



# THE POVERTY REDUCTION STRATEGY PAPER (PRSP): IMPLEMENTATION AND PRIORITIES

A Civil Society Perspective

for the Consultative Group Meeting  
held on 7<sup>th</sup> July 2002  
at Mulungushi Conference Centre

## Executive Summary

Civil society welcomes the approval of the final first PRSP for Zambia by the World Bank and the IMF. The increasing poverty levels in the country call for immediate action. Civil Society therefore attaches great importance to the 2002 Consultative Group meeting. But the PRSP should not just be a process of resource mobilization for poverty reduction activities, but rather a process for long term development planning to effectively eradicate poverty. Civil Society remains committed and sincere in its **partnership with Government**, but will continue to speak on behalf of the ‘voiceless poor’ and to critically assess any programmes of poverty reduction.

The **formulation** of the PRSP in Zambia has largely been consultative, incorporating views from civil society organizations and the people. However, government showed reluctance to include Civil Society in decision making on the PRSP and did not seek consensus with Civil Society on the final PRSP before submission. Civil Society’s participation would also be required in the national budgeting process. The culture of consultation should be extended to other processes, which include among others - Zambia’s participation in NEPAD, Financing for Development, Transitional National Development Plan (TNDP).

For implementing the PRSP, a number of fundamental issues have to be raised:

1. Government should put in place an effective and proper **co-ordination framework** for the implementation of PRSP activities.
2. It is imperative that government develops **facilitative policies** that will provide the clarity needed on various government positions (e.g. on the office of the District Administrator).
3. **Funding of the PRSP**, including allocation and effective utilization of these funds, is of utmost importance. Development partners should ensure full and

timely funding of the PRSP, especially in core sectors such as Education, Health, HIV/AIDS, water and sanitation, Agriculture etc. Government should also show a strong commitment to a funding of poverty reduction activities from internal resources.

4. Civil Society strongly believes that a joint **monitoring and evaluation system** of the PRSP implementation will be the only way to determine impacts and to continuously improve the process as it is being implemented.

Civil Society sees education, health, agriculture, and land as **key sectors** for a successful implementation of the PRSP.

The **education and health** sectors in Zambia show a significant deterioration in structural set-up and services: The infrastructure is dilapidated, services are cut; there is inadequate staffing and bad working conditions, leading to reduced attendance, poor coordination and management. A key element preventing the poor from accessing even poor quality services in education and health has been the “cost sharing” policy. The Zambian people expect that the implementation of the PRSP will lead to an increased access to services for all, especially the poor, and an improved quality of services. For this, appropriate access modalities have to be defined, workers motivated, management improved, equipment provided, and the infrastructure rehabilitated or newly developed.

Priority setting must be based on the most pressing needs of the people. Funding needs require **increased and guaranteed allocations** to these sectors, combining Government and external efforts. Civil Society will continue to press for, and monitor, the efficiency of the resource utilization. All measures for implementing the PRSP should be properly **coordinated** according to a strategy that encompasses civil society, government and donors. Participatory **monitoring and evaluation** of the PRSP activities will help to set priorities, plan and implement the interventions.

In the education sector, donor assistance has been concentrated on basic education. **Sectoral concerns** of Civil Society include that more attention should be given to all

sub-sectors of the education system. In **health**, emphasis is to be placed on basic health care, rather than on specialized programmes.

The performance of the **agricultural sector** in the last decade has been quite poor. Detrimental agricultural policies have led to a decrease in food production which has caused a worsening of rural poverty, hunger and food insecurity. Key **constraints** to effective development of agriculture in Zambia are a lack of access to farm inputs, agricultural credit, markets, extension advice, an effective farmer organization, and poor infrastructure. As a matter of urgency, agricultural production has to be improved by focusing on food security and diversification, agricultural finance and investment, agrobusiness and market development, agricultural research and extension, and natural resources management

After 10 years of futile liberalization, Zambia may need to pursue a different route in agriculture. Civil society calls upon the government and the donor community to develop a reform **policy framework** that includes the reintroduction of subsidies in agricultural production and in which Government plays a key role in regulating the sector. In terms of **priorities**, efforts should focus on the potentials and needs of the majority of medium and small-scale farmers. **Coordination** of agriculture support programmes and services is vital, leading to effective management, utilization of resources and proper monitoring. **Funding** levels to agriculture in the form of well-administered grants should be increased, especially for programmes aimed at improving food production and the small and medium-scaled farming sector.

Poverty reduction in Zambia cannot be achieved without addressing the **issue of land**. This has not adequately been done so far. The PRSP does not explicitly oblige Government to involve wider civil society in the indispensable review of the 1995 Lands Act. Civil Society urges the Government to review both, the Land Policy and the Lands Act by involving a wide representation of traditional leaders, communities, NGOs, the church, etc.

In order to avoid repeating past mistakes, implementation of the PRSP needs to fully prepare for current and future responsibilities. The core PRSP activities demand instant implementation in an open, transparent and truly participatory manner.

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## 1. Introduction

The Civil Society welcomes the approval of the final first Poverty Reduction Strategy Paper (PRSP) for Zambia by the World Bank and the International Monetary Fund (IMF). The ever increasing poverty levels and the large number of Zambians living in abject poverty are a defining moment that calls for immediate action. We believe that this approval should signal a move from mere pronouncements on what needs to be done to actual action and concrete on the ground to address this profound moral challenge facing the Zambian people. Civil society therefore attaches great importance to the 2002 Consultative Group meeting. We are convinced that the Development partners representative share our desire as Zambians to effectively deal with poverty in our country. Zambia requires immediate assistance to address the current poverty situation and we urge you, the development partners, to provide necessary support. In asking for this support, the civil society, however, would like to underscore that the PRSP should not just be a process of resource mobilization for poverty reduction activities, but rather a process for long term development planning to effectively eradicate poverty.

Civil society remains committed and sincere in its partnership with Government in order to achieve the national aspirations of eradicating poverty. However, civil society will not abandon its role of speaking out on behalf of the ‘voiceless poor’. In our partnership with Government, we will critically assess any programme meant to reduce poverty. We adopt this position, not for the sake of publicity or visibility, but because we are moved beyond compassion by the suffering of the majority of Zambians. Civil society generally agrees with the PRSP, but will consistently advocate that it has to remain a pro-poor plan for action and not a testing ground for new macroeconomic theories. The PRSP is about human lives and so must not be used for experimental purposes. Aggravated by the ongoing drought-related famine in the country, the cry of the poor is growing louder each day and impossible to ignore.

## **2. Participation of Civil Society in the PRSP Process**

The formulation of the PRSP in Zambia has largely been consultative and civil society has indeed participated in the development of the document. In particular, civil society ensured that broader views from the rural stakeholders were collected. However, we still express our disappointment regarding the reluctance of government to include civil society at all levels of decision making on the PRSP such as the PRSP Technical Committee. This indeed dilutes our confidence in the partnership with government. It is obvious that the task of poverty reduction is larger than what can be handled by any single organization or institution, and success lies in united action. Reducing the poverty of the suffering poor is not an undertaking of individual heroes or saviours, it is a call for us all, for service to humanity.

With respect to civil society's participation in the PRSP process, we wish to put on record our further disappointment with Government for not seeking consensus on the final PRSP before submission to the World Bank and IMF as earlier agreed. While we appreciate and understand Government's eagerness to address the problems of poverty, it is our considered view that this should not be to the detriment of long lasting partnerships that have been forged in the recent past. The poverty suffered by the Zambians today is not along the lines of political or partisan boundaries and it is important that we all speak with one voice in our efforts to ultimately eradicate poverty in the country.

Another process which definitely requires civil society's participation includes the national budgeting process. While the PRSP document was developed with considerable participation by a wide variety of stakeholders, the 2002 National budget, which in fact allocated resources for implementation of the PRSP, was a closed affair, involving civil servants only. We call on government to immediately implement its proposed



proceedings under the Governance chapter of the PRSP. This is to decentralize the national budget process and to ensure broad based participation even on such committees as the Tax Taskforce. Government should institutionalize the culture of consultation. This should not start and end with the PRSP. Civil society urges government to extend this culture of consultation to other processes, which include among others - Zambia's participation in NEPAD, Financing for Development, Transitional National Development Plan (TNDP).

### **3. Implementation of the PRSP**

The process of implementing the PRSP draws the keenest interest from civil society. There are a number of fundamental issues, however, that we wish to emphasise right from the start.

Firstly, we wish to urge government to put in place an effective and proper **co-ordination framework** for the implementation of PRSP activities. There are a number of ongoing government activities and programmes which should all be drawn into the framework of implementation of the PRSP. This is particularly important given the rather weak poverty reduction targets in the PRSP.

Secondly, it is imperative that government develops **facilitative policies** that will ensure effective implementation of the PRSP. This will also provide the clarity needed on various positions of government which, according to our recent experience, have shown a certain level of unpredictability. For instance, the PRSP is firmly calling for expunging the office of the District Administrator and transfer the functions of this office to the local authorities. Government in the last few months, however, has gone off on a different tangent and instead called for a new and open debate on whether this office should be abolished or retained. The excuse that current office holders are on contract terms was used to argue for a hold on reviewing this office until the expiry of these contracts. However, in the last few weeks, government has gone ahead to appoint

new District Administrators. Implementing the PRSP embraces a broadening of the system of governance, ensuring that everyone, and particularly the poor people themselves, become active participants in decision-making processes that affect their lives.

Thirdly, **funding of the PRSP**, including allocation and effective utilization of these funds, is of utmost importance. Government, Non-Governmental Organisations, the business community, trade unions, the ordinary Zambians etc have collaborated, discussed and agreed on a general framework for poverty reduction. While, from a civil society point of view, the resulting compromise may not be perfect, we are convinced that the PRSP presents a unique opportunity to seriously deal with poverty. For this to materialize, we urge Development partners to ensure that the PRSP is fully funded and properly implemented. In order to effectively contribute to saving people's lives and restoring dignity, we call for timely funding to areas in the PRSP that will sustainably address poverty for the common person, such as Education, Health, HIV/AIDS, water and sanitation, Agriculture etc. We would like to caution against funding that will too easily be absorbed in peripheral activities like institutional strengthening and capacity building. Indeed, efficient and strong institutions are needed, but just by themselves, are meaningless if 80% of the people continue to live in poverty. The people of Zambia have waited for this moment and they should not be betrayed by poor priority setting and misapplication of resources. Government should also show a strong commitment to a funding of poverty reduction activities from internal resources. This commitment can best be demonstrated through appropriate reduction in government spending in sectors that are not relevant for poverty reduction. We certainly welcome pronouncements by the government on their intentions to cut out wastage and unnecessary and unbudgeted for expenditure.

Fourthly and lastly, **monitoring and evaluation** of the PRSP implementation will be important. Civil society strongly believes that this will be the only way to determine the immediate, short and long-term impacts arising from the PRSP. We are glad with the proposed idea of developing a joint monitoring and evaluation system. Civil society will be genuinely supportive of government's efforts to reach the 'completion point' in

2003. Through the PRSP consultations, we continuously came across one major concern to the Zambian people – the need for accountability, transparency and participation in the use of public resources. It is important that institutions such as the Auditor General’s office as well as the Anti-Corruption Commission (ACC) are strengthened in order to improve the monitoring of the implementation of the PRSP.

#### **4. Sectoral Concerns of Civil Society**

The following section focuses on some sectors which Civil Society believes are key areas in reducing poverty in Zambia. For poverty reduction strategies in Zambia, civil society identified 10 key areas namely Employment and Sustainable, Environment, Gender, Agriculture and Food Security, Mining, Tourism, Health and HIV/AIDS, Education, child and youth, Governance and Macroeconomic issues. Out of these, civil society prioritized education, health, agriculture and land.

Education and health are key components of both economic and human development. It is a common agreement worldwide that for any community to develop, members must be educated. It is also widely accepted that for human beings to be economically productive, they must be mentally and physically healthy. Quality education and health systems facilitate and promote people’s participation in contribution to, and enjoyment of economic benefits.

Therefore, any dialogue on national and sustainable development must always take education and health as critical issues. These are also essential human rights.

Civil society strongly believes that one of Zambia’s major determinants of economic development is agriculture. From agriculture, the Zambians get food, employment, and trade. Improvements in the agricultural sector will definitely mean good to all Zambians, both in the rural and urban areas. Closely linked to this is the question of land.

## 4.1 Social Development Concerns

### The Relevance of Education and Health for Poverty Reduction

Unfortunately for Zambia, the education and health sectors continue falling into a deepening crisis. Both sectors show a significant deterioration in infrastructural set-up and services delivery systems that is characterized by:

1. Government services are sharply cut
2. Declined utilization of available services
3. Dilapidated infrastructure and poor services
4. Inadequate staff and bad working conditions
5. Poor co-ordination and management

For both sectors, a key element preventing the poor from accessing services has been the “**cost sharing**” policy. The current economic hardship, characterized by drops in real wages and family incomes alongside increased expenditure on school and health fees, has aggravated the effects of this policy. Civil Society has made several attempts to question the appropriateness of cost sharing in view of the social and economic situation in Zambia.

The PRSP has recommended:

- To develop and implement mechanisms that ensure the accessibility of education and health facilities for all, especially the poor;
- To motivate the workers in order to provide quality service;
- To improve management and co-ordination of activities to facilitate planning and implementation of programmes;
- To provide equipment and relevant materials to facilitate delivery of improved services.
- To rehabilitate and develop new infrastructure for the provision of quality services.

It is the expectation of the Zambian people that implementing these recommendations will result in:

- Increased access to services;
- Improved capacity of service providers.
- Improved quality of services.

If properly implemented, the PRSP would present a solid base for sustainable development in Zambia. However, unless certain lessons drawn from past experience are taken into consideration, the success of PRSP in Zambia still remains questionable.

Effective implementation of the PRSP education and health activities in Zambia poses a serious challenge to both the Government of Zambia and the donor community, namely to articulate a clear policy framework that defines the commitments of all actors.

## **1. Priorities**

With view to the current deteriorating health and education conditions of Zambia, priorities must be based on the most pressing needs of the people. In setting priorities, it is important to focus on how to overcome the constraints, such as limited resources, on basic health and education in Zambia. It is important to ensure that the expectations of the Zambian people with respect to education and health services are respected by focusing efforts on these areas. The priorities set must truly reflect commitment to the stated goals in the PRSP.

## **2. Funding**

Zambia is facing severe financial difficulties. This problem is both a cause and effect of the country's deepening poverty, rising external debt and ultimately limiting Government's ability to respond to the education and health crises. Unless there is a major increase in financial, technical and human resources, the future of health and education in Zambia will remain bleak.

**Increased Allocations:** The new PRSP approaches should redirect public spending to health and education needs of the Zambian people. For the PRSP activities to succeed, there must be sufficient resources invested in human development, physical infrastructure as well as institutional and capacity building related to service delivery in these fields. For this, Zambia will need to mobilize more resources through a combination of Government and external efforts. The donor community can assist, most immediately by significantly increasing their assistance and provide more debt relief through HIPC. Civil society is calling upon the donor community and Government of Zambia to raise funding levels to these two key sectors. Reductions and untimely release of resource flows will make it difficult to achieve the goals set in these sectors.

**Guaranteed funding:** As civil society, we continue expressing our concern that budget allocations to the social sector is generally left to external assistance. A good example is that both, the 2001 and 2002 national budgets have left the funding of most programmes in education and health to external partners. This is a substantial risk because, as experienced last year, only a few donors fulfilled their pledges. Some major programmes in health and education were adversely affected by budget constraints and the government was forced into further borrowing. We would like to urge the donors to adhere to their commitments so that activities in health and education can be implemented as planned. We would also like to call upon Government to take full responsibility for providing quality education and health services to its citizens.

**Efficiency in resource utilization:** As civil society we will continue to press for, and monitor, the internal efficiency in the use of domestic and external resources allocated to education and health.

**Sectoral concerns:** In **education**, the donors' funding has been directed mainly to basic education, at the expense of high school and tertiary, adult and early childhood education. Acknowledging how closely linked these are, it is important that fair attention be given to all of them. On the question of **health**, from a poverty point of

view it is important that emphasis is placed on basic health care, rather than on specialized programmes, since, a lot more Zambians would benefit from this.

### **3. Coordination**

Effective implementation of the PRSP activities in health and education greatly depends on clear and good coordination strategies. In the past, poor coordination has contributed to the poor performance of well-designed activities. All key stakeholders in the PRSP should ensure that measures are properly structured to focus their support to the established priorities. The overall coordination strategy must encompass all, including civil society, government and donors.

### **4. Monitoring and Evaluation**

Monitoring and evaluation of the PRSP activities in education and health will be particularly important. It will help to set priorities, plan and implement the interventions in education and health. It is the view of civil society that the Monitoring and Evaluation components must be strong and participatory in order to win the wider support of the Zambians. Participatory M&E processes will enhance the ownership of the PRSP activities in health and education.

## **4.2 Economic Development Concerns**

### **The Relevance of Agricultural Development for Poverty Reduction**

Despite the well-known agricultural potential of Zambia, the performance of this sector in the last decade has been quite poor. Agriculture generates almost 20% of the Gross Domestic Product (GDP) and it provides the livelihood for more than 60% of the people. Poor agriculture performance, and in particular the decrease in food production, is the major cause for a worsening of rural poverty and the hunger and food insecurity

that has hit its climax this year. According to the report obtained from OXFAM, an IMF evaluation conducted between 1991 and 1994 revealed that liberalisation of state marketing had contributed to a 30% increase in rural poverty.

Civil society contends that it is mainly detrimental agricultural policies which have led to the continuous decline of this sector. Through the PRSP consultation process, civil society identified the following as the key **constraints** to effective development of agriculture in Zambia.

- Lack of access to farm inputs
- Lack of access to agricultural credit
- Lack of access to reliable markets and market information
- Lack of an effective farmer organization
- Lack of extension services
- Poor infrastructure
- Price of commodities
- Access to agricultural land

It is undoubted, that in order to fulfill its crucial role in the development of the economy in Zambia, especially for poverty reduction, the performance of agriculture has to be greatly and urgently improved. The PRSP agenda for agricultural development sets out responsibilities for both Government and the donor community to promote the recovery of this crisis-ridden sector from a poverty reduction angle. Civil society calls upon the donor community to concentrate their actions on the following aspects of agricultural development:

- Food security and diversification
- Agricultural Finance and Investment
- Agro-business and Market Development
- Agricultural Research and Extension
- Natural Resources Management

Recognizing agriculture as being crucial to the economic recovery and poverty reduction, Civil Society sees that, after 10 years of fruitless liberalization policies in



agriculture, Zambia may need to pursue a different route. With Zambia's endowments in agriculture, Civil Society sees no reason why people must be starving and why activities in this sector continue eroding, most of all, why we are now failing to manage our affairs in agriculture. In order to overcome the current constraints in agriculture, civil society urges both the donor community and government to pay particular attention to the following **concerns**:

## **1. Policy**

Lack of clear policy framework and removal of subsidies accompanied by liberalization of agricultural marketing and supply of input, worsened by weak monitoring and evaluation procedures, have crippled the agriculture sector. Civil society calls upon the government and the donor community to ensure that Zambia develops a framework for radical new reforms strongly based on the Zambian peoples' needs. This framework is important for proper implementation of PRSP activities in agriculture. Civil society is convinced that Zambia must reintroduce subsidies in agricultural production and that Government must play a key role in regulating this sector.

## **2. Priorities**

The majority of Zambians involved in farming fall in the category of medium and small-scale farmers (including small scale farmers). This sector has been highly ignored by government. It is important for both the donor community and government to turn back and support the progress of small and medium-scale agriculture, which greatly contributed to the food basket in Zambia not so many years ago. Civil society has also observed that consultation processes in the agriculture sector have totally collapsed. In most cases, only the commercial and export oriented producers are consulted and participate in decision making, resulting in policies and programmes that do not match the interests of medium and small-scale farmers. As Civil Society, we call upon Government to move faster in resuscitating community and non-political co-operatives in order to enhance the participation of all the actors in this sector.

### **3. Coordination**

The implementation of fragmented agriculture support programmes and services have caused confusion. Most of the programmes have been at a small scale and usually for short-term purposes. To make a great turn in the agricultural sector, Zambia needs long-term activities and better co-ordination is vital. It leads to effective management, utilization of resources and proper monitoring.

### **4. Finance**

It has been a great concern to civil society that funding to agriculture has been inadequate. Furthermore, funding has not been directed to the most needful sub-sectors of small and medium-scale farmers. Another feature is that most of the funding has been coming as loans from our external partners. It is the view of civil society that the improvement of agriculture must be seen as a national responsibility and should be given priority. Therefore, civil society calls upon the donor community and government to ensure that

- More resources are allocated to the agricultural sector, especially programmes aimed at improving food production.
- New funding must be directed towards the identified PRSP interventions areas.
- Instead of heavy borrowing and/or lending for agricultural purposes more grants and prudent use of these, accompanied by good policies and planning, can rescue the agriculture sector in Zambia.

### **Concerns of Civil Society on Land Policy**

In its Land Policy document, the Zambian Government recognizes the importance of land as “the basis for all human survival in terms of social and economic development” (GRZ, 2002). Indeed, it is the most fundamental resource in any society. Land also provides the safety net for families in times of crisis. Therefore, poverty reduction in Zambia cannot be achieved without addressing the issue of land. This has not

adequately been done so far. Concerns of Civil Society about the legal basis, the Lands Act of 1995, include:

- The meaning of land in the Act excludes mining rights. This works against the poor whose land is being used by miners.
- The mere approval of land applications by a chief ignores that in customary law, the chief does not actually own land, but simply holds it on behalf of the people.
- The land administration system is too cumbersome, long and costly for poor people. Numerous cases of abuse in land administration have been reported.
- The Land Development Fund, meant to improve access to land for developers, is usually inaccessible by the district councils and rural people.
- The provision on illegal occupation of vacant land does not give adequate consideration to the case of people who have occupied land for a very long time.
- The Lands Tribunal which is meant to benefit poor people in resolving conflicts is inaccessible to most poor people.
- Implicitly, the Act considers customary land tenure inferior to modern or statutory tenure, rendering holding of land under customary tenure at risk of losing land.
- Finally, the law ignores that, historically, women have not had access, ownership and control over land. In addition, the long, costly and cumbersome land administration system works to the disadvantage of women. This is not balanced by a gender sensitive framework.

The Government has in theory recognised the weaknesses in the Lands Act of 1995. But it only mentions the need to “discuss with traditional communities incentives for opening up unutilised land for investment.” The PRSP does not explicitly oblige Government to involve wider civil society (traditional leaders, communities, NGOs, the church, etc.) in the process of review of the 1995 Lands Act. Civil Society urges the Government to review both, the Land Policy and the Lands Act. The review process must involve a wider representation from civil society so that the concerns outlined above are taken care of.

## **5. Conclusion**

To contribute positively to the PRSP, Civil Society has taken a very honest look at what has been happening in Zambia in the past years, and saw what major impediments blocked the realization of the development goals decided upon by Zambians. We have also focused on the future; on what needs to be done to overcome poverty, revive social and economic growth in Zambia.

From the Civil Society perspective, the PRSP activities as outlined above, especially in health, education, and agriculture, demand full and faithful implementation according to transparent and efficient management principles. They must be undertaken with great concern for what they will cost, how they will be implemented and how they will supplement PRSP activities in other sectors.