwell House Renovation	1,000	0			Generator	Awaiting funding		
	1,231	1,088			Complete rehabilitation works	Works completed		
	350	233			Complete works in 16 weeks	Works completed		

National Institute for Scientific & Industrial Research Renovations	310	299			Complete works in 8 weeks	Works completed
Communications Authority Office Block	189	163			Complete works in 9 weeks	Works completed
Evelyn Hone Paramedical College Renovations	149	149			Complete works in 8 weeks	Works completed
Subtotal	5,321	2,249				

Appendix 11 c: Infrastructure 2003 – June 2004

Programme	Planned GRZ Inputs K' million		Actual GRZ Input K' million		Planned Donor Inputs	Actual Donor Inputs	Planned Outputs	Actual Outputs K' million
	2003	2004	2003	2004				
Samfya-Lubwe-Luwingu Road Feasibility Study		800					Inception report	Awaiting GRZ Financing
Chiawa Bridge Feasibility Study		800					Inception report	Awaiting GRZ Financing
Zambezi Bridge Feasibility Study		400					Inception report	Awaiting GRZ Financing
Chitrukulu Feasibility Study		600					Inception report	Awaiting GRZ Financing
Itezhi-tezhi Road Feasibility Study		391		370			Inception report	Awaiting GRZ Financing
Luangwa Bridge – Mwami border detailed design		2,579		2,500			Inception report	
Upgrading of Pedicle Road Feasibility Study		1,000					Inception report	Awaiting GRZ Financing
Chembe Bridge Feasibility Study		575		264			Inception Report	Inception Report received
Subtotal		9,149		264				

Appendix 11 d: Infrastructure 2003 – June 2004 -Periodic Maintenance Programmes.

Programme	Planned GRZ Inputs K'million		Actual GRZ Inputs K'million		Planned Donor Inputs K'million		Actual Donor Inputs K'million		Planned Outputs	Actual Outputs
	2003	2004	2003	2004	2003	2004	2003	2004		
	OBJECTIVE: Rehabilitation, paving and reconstruction of the road.									
Makeni-Kafue Road		1444560000		399998400		14445585600		6798739200	50km road maintained	44km paved (asphalt); 25km shoulder 15km reconstruction;
Lusaka-Makeni Rehabilitation		1624996800		400		16249963200		2640883200	4.1km road maintained	Drainage works, laying of service ducts in progress.
Lusaka-Kabwe Road		3869985600		0		38699841600		10712726400	57km road maintained	20km of edge repair is complete, 10km overlay completed.
Subtotal		6939544404		800		69395392404		201523508043		

Appendix 11 e: Infrastructure 2003 – June 2004 Construction and Rehabilitation Programmes

Programme	OBJECTIVE: Rehabilitation and construction of roads and bridges with drains and mitre drains cleared of silt and vegetation control and culvert maintenance.										
	Planned GRZ Inputs K' million		Actual GRZ Inputs K' million		Planned Donor Inputs K' million		Actual Donor Inputs K'million		Planned Outputs	Actual Outputs	
	2003	2004	2003	2004	2003	2004	2003	2004			
Livingstone-Sesheke Road		32,902		0	135,842				0	202km rehabilitated	202km of rehabilitation works done
Lusaka-Mongu Rd Phase I		2,294		0		22,943			2,294	Phase I 167km rehabilitated	60Km of rehabilitation completed
Katimamulilo Bridge		9,138		250		47,380			0	880m Bridge constructed	880 metres long x 10.0 metre width completed
Mongu-Kalabo Road		9,120		0		92,832		13,246		74km road constructed	25km Cleared; 25km Excavated 1km cut, 69km earthworks, 48Km Lower selected sub grade
Chingola-Kasumbalesa Road		12,720		200		360			0	45 km Road Rehabilitated	Tender documents completed and works commissioned

Appendix 11 f: Infrastructure 2003 – June 2004.

Subtotal	66,174	450	299,358	163,515	15,539	
OBJECTIVE: Maintenance of the road, mitre drains cleared of silt and vegetation control and culvert maintenance.						
Programme	Planned GRZ/Donor Inputs K' million	Actual GRZ Inputs K' million	Planned Donor Inputs K' million	Actual Donor Inputs K'million	Planned Outputs	Actual Outputs
	2003	2004	2003	2004	2003	2004
Nyimba – Petauke – Sinda - Katete Road	19,612	10,895			173km repaired	90 km vegetation control; 80 km of Edge repairs; 80 km of pothole patching. 29 km sealing
Chingola-Solwezi Road	27,239	14,500			132 km completed by end 2004	26km reshaped, Shoulder reconstruction 66.7km Pothole patching 132km done; Levelling course 26km
Subtotal	48,855	27,399				

Appendix 11 g: Infrastructure 2003 – June 2004 Feeder Roads Rehabilitation

CENTRAL PROVINCE Programme	OBJECTIVE: Heavy grading with drains and mitre drains cleared of silt and vegetation control and culvert maintenance						Planned Outputs	Actual Donor Inputs K'million	Planned Donor Inputs K' million	Actual GRZ Inputs K' million	2003	2004	2003	2004	2003	2004	Actual Donor Inputs K'million	Planned Outputs	Actual Outputs
	2003	2004	2003	2004	2003	2004													
Kanona-Kundallia Road		150		59				13k m graded										12.9km of grading and mitre drains completed	
Mumbwa-Blue Lagoon Road		250		285				80 k m graded										12km of the road graded with vegetation control and works are ongoing.	
Kapopo-Great North Road		250		750				30 k m graded										30km graded with drains and mitre drains cleared.	
Musofu Road		250		25				30km graded										30km has been re-gravelled	
Kanona-Lusiwasi Road		100		246				82km graded										41km of maintenance of drains has been completed and works are ongoing.	
Mumbwa-Itezhezhi Road		549		63				101 km graded										50km of road graded with mitre drains and vegetation cleared	
Mumbwa-Kaindu Road		500		743				75km graded										62km graded with drains and mitre drains cleared	
Manshya/Serenje Farm Block		1,000		0				Farm roads opened up.										Awaiting financing	
Mulekatambo-Mwenewisi-Mpangala Road		500		0				Grading of the road										Awaiting financing	
Mumbwa-Kasempa Road		500		0				Grading of 181 km of the road										Awaiting financing	
Subtotal		6,053		4,175															
COPPERBELT PROVINCE																			
Kalulushi-Lufwanyama Road		100		360				Grading of 35 km of the road											
Luanshya-Mpongwe-Luansobe Road		0		300				Reconstruction of 107 km of the road										1. Luanshya-Mpongwe completed but last stretch Works suspended	
Old Congo Road		900		96				Grading 110 km of the road										Awaiting financing	
Kalulushi-Sabina Road		250		0				Grading of 13.8 km of the road										Awaiting financing	
Mpongwe-Machiya Road		900		122				Grading of the road										Works are on going	
Subtotal		2,150		878															
EASTERN PROVINCE																			
Chipata-Lundazi Road		9,306		4,633				Maintenance of 100 km of the road										100 km vegetation control; 80 km Edge repairs; pothole patching; Slurry sealing completed	
Lundazi-Chitungulu Rd		300		0				Grading of the road										79 km vegetation control, Edge repairs & pothole patching;	
Msoror-Katete D 124 Road		624		0				Grading of 50 km of the road										Awaiting financing	

Shiwang'andu Road	600	15						Awaiting financing
Chalabesa-Kabinga Road	300	0						Awaiting financing
Subtotal	IC70 Is Not In Table	IE70 Is Not In Table						
NORTH-WESTERN PROVINCE								
Kasempa-Kabompo turn-off Rd	12,000	7,904,					Reconstruct & tar 234 km road	9.1km cleared, earth works, & drainage sub-base completed
Chavuma – Zambezi Road	100,	0					Grading of 81.9 km of the road	Awaiting GRZ financing
Solwezi-Kipushi Road	300	0					Grading of 104 km of the road	Awaiting GRZ financing
Ntambo-T5 Junction Road	639,	0					Grading of 77.8 km of the road	Awaiting GRZ financing
Kalengwa Mine-Chizera Road	639,	0					Grading of 56.3 km of the road	Awaiting GRZ financing
Kalene Hills Mission-Congo Border Road	489,	0					Grading of 25.4 km of the road	Awaiting GRZ financing
Subtotal	IC78 Is Not In Table	IE78 Is Not In Table						
SOUTHERN PROVINCE								
Choma-Chitongo Road	4,600,	2,638,					Grading of 93.2 km of the road	Payments went towards arrears.
Kalomo-Kabanga Road	409,	40,					Grading of 71.6 km of the road	Works completed
Sinazongwe-Chipepo Road	539	73					Grading of 81.5 km of the road	Works on going
Permba-Mapanza Road	550,	250					Grading of 61.3 km of the road	64 km completed
Chitongo-Monze Road	100	0					Grading of 48 km of the road	Works on going on force account
Dundumwezi D714 Road – Itezhi-tezhi Road	515	0					Feasibility study for grading of 117km of the road	Awaiting financing from NORAD
Subtotal	IC86 Is Not In Table	IE86 Is Not In Table						
WESTERN PROVINCE								
Mulobezi –Simung'omba Road	500	0					Grading of 78 km of the road	Awaiting financing
Senanga-Zambezi Road	500	0					Grading of 75 km of the road	Awaiting financing
Kalabo-Sitoti Road	800	0					Grading of 180 km of the road	Awaiting financing
Namushaba Road	500	0					Grading of 20 km of the road	Awaiting financing
Kalabo-Sikongo Road	611	0					Grading of 50km of the road	Awaiting financing
Watopa-Lukulu Road	500	0					Grading of 72.4 km of the road	Awaiting financing
Namushakende-Naolo Road	1,011	0					Grading of 20km of the road	Awaiting financing
Kaoma-Kalumwange Road	2,019	0					Grading of 100 km of the road	Awaiting financing
Subtotal	IC96 Is Not In Table	IE96 Is Not In Table						
PRP Total	71,304	44,001						

Appendix 11 h: Infrastructure 2003 – June 2004: Communications and Transport 2003-June 2004

Programme	Planned GRZ input k' million	Annual GRZ Input K' million	Planned donor	Actual donor	Planned output	Actual Output
Construction of Chipata-Mchinji	1,478	1,478	0	0	Feasibility study completed by 4 Qtr 2004 Railway line constructed by 2006	Feasibility Study ongoing
Waterways Management	550,	550	0	0	Canals cleared in 4 provinces Annually	Nil
Development of Information and Communication Technology Policy	287	0	US\$ 270,000 (IDA)	0	ICT Policy developed	Draft Document Produced
Rehabilitation of Airports	3,777		0	0	Airports rehabilitated	Chipata Airport rehab completed Southdown Airport civil works under procurement
Traffic Information System	243,	0	0	0	ZAMTIS establishment completed	ZAMTIS establishment still on-going
Road Safety Action Plan	646	0	US\$ 275,000 (IDA)	US\$		
Total	6,188					

Appendix 12a: 2003 Basic and University Education

Jan-Dec 2003	GRZ INPUTS		DONOR INPUTS		OUTPUTS	
	Planned	Actual	Planned	Actual	Planned	Actual
Construction Of Rural Sec Schools	9,000,000,000	0			Construction of rural secondary schools	
Teacher Rural Hardship allowance	2,000,000,000				Five selected rural provinces: Western, N/Western, Luapula, Eastern and Northern	
Teacher Rural Housing	10,000,000,000					
School Requisites	10,000,000,000	3,000,000,000			Supply text books to all schools	3,433,244 bks 15,000scie kits 5,000sciecharts
HIV/ AIDS provision of ARVs to staff	1,500,000,000	500,000,000			Infected members of staff	101 ARV courses
School feeding & de-worming	2,000,000,000	0			Feeding and de-worming in Pilot schools	All pilot schools reached and prog. Extended using donor funding
Construction of Chinsali College	1,500,000,000	500,000,000			Completion of College	Construction work progressing
UNZA rehabilitation	4,000,000,000	500,000,000			Concrete roof resealing, revamping of in-house water supply, replacement of defective sanitary fittings, Painting and carpentry repairs	Water reticulation system and hostels partially rehabilitated
CBU rehabilitation	3,000,000,000	500,000,000			Renhabilitation of water reticulation system and hostels.	Water system and student hostels rehabilitated
Total	43,000,000,000	5,180,000,000				

Appendix 12b: 2004 Basic and University Education

Jan-June 2004	GRZ Inputs		Donor Inputs		Outputs	
	Planned	Actual	Planned	Actual	Planned	Actual
Programmes						
Rural Hardship All.	2,000,000,000	324,569,000	0	0	Five selected rural provinces: Western, N/Western, Luapula, Eastern and Northern	Paid all to teachers in five selected provinces,
CBU Rehabilitation	2,250,000,000	2,250,000,000	0	0	Complete rehabilitation of CBU	
UNZA Rehabilitation	4,882,000,000	4,882,000,000		544,000,000	Concrete roof resealing, revamping of in-house water supply, replacement of defective sanitary fittings, Painting and carpentry repairs	
Community School Support	3,000,000,000	2,486,000,000	0	0	All Community Schools registered with the MoE	
Bursary Provision	3,000,000,000	2,486,854,155			All identified OVCs	713 OVCs benefited
HIV/AIDS awareness at Work Place	1,500,000,000	243,427,078			MoE staff, Teachers and Learners	Attended workshops and trained in HIV/AIDS matters.
Total	16,632,000,000	10,971,712,911				

Appendix 12 c: Education 2003 Tertiary Education

Programmes or Field of intervention	Planned GRZ Inputs (K' Million)	Actual GRZ Inputs (K' Million)	Planned Donor Inputs	Actual Donor Inputs	Planned I Outputs	Actual Outputs
Nkumbi International College rehabilitation	100,000,000	100,000,000			Rehabilitation of five hostels	Five hostels rehabilitated
Luanshya Trades Training institute	200,000,000	200,000,000			Renovate 3 student hostels	Work in progress.
Lukashya Trades Training institute	150,000,000	150,000,000			Rehabilitate 3 student hostels	3 student hostels renovated
Kabwe Trades Training Institute	100,000,000	100,000,000			Rehabilitate hostels	
Lusaka Business and Technical college	100,000,000	100,000,000			Renovate student Kitchen	Drawings ready and work tendered
Livingstone Trades Training Institute	100,000,000	100,000,000			Renovate student hostels	
Kaoma Trades Training Institute	200,000,000	200,000,000				1,000 concrete blocks moulded 2 Boreholes sunk
Mwinilunga Trades Training Institute*	200,000,000	200,000,000			Rehabilitate Student hostels	
Ukwimi Trades Training institute	200,000,000	200,000,000				30,000blocks moulded
Choma Trades Training Institute	100,000,000	100,000,000				One hostel rehabilitated Old kitchen equipment replaced
Solwezi Trades Training Institute	100,000,000	100,000,000				Construction of classroom blocks
Chipata Trades Training Institute	100,000,000	100,000,000			Construction of classrooms and offices	
Northern Technical College	100,000,000	100,000,000			Renovation of 4 hostels	One hostel completed, 3 partially complete
Kasiya Secretariat Rehabilitation	100,000,000	100,000,000			Rehabilitate 3 student hostels	All 3 hostels rehabilitated
Kitwe Vocational Training Institute	100,000,000	100,000,000			Renovate 1 male hostel and build 2 kitchens	1 male hostel, 2 kitchens constructed
Zambia Air Service Centre Rehabilitation	100,000,000	100,000,000			Rehabilitate store room and install new cooker	Installed industrial Cooker and cold Room
Total	6,060,000,000	1,950,000,000				

Appendix 12 d: 2004 (End June) Tertiary Education

Programmes or Field of intervention	Planned GRZ Inputs (K' Million)	Actual GRZ Inputs (K' Million)	Planned Donor Inputs	Actual Donor Inputs	Planned I Outputs	Actual Outputs
Guidelines on Gender Equity in TEVET	48,050,000					
Guidelines on persons with Disabilities to access TEVET	29,040,000					
Provide equipment to Research and Training Institutions	2,541,600,000	2,541,600,000	0	0	Procurement of equipment for NISIR and MSTVT Institutions	Tender procedures in progress with ZNTB
Rehabilitation of 20 Institutions and Maxwell House (1)*	60,750,000	62,009,702	49,654,290,000	529,876,704.	To rehabilitate 20 GRZ training Institutions and the Ministry HQ	
Develop and implement the S & T Development Programme	3,658,947,429	75,871,326	nil	nil	Capacity building in all sectors of S & T undertaken	
Construct five training Institutions	1,587,240,657	32,912,759	nil	nil	To construct workshops and classroom blocks in Institutions operating from temporary premises	Construction of workshops at Mongu, Kaoma and Chipata TTI commenced, and one classroom block at Solwezi TTI under construction
Provide fortification services to hammer millers	110,789,955	2,297,322				
Research in control of ticks using natural products	176,286,000	3,655,437	172,630,000			
Total	8,135,614,041	373621,429				

*Funds used to pay contractors for projects already in progress or completed

Appendix 12 e: Education

**2004 PRP BUDGET AND RELEASES TO PROVINCES AS AT 20 AUGUST 2004 FOR
EDUCATION**

INSTITUTION	BUDGET	RELEASES
LUSAKA PROVINCE	3,077,000,000	-
COPPERBELT PROVINCE	2,223,000,000	819,666,667
CENTRAL PROVINCE	2,557,000,000	945,000,000
NORTHERN PROVINCE	2,557,000,000	437,972,845
WESTERN PROVINCE	2,557,000,000	1,178,395,651
EASTERN PROVINCE	2,698,057,401	23,000,343
LUAPULA PROVINCE	2,557,000,000	27,238,554
NORTH WESTERN PROVINCE	3,257,000,000	520,314,433
SOUTHERN PROVINCE	2,537,000,000	38,731,166
TOTAL	24,020,057,401	3,990,319,659

Appendix 12 f: Education - PRP Budgets and Releases.

Year	BUDGET		RELEASES		Rel/Budget		BUDGET		RELEASES		Rel/Budget	
	2004	2003	2004	2003	%antage	%antage	2003	2004	2003	2004	%antage	%antage
MOE	16,632,000,000	10,971,713,000	10,971,713,000	4,300,000,000	66	66	4,300,000,000	5,480,000,000	13	13	13	13
MSTVT	8,212,704,041	3,736,121,428	3,736,121,428	6,060,000,000	46	46	6,060,000,000	1,950,000,000	24	24	24	24
MOE: Provinces		3,964,902,909	3,964,902,909	12,000,000,000	13	13	12,000,000,000	1,600,000,000	13	13	13	13
Total	24,844,704,041	18,672,737,337	18,672,737,337	61,060,000,000	42	42	61,060,000,000	9,030,000,000	17	17	17	17

GRANTS (NON - PRPS) BUDGET AND DISBURSEMENTS TO PROVINCES

YEAR	BUDGET		Disbursements		Rel/Budget		BUDGET		Disbursements		Rel/Budget	
	2003	2004	2003	2004	%antage	%antage	2004	2004	2004	2004	%antage	%antage
Min. Educ.HQ												
Lusaka	1,957,107,000		1165684348	756,758,203,279	60	60	756,758,203,279	328,385,110,431	43.4	43.4	43.4	43.4
Copperbelt	1147288000		707087786	3,077,000,000	62	62	3,077,000,000	819,666,667	0.0	0.0	0.0	0.0
Central	754084000		464751296	2,223,000,000	62	62	2,223,000,000	945,000,000	36.9	36.9	36.9	36.9
Northern	989,460,000		609816435	2,557,000,000	62	62	2,557,000,000	437,972,845	37.0	37.0	37.0	37.0
Western	1267134506		822835332	2,557,000,000	65	65	2,557,000,000	1,178,395,651	17.1	17.1	17.1	17.1
Eastern	1885901792		1224642387	2,557,000,000	65	65	2,557,000,000	23,000,343	46.1	46.1	46.1	46.1
Luapula	530443905		328908037	2,698,057,401	62	62	2,698,057,401	27,238,554	0.9	0.9	0.9	0.9
N/Western	243052323		157,830,156	2,557,000,000	65	65	2,557,000,000	520,314,433	1.1	1.1	1.1	1.1
Southern	1432129096		996644044	3,257,000,000	65	65	3,257,000,000	38,731,166	16.0	16.0	16.0	16.0
HEAD 21				2,537,000,000	70	70	2,537,000,000	38,731,166	1.5	1.5	1.5	1.5
Total	10,206,600,622	6478199821	6478199821	783,790,592,661	63	63	783,790,592,661	334,950,080,820	42.7	42.7	42.7	42.7

GRANTS AND PERSONAL EMOLUMENTS TO PROVINCES (DISTRICT AGGREGATES) / AUGUST 2004

Institution	Provincial Education Office		Basic School		Education		High School		Education		Teacher	
	Budget	Release	Budget	Release	Budget	Release	Budget	Release	Budget	Release	Budget	Release
Min. Educ.HQ	3,505,406,371	1,980,388,797	36,149,459,120	26,188,636,882	10,887,944,403	8,059,882,224	1,025,859,599	406,912,320	1,025,859,599	406,912,320	1,025,859,599	406,912,320
Lusaka	4,873,740,396	2,229,265,950	68,706,132,804	28,827,637,407	27,238,135,090	20,279,153,947	6,072,568,400	3,012,409,575	6,072,568,400	3,012,409,575	6,072,568,400	3,012,409,575
Copperbelt												

Central	3,536,906,101	1,978,374,021	40,462,901,913	26,541,176,747	6,816,896,120	4,940,947,713	4,140,447,058	2,507,012,546
Northern	4,368,857,019	2,223,536,031	75,019,216,596	44,085,219,203	9,550,766,053	3,838,141,747	1,449,484,166	917,038,253
Western	2,932,658,639	1,660,407,166	36,870,597,341	12,894,883	4,620,046,367	3,283,812,053	1,829,597,585	1,109,356,216
Eastern	3,670,366,580	1,861,818,555	42,575,418,900	18,837,347,612	9,099,814,302	3,601,551,146	1,677,517,523	727,123,811
Luapula	2,947,109,215	1,605,826,681	40,725,957,883	23,179,203,227	5,186,118,924	2,061,524,430	1,569,790,420	951,720,189
NW/estern	2,648,958,152	1,268,512,455	30,978,026,707	16,273,523,893	2,187,906,606	882,668,990	1,682,783,063	1,034,024,201
Southern	4,360,057,662	2,258,776,059	54,970,459,892	19,838,105,045	10,994,395,908	4,371,190,388	3,916,662,314	2,380,947,929
Total	32,844,060,135	17,066,905,715	426,458,171,156	203,783,744,899	77,482,209,471	51,318,872,638	23,364,710,128	13,046,545,040
Release / Budget Percentage		52		48		66		56
Release Ranking		3		4		1		2
Above / Below Nat. Average %		-3.5%		-7.50%		10.5%		0.5%
National Average :		55.5%						

GRANTS AND PERSONAL EMOLUMENTS TO MINISTRY HQs, AUGUST 2004

	Budget	Releases	Rel/bdget %
Ministry of Education Head 21	3,012,331,981	2,574,650,730	85
Ministry of Education HQ	766,758,203,279	423,891,604,716	56
Ministry of Science and Technology (Training)			

Appendix 12 g: Education - 2003 Grants to Districts for Basic Education

PROVINCE	BUDGET	RELEASES	BUDGET/REL%
Lusaka	1,957,107,000	1,165,684,348	60
Copperbelt	1,147,288,000	707,087,786	62
Central	754,084,000	464,751,296	62
Northern	989,460,000	609,816,435	62
Western	1,267,134,506	822,835,332	65
Eastern	1,885,901,792	1,224,642,387	65
Luapula	530,443,905	328,908,037	62
N/Western	243,052,323	157,830,156	65
Southern	1,432,129,096	996,644,044	70
Grand Total	10,206,600,622	6,478,199,821	63

Appendix 12 h: Education GRANTS (NON - PRPS) BUDGET AND DISBURSEMENTS TO PROVINCES -

	BUDGET	Disbursements	Rel/Budget	BUDGET	Disbursements	Rel/Budget
YEAR	2003	2003	%antage	2004	2004	%antage
Min. Educ.HQ				756,758,203,279	328,385,110,431	43.4
Lusaka	1,957,107,000	1165684348	60	3,077,000,000		0.0
Copperbelt	1147288000	707087786	62	2,223,000,000	819,666,667	36.9
Central	754084000	464751296	62	2,557,000,000	945,000,000	37.0
Northern	989,460,000	609816435	62	2,557,000,000	437,972,845	17.1
Western	1267134506	822835332	65	2,557,000,000	1,178,395,651	46.1
Eastern	1885901792	1224642387	65	2,698,057,401	23,000,343	0.9
Luapula	530443905	328908037	62	2,557,000,000	27,238,554	1.1
N/Western	243052323	157,830,156	65	3,257,000,000	520,314,433	16.0
Southern	1432129096	996644044	70	2,537,000,000	38,731,166	1.5
HEAD 21				3,012,331,981	2,574,650,730	85.5
Total	10,206,600,622	6478199821	63	783,790,592,661	334,950,080,820	42.7

Appendix 12 i: Education
S104: Completion Rate by Gender, Basic Schools (Grade 7)

Reporting Level: Selection	District	Year: 2003; Province: All Provinces; District: All Districts														
		Male Students	Male Dropouts	Male Repeat	Male Pop'n	Female Students	Female Dropouts	Female Repeat	Female Pop'n	Total Students	Total Dropouts	Total Repeat	Total Pop'n	Male CR	Female CR	Total CR
CHADIZA		627	28	73	916	477	34	63	979	1,104	62	136	1,895	57.42%	38.82%	47.81%
CHAMA		1,085	26	177	788	495	39	60	804	1,580	65	237	1,592	111.93	49.25%	80.28%
CHAVUMA		233	5	15	291	171	6	16	279	404	11	31	570	73.20%	53.41%	63.51%
CHIBOMBO		3,662	168	778	3,192	3,090	180	576	2,898	6,752	348	1,354	6,090	85.09%	80.54%	82.92%
CHIENGE		470	32	73	851	242	42	18	790	712	74	91	1,641	42.89%	23.04%	33.33%
CHILILABOMBWE		1,013	30	86	848	969	41	80	835	1,982	71	166	1,683	105.78	101.56	103.68
CHILUBI		513	32	44	736	220	28	11	728	733	60	55	1,464	59.38%	24.86%	42.21%
CHINGOLA		2,291	61	202	2,189	2,404	74	180	2,396	4,695	135	382	4,585	92.65%	89.73%	91.12%
CHINSALI		2,057	71	395	1,550	1,155	82	199	1,506	3,212	153	594	3,056	102.65	58.03%	80.66%
CHIPATA		3,107	128	379	4,142	2,535	191	262	4,179	5,642	319	641	8,321	62.77%	49.82%	56.27%

Source: Zambia Annual School Census

ED*ASSIST/Zambia

An erroneous report might be due to incomplete data.

S104: Completion Rate by Gender, Basic Schools (Grade 7)

Reporting Level: Selection	District	Male		Female		Total	Male		Female		Total	Male		Female		Total	
		Students	Dropouts	Students	Dropouts		Students	Dropouts	Students	Dropouts		Students	Dropouts	Students	Dropouts		Students
Year: 2003; Province: All Provinces; District: All Districts		15-Sep-04	Repeat	Pop'n	Repeat	Pop'n	Repeat	Pop'n	Repeat	Pop'n	Repeat	Pop'n	Repeat	Pop'n	Repeat	Pop'n	CR
CHOMA		3,445	140	735	2,914	3,088	153	583	2,855	6,533	293	1,318	5,769	88.19%	82.38%	85.32%	
CHONGWE		1,881	67	225	1,878	1,608	82	182	1,814	3,489	149	407	3,692	84.61%	74.09%	79.44%	
GWEMBE		422	30	85	483	297	26	42	456	719	56	127	939	63.56%	50.22%	57.08%	
ISOKA		1,840	57	426	1,210	1,125	54	233	1,119	2,965	111	659	2,329	112.15	74.89%	94.25%	
ITEZHI TEZHI		411	12	121	581	334	28	83	554	745	40	204	1,135	47.85%	40.25%	44.14%	
KABOMPO		840	31	130	838	524	39	55	793	1,364	70	185	1,631	81.03%	54.22%	68.00%	
KABWE		1,907	36	214	2,320	1,985	40	185	2,486	3,892	76	399	4,806	71.42%	70.80%	71.10%	
KAFUE		2,396	38	242	1,883	2,129	62	223	1,932	4,525	100	465	3,815	112.37	95.45%	103.80	
KALABO		1,043	29	149	1,363	839	67	84	1,355	1,882	96	233	2,718	63.46%	50.77%	57.14%	
KALOMO		2,571	97	624	2,277	2,137	121	491	2,376	4,708	218	1,115	4,653	81.25%	64.18%	72.53%	

Source: Zambia Annual School Census **ED*ASSIST/Zambia** an erroneous report might be due to incomplete data. 2

S104: Completion Rate by Gender, Basic Schools (Grade 7)

Reporting Level: Selection	District	Year: 2003; Province: All Provinces; District: All Districts														
		Male Students	Male Dropouts	Male Repeats	Male Pop'n	Female Students	Female Dropouts	Female Repeats	Female Pop'n	Total Students	Total Dropouts	Total Repeats	Total Pop'n	Male CR	Female CR	Total CR
	KALULUSHI	1,318	5	172	893	1,063	14	160	1,015	2,381	19	332	1,908	127.77	87.59%	106.39
	KAOMA	1,564	63	227	2,045	1,213	62	164	1,934	2,777	125	391	3,979	62.30%	51.03%	56.82%
	KAPIRI MPOSHI	2,595	119	549	2,423	2,032	159	345	2,358	4,627	278	894	4,781	79.53%	64.80%	72.27%
	KAPUTA	658	14	97	909	391	32	33	864	1,049	46	130	1,773	60.18%	37.73%	49.24%
	KASAMA	2,054	65	292	2,084	1,526	56	217	2,076	3,580	121	509	4,160	81.43%	60.36%	70.91%
	KASEMPA	773	46	137	655	529	59	87	645	1,302	105	224	1,300	90.08%	59.38%	74.85%
	KATETE	1,258	34	187	2,179	910	64	104	2,041	2,168	98	291	4,220	47.59%	36.35%	42.16%
	KAWAMBWA	1,351	66	216	1,246	1,040	100	128	1,205	2,391	166	344	2,451	85.79%	67.39%	76.74%
	KAZUNGULA	895	40	187	904	766	58	142	851	1,661	98	329	1,755	73.89%	66.51%	70.31%
	KITWE	4,626	54	272	4,444	4,723	72	255	4,858	9,349	126	527	9,302	96.76%	90.49%	93.49%

Source: Zambia Annual School Census

ED*ASSIST/Zambia

an erroneous report might be due to incomplete data.

S104: Completion Rate by Gender, Basic Schools (Grade 7)

Reporting Level: Selection	District	Year: 2003; Province: All Provinces; District: All Districts														
		Male Students	Male Dropouts	Male Repeats	Male Pop'n	Female Students	Female Dropouts	Female Repeats	Female Pop'n	Total Students	Total Dropouts	Total Repeats	Total Pop'n	Male CR	Female CR	Total CR
	LIVINGSTONE	1,411	28	147	1,284	1,527	17	131	1,380	2,938	45	278	2,664	96.26%	99.93%	98.16%
	LUANGWA	215	5	38	258	206	19	36	242	421	24	74	500	66.67%	62.40%	64.60%
	LUANSHYA	2,062	39	263	1,817	1,970	38	231	2,007	4,032	77	494	3,824	96.86%	84.75%	90.51%
	LUFWANYAMA	719	27	53	722	596	60	41	697	1,315	87	94	1,419	88.50%	71.02%	79.92%
	LUKULU	756	32	149	802	465	46	66	754	1,221	78	215	1,556	71.70%	46.82%	59.64%
	LUNDAZI	2,458	124	408	2,689	1,462	134	159	2,608	3,920	258	567	5,297	71.63%	44.82%	58.43%
	LUSAKA	11,142	321	679	11,682	11,259	390	631	13,241	22,401	711	1,310	24,923	86.82%	77.32%	81.77%
	LUWINGU	1,103	69	186	875	534	80	70	924	1,637	149	256	1,799	96.91%	41.56%	68.48%
	MAMBWE	542	12	71	542	378	14	21	500	920	26	92	1,042	84.69%	68.60%	76.97%
	MANSA	1,883	62	269	2,118	1,363	93	184	2,186	3,246	155	453	4,304	73.28%	49.68%	61.29%

Source: Zambia Annual School Census

ED*ASSIST/Zambia

an erroneous report might be due to incomplete data.

S104: Completion Rate by Gender, Basic Schools (Grade 7)

Reporting Level: Selection	District	Year: 2003; Province: All Provinces; District: All Districts														
		Male Students	Male Dropouts	Male Repeats	Male Pop'n	Female Students	Female Dropouts	Female Repeats	Female Pop'n	Total Students	Total Dropouts	Total Repeats	Total Pop'n	Male CR	Female CR	Total CR
MASAITI		919	17	101	1,127	775	33	111	1,082	1,694	50	212	2,209	71.07%	58.32%	64.83%
MAZABUKA		2,527	108	431	2,554	2,329	129	376	2,581	4,856	237	807	5,135	77.84%	70.67%	74.24%
MBALA		1,488	54	243	1,634	912	64	100	1,748	2,400	118	343	3,382	72.89%	42.79%	57.33%
MILENGE		284	12	35	300	148	7	24	324	432	19	59	624	79.00%	36.11%	56.73%
MKUSHI		1,122	53	218	1,327	731	68	111	1,294	1,853	121	329	2,621	64.13%	42.66%	53.53%
MONGU		1,625	46	166	1,840	1,422	65	105	1,941	3,047	111	271	3,781	76.79%	64.50%	70.48%
MONZE		2,797	92	658	2,205	2,571	157	519	2,201	5,368	249	1,177	4,406	92.83%	86.10%	89.47%
MPIKA		2,034	50	296	1,762	1,540	89	187	1,633	3,574	139	483	3,395	95.80%	77.40%	86.95%
MPONGWE		614	9	87	832	543	18	83	772	1,157	27	170	1,604	62.26%	57.25%	59.85%
MPOROKOSO		1,036	39	162	798	707	41	80	879	1,743	80	242	1,677	104.64	66.67%	84.73%

Source: Zambia Annual School Census

ED*ASSIST/Zambia

An erroneous report might be due to incomplete data.

S104: Completion Rate by Gender, Basic Schools (Grade 7)

Reporting Level: Selection	District	Year: 2003; Province: All Provinces; District: All Districts														
		Male Students	Male Dropouts	Male Repeats	Male Pop'n	Female Students	Female Dropouts	Female Repeats	Female Pop'n	Total Students	Total Dropouts	Total Repeats	Total Pop'n	Male CR	Female CR	Total CR
	MPULUNGU	547	30	97	753	306	36	37	690	853	66	134	1,443	55.78%	33.77%	45.25%
	MUFULIRA	1,800	13	72	1,877	1,833	25	58	2,045	3,633	38	130	3,922	91.37%	85.57%	88.35%
	MUFUMBWE	417	21	52	570	357	41	34	540	774	62	86	1,110	60.35%	52.22%	56.40%
	MUMBWA	2,890	101	558	2,245	2,561	136	371	2,157	5,451	237	929	4,402	99.38%	95.22%	97.34%
	MUNGWI	1,264	45	237	1,277	673	45	97	1,306	1,937	90	334	2,583	76.90%	40.66%	58.58%
	MWENSE	1,201	39	211	1,219	830	74	131	1,188	2,031	113	342	2,407	78.01%	52.61%	65.48%
	MWINILUNGA	1,170	57	187	1,438	671	67	61	1,328	1,841	124	248	2,766	64.39%	40.89%	53.11%
	NAKONDE	1,220	27	263	870	846	27	134	871	2,066	54	397	1,741	106.90	78.65%	92.76%
	NAMWALA	968	71	283	1,168	879	80	225	1,141	1,847	151	508	2,309	52.57%	50.31%	51.45%
	NCHELENGE	962	39	93	1,155	690	72	71	1,074	1,652	111	164	2,229	71.86%	50.93%	61.78%

Source: Zambia Annual School Census

ED*ASSIST/Zambia

An erroneous report might be due to incomplete data.

S104: Completion Rate by Gender, Basic Schools (Grade 7)

Reporting Level: Selection	District	Year: 2003; Province: All Provinces; District: All Districts														
		Male Students	Male Dropouts	Male Repeats	Male Pop'n	Female Students	Female Dropouts	Female Repeats	Female Pop'n	Total Students	Total Dropouts	Total Repeats	Total Pop'n	Male CR	Female CR	Total CR
	NDOLA URBAN	4,737	95	508	4,196	4,825	153	446	4,676	9,562	248	954	8,872	98.52%	90.38%	94.23%
	NYIMBA	616	20	67	918	399	43	825	1,015	60	110	1,743	57.63%	38.30%	48.48%	
	PETAUKE	1,850	113	252	2,771	1,369	141	172	2,661	3,219	254	424	5,432	53.59%	39.68%	46.78%
	SAMFYA	1,576	37	175	1,796	1,022	94	106	1,693	2,598	131	281	3,489	75.95%	48.55%	62.65%
	SEKANGA	854	46	131	1,209	722	70	78	1,248	1,576	116	209	2,457	56.00%	45.99%	50.92%
	SERENJE	1,711	49	429	1,674	1,098	56	208	1,585	2,809	105	637	3,259	73.66%	52.62%	63.42%
	SESHEKE	823	24	115	904	716	37	76	926	1,539	61	191	1,830	75.66%	65.12%	70.33%
	SHANGOMBO	429	12	76	853	322	18	47	853	751	30	123	1,706	39.98%	30.13%	35.05%
	SIAVONGA	709	24	147	733	474	30	71	746	1,183	54	218	1,479	73.40%	50.00%	61.60%
	SINAZONGWE	901	39	168	1,038	727	69	118	1,032	1,628	108	286	2,070	68.86%	52.33%	59.61%

Source: Zambia Annual School Census

ED*ASSIST/Zambia

An erroneous report might be due to incomplete data.

S104: Completion Rate by Gender, Basic Schools (Grade 7)

Reporting Level: District

Selection Year: 2003; Province: All Provinces; District: All Districts

15-Sep-04

	Male Students	Male Dropouts	Male Repeat	Male Pop'n	Female Students	Female Dropouts	Female Repeat	Female Pop'n	Total Students	Total Dropouts	Total Repeat	Total Pop'n	Male CR	Female CR	Total CR
SOLWEZI	2,272	102	314	2,415	1,661	142	217	2,277	3,933	244	531	4,692	76.85%	57.18%	67.31%
ZAMBEZI	598	12	73	643	507	36	48	639	1,105	48	121	1,282	79.78%	66.20%	73.01%
Totals	115,15	3,839	16,677	117,92	94,943	5,116	11,376	119,47	210,10	8,955	28,053	237,39	80.26%	65.66%	72.91%

Source: Zambia Annual School Census ED*ASSIST/Zambia an erroneous report might be due to incomplete data.

Appendix 10
S102: Net Enrolment Ratio (NER) by Gender, Grades 1-9

Reporting Level: District
Selection Year: 2003; Province: All Provinces; District: All Districts
 15-Sep-04

	Male Students	Male Pop'n	Female Students	Female Pop'n	Total Students	Total Pop'n	Male NER	Female NER	Total NER
CHADIZA	5,409	11,414	6,077	10,914	11,486	22,328	47.39%	55.68%	51.44%
CHAMA	8,140	9,238	6,358	8,965	14,498	18,203	88.11%	70.92%	79.65%
CHAVUMA	3,434	3,753	3,043	3,557	6,477	7,310	91.50%	85.55%	88.60%
CHIBOMBO	25,374	33,069	24,878	31,918	50,252	64,987	76.73%	77.94%	77.33%
CHIENGE	6,386	10,164	5,123	9,962	11,509	20,126	62.83%	51.43%	57.18%
CHILLABOMBWE	8,356	9,133	8,477	9,376	16,833	18,509	91.49%	90.41%	90.94%
CHILUBI	5,304	8,535	4,196	8,150	9,500	16,685	62.14%	51.48%	56.94%
CHINGOLA	17,193	22,383	17,691	23,281	34,884	45,664	76.81%	75.99%	76.39%
CHINSALI	14,607	17,485	12,674	16,803	27,281	34,288	83.54%	75.43%	79.56%
CHIPATA	27,602	46,687	27,130	45,800	54,732	92,487	59.12%	59.24%	59.18%
CHOMA	25,132	28,593	25,196	28,883	50,328	57,476	87.90%	87.23%	87.56%
CHONGWE	14,897	19,005	14,640	18,744	29,537	37,749	78.38%	78.10%	78.25%
GWEMBE	3,933	4,779	3,706	4,660	7,639	9,439	82.30%	79.53%	80.93%
ISOKA	12,698	13,204	10,923	12,755	23,621	25,959	96.17%	85.64%	90.99%
ITEZHI TEZHI	3,597	5,624	3,504	5,509	7,101	11,133	63.96%	63.61%	63.78%

Source: Zambia Annual School Census

ED*ASSIST/Zambia

an erroneous report might be due to incomplete data.

S 102: Net Enrolment Ratio (NER) by Gender, Grades 1-9

Reporting Level:	District	Male Students	Female Students	Total Students	Male Pop'n	Female Pop'n	Total Pop'n	Male NER	Female NER	Total NER
Selection	Year: 2003; Province: All Provinces; District: All Districts									
15-Sep-04										
KABOMPO		7,267	6,789	14,056	8,588	8,688	17,276	84.62%	78.14%	81.36%
KABWE		15,222	15,919	31,141	23,296	24,375	47,671	65.34%	65.31%	65.32%
KAFUE		17,545	17,747	35,292	19,393	19,844	39,237	90.47%	89.43%	89.95%
KALABO		11,045	10,148	21,193	14,619	15,130	29,749	75.55%	67.07%	71.24%
KALOMO		19,755	19,576	39,331	23,148	23,672	46,820	85.34%	82.70%	84.00%
KALULUSHI		9,523	9,196	18,719	10,164	10,435	20,599	93.69%	88.13%	90.87%
KAOMA		15,159	14,340	29,499	21,141	21,125	42,266	71.70%	67.88%	69.79%
KAPIRI MPOSHI		19,923	18,963	38,886	26,164	25,390	51,554	76.15%	74.69%	75.43%
KAPUTA		7,175	6,059	13,234	10,759	10,479	21,238	66.69%	57.82%	62.31%
KASAMA		17,540	15,929	33,469	22,917	22,818	45,735	76.54%	69.81%	73.18%
KASEMPA		6,220	5,925	12,145	6,817	6,921	13,738	91.24%	85.61%	88.40%
KATETE		12,588	13,322	25,910	25,178	23,737	48,915	50.00%	56.12%	52.97%
KAWAMBWA		12,492	11,672	24,164	13,609	13,559	27,168	91.79%	86.08%	88.94%
KAZUNGULA		7,094	6,821	13,915	9,232	8,813	18,045	76.84%	77.40%	77.11%
KITWE		35,671	35,881	71,552	47,310	49,417	96,727	75.40%	72.61%	73.97%

Source: Zambia Annual School Census

ED*ASSIST/Zambia

an erroneous report might be due to incomplete data.

S 102: Net Enrolment Ratio (NER) by Gender, Grades 1-9

Reporting Level:	District	Male Students	Female Students	Male Pop'n	Female Pop'n	Total Students	Total Pop'n	Male NER	Female NER	Total NER
Selection	Year: 2003; Province: All Provinces; District: All Districts									
15-Sep-04										
LIVINGSTONE		10,557	11,185	12,565	13,666	21,742	26,231	84.02%	81.85%	82.89%
LUANGWA		2,244	2,160	2,565	2,527	4,404	5,092	87.49%	85.48%	86.49%
LUANSHYA		15,456	15,466	19,883	20,374	30,922	40,257	77.73%	75.91%	76.81%
LUFWANYAMA		8,812	8,306	7,986	7,822	17,118	15,808	110.34%	106.19%	108.29%
LUKULU		7,285	6,905	8,683	8,668	14,190	17,351	83.90%	79.66%	81.78%
LUNDAZI		18,769	16,492	29,618	28,314	35,261	57,932	63.37%	58.25%	60.87%
LUSAKA		77,659	80,839	124,206	133,690	158,498	257,896	62.52%	60.47%	61.46%
LUWINGU		9,713	8,021	10,740	10,295	17,734	21,035	90.44%	77.91%	84.31%
MAMBWE		4,903	4,429	6,007	5,822	9,332	11,829	81.62%	76.07%	78.89%
MANSA		17,718	16,385	23,887	23,464	34,103	47,351	74.17%	69.83%	72.02%
MASAITI		9,357	8,628	12,484	12,084	17,985	24,568	74.95%	71.40%	73.20%
MAZABUKA		18,541	18,561	26,704	26,965	37,102	53,669	69.43%	68.83%	69.13%
MBALA		14,172	11,998	20,441	19,893	26,170	40,334	69.33%	60.31%	64.88%
MILENGE		2,849	2,557	3,821	3,714	5,406	7,535	74.56%	68.85%	71.75%
MKUSHI		9,833	9,222	13,788	13,985	19,055	27,773	71.32%	65.94%	68.61%

Source: Zambia Annual School Census

ED*ASSIST/Zambia

An erroneous report might be due to incomplete data.

S 102: Net Enrolment Ratio (NER) by Gender, Grades 1-9

Reporting Level:	District										
Selection	Year: 2003;	Province: All Provinces;		District: All Districts							
15-Sep-04		Male Students	Male Pop'n	Female Students	Female Pop'n	Total Students	Total Pop'n	Male NER	Female NER	Total NER	
MONGU		15,793	20,437	15,145	20,360	30,938	40,797	77.28%	74.39%	75.83%	
MONZE		18,907	22,696	18,434	22,550	37,341	45,246	83.31%	81.75%	82.53%	
MPIKA		16,251	19,859	15,196	19,069	31,447	38,928	81.83%	79.69%	80.78%	
MPONGWE		5,341	8,249	5,175	8,097	10,516	16,346	64.75%	63.91%	64.33%	
MPOROKOSO		8,730	9,991	8,221	9,865	16,951	19,856	87.38%	83.34%	85.37%	
MPULUNGU		6,111	8,765	4,991	8,575	11,102	17,340	69.72%	58.20%	64.03%	
MUFULIRA		15,694	19,676	15,974	20,199	31,668	39,875	79.76%	79.08%	79.42%	
MUFUMBWE		4,612	5,811	4,301	5,736	8,913	11,547	79.37%	74.98%	77.19%	
MUMBWA		20,498	21,952	20,458	21,504	40,956	43,456	93.38%	95.14%	94.25%	
MUNGWI		10,970	14,985	9,079	14,645	20,049	29,630	73.21%	61.99%	67.66%	
MWENSE		10,986	13,960	9,874	13,304	20,860	27,264	78.70%	74.22%	76.51%	
MWINILUNGA		11,015	15,413	9,037	14,663	20,052	30,076	71.47%	61.63%	66.67%	
NAKONDE		8,275	9,843	7,511	9,738	15,786	19,581	84.07%	77.13%	80.62%	
NAMWALA		7,628	11,293	7,779	11,216	15,407	22,509	67.55%	69.36%	68.45%	
NCHELENGE		10,123	13,521	9,061	13,200	19,184	26,721	74.87%	68.64%	71.79%	

Source: Zambia Annual School Census

ED*ASSIST/Zambia

An erroneous report might be due to incomplete data.

S 102: Net Enrolment Ratio (NER) by Gender, Grades 1-9

Reporting Level: Selection 15-Sep-04	District Year: 2003; Province: All Provinces; District: All Districts	Male		Female		Total Pop'n	Male NER		Female NER		Total NER
		Students	Pop'n	Students	Pop'n		Students	Pop'n	Students	Pop'n	
NDOLA URBAN		36,626	46,774	37,025	49,183	95,957	73,651	78.30%	75.28%	76.75%	
NYIMBA		5,159	9,166	4,912	8,999	18,165	10,071	56.28%	54.58%	55.44%	
PETAUKE		15,341	31,366	15,694	30,397	61,763	31,035	48.91%	51.63%	50.25%	
SAMFYA		15,552	21,320	13,294	19,959	41,279	28,846	72.95%	66.61%	69.88%	
SENANGA		9,790	14,033	9,874	14,142	28,175	19,664	69.76%	69.82%	69.79%	
SERENJE		13,631	18,149	11,811	17,595	35,744	25,442	75.11%	67.13%	71.18%	
SESHEKE		7,736	10,264	7,376	9,889	20,153	15,112	75.37%	74.59%	74.99%	
SHANGOMBO		4,646	9,548	4,017	9,447	18,995	8,663	48.66%	42.52%	45.61%	
SIAVONGA		5,753	8,118	5,126	8,051	16,169	10,879	70.87%	63.67%	67.28%	
SINAZONGWE		8,234	10,563	7,930	10,985	21,548	16,164	77.95%	72.19%	75.01%	
SOLWEZI		19,825	25,997	18,446	25,801	51,798	38,271	76.26%	71.49%	73.89%	
ZAMBEZI		6,524	8,315	6,285	7,922	16,237	12,809	78.46%	79.34%	78.89%	
Totals		943,900	1,278,843	905,083	1,280,054	2,568,897	1,848,983	73.81%	70.71%	72.26%	

Source: Zambia Annual School Census

ED*ASSIST/Zambia

An erroneous report might be due to incomplete data.

Appendix 13: Health-2003

Objective / Programmes or Field of Intervention	To improve the health status of all people in Zambia, especially the poor.					Actual output
	Budgeted input (GRZ) "K million"	Actual Input (GRZ) 'K million"	Budgeted input (Donor) "K million"	Actual Input Donor 'K million"	Intended output	
Reproductive health	1,177	98			100 percent coverage	72 percent attending antenatal clinic
Child Health /Child Survival	4,709	392			EPI training for provincial providers.	All provincial service providers trained
Roll back malaria	3,767	4081			Scaling up of coartem in 28 districts	28 districts scaled up
Procurement of ARVS	5,886	6,376			Procurement of ARVS for 3000 patients	Tendering being done
Essential drug kits	2825	2235			Procurement of first line drugs	Procurement going on.
Equipment and rehabilitation of training schools	3250	3250			All training schools rehabilitated	Ongoing

Appendix 14 Health -2004

Objective / Programmes or Field of Intervention	To improve the health status of all people in Zambia, especially the poor.					Actual output	Outcome
	Budgeted input (GRZ) "K million"	Actual Input (GRZ) 'K million"	Budgeted input Donor "K million"	Actual Input Donor 'K million"	Intended output		
Rehabilitation of Health facilities.	100,500	4,600			Rehabilitation of all provincial Hospitals.	5 third level and all provincial hospitals rehabilitated.	Measles cases reduced to 0.3 cases from 2.5
Child Health / Child survival	4,000	2,400			All children immunized in the 8 provinces	All children immunized.	Malaria incidence reduced from 94.7 to 91 per 1000
Roll back malaria	5,500	0..5			Reintroduce indoor residual spraying in all Districts	IRS introduced in 5 districts and ITN's pilot project conducted in NW eastern province	Disease burden reduced
Essential drug kits	12000	1,725			Purchase of first line drugs for all public health institutions	First line drugs purchased for all institutions	
HIV/AIDS – provision of ARVs staff	25,800	13,440			Purchase of ARV's for 10,000 patients	Purchased ARV's for 6,600 patients and distributed to 7 provincial Hospitals and 3 rd level hospitals	
Health Workers housing development	10,000	1000			Rehabilitation of staff houses and construction of 4 staff houses	37 staff houses rehabilitated	
Equity of access to health facilities	5,000	900			Construction of health posts	Construction of 4 health posts underway in Isoka, Solwezi, Nchelenge and Mumbwa districts including 3 staff houses per each health post.	
Reproductive health	1,177	98			100 percent coverage	72 percent attending antenatal clinic	
Child Health / Child survival	4,709	392			EPI training for provincial providers.	All provincial service providers trained	
Roll back malaria	3,767	4081			Scaling up of coartem in 28 districts	28 districts scaled up	
Procurement of ARVS	5,886	6,376			Procurement of ARVS for 3000 patients	Tendering being done	
Essential drug kits	2825	2235			Procurement of first line drugs	Procurement going on.	
Equipment and rehabilitation of training schools	3250	3250					

Appendix 15: Water and Sanitation - 2003

Objective	INTERMEDIATE INDICATORS						
	GRZ Budgeted	GRZ Amt Spent	Donor Budgeted	Donor Amt Spent	Planned Output	Actual Output	
Programme or field of intervention							
I. WATER RESOURCES MANAGEMENT							
Water Resources Action Programme	182,060,646	176,000,000	5,228,590,000	3,745,269,400	Draft Water Resources Management Bill in place	Preliminary Works on the Bill have been done.	
sub total	182,060,646	176,000,000	5,228,590,000	3,745,269,400			
II. DAM CONSTRUCTION AND REHABILITATION PROGRAMME							
Irrigation Schemes	1,576,500,000	1,900,000,000	-	-	100 % completion	81 % completion rate achieved	
Surface Water Information Development	363,000,000	287,000,000	-	-			
Rehabilitation / Construction of earth dams	1,700,000,000	1,800,000,000	-	-	50 earth dams rehabilitations	62 earth dams rehabilitated	
Sub total	3,639,500,000	3,987,000,000	-	-			
III. GROUND WATER EXPLORATION AND MAPPING							
Groundwater Monitoring Wells	80,000,000	80,000,000	-	-	8 Observation wells constructed	8 Observation wells constructed	
strengthening the hydrological Network	350,000,000	350,000,000	-	-	Rehab of 30 hydro stations	Rehab of 30 hydro stations	
Subtotal	430,000,000	430,000,000	-	-			
IV. CAPACITY BUILDING							
Water Sector Reform, EM – GTZ			4,171,000,000	4,171,000,000	New institutions and laws, Kiosks in 2 CU		
Commercialisation, POIS			5,520,000,000	5,520,000,000	Performance indicators improved		
Practices and lessons from peri-urban water points in Lusaka & C/belt	-	-	9,200,000	11,500,000	-		
The Second in-country training course in community Empowerment for WSS Management	-	-	352,360,000,000	273,700,000,000			
Establishment and capacity building of Peri urban Section within CU	-	-	399,900,000	208,765,000	11 kiosks constructed	11 kiosks constructed	
Subtotal	-	-	362,460,100,000	283,611,265,000			
V. COMPLEMENTARY D-WASHE SUPPORT							
Empowering of communities resulting in promotion and improved sanitation	-	-	477,750,000	473,895,500	139 Water points, 1945 latrines	44 Water points, 700 latrines	
Subtotal	-	-	362,937,850,000	284,085,160,500			
VI. RURAL WATERSUPPLY AND SANITATION							
Rural Water Supply Development Project – Eastern			50,869,000,000	50,869,000,000	820 Water Points	199 Water Points	

Rural water boreholes and wells	1,600,000,000	1,506,474,806	-	-	147 Water points constructed
The project for Groundwater Development and Sanitation Improvement in Drought prone Rural Areas Phase 3	320,000,000	500,000,000	17,940,000,000	17,940,000,000	216 Boreholes with hand pumps constructed
SDA Gwembe Development Project	700,000,000	335,373,955	560,000,000	445,364,420	30 Boreholes
Gwembe -Tonga Project			-	-	25 Boreholes
Subtotal	2,620,000,000	2,341,848,761	69,369,000,000	69,254,364,420	
TOTAL	6,871,560,646	6,934,848,761	437,535,440,000	357,084,794,320	

Note: Donor Components have been converted into Kwacha 1 Euro=K4300, \$1=K4600, 1pound =6500

Appendix 16: Water and Sanitation - 2004

To ensure that Zambia's water resources are effectively developed and managed to contribute to poverty reduction through increased access to safe water and sanitation, increased food production, and food security for low income rural and urban Zambians.

Objective		INTERMEDIATE INDICATORS					
Project Name	GRZ Planned input (K)	GRZ release's	Donor Planned Input (K)	Donor Released	Planned Output (2004)	Actual outputs(2004)	
I. WATER RESOURCES MANAGEMENT							
Water Resources Action Program	182,060,646	182,060,646	5,228,590,000	-	Drafting of Water Resources Act in progress		
Integrate Water resources mgt project (DANIDA)	-	-	639,548,000	-	4 Dams, 43 water points, 523 latrines & 1 dip tank		
Environmental Protection and Natural Resources Management Project	43,700,000	-	82,800,000	-	a. Protection of the Lusaka Aquifer b. Baseline water quality for water bodies in Lusaka c. Lusaka surface water quality document written		
Sub total	225,760,646	182,060,646	5,950,938,000	-			
II. DAM CONSTRUCTION AND REHABILITATION							
Rehabilitation /construction of Earth Dams	1,560,267,582	1,509,216,778	-	-	50 dams rehabilitated & 1 new dam constructed	work has just started	
TOTAL	1,560,267,582	1,509,216,778	-	-			
III. GROUND MONITORING AND EXPLORATION							
Groundwater Monitoring and Exploration	101,133,443	52,639,141	-	-	6 monitoring wells drilled and equipped. Data collected	6 monitoring wells drilled	
Ground water mapping Studies	57,983,217	-	-	-	Ground water utility maps		
Strengthening of Hydrological network	303,510,506	100,000,000	-	-	30 hydrometric stations rehabilitated 30 re-established.	17 Hydrological stations rehabilitated	
TOTAL	462,627,166	152,639,141	-	-			
IV. CAPACITY BUILDING							
The Third In - Country Training Course in Community Empowerment for Water Supply & Sanitation Mgt	-	-	276,000,000	-	Develop Skills of Water Supply & Sanitation Mgt through Community Empowerment		
Devolution Trust Fund	-	-	1,290,000,000	-			
TOTAL	-	-	1,566,000,000	-			
V. COMPLEMENTARY D-WASHE SUPPORT PROGRAMME							
WASHE	-	-	825,500,000	-	165 Water Points and 4250 Latrines constructed		
TOTAL	-	-	825,500,000	-			
VI. RURAL WATER SUPPLY DEVELOPMENT PROGRAMMES							
Rural water boreholes and wells	488,850,288	488,850,288	-	-	45 Boreholes sited, constructed & equipped with hand pumps	45 Boreholes sited, constructed & equipped with hand pumps	
Rural Water Development for Drought Prone Areas	169,401,420	169,401,420	-	-	Project administered, Supervised and monitored	site preparations	

Rural Water (Northern Province)	76,500,000			33,580,000,000		175 boreholes with hand pump complete	
Rural Water (Drought Emergency Recovery Project)	703,231,443			-		160 Boreholes sited, constructed and equipped with hand pumps & 562 boreholes rehabilitated	
Rural Water Development -Eastern Province	178,500,000	105,510,032		50,600,000		300 Water points	220
Rural Water Development -Northern Province	76,500,000	76,500,000		-		178 bore holes	site preparations
Follow-up Study & Rehabilitation of all Japanese related boreholes	-			4,140,000,000		Current status of all Japanese related boreholes are studied	
SDA ground water development	-			186,000,000	186,000,000	50 Borehole	12 boreholes
TOTAL	1,692,983,151	840,261,740		37,956,600,000	186,000,000		
VII. PERI-URBAN WATER SUPPLY AND SANITATION							
Private Sector Participation in WSS Service Delivery for Urban Poor in Zambia	-			46,000,000	-		
Exploring Privately Managed Public Sanitary Facilities in Peri-Urban Areas for improved Health	-	-		115,000,000	-	Toilets built in certain peri urban areas	
Water Kiosks - Low Cost Technologies for the Urban Poor	-	-		230,000,000	-	10 kiosks built (1400 persons)	
Water Sector Reform	-	-		3,010,000,000	-	New institutions and laws	
.	-	-		3,010,000,000	-	Kiosk in 2 CU constructed	
Commercialisation	-	-		3,440,000,000	-	Performance indicators improvements	
POIS	-	-		1,290,000,000	-	Performance indicators improvements	
Water Supply in Eastern, Southern and North-western Provinces	-	-		610,600,000,000	-		
Living Environmental Improvement Project for Unplanned Urban Settlement in Lusaka*	-	-		17,940,000,000	-	Clean & stable water supply system completed Community Centres completed	
Peri Urban Water Supply & Sanitation	-	-		1,032,430,000	-	46 kiosks & rehab of network , Establishment & capacity building of Peri urban section within CU	
Baseline Study on WSS in Peri urban areas of Zambia	-	-		2,150,000,000	-	Data in all peri urban areas is collected	
TOTAL	-	-		642,863,430,000	-		
Grand total	3,941,638,545	2,684,178,305		689,162,468,000	186,000,000		

Appendix 17: Social Safety Nets- 2003

Food Security Pack		Objective: To promote a self-sustaining export-led agriculture sector which ensures increased household income and food security			
Agriculture Programmes		Intermediate indicators			
	Planned GRZ Inputs K' million	Actual GRZ Inputs K' million	Planned Outputs	Actual Outputs	
Food Security Pack Programme	90,000	44,400	200,000 households	150,000 households supported	
Targeted Food Security Pack – Wetland Programme (June 2003 – August 2003)	4,000	1,400	75 Mt seed maize 1 Mt Sorghum seed 0 Mt Rice 30Mt Beans 10 Mt Groundnuts 20 Mt Agr. Lime 140 Mt Compound D 140 Mt Urea	20,000 households supported 75 Mt seed maize 1 Mt Sorghum seed 0 Mt Rice 30 Mt Beans 10 Mt Groundnuts 20 Mt Agr. Lime 140 Mt Compound D 140 Mt Urea	
Targeted Food Security Pack – Rainfed (September 2003 – June 2004)	86,000	43,000	585 Mt Maize seed 10 Mt Sorghum seed 75 Mt Rice 4 Mt Millet 200 Mt Beans 1000 Mt Groundnuts 150 Mt Cowpeas 150 Mt Soya beans 31,200,000 Cassava cuttings 200,000 x50kg vol. S/potato vines 3,500 Mt Agric. Lime 7,500 Mt Compound D 7,500 Mt Urea 8,500 fishing nets 15,000 small livestock	130,000 households supported 585 Mt Maize seed 8 Mt Sorghum seed 75 Mt Rice 4.49 Mt Millet 722 Mt Beans 145 Mt Groundnuts 36 Mt Cowpeas 120 Mt Soya beans 3,500 Mt Agric. Lime 5,580 Mt Compound D 5,580 Mt Urea	

Appendix 18: Social Safety Nets- 2003

Objective/Programme of field intervention	Planned GRZ inputs In K' million	Actual GRZ inputs In K' million	Planned Donor input In K' million	Actual Donor input In K' million	Planned outputs	Actual output
Urban Infrastructure development	796	35	279	194	210 Km of feeder roads Graveling/Construction in peri-urban areas, 5 bridges, ... culverts	210 Km completed Construction & graveling of 3 feeder roads in Luanshya Ndola & Chingola/ Solwezi ... culvertsBridge complete
Development of community centers	200 300 454	66.3 56 114	29 44 66	27 23 47	Completion of 4 Community Development Centres a) Soloboni/Zambia compound b) Mackenzie and c)Kapisha compounds in Ndola d)Linda compound-Lusaka	All community Development centres completed.
Reinforcing of Kanyala Bunga Bridge	100	44			Reinforcing of Kanyala Bunga bridge	Kanyala Bunga bridge reinforced.
Capacity building	150	16	139	97	Capacity building for 30 maintenance teams	4 teams trained 23 community members trained from 4 project site

Appendix 19: Social Safety Nets- 2003

of interventions 1.Objective: To assist the most vulnerable in society to fulfil their basic needs, particularly health, education, food and shelter and promote community capacity, to develop local and externally supported initiatives to overcome the problems of extreme poverty and vulnerability

INTERMEDIATE INDICATORS						
	Planned GRZ inputs	Actual GRZ inputs	Planned Donor inputs	Actual Donor inputs	Planned Outputs	Actual Outputs
To facilitate access to health services.	0.5 billion kwacha.	453 million kwacha	nil	Nil	User fees paid and drugs purchased for 25000 clients	User fees paid and drugs purchased for 6333 clients.
To facilitate access to Education services.	1 billion Kwacha	906 million kwacha	nil	Nil	School fees and requisites purchased and fees paid for 2160 pupils	School fees and requisites purchased and fees paid for 4220 pupils.
To facilitate access to social support. (food, shelter, clothing).	4 billion kwacha.	3. billion kwacha.	nil	Nil	Food rations and clothes purchased for 60 450 clients.	Food rations. clothes, blankets purchased and repatriation done for 46180 clients.
Total	5 billion kwacha.	5 billion.	nil	Nil	87 610	56 733 clients

Appendix 20: Social Safety Nets- 2003

Programmes or Field Intervention	Objective: To mitigate and improve the socio-economic and cultural status of all vulnerable groups of people in Zambia and thereby contribute to national development.					
	Budgeted input (GRZ) 'K million "	Budgeted Input (Donor) Kwacha	Actual Input (GRZ) 'K million"	Actual Input Donor 'K million"	Intended output	Actual output
Psychosocial Counselling and Small Business Awareness		345 million	151,000	122 million	119 former ZRL employees to counselled 844 former RAMCOZ employees counselled.	Only 4 former ZRL employees counselled. 556 former RAMCOZ employees counselled.
Agriculture based training		460 million		84.8 million	Provide agriculture based training skills to 27 former ZRL employees from Choma, Mazabuka, Kalomo, Monze and Livingstone. 10 land resettlement seminars for 1,500 beneficiaries 10 boreholes to drilled	27 former ZRL employees actually trained.
Land resettlement		214 million		137 million	Feasibility study on 40 Km of Feeder roads in Katikulula and Chitambo Feasibility study on the construction of School and health centre and rehabilitation of teachers' houses in resettlement areas.	10 seminars held 10 Boreholes drilled study completed and civil works yet to start. Study completed and civil works are yet to start.

Source: Ministry of Labour and Social Security

Note: Government contribution was in terms of administrative support to the project totalling ZMK 151,000,000 during the period under review.

Appendix 21: Governance - 2003

Sector Goal: To promote Good Governance in the management of Private and Public Affairs as a mechanism of poverty reduction						
INTERMEDIATE INDICATORS						
Programme /Field of Intervention	Planned GRZ Inputs	Actual GRZ Inputs	Planned Donor inputs	Actual donor input	Planned Outputs	Actual outputs
	9,000	4,800	17,000	-	No. % of women in decision making government positions (Ministers, PSs, MPs), Review the constitution by 2006, Decision making processes decentralized by 2004	CRC has completed and submitted report to government, 17% women in selected decision making positions
Constitutional review		1,000			stakeholder involvement on major national issues	Indaba report produced and endorsed by cabinet
National indaba		3,000	-	-	Executive powers in the Constitution reviewed	Electoral legislation reviewed report submitted to government
Electoral reform		1,300	-	-		439 complaints lodged by June 2003
Decentralisation of Anti corruption commission						

Appendix 22: Governance - 2004

Sector Goal: To promote Good Governance in the management of Private and Public Affairs as a mechanism of poverty reduction						
INTERMEDIATE INDICATORS						
Objective/Programme/Field of Intervention	Planned GRZ Inputs	Actual GRZ Inputs	Planned Donor inputs	Actual donor input	Planned Outputs	Actual outputs
Socio-Political Governance						
Constitutional and Judicial reforms						
Constitutional review	9,000	4,200	17,000	-	.. of women in decision making government positions (Ministers, PSs, MPs), Review the constitution by 2006, Decision making processes decentralized by 2004	CRC has completed and submitted report to government, 17% women in selected decision making positions
Parliamentary Reforms						Live debate coverage on FM radio from 20-50 kilometre radius.
Implementation of the Decentralization Policy						Five (5) year implementation Action Plan developed, Reporting procedures clarified for the Decentralisation Secretariat
Economic Governance						
Public Expenditure Management Reforms						

Medium Term Expenditure Framework Training	4,619	4,664	-	MTEF implementation in 2004, MTEF 200 Consultative Groups trained, 200 Budget Committees trained in all MPSAs,	
Implementation of Activity Based Budgeting	1,459			Activity Based Budgeting / IFMIS implemented / adopted in all government spending agencies	
Implementation of IFMIS	820	169	3,094	844	FMS Retooled 350 accountants trained on CCS Improved Financial Management System, 99% of funding being done according to yellow book. 5 sites elected for piloting, Tender Negotiations going on
Democratic Governance					
Implementation of PSRP					% of qualified persons in civil service
Transparency and Accountability					
National Baseline survey		20	-	97	Baseline Report
Law Enforcement and Human Rights					Baseline Report Completed
Police and Prisons Service	7,692	5,692	-	-	Police Camps rehabilitated, Camp roads graded, Police Cells rehabilitated
International Convention on the Elimination of Racial Discrimination					Report done
Human rights Commission capacity Building		800			
Task Force on Anti Corruption		252			
		400			
Judicial Reforms					
Construction and Rehabilitation of courts	1,436	648	760,	800	Backlog of cases awaiting discharge (number, year end)
Procurement of Office furniture and Equipment				1,901	Total number of courtrooms with judges and personnel assigned.
Phase I construction of Magistrate Court Complex				2,176	12 courtrooms complex with administrative cells built.
Refinement of the Strategic Plan	40	6,250		32	Strategic Plan developed and Programmes implemented
Capacity Building	878	674	6	511	24 Professionals, 40 Lay Magistrates, 44 Judges and 20 Magistrates trained
Small Claims Court	60	19			2052 cases have been filed 1059 already been disposed of.
Implementation of Juvenile Justice System		216	216		Child Justice Forums launched in Ndola, Kitwe, Livingstone and Lusaka
Alternative Dispute Resolution Mechanisms					5449 cases have been referred for mediation 1358 have been successfully settled

Computerisation		123,442.00	53,442	Networking Complete, ready for commissioning
Court Circuiting			221,000	5 twin cams, 7 Station Wagons
2003 BUDGET				
	9,000	17,000,	-	No.% of women in decision making government positions (Ministers, PSs, MPs),Review the constitution by 2006,Decision making processes decentralized by 2004
Constitutional review			1,000	stakeholder involvement on major national issues
National indaba				Inclaba report produced and endorsed by cabinet
Electoral reform			3,000	Executive powers in the Constitution reviewed
Decentralisation of Anti corruption commission			1,300	Electoral legislation reviewed report submitted to government
				439 complaints lodged by June 2003

APPENDIX 23 a: REGIONAL DEVELOPMENT-Central Province

Objective/ programmes or Field of Intervention	Planned GRZ Inputs	Actual GRZ Inputs	Planned Outputs	Actual Outputs
National Feeder Roads Programme (PRP)	2,000	1,200	Rehabilitation of national feeder roads	
Resettlement Programmes				
Resettlement Schemes	500	500	990 farm plots to be demarcated and allocated 110 Boreholes to be drilled and equipped	▫ 837 Farm plots ▫ 772 Farm plots ▫ 05 boreholes drilled and equipped
			435 Km. of internal access roads to be stumped and formed	▫ 30 km of access road formed ▫ 38 Km of access road stumped
			6 Clinics to be provided	▫ 1 Clinic provided
			6 Agricultural Storage sheds to be provided	▫ Nil
			6 Schools to be provided	▫ 3 Schools provided
			To acquire land for Agricultural Resettlement purposes	▫ Land suitability survey at Kanyesha scheme done ▫ Socio-economic survey of Kanyesha done ▫ Mapping of socio-economic features
			1000 Settler Title Deed Offer letters to be secured	
Health				
Rehabilitation of District Hospitals,	600	500	Rehabilitation of District Hospitals, Central Province	On-going
Rehab. Of Kabwe Gen Hospitals	450	200	Rehabilitation of Kabwe General Hospital	On-going
Rural Development				
Animal Draught Power	200	1,000	12000 small-scale farmers in 60 agricultural camps in all the 6 districts in the province are targeted.	▫ Start-up Workshop for 40 Ministry of Agriculture and Co-operatives Senior staff. ▫ Staff Training for 54 Field staff (Veterinary Assistants and Camp Extension Officers) in Conservation Tillage Technologies and Donkey/Ox Training. ▫ Farmer group identification and awareness meetings for the identified groups
				▫ Procurement of 300 Rippers that have since been distributed to the six districts equally.
				▫ Preparation of Tender Documents and Floatation for purchase of 240 donkeys and 120 harnesses.
				▫ Oriented 40 senior MACO staff to project implementation.
				▫ Trained 54 field staff (Vas/CEOs) in Conservation Tillage Technologies and Donkey/Ox-training.
				▫ Farmer Groups have been identified.
				▫ Conducted awareness meeting.
				▫ Procured 300 rippers.
				▫ The bid document has been prepared and tender floated.
Irrigation Development	1,500	200,	80 households who will increase hectareage under vegetable production and high value crops.	Procurement of GRZ 118 and Truck spare parts and fuel.
Sub total		3,833		1,700

APPENDIX 23 b: 2003 PRP INDICATOR MONITORING REPORT-Eastern Province

Objective/ programmes or Field of Intervention	Planned GRZ Inputs	Actual GRZ Inputs	Planned Outputs	Actual Outputs
Education				
Provision of School Desks	1,333	300	Provision of 760 School Desks	378 procured
Health				
Rehabilitation of Chipata General Hospital	450	300	Rehabilitation of Chipata General Hospital	
,	600	250	,	,
Rural Development				
Rehabilitation of Local courts	400		Rehabilitation of Local courts	On-going
Development of infrastructure in new districts	300	300		
Youth Development				
Construction of Children Rehabilitation Centre	450	100	Construction of Children Rehabilitation Centre	On-going
Rural Development				
National Feeder Roads Programme(PRP)	2,000	1,100	Rehabilitation of National Feeder Roads	On-going
Rural Development				
Irrigation and Water Harvesting	1,500	600	rehabilitate 11 dams	11 dams rehabilitated
Resettlement Programmes				
Resettlement Schemes(PRP)	500	200	Demarcation of Plots	Yet to be reported
Sub total	9,433	3,150		

APPENDIX 23 c: 2003 PRP INDICATOR MONITORING REPORT-Luapula Province

Objective/ programmes or Field of Intervention	Planned GRZ Inputs	Actual GRZ Inputs	Planned Outputs	Actual Outputs
Education				
Provision of School Desks	1,333	150	Provision of 320 desks, 50 tables and 50 chairs	320 desks, 50 tables and 50 chairs procured Blown up roofs replaced in two schools 1 * 3 classroom blocks, 3 staff houses and VIP toilet 1 * 3 classroom blocks, 3 staff houses and VIP toilet
Rural Development				
National Feeder Roads Programme(PRP)	2,000	1,150		Grading of 50 km Channel clearing 60 km Lines of culverts installed 35 km
Rehabilitation of local courts	500	200	Rehabilitation of 7 local courts	5 local courts rehabilitated
Resettlement Programmes				
001 Resettlement Schemes(PRP)	500	250	Demarcation of 600 plots	179 plots demarcated, 5.8 km road
Health				
Completion of Mansa General Hospital (1)	2,500	1,000	Completion of OPD (1)	OPD (1) Complete
Rehabilitation of District Hospitals, Luapula Province	600	200	Rehabilitation of all District Hospitals	3 district hospitals rehabilitated
Rural Development				
Bee Keeping	600		50,000 kg of honey produced	21,000 kg of honey produced
Feasibility Study Agricultural Lime	100		2 feasibility Studies in Agricultural Lime	2 feasibility studies done
Rehabilitation of dam			1 dam rehabilitated	Dam rehabilitated (1)
Drilling of borehole			Drilling of 10 boreholes	1 dam rehabilitated
Rehabilitation of boreholes			Rehabilitation of 4 boreholes	4 boreholes rehabilitated
Dam survey			One survey	One survey
Development of infrastructure in new districts	300	150	Construction of 2 DCs houses	2 DCs houses constructed
	8,433	3,100		

APPENDIX 23 d: 2003 PRP INDICATOR MONITORING REPORT -Lusaka Province

Objective/ programmes or Field of Intervention	Planned GRZ Inputs	Actual GRZ Inputs	Planned Outputs	Actual Outputs
Resettlement Programmes				
Resettlement Schemes(PRP)	300	300	Demarcation of 600 plots	75% complete
Health				
Rehabilitation of district hospitals	1,200	1,600	Yet to be identified	Not yet
Rural Development				
Development of infrastructure	600	1,200	Purchase 1 office block and rehabilitation of DCs official residence	1 Office block purchased and rehabilitation of DCs official residence on-going
Rehabilitation of local courts	1,000	800	Construction of 2 local courts	At provincial tendering committee stage
Education				
Provision of School Desks	2,666	800	700 two-seater desks for lower primary 700 two-seater desks for High Schools	370 two-seater desks for lower primary 344 two-seater desks for High Schools
Rural Development				
National Feeder Roads Program(PRP)	2,000	700	Rehabilitation 3 feeder roads	At tendering stage
Sub total	4,666,	1,500,		

APPENDIX 23 e: 2003 PRP INDICATOR MONITORING REPORT -North-Western Province

Objective/ programmes or Field of Intervention	Planned GRZ Inputs	Actual GRZ Inputs	Planned Outputs	Actual Outputs
Development of infrastructure in new districts	300	-	Construction of 4 houses	Construction of the 4 houses on-going
Rehabilitation of local courts	500	-	Rehabilitation of 7 local courts	On-going
Infrastructure Development Lumwana and Kansanshi Mines	2,000	1,000	4 houses construction	4 Houses constructed
Education				
Provision of School Desks	1,333	200	Provision of School Desks	To be determined
Health				
Completion of Solwezi General Hospital (1)	2,500	1,300	Completion of Solwezi General Hospital (1)	Solwezi General Hospital Completed (1)
Rehabilitation of District Hospitals, North-Western	600	400	Rehabilitation of 6 District Hospitals	6 District Hospitals rehabilitated
Land Demarcation	910	210	Establishment of 7 resettlement schemes in 7 districts	7 resettlement schemes established in 7 districts
National Feeder Roads Programme (PRP)	2,000	1,450	Rehabilitation of 7 national feeder roads programme	On-going
Industrial Development				
Bee Keeping (PRP)	300	200	3 Bee keeping district projects	On-going
Resettlement Programmes				
Resettlement Schemes (PRP)	500	100	Demarcate 500 Ha, drill 3 boreholes, rehabilitate 3 boreholes	434 Ha demarcated, 3 boreholes drilled, 3 boreholes rehabilitated
	8,143	3,860		

APPENDIX 23 f: 2003 PRP INDICATOR MONITORING REPORT -Northern Province

Objective/ programmes or Field of Intervention	Planned GRZ Inputs	Actual GRZ Inputs	Planned Outputs	Actual Outputs
Health				
Completion of Kasama General Hospital (1)	450,	150	Completion of Kasama General Hospital (1)	Hospital completed (1)
Rehabilitation of District Hospitals, Northern Province	600	200	All district hospitals rehabilitated (11)	All district hospitals rehabilitated (11)
Rural Development				
Mpika Farm training Centre rehabilitation	500,	250	Mpika farm training centre rehabilitation (1)	Mpika Farm training Centre rehabilitation (1)
007 National Feeder Roads Programme (PRP)	2,000	1,500	Construct 6 bridges and 2 culverts	6 bridges, 2 culverts done
Industrial Development				
Sub total	6,983	2,300		

APPENDIX 23 g: 2003 PRP INDICATOR MONITORING REPORT-Southern Province

Objective/ programmes or Field of Intervention	Planned GRZ Inputs	Actual GRZ Inputs	Planned Outputs	Actual Outputs
Education				
Procurement of Basic and High School desks	1,333	300	126 desks per 19 constituencies	2400 desks procured and distributed
Health				
Rehabilitation of Livingstone General Hospital	450	250	1 Male Medical ward completed, work on 3 staff hostels in progress, security fence tendered	1 Male Medical ward completed, work on 3 staff hostels in progress, security fence tendered
Rehabilitation of Hospitals-Southern Province	600	200		
Monze				
Livingstone			Construction of Intensive Care unit (1)	Intensive Care Unit constructed (1)
Choma			Purchase of emergence generator (1)	1 generator purchased
Kazungula			Rehab. Of Mapanza Health centre (1)	Rehab. Of Mapanza Health centre
Siavonga			Construction of 1 health post and 1 staff house	Construction of 1 health post and 1 staff house
Kalomo			Construction of health post (1)	Construction of health post
Sinazongwe			Construction of 1 health post and 1 staff house	Construction of 1 health post and 1 staff house
Siavonga			Construction of 1 staff house	Construction of 1 staff house
Rural Development			Rehabilitation of Health post (1)	Health post rehabilitated
Rehabilitation of Local Courts	500		Rehabilitation of 7 Local Courts	On-going
Sinking of Boreholes	245	245	Sinking of 242 boreholes	9 boreholes sunk
Restocking of Cattle	2,000	1,000	Procurement of 2112 heads of cattle for 11 districts-192/district by December 2004	
Irrigation Development	2,000	1,000	Establish small-scale irrigation schemes in four districts	One scheme established in Man'gwato Kalomo district
			Rehabilitation of ten dams	Three dams rehabilitated ;
			Construction of two dams	Yet to be constructed
Rural Development				
National Feeder Roads Programme (PRP)	2,000	1,500	Grading of 497km of feeder roads	497 km done
			Vegetation control on 467 km of feeder roads	467 km done
Resettlement Programmes				
Resettlement Schemes	500	500	Demarcation of 619 farms	245 plots demarcated
			Drill 10 boreholes in 7 schemes	8 boreholes drilled
Sub total	10,428,	4,995,		

APPENDIX 23 i: 2003 PRP INDICATOR MONITORING REPORT-Western Province

Objective/ programmes or Field of Intervention	Planned GRZ Inputs	Actual GRZ Inputs	Planned Outputs	Actual Outputs
Education				
Provision of School Desks	1,333	200	1400 metal desks and 2800 wooden desks procured	1400 metal desks and 2800 wooden desks procured
Health				
Rehabilitation of district hospitals	2,500	1,000	Rehabilitate sewerage systems in all 5 hospitals	1 hospital rehabilitated
Development of infr	600	400	1 Office block purchased and DCs residence rehabilitated	1 Office block purchased and DCs residence rehabilitated
Rural Development				
Rehabilitation of local courts	500	0	Rehabilitate 5 local courts	5 local courts rehabilitated
001 National Feeder Roads Program(PRP)	300	0	Improve road infrastructure in 7 districts	37 km of roads regravelled
Industrial Development				
001 Bee keeping(PRP)	2,000	1,300	50 tonnes of liquid honey	Not yet done
Resettlement Programmes				
001 Resettlement Schemes(PRP)	300	0	Demarcation of 600 plots	250 plots demarcated
001 Resettlement(PRP)	500	200	Drilling of 26 boreholes	16 boreholes drilled
			Allocate 969 farms	478 farms allocated
Sub total	8,033	3,100		
GRAND TOTAL	64,888,333,333	26,305,000,000		

Appendix 24b Table 8: Proportion of households accessing clean water, 1992 – 2002/2003

	1992	1996	2000/2001	*2002/2003
Percent of Households with access to safe water	48.3	46.8	51.3	52.0

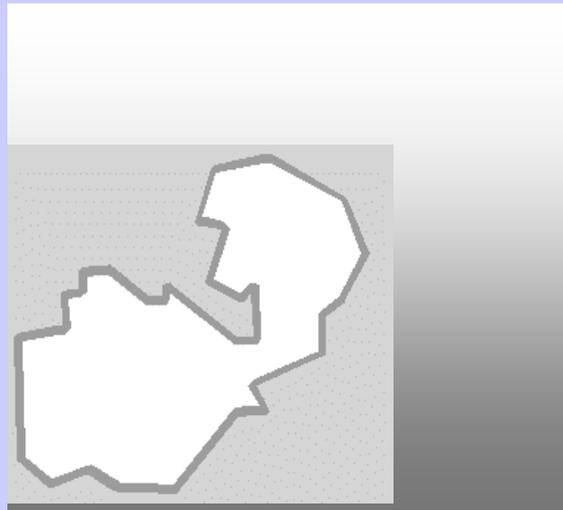
Source: Zambia Demographic and Health Survey Report, 2000/2001

* The Living Conditions Monitoring Survey Report 2002/2003, CSO



Republic of Zambia

**Addendum to the
Second PRSP Implementation Progress Report
2004**



MINISTRY OF FINANCE AND NATIONAL PLANNING

PLANNING AND ECONOMIC
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FEBRUARY 2005

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<p>WITH REGARD TO THE SOCIAL SECTORS OF HEALTH, EDUCATION, WATER AND SANITATION, TOTAL RELEASES, IN NOMINAL TERMS, IN 2004 INCREASED TO K1, 371.6 BILLION AND WERE ABOVE TARGET BY K69.1 BILLION. AS A SHARE OF THE TOTAL NATIONAL BUDGET, RELEASES TO THE SOCIAL SECTORS IN 2004 ROSE TO 25.9 PERCENT COMPARED TO 24.3 PERCENT IN 2003. IN TERMS OF SECTORAL BREAKDOWN, RELEASES TO THE EDUCATION SECTOR, WHICH CONSTITUTE THE BULK OF SOCIAL SECTOR SPENDING, INCREASED TO K841.9 BILLION OR 15.9 PERCENT OF THE TOTAL NATIONAL BUDGET FROM K686 BILLION OR 14.3 PERCENT OF TOTAL NATIONAL BUDGET IN 2003. RELEASES TOWARDS THE HEALTH SECTOR IN 2004 AMOUNTED TO K426.6 BILLION COMPARED TO K419 BILLION IN 2003.</p>	
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EXECUTIVE SUMMARY

Overview

The addendum to the Second Poverty Reduction Strategy Paper (PRSP) Implementation Progress Report reviews status of the PRPs for the period July to December 2004. This additional review was necessitated by the need to comprehensively report on the PRSP implementation for the twelve months ended December 2004. The report notes improvement in funding to priority Poverty Reducing Programmes (PRP's) from K212 billion in 2003 to K532.6 billion in 2004. Major improvements in public finance management were achieved in 2004, mainly due to the introduction of the Medium Term Expenditure Framework (MTEF) and Activity Based Budgeting (ABB). Disbursements to the key social sectors remarkably improved during the year compared to 2003.

Efforts were made to strengthen stakeholder involvement in reviewing the implementation of Poverty Reduction Programmes (PRPs) in the last two quarters of 2004. In this regard, Sector Advisory Groups (SAGs), as part of the monitoring framework, played an important role in the review process. Monthly meetings in respective sectors and two national conferences were held during the year, one in each half. These conferences brought together stakeholders from all over the country to review progress in the implementation of the Poverty Reduction Programmes and to agree on future areas of intervention. The general SAG in the last quarter brought out issues such as the redefinition of PRPs and mechanisms of decongesting and the decentralization of PRPs funding,

In this regard, the PRP are in three categories as follows: Programmes directly contributing towards poverty reduction (PRP1); Programmes indirectly contributing towards poverty reduction, (PRP2); and those remotely contributing towards poverty reduction as PRP3.

Zambia's economic performance in 2004 continued to register positive growth. Real GDP growth was 5.0 percent in 2004 compared to 5.1 percent in 2003 exceeding the PRSP target of 4

percent. The growth was attributed to improved output in the key sectors of agriculture, mining, manufacturing, construction and tourism. The domestic budget deficit was contained at less than 2 percent of GDP in 2004 from 5 percent in 2003. This led to a fall in the level of interest rates. Inflation rate was largely stable in 2004, marginally deteriorating from 17.2 percent in December 2003 to 17.5 percent in December 2004. The exchange rate remained generally stable. The improvements in fiscal performance paved way for reaching an agreement on a new Poverty Reduction and Growth Facility (PRGF) with the IMF in June 2004. The agreement between the IMF and Government restored credibility with the Cooperating Partners, thus allowing for increased external inflows.

A sectoral analysis indicated that in the agriculture sector, a total of K162.3 billion was released against an allocation of K142.3 billion in 2004. The bulk of the allocation was for the Fertilizer Support Programme, crop marketing and Nasanga Farm Block. The **Mining** sector was funded a total of K2.0 billion in 2004 for the implementation of the gemstone exchange, creation of a revolving fund and introduction of the plant hire scheme. With regard to the **Tourism** sector, a total of K 15.3 billion was disbursed for key programmes such as rehabilitation of infrastructure in tourism areas, promotion of investment and tourism marketing.

With respect to the **Manufacturing** sector, a total of K4.8 billion was released and utilised for the privatisation programme, small-scale enterprise development, export and investment promotion and the harmonisation of taxes to 'level the playing field' in the sector. In the Energy sector, one of the key programmes implemented was the rural electrification programmes. A total of K11.9 billion was released for PRPs. A total of K 105 billion was released for **Road** programmes such as the building of bridges and pontoons, rehabilitation of roads and institutional reforms.

With regard to the social sectors of **Health, Education, Water and Sanitation**, total releases, in nominal terms, in 2004 increased to K1, 371.6 billion and were above target by K69.1 billion. As a share of the total national budget, releases to the social sectors in 2004 rose to 25.9 percent compared to 24.3 percent in 2003. In terms of sectoral breakdown, releases to the Education sector, which constitute the bulk of social sector spending, increased to K841.9 billion or 15.9 percent of the total national budget from K686 billion or 14.3 percent of total national budget in 2003. Releases towards the health sector in 2004 amounted to K426.6 billion compared to K419 billion in 2003.

Regional disbursements in 2004 amounted to K8.5 billion against an allocation of K10.4 billion. These funds were disbursed directly to Provincial Administration and not through the sector ministries. The funds were utilised mainly

on infrastructure development, land resettlement and industrial development. In terms of infrastructure development, this involved construction and rehabilitation of health posts, local courts, feeder roads, high schools, airports and aerodromes.

The key findings among others were that the quality of reports from sectors and provinces improved in terms of input, output and outcome during the review period. However, data collection, storage and analysis for planning purposes was still lacking in most sectors apart from the Health and Education sectors. Arising from this realisation, a needs assessment study was undertaken to identify training needs for SAGs and other stakeholders involved in the PRSP monitoring. Government also proposed to reduce the number of times SAG conferences are held to two in order to reduce costs and also allow SAGs time to prepare their reports.

CHAPTER 1

MACROECONOMIC PERFORMANCE AND STRUCTURAL REFORMS

1.1 Macroeconomic Performance and PRSP Indicators

The overall macroeconomic goal in the PRSP is to attain a high and sustainable growth in Gross Domestic Product (GDP), low inflation rate and a sustainable external sector position.

Zambia's economic performance in the review period improved markedly. Real GDP growth

increased from 3.3 percent in 2002 to 5.1 percent and 5.0 percent in 2003 and 2004, respectively, exceeding the PRSP target of 4 percent. The growth was attributed to improved output in the key sectors of agriculture, mining, manufacturing, construction and tourism in 2004.

Table 1.1: Status of the Key PRSP Macroeconomic Indicators as of December 2004

Indicator	Base year	Base Year status	Target	Year	Status as at end 2003	Status as at end Dec 2004	Remarks
Real GDP Growth	2001	4.9%	4.0%	2004	5.1 %	5.0	Achieved
Real Annual Per Capita GDP growth rate	2001	2.2 %	1.1 %	2004	2.6 %	2.5%*	Achieved
Overall Fiscal Deficit			2%	2004	6.6%	1.7%*	Not Achieved
Annual Rate of Inflation	2001	18.7 %	5 %	2004	17.2 %	17.5%	Not Achieved
Annual growth in exports	2001	7.5 %	7.5 %	2004	15 %	51 %	Achieved
Domestic Arrears reduced to zero (K, billion)	2001		0	2006	K 578.6	K577.4	Not likely to be achieved
HIPC Completion Point Reached				2003	Not Reached		To be assessed in 1 st qtr 2005
Activity Based Budgeting adopted across government (no of ministries)	2001	7	All	2004	Done	Done	Achieved
Funding to all departments reflects yellow book	2001		Over 80 %	2004		88%	Achieved
Overall Expenditure patterns reflect the priorities in the PRSP			Over 80 %	2004	50	99.9%	Achieved
Incidence of Poverty (Headcount %)	1998	73 %	65 %*	2004	67	67	Based on LCMS III
Rural Incidence of Poverty (Headcount %)	1998	83 %	75 %	2004	N/A	72.0	Based on LCMS III
Urban Incidence of Poverty (Headcount %)	1998	56 %	50 %	2004	N/A	28.0	Based on LCMS III
Poverty Gap (incidence and depth)	1998	0.55	0.4	2004	N/A	0.57	Based on LCMS III
Gross Domestic Investment % of GDP	1998	14.9%	20 %	2004	27.1%	28.3%	Achieved
Inflows of FDI	2001	US \$72 m	US\$88m	2004	\$170 m	\$270	Achieved (though mostly concentrated in mining)

Source: Ministry of Finance and National Planning

- Poverty level should be understood in the context of new methodology employed by CSO therefore the 1998 LCMS figure is not Comparable with the 2002 LCMS figure.
- * preliminary figures

The implementation of poverty reduction interventions, such as the input pack and out-grower schemes in agriculture as well as improvements to infrastructure like trunk roads and airports and increased private sector participation contributed to investment and

growth. In the mining sector, growth was largely attributed to the re-capitalisation of large mining companies and new investments which was complemented by increased export earnings arising from high global metal prices. As a result, overall investment as a percentage of GDP rose

to **28.3 percent from 27.1 percent** in 2003, surpassing the PRSP target of 20 percent.

During the period under review, **the average annual inflation in 2004 fell to 18.0 percent from 21.5 percent in 2003.** However, end year inflation marginally rose to 17.5 percent from 17.2 percent in 2003 and was 2.5 percentage points above the end year and PRSP target of 15 percent. This outturn mainly reflected a rise in the prices of non-cereal food products such as meat, which were adversely affected by the outbreak of livestock diseases in many parts of the country. In addition, frequent upward adjustments in fuel prices during the year also affected the overall inflation outturn. The firm fiscal stance undertaken in 2004 contributed to the favourable outturn in inflation in addition to stable cereal prices following a good harvest during the 2003/2004 agricultural season. Government managed to limit the budget deficit to **1.9 percent of GDP** and domestic borrowing was within target of **2 percent of GDP.** Consequently, the overall fiscal deficit fell to ... percent from 6.3 percent in 2003.

In the external sector, export receipts shot up by 51 percent to US \$1,588 million from US \$1,052 million in 2003, which was over and above the PRSP target of 7.5 percent. The increase in export receipts was attributed to expansion in domestic mineral production as well as the high world metal prices and strong growth in non-metal exports. Similarly, imports increased by 32 percent to US \$1,845 million in 2004. However, export growth outstripped import growth thereby improving the trade balance by **US \$ 12 million to US \$697 million from US \$699 million in 2003.** Never the less, high interest payments on external debt in the services account resulted into the current account deficit (after grants) narrowing marginally to **5 percent of GDP** in 2004 from **6 percent** in 2003.

1.2 Progress on Implementation of PRSP Policy Actions and Structural Reforms

The PRSP identified many structural/policy actions required to facilitate growth and poverty reduction. The implementation of the structural/policy actions was generally on track in

2004. The focus of these policy actions were to improve public expenditure management, addressing the problems of the state owned non-bank financial institutions and removing bottlenecks to private sector development.

In 2004, Government approved the Public Expenditure Management and Financial Accountability (PEMFA) Action Plan, which contains a broad and detailed programme of reforms to improve public expenditure management. In this regard, Government developed an Interim Establishment Register, cleaned up the payroll and implemented a new Payroll Management Establishment Control (PMEC) system. The focus of the system is to improve payroll management, provide better data and control mechanisms, accuracy of the payroll and tighter budget control and aligning the size of the civil service with resource availability. In addition, Public Service Commission Regulations were revised, new Terms and Conditions of Service developed and engagement of new staff suspended.

In the financial sector, Government approved the Financial Sector Development Plan (FSDP) in 2004. The vision of the plan is to develop a stable, sound and market based financial system that will support efficient mobilization and allocation of resources necessary for economic diversification, sustainable growth and poverty reduction. A team to spearhead the implementation of the plan was appointed. Government also began restructuring the two state owned non-bank financial institutions.

Government working with the Private Sector and other stakeholders prepared and launched a comprehensive Private Sector Development Initiative (PSDI) Action Plan aimed at improving the environment for private sector growth in June 2004. By the end of 2004, amendments to the investment and export processing zone acts were submitted to the Cabinet committee on legislation and a decision was being awaited. Furthermore, a document to be used as a basis for sourcing donor support to the PSD was finalised.

1.4 Macroeconomic framework and the Medium Term Outlook

The macroeconomic framework in the PRSP/TNDP was revised. The revision in the macroeconomic framework was largely on account of outturns in 2003 and 2004. The revised macroeconomic targets for 2005-2007 are to: achieve GDP growth rates of 5.0 percent in 2005, 2006 and 2007; bring down end-year inflation to 15 percent in 2005, 10 percent in 2006 and 5.0 percent in 2007; reduce domestic borrowing to 1.6 percent of GDP in 2005, 1.3 percent in 2006 and 0.7 percent in 2007; improve the country's external sector's viability by increasing the official Gross International Reserves (GIR) to 1.5 months of import cover in 2005, 1.7 months in 2006 and 1.9 months in 2007 and remain current with foreign debt service payments.

The growth targets are premised on favourable performance in the key sectors of agriculture, mining, manufacturing and tourism. In agriculture, Government's focus will be to improve productivity of the sector through well-targeted interventions such as the Fertilizer Support Programme (FSP). In the mining and quarrying sector, higher growth in 2005 is anticipated largely due to increased production of

copper and cobalt, mainly due to the coming on stream of Kansashi and Lumwana in North-western province. In the tourism sector, impetus for continued growth is expected to come from the benefits of the economic diversification programmes being undertaken by Government. Manufacturing, growth is premised on the higher domestic demand from the mining, tourism and agriculture sectors. In order to further aid manufacturing growth, initiatives in the area of private sector development will continue to be the major focus.

Fiscal policy in the medium term will be key to preserving macroeconomic stability. Domestic revenue is expected to average 18.3 percent of GDP, personnel emoluments will be maintained at 7.9 percent of GDP over the period 2005-2007 while domestic financing is expected to decline to 0.7 percent of GDP by 2007.

In the external sector, the strategy is to restore a sustainable external debt position by reaching the Completion Point under the HIPC initiative and reducing the current account deficit to a sustainable level.

Table 1.2: Key Macroeconomic Targets: 2003-2007

	2003	2004	2005	2006	2007
	Actual	Prelim	Proj.	Proj.	Proj.
Real GDP Growth Rate	5.1	5.0	5.0	5.0	5.0
Inflation Rate (end period)	17.2	17.5	15.0	10.0	5.0
Nominal GDP (K' billions)	20,481	25,814	31,212	35,812	39,865
Current Account Deficit Incl. grants (% of GDP)	(7.5)	(5.7)	(3.1)	(3.3)	(3.6)
Domestic Borrowing as % of GDP (cash basis)	5.1	0.8	1.6	1.2	0.6
GIR months of Import Cover	1.3	1.2	1.3	1.5	1.7

CHAPTER 2

Budget Execution and Management

2.1 Overview

Preliminary data indicate that domestic revenue was below target by 2.1 percent, total expenditures were above the ceiling by 0.4 percent and funding to priority Poverty reduction programmes improved in 2004. In addition, inflows on programme grants were above the estimate of K143.1 billion amounting to K234.7 billion.

2.2 Revenue collection

Government collected a total of K4, 678.3 billion in domestic revenues against a budget estimate of K4, 782.7 billion. This was marginally below the target by 2 percent. Of this amount, tax revenue stood at K4, 551.5 billion and was above the target of K4, 536.9 billion by K14.7 billion. The Government also collected K86.1 billion as non-tax revenue, which was 35 percent lower than projected. In addition to domestic revenues, foreign in flows amounted to K234.7 billion against the target of K163.0 billion. This favourable disbursement from Cooperating Partners was in response to the firm fiscal stance undertaken by Government in line with PEMFAR.

2.3 Expenditures

Total expenditures were above the ceiling by 0.4 percent and that funding to priority Poverty reduction programmes also improved in 2004. Out of the total domestic expenditure, a total of 2023.7 billion was spent on wages and salaries and was above the target of K2, 018 .4 billion by K5.3 billion. Funding to PRPs was K532.6 billion. Other expenditures

included recurrent departmental charges (K844.5 billion), transfers and pensions (K422.6 billion)

2.4 Wages and Salaries

Expenditure on wages and salaries as at end December 2004 stood at K2,023.7 billion. This was K5.3 billion or 0.3 percent above the annual ceiling of K2,018.4 billion and represented 7.9 percent of GDP. The increase was mainly attributed to the higher than expected payments on employer's contribution to workers social security schemes. In addition, there was a higher than programmed payment on wages and salaries to Ministries of Health and Education.

2.5 Recurrent Departmental Charges

Recurrent Departmental Charges (RDC's) stood at K844.5 billion. This was K158.9 billion or 23.2 percent above target. The over expenditure was mainly due to higher than programmed expenditure arising from settlement of court cases and clearance of both housing and non housing domestic arrears. The general increase in Government operations, including payments to commercial utilities, operational expenses of the defence wings and Presidential Affairs also contributed to this outturn.

2.6 Transfers and Pensions

A total sum of K422.6 billion was released for transfers and pensions, which was above the end year ceiling by 0.8 percent. Out of the amount released, K27.1 billion

went to the Public Service Pension Fund to reduce on the outstanding debt.

2.7 Debt service

With regard to debt service, Government spent K1, 373.7 billion on external and domestic interest payment compared to a projection of K1, 469.2 billion. External debt payments at K637.2 billion were above projection on account of payments carried over from 2003. Domestic debt interest payments at K734.0 billion were lower than the target of K927.5 billion by 21 percent due to lower interest rates.

2.8 Capital Expenditure

A total of K570.5 billion was released towards capital programmes and this was below the target of K601.4 billion by only 5.1 percent. Of the amount released, K112.3 billion went to the Road Fund as fuel levy collections. The higher collections were on account of higher fuel prices. It remains Government's commitment to release all the fuel levy collections in full. The release of K112.3 billion in 2004 was 49.8 percent above the budget estimate of K75 billion. All of the funds released to the former National Roads Board were for road rehabilitation. In addition, a total of K8.2 billion was released as counterpart funds towards donor financed infrastructure projects.

2.9 Poverty Reduction Programmes (PRPs)

Of the total budget of K532.6 billion for poverty reducing programmes, 100 percent

was released compared to only 24 percent achieved in 2002 and 50 percent in 2003. Of the amount released for poverty reducing programmes, K96.7 billion was for the fertiliser support programme to provide subsidised inputs to farmers. K47.2 billion went to the procurement of maize from small-scale farmers to provide them with incomes. A further K29 billion was funded towards the Food Security Pack programme for vulnerable but viable farmers. All these programmes empowered the rural population by creating wealth and distancing them from poverty.

In addition, other important programmes that received funds included the following: the preparation of agricultural land for farm blocks; promotion of out-grower schemes; control of livestock diseases; livestock re-stocking; basic education; Roll Back Malaria; child survival and health; procurement of kits for essential drugs and supply of clean and safe water.

2.10 Financing of Deficit

The outturn in revenues of K4,678.6 billion and expenditure of K5,298 billion resulted in overall budget deficit of K547 billion or 1.9 percent of GDP. This deficit was financed through Borrowing, however, was within the end year target of 2 percent of GDP and was lower than the 2003 level by K550.7 billion. The deficit was financed from the banking and the non-banking sectors.

Table 2.1: Central Government Operations, 2004

	2004 Budget	Outturn	Variance
	(K' Million)	(K' Million)	(K' Million)
REVENUE AND GRANTS	6,209,395	5,996,884	(212,511)
REVENUE	4,782,735	4,678,639	(104,096)
Tax Revenue	4,536,881	4,551,872	14,991
Income Tax	2,047,881	2,037,888	(9,993)
Company Income Tax	382,600	331,930	(50,670)
Personal Income Tax	1,657,698	1,701,471	43,773
PAYE	1,428,700	1,482,604	53,904
O/w Medical Levy	3,500	5,719	2,219
Withholding Tax	228,998	213,147	(15,851)
Mineral Royalty	4,083	4,487	404
Domestic Goods and Services	1,241,600	1,060,549	(181,051)
Excise duties	627,900	607,164	(20,736)
O/w fuel levy	75,000	121,533	46,533
Domestic VAT	613,700	453,385	(160,315)
Trade Taxes	1,247,400	1,453,436	206,036
Import VAT	755,400	909,011	153,611
Import Tariffs	492,000	544,425	52,425
Non-Tax Revenue	133,000	86,119	(46,881)
Miscellaneous Revenue	36,000	26,198	(9,802)
Exceptional Revenue	76,854	14,449	(62,405)
GRANTS	1,426,660	1,318,245	(108,415)
Program	143,100	234,659	91,559
Project*	1,283,560	1,083,586	199,974
TOTAL EXPENDITURES (excl. Project Financing)	5,276,390	5,298,508	22,118
CURRENT EXPENDITURES	4,674,990	4,728,025	53,035
Wages and Salaries	2,018,400	2,023,746	5,346
Housing allowance	86,400	86,400	
Public Service Retrenchment	33,000	20,058	(12,942)
Recurrent Departmental Charges (RDCs)	685,600	844,515	158,915
Arrears clearance	76,700	84,265	7,565
Housing allowance	26,700	30,364	3,664
Non-housing allowance	50,000	53,901	3,901
Elections & constitutional review	26,000	19,228	(6,772)
Award and Compensations (Court decision)	20,000	35,089	15,089
Presidential Affairs	18,000	22,968	4,968
Other RDCs	544,900	682,965	138,065
Transfers and Pensions	419,400	422,589	3,189
Settlement statutory arrears (pensions)	30,000	27,086	(2,914)
Other	389,400	395,502	6,102
Domestic Interest	927,460	734,312	(193,148)
External Debt Interest	216,300	273,671	57,371
Other current expenditures	395,830	415,973	20,143
Financial restructuring	119,630	109,368	(10,262)
ZRA	118,000	118,000	
Maize Reserve in Rotating Fund (HIPC- PRP)	47,200	47,200	
Input Pack (Food Security) + Fertiliser Price Support	99,000	125,700	26,700
Constitutional posts	12,000	15,705	3,705
Contingency	12,000	13,219	1,219
			-
CAPITAL EXPENDITURES (excl. Project Financing)	601,400	570,483	(30,917)
Of which: HIPC-PRPs	366,300	343,724	(22,576)
Counterpart PRPs	40,000	7,972	(32,028)
GRZ Road Projects	80,000	20,040	(59,960)
Fuel levy	75,000	112,337	37,337
Ordinary Capital	61,100	76,719	15,619
REF	9,000	9,013	13
Land Development Fund	6,000	-	(6,000)
Counterpart (Ordinary)	4,000	8,651	4,651
FOREIGN FINANCED*	2,684,600	1,094,769	(1,589,831)
Of which HIPC PRPs	1,494,431	1,799	(1,492,632)

Source: Ministry of Finance and National Planning

Note: Project grants and loans are based on estimated inflows from donors but do not pass through Government accounts

CHAPTER 3

SECTOR IMPLEMENTATION

Economic Sectors

3.1 Agriculture

In the agriculture sector, a total of K142.3 billion was allocated for poverty reduction programmes in 2004. The bulk of the allocation was for the Fertilizer Support Programme (49.2 percent), crop marketing (33.2 percent) and Nasanga Farm Block had 9.1 percent. The remaining 8.5 percent was for other investment programmes. During the first half of 2004, K79.6 billion or 56 percent of the total PRP budget allocation was released of which maize marketing programme and the Input Support programme together received 96 percent of the amount. In the second half a further K82.7 billion was released bringing the total annual release to K162.3 billion or 114 percent of the total PRP allocation to the agricultural sector.

3.1.1 Targeted Support System for Food Security

By end December, 2004 a total sum of K96.7 billion was released against an allocation of K70 billion. The funds were utilised for the purchase of 60,000 mt and 3,000 mt of fertiliser and seed, of fertiliser and 2,400 mt of seed in the previous season. A total of 150,000 households received inputs in 2004 compared to 120,000 households in the previous season.

3.1.2 Purchase and storage of the national food reserves

A total of K47.2 billion (100 percent) was released and utilised for the purchase of 61,320 mt of maize from 38 districts. In Luapula province, cassava was

purchased while in Mongu and Kasama, rice was purchased.

3.1.3 Out-grower Schemes

The PRSP 2002-2004 targeted to support 126,000 small-scale farmers in a period of three years through out-grower schemes. In 2004, a total of K1.9 billion was allocated and 100 percent of the amount was released by the end of the year. The funds were used for input disbursements and extension services on a total hectareage of 5,500 benefiting 7,800 farmers by the end of the year.

3.1.4 Irrigation Development Programme

With regard to the Irrigation Development Programme, a total of K615 million was allocated out of which K510 million was released by the end of the year.

3.1.5 Land Development Programme

Out of the nine farm blocks identified for development, government's focused on the development of Nansanga farm block, Kalumwange farm block and Luena Sugar Plantation in 2004. The total allocation for these farm blocks in 2004 was K14 billion for infrastructure development, electrification and environmental impact surveys. By the end of 2004, K14 billion or 100 percent of the farm block allocation was released towards the commercialisation of the agriculture land in the above mentioned farm block. However, due to the outbreak of foot and mouth disease in some parts of the country, K3.8 billion was re allocated to the disease control programme.

3.1.6 Seed Multiplication

A total of K1.5 billion was allocated to the seed multiplication research programme. The full amount was released and utilised in 11 districts

for purchase of chemicals, fertilizer and seed production research in various research stations.

3.1.7 Animal Disease Control

The Animal Disease Control Programme was allocated K1 billion to preserve the current population of livestock which was released. In addition, K3.8 billion was varied from farm block releases and allocated to this programmes to control the foot and mouth disease.

3.1.8 Aquaculture and Fisheries Development

In 2004, an amount of K1.7 billion was allocated for aquaculture and fisheries development. Government undertook the following activities: the opening of 36 sites in all the nine provinces; the construction of 720 fish ponds; and the training of 1,300 farmers in fish seed production. The budget allocation was released in full by end December 2004.

3.2 Tourism

A total of K 15.3 billion was allocated which was released 100 percent for major programmes like infrastructure development in tourism Areas, promotion of investment in the tourism Sector and the tourism marketing and promotion. Other activities undertaken included the following:

- Project preparatory work in Livingstone for the solid waste management system;
- Tourist access roads;
- Capacity building for the Livingstone City;
- Building of the South-West Regional Tourism office;
- officially launch the tourism investors' forum for attracting tourism investors to Livingstone and the Kafue National Park;
- Inventory of existing and potential tourism products;
- The collection of Preliminary data/information from other countries on the Tourism Satellite Accounting (TSA); and

- The preparation of the National Tourism Master Development Plan.

3.3 Mining

In 2004, a total of K2.0 billion was released for the implementation of the gemstone exchange, creation of a revolving fund and introduction of the plant hire scheme as outlined below.

3.3.1 Establishment of the Gemstone Exchange

The Zambia Gemstone Exchange Limited was registered and a Board of Directors recommended by stakeholders. A Cabinet Memorandum was prepared on the same was prepared. In addition, the rules and regulations of the Gem Exchange were drawn up in consultation with the Lusaka Stock Exchange (LuSE) and the Securities and Exchange Commission (SEC).

3.3.2 Creation of a Revolving Fund

A total of K500 million was budgeted and released for the consultancy on the creation of the revolving fund.

3.3.3 Introduction of a Plant Hire Scheme

The complete set of mining equipment would require K2.5 billion. For the planned four schemes to operate effectively, Government would require a total of K50 billion. Therefore, the possibility of varying the funds to the Revolving Fund was being considered to increase the capital base. The amount of K500 million released for the introduction of the Plant Hire Scheme was inadequate for a complete set of mining equipment for hire. T

3.3.4 Other Developments

The mining sector continued to show higher levels of activity resulting from increased private sector investment. The number of licences issued continued to indicate increased interest in the mining sector. The following licences were issued during the year under review:

- Twenty seven for small-scale mining,
- Twenty seven for prospecting permits, and

- Fifty eight Gemstone Licences.

The construction of a new power line to service Kansanshi and Lumwana mines in the North-Western Province progressed according to schedule during the year. By December 2004, the construction of the new power line was completed and the substation buildings were commissioned.

3.4 Manufacturing

During 2004, Government allocated a total of K4.8 billion for PRPs in the sector. These funds were released and utilised for the following: privatisation, small-scale enterprise, export and investment promotion and the harmonisation of taxes to 'level the playing field' in the sector.

3.4.1 Investment promotion

During the year, Government exhibited at two Agricultural and commercial shows and undertook two investment promotion trips to South Africa and Germany.

3.4.2 Trade and Export Promotion

During the year under review the major activities undertaken included training and sensitisation workshops, acquisition of equipment, provision of marketing support services, monitoring and networking and a consultancy on dimensions of stone evaluation. In addition Government purchased four nut crackers for women groups in Western province.

3.5 ENERGY

Status of Programme Implementation

During the year under review, the bulk of the projects implemented under Poverty Reduction Programme were rural electrification projects. A total allocation of K11.96 billion for PRPs in the 2004 budget was released for the following major programmes:

3.5.1 Rural Electrification Programme

In 2004 the rural electrification programme was undertaken in farm block development areas as well as other rural areas.

3.5.2 Rural Electrification Master Plan

By the end of the year, the Rural Electrification Master Plan was completed to be implemented by the Rural Electrification Authority.

3.5.3 Nansanga Farm Block Electrification project

The electrification of Nansanga farm block commenced from part of the K9 billion funding.

3.6 INFRASTRUCTURE

3.6.1 Road Sub-sector

In 2004, Government allocated K 105 billion to the road sub-sector. Feasibility studies was allocated K 6 billion, poverty reduction programmes K76.3 billion, Bridges and pontoons K 7.7 billion and rehabilitation of roads K 9.4 billion. Periodic maintenance was allocated K 5.7 billion and institutional transformation into the Roads Development Agency K 1.5 billion. As at end December 2004, a total of K 4.9 billion was released towards feasibility studies, poverty reduction programmes K86.5 billion, rehabilitation and periodic maintenance of roads K 22.2 billion and institutional transformation into the Roads Development Agency received K1.8 billion. Further, a total sum of K115.8 billion was disbursed for periodic maintenance under National Roads Board. The roads covered included the Chingola – Solwezi and Petauke – Katete.

The major Government funded projects included the Mutanda-Kasempa road and the Kasama-Luwingu road while Cooperating Partners funded rehabilitation works on the Livingstone-Sesheke and the Lusaka-Mongu road phase 1 among others (see table 3.1).

Table 3.1: Major Road Projects undertaken in 2004.

Project	Distance (Km)	Work description	Status	Financing
Livingstone-Sesheke road	202	Rehabilitation	Project completed	KFW
Lusaka-Mongu road phase 1	167	Rehabilitation	On-going. 60 Km rehabilitated	DANNIDA
Mongu-Kalabo road	74	Rehabilitation	Project ongoing	Kuwait/BADE A/OPEC
Makeni-Kafue road	50	Maintenance	On-going. 44 Km paving, 30 Km crack sealing, 15 Km reconstruction done by third quarter of 2004.	IDA
Lusaka-Kabwe road	57	Maintenance	On-going. 20 Km edge repair and 10 Km overlay repair done by third quarter 2004	IDA
Chingola-Kasumbalesa road	45	Construction	Tender documents completed	IDA
Chipata-Lundazi road	179	Maintenance	On-going. 100 Km's of vegetation control, 80 Km's of edge repairs and pothole patching done	GRZ
Nyimba-Petauke-Sinda-Katate road	173	Maintenance	On-going. 90 km's vegetation control, 80 km's edge repairs and pothole patching and 29 kilometers of sealing was done.	Road Fund
Chingola-Solwezi road.	132	Emergency repair	On-going. 66.7 kilometer shoulder reconstruction, 26 side reshaping and 132 kilometers of pothole patching was undertaken.	Road Fund
Kasama-Luwingu	150	Rehabilitation	60 km's earth works, 30 km's pavement, 45 km's surface dressing	GRZ
Mutanda-Kasempa	147	Rehabilitation	Substantially complete	GRZ

Source: Ministry of Works and Supply

Government continued with the implementation of the 2002 transport policy through the establishment of the Road Development Agency (RDA), Road Transport and Safety Agency (RTSA) and National Road Fund Agency (NRFA). Boards of Directors for the RDA, NRFA and RTSA were appointed.

In order to expand, rehabilitate and maintain paved, unpaved and feeder roads, Government in

collaboration with Cooperating Partners, continued to implement the Road Sector Investment Programme (ROADSIP). The first phase of ROADSIP officially came to an end in 2003 and recorded some achievements as outlined in table 4.5. The second phase of ROADSIP which was renamed the Road Rehabilitation and Maintenance Programme (RRMP) was expected to start after June 2004.

Table 3.2: Status of Implementation for ROADSIP Phase I

	Name Of Project	Financier	Status
1	Lusaka Road Phase II	JICA/GRZ Counterpart	Completed in 2004
2	Livingstone-Sesheke Road	KfW- Germany/GRZ Counterpart	Completed in 2004
3	Katimamulilo Bridge	KfW- Germany/GRZ Counterpart	Complete in 2004
4	Kabwe-Kapirimposhi Road	EU/GRZ Counterpart	Completed in 2004
5	Mporokoso-Bulaya	GRZ	80% complete
6	Periodic maintenance of roads	World Bank/GRZ Counterpart	75 % complete
7	Community roads/capacity building	World Bank	75 % complete
8	Mongu-Kalabo Road	Badea /Kuwait/OPEC Fund/GRZ Counterpart	60% complete
9	Capacity Building & Institutional development	NORAD	60% complete
10	Lusaka-Mongu Road	Danida/GRZ Counterpart	15% complete

Source: National Roads Board 2004

3.6.2 National Road Safety Action Plan

Government continued to implement the National Road Safety Action Plan (NRSAP). In order to reduce the number of accidents, the minimum age requirement for Passenger Service Vehicle (PSV) drivers was increased from 18 to 21 years and a re-training programme was introduced. A total of 10 motorcycles were bought for road patrols and mounting of speed traps was stepped up. Breathalysers were also bought to help in conducting on the spot alcohol tests for drivers.

3.6.3 BUILDINGS

Government disbursed K 28 billion to undertake building programmes in 2004. Construction of support infrastructure at Chirundu was still under way by December 2004. In addition, building

works continued at the New Government Complex.

3.6.4 New Chirundu Bridge Infrastructure

In 2004, a total sum of K20.5 billion was released for infrastructure at the new Chirundu Bridge from a budget provision of K35.9 billion. These included six access roads to the bridge, the platform and the water and sanitation systems. Other projects were security wall fence and guard houses, 50 houses, Police station, passenger control building, freight terminal and street lights.

3.6.5 New Government Complex

In 2004 K1.1 billion was released out of an allocation of 2.8 billion for telephone installations, power sub station and generator at the building complex.

CHAPTER 4

4.0 SOCIAL SECTORS

Total releases in nominal terms to the social sectors increased to K1, 371.6 billion and were above target for the year 2004 by K69.1 billion. As a share of the total national budget, releases to the social sectors in 2004 rose to 25.9 percent compared to 24.3 percent in 2003. In terms of sectoral breakdown, releases to the education sector, which constitute the bulk of social sector spending, increased to K841.9

billion or 15.9 percent of the total national budget from K686 billion or 14.3 percent of total national budget in 2003. Releases towards the health sector in 2004 amounted to K426.6 billion compared to K419 billion in 2003. However, as a share of the national budget, releases to the health sector fell to 8.1 percent from 8.7 percent in 2003. (see table below)

Table 4.1

Allocations and Releases to the Social sectors as % of Total National Budget				
Sector	2003		2004	
	Budget	Releases	Budget	Releases
Education	13.2	14.3	15.5	15.9
Health	9.9	8.7	6.9	8.1
Water and Sanitation	0.6	0.3	0.7	0.4
Other*	0.4	0.9	1.6	1.5
Total	24.1	24.3	24.7	25.9

As % of GDP				
Sector	2003		2004	
	Budget	Releases	Budget	Releases
Education	2.6	3.4	3.2	3.3
Health	1.9	2.1	1.4	1.7
Water and Sanitation	0.1	0.1	0.1	0.1
Other*	0.1	0.2	0.3	0.3
Total	4.7	5.7	5.1	5.3

Total National Budget	3,974.9	4,789.1	5,276.4	5,298.5
GDP	20,305.2	20,305.2	25,578.0	25,704.0

Source: Ministry of Finance and National Planning

Other* comprises social safety net and disaster relief management sectors

4.1 Education

Funding to the education sector improved in 2004 rising to K795 billion from K686 billion while as a percentage of the total domestic budget it increased to 24.5 percent in 2004 from 19.2 percent in 2003 (See Appendix I).

With regard to enrolment in 2004, the figures indicate that more pupils had access to basic education during the period. A total of 2,522,378

were enrolled during the period indicating an increase of 9.3 percent. Out of this number 1,302,167 were boys and 1,220,211 were girls. This increase was partly due to the Free Basic Education Policy which was introduced in 2002. The policy abolished all user fees at basic education level and made school uniforms not compulsory and other programmes introduced by the ministry such as the programme for the

Advancement of Girls Education (PAGE), Bursary schemes and introduction of community schools. Further, the pregnancy re-admission policy enhanced the enrolment rates. In 2003, the number of re-admissions were 926, against 3,509 recorded pregnancies in the previous year. Having identified the gaps in the policy, the Re-entry Policy guidelines have been reviewed for wider dissemination during the period under review.

4.1.1 Gross enrolment ratio

In 2004, the Gross Enrolment Ratio (GER) at basic school rose by 5.4 percentage points to 93.1 percent from 87.7 percent in 2003. The increase in the GER was as a result of increased pupil enrolment. At Provincial level, there were disparities in terms of GER, which ranged from 73.44 in Eastern province to 106.2 in Northern Province.

The gross enrolment ratio at high school level increased to 16.5 in 2004 from 13.9 in 2003, showing an increase of 2.6. Gross enrolment ratio for males increased by 3.6 percentage points compared to 1.6 for females between the two years. The increase in GER was due to increased pupil enrolment.

Enrolment at university level increased by 15 percent in 2004 to 11,561, 561 from 10,092 in 2003. At the University of Zambia (UNZA), students enrolment increased to 8,471 compared to 7,558 in 2003 and while at the Copperbelt University (CBU), enrolment increased to 3,090 students from 2,534 in the previous year. The increase in student enrolment was attributed to the rise in self-sponsored students and Government policy to increase access to university education.

4.1.2 Pupil Teacher ratio

The number of basic school teachers increased by 5.2 percent to 40,915 from 38,891 in 2003. This increase was due to the replacement of some retired and deceased teachers. However, the number of teachers fell below the required levels, as more teachers could not be recruited due to budgetary constraints. Despite the non-recruitment of teachers due to budget constraints

in 2004, Government replaced some retired and deceased teachers; this resulted in the marginal increase in the number of teachers. In order to retain teachers especially in rural areas, Government continued to pay rural hardship and housing allowances to deserving teachers serving in the rural areas.

Furthermore, the Netherlands Government offered US \$10 Million to Government to settle the retirement and repatriation allowances. As a result of this payment, more teachers are expected to be recruited in 2005. This move was to pave way for recruitment of new teachers as the retired teachers were to be removed from the payroll.

4.1.3 Bursary Provision

Government continued to support Orphans and Vulnerable Children (OVCs) PRP budget amounted to K3 billion. A total of 4,476 children in 41 districts received K500,038 for grades 8 - 12 and K67,000 for grades 1 - 7, each to cover school fees, examination fees (at grade 9 and 12), books, uniforms transport in some cases etc. A total of K3 billion was released and has been disbursed. A further K765 million and K327 million was disbursed to support another 15,300 orphans and vulnerable children from the pool support and CAMFED respectively.

4.1.4 HIV / AIDS Awareness at Work place

A total of K1.5 billion was budgeted for and released to the Education sector for the HIV / AIDS awareness at work place and was disbursed to the Provincial education Offices for the various activities under the programme.

4.2 HEALTH

During the review period, there were notable improvements in the health sector. This was reflected in improvements in key basic health care delivery indicators such as health centre outpatient per capital attendance and by the general decrease in the incidence of the major diseases such as malaria, non-pneumonia respiratory infections and diarrhoea. The drug situation generally improved with 0.79 kits per 1,000 patients opened in 2004 compared to 0.73

kits opened per 1,000 patients in 2003. Further, the percentage coverage of fully immunized children under one year improved from 74 percent in 2003 to 77 percent in 2004. Despite these improvements health care delivery continued to be constrained by lack of sufficient human, material and financial resources.

In 2004, Government financing to the health sector in nominal terms increased to K426 billion from K419 billion in 2003. Funding in 2004 was above the budget allocation. However, as a percent of the total national budget, funding to the health sector declined to 8.1 percent in 2004 from 8.7 percent in 2003. Similarly, as a percentage of the discretionary budget, funding to the health sector dropped to 11.5 percent from 12 percent in 2003.

The following key Programmes were implemented in 2004:-

- i) Roll back malaria
- ii) Child Survival / Child Health
- iii) Essential drugs Kits
- iv) HIV / AIDS
- v) Equity of access to healthy care
- vi) Sexual and Reproductive health
- vii) Rehabilitation of health facilities
- viii) Rehabilitation of training Institutions; and
- (i) Rural Housing for medical staff.

4.2.1 Malaria

In 2004, the scaling up of the action plan for malaria was implemented through the provision of Co-artem to all the 72 districts and the training of frontline health workers in the use of Co-artem in all provinces. In addition, about 1,500,000 Insecticide Treated Nets were distributed throughout the country. Further, in the 2004/2005 transmission season the indoor residual spraying project has been scaled to cover eight districts from the initial five districts (Kitwe, Ndola, Kabwe, Lusaka and Livingstone) including Mufulira, Kalulushi and Kazungula district covering 324,137 people out a total population of 2,783,569. The scaling up programme has steadily increased the number of people living with HIV/AIDS on the ART Programme from 4,000 recorded in 2003 to 15,500 in 2004.

4.2.2 HIV / AIDS

The scaling up programme has steadily increased the number of people living with HIV/AIDS on Anti-Retroviral Therapy (ART) programme from 4,000 recorded in 2003 to 15,500 in 2004. The programme has been supported with funds received from the PRP component of K6.4 billion, which represent 108 percent of the budgeted K5.9 billion. Other funds came from the Global Fund and cooperating partners and other initiatives such as PEPFAR.

The programme continued to build capacity in human resource to handle and administer ARVs in the new established sites for the provision of ART. In this regard a total of 269 medical personnel, such as doctors, medical licentiates, clinical officers and nurses, were trained in management of opportunistic infections and administration of ART. This led to an increase in the provision of ART to 15,000 patients by October 2004 from 4,000 persons in 2003. In addition levels of awareness of ART also improved with about 500 women receiving counselling each month countrywide. Similarly the number of centres providing ART in 2004 rose from 53 in 2003 to 84 in 2004.

4.2.3 Child Survival / Child Health

In 2004, a total of K4.7 billion was released towards the purchase of vaccines for the routine EPI programmes such as promotion of AFP surveillance, conducting nutrition surveillance, sensitisation on exclusive breast feeding, making follow ups on under weight children on a weekly basis and carry out immunization exercise. The funds were also used to strengthen EPI training in Health institutions. Immunisation coverage in 2004 stood at 79 percent.

4.2.4 Essential drugs Kits

A total of K21.9 billion was spent on the purchase of essential drugs. In addition K2.8 billion was also received from PRP funds which were used to purchase first line drugs for all public health institutions. The situation of stocks of drugs in Health Centres was satisfactory throughout the year.

4.2.5 Sexual and Reproductive Health

In 2004, a total of K1.2 billion was released towards the programme for updating the reproductive health policy, adolescent health and prevention of mother to child transmission of HIV / AIDS.

Under the Safe motherhood programme, equipment and drug supplies for essential obstetric for all districts were procured. Seven ambulances were bought one for each district, radio equipment for all provinces and the training of staff was carried out in four provinces (Copperbelt, Southern, Northern and North Western) while a Tradition Birth Attendants (TBA) curriculum was developed and clean delivery kits were introduced in all districts for home deliveries.

In the Prevention of Mother to Child Transmission (PMTCT), 84 sites in 12 districts countrywide were providing ARVs to mothers. Further, it was estimated that 500 women each month were being counselled and tested.

4.3 SOCIAL SAFETY NETS

The main Social Safety Nets programmes supported by Government in 2004 continued to be Food Security Pack Programme, National Trust for the Disabled, Programmes Urban Self Help the Food Programme Management Unit and the Public Welfare Assistant scheme.

4.3.1 Food Security Pack Programme

A total of 150,000 households were supported under the FSP in 2003/2004 farming season at a cost of K91 billion compared to K82 billion spent in 2002/2003 farming season with 125,195 beneficiaries.

In the last four seasons beneficiaries increased maize production from an average of less than five by fifty Kg bags per lima to an average of eighteen by fifty Kg per lima. In 2002/2003 season a total of 132,000 Mt were produced by beneficiaries worth K82 billion and in 2003/2004 season 197 Mt was produced worth K124 billion.

By 2004 more than 30,000 beneficiaries successfully graduated over the past three years and were self sustaining. The programme recorded a 50 percent recovery rates and during the 2004/2005 season a minimum of 10,000 additional beneficiaries received inputs bought through recoveries.

4.3.2 Programmes Urban Self Help

With regards to the Programme Urban Self Help (PUSH) K40 million was disbursed by Government to the programme which catered for 28 communities and reached out to 110,000 direct beneficiaries. Further the implementation of the various programmes resulted into the construction and rehabilitation of infrastructure in 14 districts, construction four Community Development Centres in Kafue, Kapiri Mposhi, Kitwe and Chingola. Through PUSH, the Chifulube Road in Luanshya was graveled connecting 30 food production holdings and storage sheds and markets in Luanshya town. Further, 1.5km of the Mutenda road leading to fishponds off the Chingola- Solwezi was graveled to support local peasants. Two bridges were completed under the programme and these are the in Luanshya and Ndola.

4.3.3 National Trust for the Disabled

During the year under review, the Government continued to provide micro-credit to disabled persons through the National Trust for the Disabled (NTD). In 2004, the National Trust for the Disabled (NTD) worked with new groups in Lusaka, Kafue and Nakonde. A total of K15.5 million was disbursed to twenty beneficiaries, out of which eleven were males and nine were females

4.3.4 Public Welfare Assistance Schemes (PWAS)

For PAWS, Government disbursed a total of K2.9 billion which enabled 105,043 beneficiaries to be reached. Out of the total beneficiaries, 41.3 percent were males while 58.7 percent were females. In 2004, the PWAS had been accessed by 134,092 clients as compared to 105,043 in 2003.

Chapter 5

REGIONAL IMPLEMENTATION PROGRESS

In 2004, Government disbursed **K8.5 billion** PRPs **out of an** allocation of **K10.4 billion**. The funds reported under this chapter covers funds received through the Provincial Administration and not through the sector ministries. The chapter, therefore, is by no means exhaustive of all PRP implementation in the Provinces. The chapter, therefore, analyses the releases, expenditures and outputs per region.

Government mainly focussed on infrastructure development, land resettlement and industrial development. The regional infrastructure development involved the construction and rehabilitation of health posts, local courts, feeder roads, high schools, airports and aerodromes.

5.1 Central Province

In 2004, Government released K7.4 billion for PRPs to Central province. These funds were used, among others, for drilling boreholes, land resettlement, provision of school desks, procurement of school requisites, rehabilitation of health facilities and roads. A total of K4 billion was used to procure school desks, K2.2 billion for the continued rehabilitation of feeder roads and K609 million was earmarked for mushroom propagation.

A further K4.81 million was used to rehabilitate access roads in the resettlement areas and the sinking and equipping boreholes. Out of the targeted 990 plots, 837 farm plots were allocated to settlers in the schemes. Other amenities provided in the scheme included the construction of one clinic.

In order to increase agricultural production and income among small-holder farmers,

Government disbursed a total of K1 billion. In addition, Government released a further K200 million for irrigation development.

In 2004, Government implemented the Industrial Development programme in the Province. Activities undertaken included the bee-keeping project whose aim was to empower people economically. The expected output of this project was the procurement of raw honey and protective clothing, procurement of honey and bees wax processing machine, rehabilitation of storerooms, mobilization and sensitisation of bee keeping groups and the training of 420 people in bee keeping in seven districts.

5.2 Copperbelt Province

In the Copperbelt Province, Government disbursed a total K7 billion out of a budget allocation of K8 billion. The funds were used to develop water and road infrastructure, income generating activities such as Piggeries, bee keeping, rural development, infrastructure development and resettlement programmes.

Furthermore, a total of K950 million was released for feeder roads but monitoring of these activities were yet take to be undertaken at the time of this report. In the resettlement programmes, activities undertaken included the drilling of 15 boreholes, rehabilitation of 28 old boreholes, rehabilitation of 3 dams and the designing and surveying of 2 additional dams.

Other PRP activities implemented in the Province included the rehabilitation of school infrastructure and procurement of furniture, infrastructure development, rehabilitation of feeder roads and bee keeping. In addition, the

Land resettlement programme received K500 million for the rehabilitation of feeder roads.

5.3 Eastern Province

The total authorised PRP budget for Eastern province in 2004 was K9.9 billion out of which K6.7 billion was released. The main interventions included the rehabilitation and construction of infrastructure and the sinking of boreholes and demarcations of plots in the resettlement schemes. Government earmarked and released K4.7 billion for education programmes. The funds were used for the promotion and preservation of culture and procurement of school requisites including 3, 500 desks.

In the Eastern Province, Government undertook a livestock vaccination programme. A total of 40, 000 dogs, 6,530 calves and 6, 313 chicken were vaccinated. In the feeder road programme, a total of K3.8 billion was released in 2004 part of which was used for feasibility studies. A total of 100 km of road was earmarked for rehabilitation.

Government disbursed K150 million for the electrification of Chimtengo forest. The electrification of Chimtengo forest was completed in 2004 and resulted in the commissioning of saw-mill.

Funds released for the resettlement programmes in the Province were used for the demarcation of plots in the resettlement and the improvement the water and sanitation infrastructure. A total of 6 boreholes were drilled and 60 plots demarcated.

5.4 Luapula Province

In 2004, Government disbursed to Luapula Province a total of K6.9 billion. Interventions during the period under review included provision of management and regulation of

the fish industry, grading of roads, procurement of school desks, rehabilitation of health infrastructure, rehabilitation of feeder roads, bee keeping and rehabilitation of Government infrastructure.

Government also focused on Biodiversity and watershed conservation activities in all districts. The output was the protection to the headwaters of the Luapula river tributaries, ultimately leading to a continuous and even flow of clean water in the streams. Two dams were also constructed in the Province in 2004.

The resettlement Schemes established by Government in the Province made tremendous progress in 2004. This was as a result of early releases of funds. In the National Feeder Roads programme, 60km of road were graded and 8 km were re-gravelled. However, implementation was suspended due to heavy rains.

5.5 North-Western Province

In 2004, Government disbursed to the North Western Province a total of K7.2 billion which was the total allocation for the year. The focus in the Province during the year was on infrastructure development, water and Sanitation, Bee keeping, provision of school requisites and resettlement programmes.

5.6 Lusaka Province

In 2004, Government continued to undertake activities in the tree planting programme in the forestry sub-sector. These activities were aimed at mitigating deforestation effects by establishing five nurseries in all districts. By December 2004, nursery capacities were built in readiness for the tree-planting season. Other activities envisaged to be undertaken in the Province were the holding of an orientation workshop, area identification and site selection in all districts for bee keeping projects.

Government rehabilitated four dams in Chongwe and strengthened nine hydrological stations. The outputs were the employment of labour to start clearing vegetation, procurement of cement and stones, payment of gauge readers, and the rehabilitation of all 9-gauge stations in the Province, the Out-growers Schemes in fish farming, the construction of 34 ponds and stocking them with fingerlings.

In the Health programme, planned outputs included the construction of three and rehabilitation of 12 health posts. In terms of Monitoring and evaluation, two monitoring trips were undertaken and 22 PRP projects evaluated. In the infrastructure programme, a site on which to construct an office block was identified and building plans forwarded to the Ministry of Works and Supply for approval. Other activities of rehabilitating the University Teaching Hospital and construction of local courts were still at tender stage at the time of this report.

In the provisions of school requisites, Government commenced the distribution of 4, 484 school desks. Other activities included the rehabilitation of 256 km of road, the commencement of the tree planting exercise, construction of 18 culverts and 6 splashes.

5.7 Northern Province

In 2004, Government disbursed a total K2.8 billion. These funds were utilised for infrastructure development, provision of school requisites, development of resettlement schemes and bee keeping. In the education programme, a total of 1, 193 desks were distributed while health care was improved through rehabilitation of health facilities. Canals in Northern Province were dredged in order to improve transport. In the resettlement programme, plots were demarcated and one school and a house completed during the period under review. In

order to empower people economically, Government embarked on bee keeping activities aimed at income generating activities. In the Water and Sanitation programme, a total of 49 boreholes were drilled, 7 gauge stations opened and one dam rehabilitated.

In 2004, the province received K44 million for pothole patching. The status of roads in the province remained more or less the same as in 2003. Part of the funds released was spent on the Lukashya trades College for the rehabilitation of hostels, recreation hall and kitchen.

5.8 Southern Province

In 2004, the Southern Province received a total K8.4 billion for PRPs. The funds were utilised for the procurements of desks and rehabilitation of school infrastructure. The break down of the usage of these funds was as follows:

- Irrigation development – K500,000,000
- Cattle restocking- K2,000,000,000
- Animal disease control- K500,000,000
- Feeder road rehabilitation- K1,612,184,200
- Water development- K487,815,800
- Construction and rehabilitation of Health facilities- K1,013,000,000
- Provision of requisites for High and Basic Schools- K1,342,320,128
- Development of Resettlement Schemes- K926,953,000

In the agriculture programme, Government rehabilitated three dams and surveyed sites for four more dams. Government also established small-scale irrigation schemes. This resulted in seven hectares of land being irrigated at Mang’wato supporting 28 households. At the time of this report, further

work was being undertaken at Bbulolo irrigation scheme. In the cattle restocking programme, Government released a total of K2 billion to carry out cattle restocking programme in the Province. The funds were utilised to procure a total of 2,215 cattle. These measures increased crop production and the general welfare of the beneficiaries.

In the animal disease control programme, a total of 172,900 vaccines were procured, which were used to vaccinate a total of 126,834 cattle in Namwala, Itezehitzi, Mazabuka, Choma, Monze, Kalomo and Kazungula districts.

Government undertook the following activities in the resettlement programme:

- Interviewed and allocated plots to 245 applicants at Masasabi;
- Electrified 1 staff House and office at Masasabi;
- Completed 1x2 classroom block at Masasabi;
- Completed renovation of a house into a school at Kabuyu;
- Graded 3 km road at Siamambo;
- Drilled 6 boreholes at Masasabi resettlement scheme;
- Identified and acquired 2 blocks of land in Mazabuka and Kalomo;
- Sited 3 boreholes at Masasabi (2) and Ngabo (1); and
- Surveyed 128 plots at Harmony scheme in Choma

All these activities resulted in resettling of 245 small scale farmers and this in turn increased food production. In addition, six sources of clean and safe drinking water were provided in the resettlement schemes.

In the infrastructure programme, the following Road rehabilitation and maintenance projects were carried out:

- Graded 30kms of Nyawa road and repaired a washed away culvert in Kalomo;

- Graded 11kms of Choma-Masuku road;
- Graded 65 kms of the targeted 110 kms of the Itezehitzi-Junction of Lusaka Mongu road;
- Graded 17 kms of Sinazongwe-Sinazeze road;
- Graded 5 kms of Chief Mwemba road and 2.5 kms of Chief Sinazongwe road;
- Construction of 5 culverts completed on Sinazongwe- Chipepo Road;
- Gwembe Chipepo Road heavy grading and spot gravelling done;
- Emergency repair of Livingstone – Zimba, Choma- Namwala, Old Lusaka Road, Simatobolo Road, culverts repair of Maamba and Kabanga Roads;
- Culvert construction and embankment restoration done on Mapatizya – Kabanga road;
- Routine maintenance of Zimba - Victoria Falls Road, Mazabuka-T1/T2 junction road and Livingstone/Kazungula road was completed;
- Pot holes patching on Livingstone-Zimba road; and
- Construction of a causeway and embankment in Kazungula on Ngwezi – Kauwe road.

In the Water and Sanitation programme, the boreholes drilled in 2004 included 9 in Itezehitzi and 4 in Namwala. The other 36 boreholes were sited in other districts of the Province.

In the Health programme, Government carried out the following programmes;

- Completed rehabilitation of the male medical ward at Livingstone General Hospital;
- Completed rehabilitation of one staff hostel;

- Construction of security fence at Livingstone General Hospital has reached an advanced stage. Almost 60 percent done;
- Purchase of maternity wing equipment for Itezihitezhi;
- Commencement of the construction of pharmacy extension in Mazabuka; and
- Extension of health center and completion of staff house at Rusangu in Monze.

Under Education programme, Government, procurement and distributed 2,400 desks and this improved the learning environment for 4,800 pupils in the 19 constituencies of the Province.

5.9 Western Province

In 2004, Western province a total of K5.4 billion was released for PRPs. The funds were utilised on rural infrastructure development, land resettlement and the provision of amenities in the resettlement areas.

Government continued with the programme of infrastructure development. One office block was purchased while other Government buildings were rehabilitated. Government procured metal desks and wooden desks for distribution to schools. In the infrastructure development programme, Government rehabilitated roads. In 2004, the Province undertook various programmes and projects to fulfil the values of Poverty Reduction Strategy Paper. The Province continued to pursue programmes and projects aimed at poverty reduction in the areas of agriculture, animal health, education, Health water and social safety net through infrastructure development. The projects involved provision of education and health infrastructure, development of resettlement

schemes as well as provision of water and sanitation facilities. The project that was undertaken is as follow:

The province purchased 20 Boran Bulls for distribution to small Scale farmers to improve their herd. The department of Veterinary and Tsetse Control was still processing tender documents at the time of this report as most of the drugs could only be obtained abroad. The department of land resettlement demarcated a total of 105 plots and a total of 10 boreholes were sunk. This resulted into 2,500 persons accessing clean drinking water.

In Education, the procurement of school requisites, desks, rehabilitation of Kaoma and Sioma secondary schools were at tender stage.

In the Health programme, Government completed the construction of a ward block, theatre block, a security fence and improved water and sanitation at Mongu hospital. A total of K312 million was utilised on Installation of the power generator, construction of water tank and water reticulation system and construction of 1,200 meters of security fence. The two projects improved health delivery at the hospital as the hospital no longer ran out of water and electricity. Civil works started as the Ministry of Works was still processing the bills of quantity and pursuing Tender authority. Tender documents were signed and the contractor moved on site while for the district hospital rehabilitation works were complete.

Other programmes undertaken included rural water supply, civil aviation where the department cleared 20 6 hectares of vegetation control and Marine and Inland waters

CHAPTER 6

6.1 INSTITUTIONAL FRAMEWORK FOR PRSP IMPLEMENTATION, MONITORING AND EVALUATION

During the period under review, the consultative process for monitoring and evaluation was further enhanced through the active participation of the Sector Advisory Groups (SAGs), Inter-Ministerial Technical Committee, Provincial Development Coordinating Committees (PDCCs) and Districts Development Coordinating Committees (DDCCs). These consultative structures continued to carry out their mandates at national, provincial and district levels respectively, according to their terms of reference that included among others, developing planning activities that provided input into the 2005 national budget and monitoring and reporting on the implementation of the poverty reduction programme for the third and fourth quarters.

At national level, the coordinating role of PEMD was carried out through the SAG meetings and conferences that were held during the review period. Several SAG meetings were held at sector level at which reports were produced for the SAG conference that was held in October 2004. The conference was a success in that its objectives to review performance of the PRPs and other capital programmes in the last two quarters of the year, make submissions to the Green Paper and recommendations for programmes to be considered in the 2005 budget were met. The resulting reports were consolidated into a single report that was presented to Cabinet. The report was used by the policy making body to assess the relevance of the policies and programmes adopted and to allow corrective action to be taken within the lifetime of the strategy. The report was also used by the MoFNP as part of inputs into the PRSP progress report that was presented to government, cooperating partners and other stakeholders.

In order to ensure that there is accurate reporting on progress in the implementation of the PRPs, the SAGs used the monitoring system provided by the MOFNP. The reporting mechanism uses the indicator system adopted for PRSP by assessing progress based on inputs, outputs as

well as assessing the achievements of the objectives of the set targets using the outcomes and impact indicators.

With regard to monitoring at provincial and district levels, the inter-ministerial technical committee in collaboration with the planning sub-committees of the DDCCs and the Monitoring and Evaluation secretariat of the PDCCs undertook monitoring and evaluation of projects and programmes under implementation during the first half of 2004. These committees facilitated the collection of information on input and output indicators in various sectors. The reports fed into PDCC and DDCC meetings as well as the October 2004 SAG conference. They were also used by Cabinet for decision making.

Notwithstanding the achievements made in terms of reporting by the SAGs, PDCCs and DDCCs, these monitoring structures demonstrated a number of weaknesses during the monitoring of the PRPs. The most notable weaknesses included among others; the weakness and inadequacy of the data collected, weakness in the analysis of the data collected and the inadequacy in understanding the indicator system. Other weaknesses were identified as lack of interest by some chairpersons of the SAGs to chair meetings, meetings not held regularly and in some instances, the SAG reports being submitted late to MOFNP.

As a corrective measure, MOFNP proposed to the last SAG conference a training programme for building capacity among SAG members as a way of enhancing the quality of the PRSP implementation progress reporting. Furthermore, an assessment of the capacity building programme being conducted at provincial and district levels by ZAMSIF and PMTC through the local government structure should be carried out in order to harmonise it with the proposed training programme. To this end, PEMD in conjunction with GTZ prepared a training programme for the SAG members. The Training

Needs Assessment was conducted in November and is due to be tabled in the first quarter of 2005 to stakeholders after which the training exercise will commence.

From the draft report of the Training Needs Assessment, a number of issues to be followed up were identified as follows:

- PRS monitoring needs to be seen in the context of all programmes implemented by Government and other stakeholders that are poverty reducing, regardless of their tag in the national budget. At present, the PRS, and by extension PRS monitoring, is associated solely with the release of funds under the identified PRPs in the national budget.
- There is need to improve the level of discussions at the SAGs to include debate on outcome and impact data. This information can come from a variety of sources, ranging from the CSO to participatory exercises carried out by civil society members of the SAG. The benefit of each of these sources of information needs to be identified and understood by the reporting officers.
- There is a need to strengthen the management information systems of a number of ministries and in a number of sectors. The current weak, and in some cases non-existent, systems has major ramifications for a system of monitoring that is based on regular information.
- Issues of data analysis and data use particularly need to be addressed. Data that is usually presented in institutional reports (monthly, quarterly and annual) is not analysed. This requires attention if they are to be utilised for future policy decisions and comparative analysis.
- The role of the Central Statistical Office (CSO) in the SAGs needs to be reconsidered. It is apparent that CSO are generating information that members of the SAGs are not aware of. If the SAGs are to meet their TORs they need to have access to this information. In this regard the suggestion of the Director CSO, that a representative from the CSO should be included on each Sector Advisory Group needs to be acted on. Further, on-going plans to develop capacity within the National Statistical System need to be viewed as a concomitant activity to any training and capacity development undertaken under the broader heading of PRS monitoring.
- There should be two national SAG meetings per year but the quarterly meetings should continue in the sectors to provide **advice** to the **sector** in the implementation of its activities. These meetings should not limit themselves to the discussion of inputs and outputs under the identified PRPs, but utilise the existing TORs to discuss broader issues of relevance to the sectors, as already suggested by a number of sectors. At provincial and district level this is the same as saying that the PDCC and DDCC sub-committees need to meet more regularly to feed information into the larger committee.
- Address the legal basis for the SAGs, PDCC and DDCC if they are to fulfil their functions and roles. This is particularly relevant with the launch of the decentralisation policy.
- Pro-poor budgets – what they are and where they fit in the “new” way of thinking (away from PRPs).
- Budgeting, particularly on issues of the MTEF and ABB
- The use of Zambia Info as a means of data storage and management.

CHAPTER 7

LESSONS LEARNT, WAY FORWARD AND RECOMMENDATIONS

7.1 Government recognised that the definition of PRPs used in the budget up to December 2004 was too narrow and yet “PRPs” are a much broader term. In this regard, the definition of PRPs was broadened and is now being defined as those programmes or interventions that directly contribute towards poverty reduction (PRP1) as well as those programmes indirectly contributing towards poverty reduction (PRP2) and remotely contributing towards poverty reduction (PRP3) see Appendix ...).

7.2 The quality of reports from sectors and provinces improved in terms of input, output and outcome during the review period. However, data collection, storage and analysis for planning purposes is still lacking in

most sectors apart from the health and education sectors. Arising from this realisation, a needs assessment study was undertaken to identify training needs for the SAGs and other stakeholders involved in the PRSP monitoring.

7.3 It was also noted that the frequency of holding SAG conferences should be reduced from four times to two times a year. This is because holding these conferences was time-consuming and costly. In addition, the space of time between the conferences did not allow for SAGs to provide up-to-date information for particular quarter. However, the monthly meetings of individual SAGs will continue to be held and quarterly reports will be submitted to MoFNP.

Appendix I

Education: 2004 Releases

Period	GRZ Inputs (ZMK)		Donor Inputs		Outputs	
	Planned	Actual	Planned	Actual	Planned	Actual
Rural Hardship Allowance	2,000,000,000	2,000,000,000	0	0	Disburse to the 5 rural provinces	K64.9 million disbursed to the 5 rural provinces
Rural Housing	6,500,000,000	6,500,000,000	0	0	Construction of Teachers houses in Rural areas	Tender for construction of portal frames for rural schools has been approved -Contracts are being signed
CBU Rehabilitation	2,250,000,000	2,250,000,000	2,839,329,000	2,839,329,000	Rehabilitation of CBU	Rehabilitation works ongoing
UNZA Rehabilitation	4,882,000,000	4,882,000,000	1,216,905,000	1,216,905,000	Rehabilitation of UNZA	Rehabilitation works ongoing
Community School Support	3,000,000,000	3,000,000,000	0	0	To disbursed to Community schools	Disbursed to all community registered community schools
Bursary provision	3,000,000,000	3,000,000,000	1,092,369,060	1,092,369,060	To be disbursed to OVCs & vulnerable children	Disbursed to 4,476 OVCs in 41 districts
HIV / AIDS Awareness at Workplace	1,500,000,000	1,500,000,000			To be disbursed to the provinces	Disbursed to all PEOs for HIV/AIDS at workplace activities

APPENDIX II:

RECLASSIFICATION OF POVERTY REDUCING ITEMS IN THE 2004 and 2005 BUDGET and 2005-2007 MTEF

In line with the HIPC initiative, Government set aside resources for the implementation of earmarked poverty reducing items in the budget. Subsequently, Government created a specific code in the budget to identify these programmes and projects under code 4. The definitions of these programmes were restricted to capital related items covering economic, cross cutting issues and social sectors, but were limited by the amount of resources labelled PRPs in the fiscal framework. This clearly did not portray the total picture of Zambia's efforts in poverty reduction, as many programmes in the budget were poverty reducing though not directly linked to the HIPC initiative. It was against this background that Government decided to broaden the definition of poverty reducing elements to include all programmes relating to poverty reduction including some Personal Emoluments (PEs) for staff directly involved in the implementation of PRP programmes. It was in this light that proposals for the reclassification of PRPs were made for use in the preparation of the 2005 budget and 2005-2007 MTEF. These proposals have since been implemented in the 2005 budget.

1.1 GENERIC DEFINITIONS

The generic definitions give a general picture of what can be classified as poverty reducing in the budget. This section suggests detailed classification of poverty-reduction relevant budget items and expenditure. This definition tries to be as holistic and accurate as possible when looking at different budget and expenditure items. While distinguishing between directly poverty-reduction relevant items and those that are only indirectly contributing to it, it goes a step further to recognize certain administrative cost as relevant to poverty-reduction.

1.2 CATEGORISATION

The redefinition and the guidelines of poverty reducing programmes were done during the last quarter of 2004. This information was given to the sector ministries to assist them in the budgeting process for 2005. The categorization is as follows:

1. Category 1: Directly poverty-reduction relevant costs

These are programmes, which are pro-poor and increase accessibility of the poor and vulnerable to services such as health, education and water and sanitation.

- Capital expenditure for projects such as schools, health centres/posts and hospitals, local courts, police posts/camps, feeder roads, water supply and sanitation systems, irrigation schemes, cattle dips, establishment of credit/micro-credit schemes, etc;
- Grants to quasi-government bodies operating services directly benefiting the poor;
- Recurrent costs for goods, services and other requisites/equipment for facilities directly serving the (poor) population, including maintenance;
- PEs for government staff directly serving the (poor) population, such as teachers, doctors, nurses, rural health workers, agricultural extension officers (including veterinary officers), community workers, local court justices, rural police officers, including allowances for hardship postings and field work;
- Vehicles and transport costs for PRR outreach activities;
- Cost for PRR campaigns, PRR radio programmes;
- Bursaries for vulnerable children;

- Social safety net grants to poor people;
- Purchase and distribution of drugs, vaccines, ARVs;
- Markets and storage facilities; and
- Electrification and energy supply to poor households.

2. Category 2: Indirectly poverty-reduction relevant cost

These are items, which facilitate and ensure compliance to good governance, transparency and accountability in the implementation of PRPs such as those listed below:

- Planning cost for PRP programmes, including workshop cost;
- Monitoring cost for PRP programmes, including fuel, allowances;
- Databases;
- Research costs;
- Training costs;
- Costs for higher education, including PEs of staff, buildings, furniture and equipment; and
- Voter registration.

3. Category 3: Administration cost for PRP programmes

These are items not directly affecting the poor but are facilitating the implementation of PRPs such as the ones given below. These should be labelled PRPs.

- PEs for administrative personnel, predominantly working for PRR programmes or heads;
- Housing and other costs for administrative personnel predominantly working for PRR programmes or heads;
- Office buildings: construction, maintenance and operation;
- Office equipment and running cost, Stationary;
- Vehicles, Transport cost and fuel for administrative personnel at district, provincial and central level;

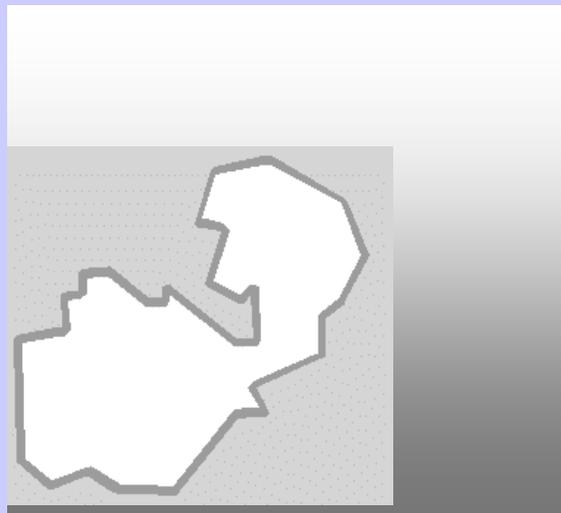
4. Category 0: Non poverty-reduction budget items and costs

These are items neither directly put money into the Poor's pockets nor increase access of the poor to social services. These should not be labelled as PRPs, for example the purchase of movable assets for administrative purposes.



Republic of Zambia

**Second PRSP Implementation Progress Report 2004:
Supplement on Policies and Objectives for 2005**



MINISTRY OF FINANCE AND NATIONAL PLANNING

PLANNING AND ECONOMIC
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Second PRSP Implementation Progress Report 2004: Supplement on Policies and Objectives for 2005

In 2002, the Government of Zambia prepared its Poverty Reduction Strategy Paper (PRSP) covering the period 2002-2004. The PRSP formally expired in 2004. However, as we indicated in the second Annual Progress Report on the implementation of the PRSP (APR), “it was agreed between Government and stakeholders that there would not be a second generation of the PRSP. The Government formulated a Transitional National Development Plan (TNDP), which incorporated the PRSP, to run from 2002 to 2005”. The TNDP was a result of a large and intense participatory process similar to the one undertaken for the preparation of the PRSP. In addition to the areas discussed in the PRSP, the TNDP addresses other areas such as the judiciary, law and order, and defense and security. Therefore, the poverty reduction strategy and programs for implementation in 2005 are drawn from the TNDP. These policies broadly follow the guidelines indicated in the PRSP and the strategies, policies, and objectives presented in the 2002 PRSP remain relevant for guiding policies in 2005.

For 2005, As highlighted in the Minister of Finance and National Planning’s speech accompanying the submission to parliament of the 2005 budget, the goal of the Government is to continue with viable economic policies that will promote broad-based growth and consolidate national unity and economic and political stability.

In the macroeconomic area, the main targets are summarized in the Addendum to the APR (Chapter 1). The Addendum

also presents the medium term framework for 2005-2007, the result of a discussion with all stakeholders. Economic growth in 2005 will principally be driven by the sectors of agriculture, tourism, and mining. However, Government’s efforts also aim at achieving strong expansion in other sectors as condition for high and sustainable growth, as a necessary means to sharply reduce poverty levels and reach the United Nations Millennium Development Goals (MDGs). In this context, the Government will work closely with the private sector to improve business and investment climate in Zambia on the basis of the Private Sector Development Plan (PSDP). In particular, the government intends to scale-up the implementation of the reform measures relating to the improvement in the regulatory and licensing framework.

The 2005 budget submitted to Parliament aims to limit domestic financing needs to 1.6 percent of GDP. Aggregate revenues are expected to be 18.5 percent of GDP, or 0.2 percent of GDP higher than in the earlier framework. The combination of these higher revenues and the Government’s decision to cancel a census costing 0.1 percent of GDP, which had been included in initial spending plans for the constitutional review, will offset increases in other spending, including a small increase in the wage bill, which allows us to hire additional and much needed teachers.

In the 2005 budget, the Government has broadened the definition of poverty-

reducing spending to more closely correspond to the priorities set out in Zambia's PRSP. Under the new definition, poverty reduction spending now includes a significant share of recurrent spending, including the wages of teachers in basic schools and health workers. On this definition 22.3 percent of domestically financed outlays, including external debt amortization, or the equivalent of 4.9 percent of GDP, are for poverty reduction.

The monetary policy for 2005 has been tightened to reverse the unanticipated increase in reserve and broad money at the end of 2004. For the year as a whole, the growth in reserve money will be limited to 10.5 percent, with the aim of containing the growth in broad money to 14.8 percent.

As indicated in the Addendum to the APR, sector policies and interventions in 2005 broadly follow the guidelines indicated in the PRSP. Specifically:

- **On public expenditure management**, priority in 2005 is to be given to key steps needed to support the implementation of the Public Expenditure Management and Financial Accountability (PEMFA) program. Thus the government will finalize a framework for monitoring and evaluating the PEMFA program incorporating the benchmarks of public expenditure management that are used under the HIPC assessment and action plans to track poverty-reducing spending. On debt management, the Government will prepare a public debt management reform plan with World Bank assistance;

- **On the financial sector**, implementation of the Financial Sector Development Plan will continue. Priority is given to the execution of the plans for the resolution of three financially weak state-owned nonbank financial institutions;
- **On agriculture**, the Government will continue to focus on food security, crop diversification, the opening up of new agricultural production areas, fight against livestock diseases and livestock restocking, and expansion of cash crops for exports by small and large scale farmers;
- **On mining**, the Government will continue to provide an enabling environment to enhance private investment in the sector;
- **On energy**, the focus of the Government remains on increasing access to electricity services, enhancing the security of supply of petroleum products and promotion of alternative energy, facilitating the provision of energy to areas of high economic potential, and accelerating the rural electrification program;
- **On tourism**, the Government in 2005 will concentrate reform efforts on simplifying and rationalizing the licensing framework, enacting the Tourism and Hospitality Bill, and with a World Bank loan on improving infrastructure in the area of Livingstone;
- **On manufacturing**, the Government proposes to implement a principle to

provide more relief on equipment than on raw material;

- **On education**, the government will continue to implement the education policy agreed with all stakeholders. In support of this policy, the 2005 budget allocated additional resources for hiring teachers to accelerate progress towards the pupil/teacher ratios envisaged under the PRSP and needed to reach the MDGs;
- **On health**, priority in 2005 is given to the restructuring of the primary health programme, in particular by dealing with health problems at community level. As for the education sector, also in the health sector the 2005 budget allocated

additional recourses to increase the number of health workers and provide incentive for their retention.

- Finally, **on decentralization**, the Government will continue the process of reviewing and establishing appropriate institutional structures and arrangements to facilitate decentralization of funds, coordination, monitoring and implementation of development projects conceived by local communities. In addition, the programme for 2005 is to consolidate and strengthen the local capacity to plan by amalgamating all local sector committees to form the nucleus of district planning and development committees.