

CHAPTER 1

INTRODUCTION

In July 2002, the Zambian Government officially launched its first National Poverty Reduction Strategy Paper (PRSP) for the period 2002-2004. This was the product of a wide participatory process that involved all stakeholders, (e.g. local Authority government Ministries, Academia, Cooperating Partners and Civil Society). The PRSP is one of Zambia's development planning and resource programming tool and as such, it is considered to be within the overall framework for national planning and interventions for poverty reduction. In addition to the PRSP, the government prepared the Transitional National Development Plan (TNDP) covering the period 2002-2005. The TNDP, which was launched in December 2002, complements the PRSP by bringing in some sectors of the economy that were not included in the PRSP.

The purpose of this report is to account for the first one and half years of the implementation of the PRSP in four strategic areas, namely economic and social sectors, governance, infrastructure and crosscutting issues. The second chapter covers the Macroeconomic performance; budget and structural reforms with regard to the PRSP refined indicators. The chapter focuses on the progress made in undertaking structural reforms to support the policy and institutional changes required to effectively implement the PRSP. The chapter also examines the weaknesses in the execution of the 2002 and 2003 budgets and suggests ways of improving the budget execution processes through planning and budgeting reforms as well as mechanisms that are being introduced within the context of the Medium Term expenditure Framework (MTEF), Integrated Financial Information System (IFMIS) and the Activity Based Budgeting (ABB).

Chapter three of this progress report has provided concrete data where available, emphasizing on the analysis of the input-output and to some extent outcome and impact indicators. In this chapter, there is provision of trend data on the progress made in key sectors because no comparable survey to that of the 1998 Living Condition Monitoring Survey (LCMS) has been under taken. In chapter four and five, the report examines the Sectoral and Regional overall budget allocations against the releases and actual expenditures. The major sources of this data are the financial reports and yellow books for 2001, 2002, and 2003 as well as other data from the sectoral and provincial reports that were submitted. The main thrust with regard to what was planned for in each sector in a particular year, has been examined in view of the specific performance of these sectors. An attempt has also been made to explore some of the reasons for the failure to achieve the given targets.

Chapter six provides an overview of the institutional framework for the implementation of the PRSP. In the last chapter, the report highlights some of the lessons learnt and gives recommendations for future intervention.

It should be noted that the achievements reported by the use of an appropriate mix of indicators was done in order to make the indicator system simple, feasible and more measurable.