

## CHAPTER 4

### SECTOR IMPLEMENTATION PROGRESS

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#### 4.1 ECONOMIC SECTORS

##### 4.1.1 Agriculture

Agriculture in Zambia has potential of enhancing economic growth and reducing poverty. To this effect the PRSP objective is to reduce poverty by promoting food security and economic growth. The overall sector strategy has been to promote self-sustaining export-led agriculture sector which ensures increased household income and food security. This was to be achieved through; promotion of commercial agriculture; land and infrastructure development; technological development and provision of agriculture extension services for food security; and targeted support system for food security. In line with the above, Government increased budget allocation to the agriculture sector in nominal terms from K104 billion in 2001 to K119 billion in 2003 although in percentage of the total budget declined to 1.7 percent in 2003 from 2.1 percent in 2001.

##### **PRSP Implementation**

Although budget allocation to the sector increased, the overall PRP allocations have been below 20 percent of total budget. Consequently, a number of programmes were not implemented. Nevertheless, some progress has been made in few areas of intervention. During the period under review a total of K76.21 was allocated to PRPs, of which K48.1 billion was released for the programmes.

##### **Promotion of Commercial Agriculture.**

During the period under review, critical areas of intervention under PRSP were to establish out-grower schemes, out-growers training and provision of credit to small-scale farmers. However, due to inadequate funds released, the programme of out-grower schemes was the only one undertaken.

##### **Out-grower Scheme Support Programme**

There were four main out-grower schemes programme undertaken. These included Coffee, Cotton, Tobacco Out-grower schemes as well as Support to Farmers Associations Project (SFAP). The crops supported under the Out-grower scheme programmes are cotton, Paprika, Coffee, Fresh Vegetables and Tobacco. In order to finance the production of the afore mentioned crops and to provide financial support to small-scale farmers willing to participate on the programme, the Government provided support through four organizations namely; the Tobacco Board of Zambia (TBZ), Support to Farmer Association Project (SFAP); the Coffee Board of Zambia (CBZ) and the Cotton Development Trust (CDT). A total of K5 billion was released for the programme.

The Coffee Out-grower Schemes were undertaken on the Copperbelt, Central and Lusaka Provinces. A total of K1.2 billion of which 50 percent was for capital investment, 30 percent input procurement and 20 percent was used for extension services. A total of 121 farmers benefited and 132 ha of coffee crop was cultivated from which approximately 214 tons of raw coffee were expected.

The Cotton Development Trust (CDT) received K 1.1 billion to spearhead Cotton Out-grower Programme activities. A total of 4,222 farmers covering 5,166 hectares of cotton benefited from the fund, with an expected output of 3,156 tones of cotton yield.

The Tobacco Board of Zambia received a total of K 1.4 billion, which was disbursed to support Tobacco Out-grower activities through tobacco associations. The associations acquired flue pipes and chemical inputs from the fund and various farmers groups with a total of 869 farmers benefited.

In addition Fresh Vegetable and Paprika Out-grower Schemes programme received K1.22 billion to Support Farmers Association Project (SAF). Under the Fresh vegetable programme a total of 160 farmers received baby corn maize and mangeout bean seeds, fertilizer and input chemicals. About 155 farmers groups with a total of 3,030 farmers of which 779 were women benefited under paprika support programme. Out of the total beneficiaries, 1,555 grew rain fed paprika on 791 hectares with production capacity of 78,420kgs of paprika for exports.

### **Land and Infrastructure Development**

The objective of the advocacy for land demarcation programme was to identify agricultural land, carry out planning on such land, provide basic infrastructure (roads, dams, service centers, electricity, etc.) in order to attract agricultural development and investment. During the period under review, a total of K600 million was spent on land development and advocacy, land identification and production of economic mass for ZCCM properties. Three farm blocks (Nasanga/munte, Kalumwange and Luena) with a total of 300,000 Ha of land were identified. However, not much progress was done to develop these farm blocks with only demographic surveys and land utilization at Nasanga/munte farm block (see Appendix 1.5).

Irrigation Development and Earth Dam Construction was another aspect undertaken under this objective. An amount of K3 billion was budgeted for in the year 2002 out of which K2 billion was for irrigation development while dam construction was allocated K1 billion. Out of the K3 billion, an amount of K1.88 billion was released for dam construction and irrigation development in 2002. Drip irrigation installation, dam rehabilitation and construction and spill way were undertaken. (See appendix 1.6)

Infrastructure rehabilitation and livestock restocking was undertaken at three Agriculture Colleges in Zambia. A total of K1.5billion was released for the programme (see appendix 1.2, 1.3, 1.4).

In addition, the Rural Investment Fund targeted the building of production capacity for poor small-scale farmers. In the year 2002, an amount of K 5 billion was released to RIF to finance community-based projects under PRPs such as borehole drilling, fish ponds construction and mushroom growing in 45 districts throughout Zambia. Most of the programmes have been undertaken (see appendix 1.1)

### **Technology Development and Provision of Agriculture Extension Services**

The donkey and power equipment acquisition activity was undertaken under Animal Draught Power Programme. An amount of K150 million was released in the period under review of which two farmer groups in Monze, Chikuni and Sefula were identified as beneficiaries. The amount was use to procure 60 donkeys and 4 rotavators (Power Tillers) which have not yet been distributed due to operational problems and are still at Palabana Dairy Training Institute.

In the period under review, K 3.2 billion was released to support activities pertaining to animal disease control and livestock production. The livestock production programme was allocated K 200 million, which was channeled, to small-scale farmers in order to improve their livestock production systems. The activities

undertaken included; training of farmers in dairy, sheep and goat production; purchase and distribution of goats to resource poor farmers (pass on the gift basis); and dairy goats multiplication for small-scale farmers. Golden Valley Agriculture Research (GART) facilitated training in suitability dairy husbandry from which 120 farmers benefited. However, the training is still on going. In addition Heifer Project International (HPI) carried out Goat Production promotion to small holder farmers and 20 female farmers benefited with each receiving seven goats for rear.

On the other hand, K 3 billion was released for purchase of animal vaccines. About 52,721 animals were vaccinated against anthrax, 26,665 vaccinated against foot and mouth disease and 6000 screened for typanosomiasis.

In 2002, Soils and Crop Research received K 100 million under PRP's for seed supply system and provision of Agro-forestry tree seedling for the establishment of improved fallow plots to small-scale farmers. An additional K 150, 000 was released for seed multiplication programme for promotion of the multiple crop from varieties of improved seed on farm in order too increase food security.

### **Targeted Support System For Food Security**

In a bid to increase food security as a poverty reducing intervention, Government undertook two programmes; the fertilizer support programme (50 per cent subsidized fertilizer) and the Food Security pack programme which has been administered by Programme Against Malnutrition (PAM)

The fertilizer support programme is a three years temporal programme (2002-2004), which was meant to help farmers that had lost income as a result of 2000/2001 drought. During the period under review a total of K 81.2 billion was released to support agriculture programmes, which would enhance food security. Under the fertilizer support programme a total of 24,000tonnes of D-compound and 24,000 tonnes of Urea fertilizer were distributed to about 120,000 farmers. The support of 120,000 small-scale farmers under the programme led to an incremental production of over 360,000metric tones of maize valued at over K200 billion. In addition 3,140 tonnes of basal and 3,217 urea fertilizer was distributed through PAM. Maize (50 tonnes) and sunflower (23 tonnes) were distributed. The targeted food security pack Programme targets the vulnerable but viable farmers. For the performance of the programme refer to social safety nets.

### **4.1.2 Tourism**

The main thrust of the PRP in the tourism sector for 2002/2003 were:

- To complete the preparation of a comprehensive tourism development Master Plan at all levels and create a tourism investment credit facility;
- To develop air and road transport infrastructure in the main tourism areas mainly in Southern, Eastern and Western provinces.

### **PRSP Implementation**

In order to achieve the above objectives the total sector allocation in 2002 was K73.6 billion accounting for 1.2 percent of the national budget. The allocation for poverty reduction projects during the same year was K8.1 billion accounting for 11.0 percent of the total sector allocation. A total of K1 billion was released for the rehabilitation of Mosi-o-Tunya road. About 15 Kilometers of the Mosi-o-Tunya access road was rehabilitated.

In 2003, the total sector allocation was K43.2 billion accounting for 0.6 percent of the national budget. The allocation for poverty reduction Projects during the same year was K14.1 billion accounting for 32.6 percent of the sector allocation. By August 2003, a total of K5.9 billion was released for the creation of a Tourism Development Credit Facility and for promotion and marketing of tourism programmes.

### **4.1.3 Mining**

The overall budgetary allocation of the mining sector as a percentage of the total national budget has significantly declined since the privatisation of the sector in the 1990s. In 2002, the total allocation to the sector accounted for 0.9 percent of the national budget and 0.1 percent in 2003. Since the sector is largely in private hands, the first PRSP identified few interventions, which were mainly targeted towards the small-scale mining sector. With regard to the large scale mining sector, and although a set of policy actions were developed, the first PRSP indicated that sub-sector interventions would be considered in the second PRSP phase.

Four programmes were planned to be undertaken in the small-scale-mining sub-sector. In order of priority, these were, the SYSMIN (Mining Diversification) Programme, establishment of the Gemstone Exchange, introduction of Plant Hire Scheme and the creation of a Mining Community Development Fund (Revolving Fund). During the period under review, the sector budgeted for the implementation of only two major programmes identified as PRP's. These were the establishment of the Gemstone Exchange Scheme and the promotion of the Mining Sector Diversification Programme (MSDP) under the SYSMIN Fund. The MSDP is a programme funded by the European Investment Bank to provide credit and technical skills to small-scale miners.

Overall, the amount of money disbursed for PRPs for 2002/2003 was K1.1 billion, which was targeted towards the small-scale mining sector and was specifically meant for the establishment of the Gemstone Exchange. Out of the total amount of K1.1 billion only K100 million was disbursed in 2002, while the remaining amount was disbursed in the first half of 2003.

#### **Establishment of the Gemstone Exchange**

The disbursed amount of K 100 million in 2002 was later transferred to the National Economic Diversification Task Force (NEDT) in order to assist the process of diversification. The K 1 billion which was disbursed to the sector in 2003 was used to facilitate the work of the Gemstone Exchange Steering Committee, which was appointed to oversee the establishment of the exchange system. To this effect officials were sent into the field to conduct a scoping exercise on the viability of the exchange and assess the adequacy of available production to satisfy the minimum volume requirement to warrant sustainability. The preliminary results indicate increased enthusiasm by many miners on the idea of the Gemstone Exchange. It is expected that with the continued work being under taken by the Exchange Steering Committee, a privately led exchange will become operational by the third quarter of 2004. To this effect, consultations between government and the private sector continue to be undertaken. The delay in the establishment of the Gemstone Exchange was, in part, due to the procedure of creating an independent account for the Gemstone Exchange.

## Mining Sector Diversification Programme (MSDP)

Under the SYSMIN Fund (Mining Sector Diversification Programme), only one Non-traditional sector mining company has accessed part of the K90.8 billion (€16.5 million)<sup>1\*</sup> meant for the credit facility. The stringent conditions attached to the Facility, in terms of accessibility, have been revised in order to make them commensurate with the prevailing situation on the ground where a majority of miners were unable to raise the required collateral for the loan. Preliminary information being received seems to suggest that the relaxed conditions have not created a significant impact in terms of accessibility to the SYSMIN Fund. This development needs careful study so as to ascertain the problem before a practical solution is proposed.

Generally the mining sector has shown an increased level of activity since the near completion of the privatisation process. The number of licences issued in the last three years exemplifies this. The total number of issued licences increased to 236 in 2003 from 178 in 2001. Refer to the table below.

**Table 4.1: Number of licence issued, 2001 to 2003**

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

Source: Ministry of Mines

### Other developments (Large scale mining)

Government concluded the search for a strategic partner for KCM and negotiations commenced. Further, the feasibility study to facilitate the development of the Lumwana Joint Venture Copper Project was completed while a contract to construct a new power line with increased capacity to service the two mines was awarded to ZESCO.

### 4.1.4 Industry

The major programmes lined up in the PRSP (2002-2004) were, Investment promotion, Trade and Export promotion and Micro Small and Medium Enterprises (MSME) and Rural Industrialization.

Releases and actual expenditure to the sector in 2002 and 2003 were quite satisfactory as indicated by actual expenditure as a percentage of the total sector budget, which stood at 63.2 percent. Similarly, PRP actual expenditure as a percentage of PRP allocation stood at about 90 percent. This in turn partly contributed to the growth in the sector, with output increasing from 4.2 percent in 2001 to 5.8 percent in 2002. By October 2003, releases for PRP were about K1.1 billion against an estimate of K1 billion indicating a more than 100 percent commitment by government to the sector. (See table. 4.2)

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<sup>1</sup>\*1€ = K5, 500

**Table 4.2: Industry Budget Allocations and Releases (“K bn”), 2001-2003**

| Year | Overall Sector Budget |                    |                                      | PRP Budget    |       |                    |              |  |   |
|------|-----------------------|--------------------|--------------------------------------|---------------|-------|--------------------|--------------|--|---|
|      | Allocation            | Actual Expenditure | Expenditure As percent of Allocation | GRZ Estimates | Donor | Actual Expenditure | PRP Releases | PRP Expenditure as percent of PRP budget | percent Of PRP Releases to Total Budget |
| 2001 | 20.36                 | 12.87              | 63.2                                 |               | -     | -                  |              | -  |   |
| 2002 | 44.71 <sup>#</sup>    | 40.65              | 90.9                                 | 25.00         | 0.0   | 22.41              | 23.40        | 89.6                                     | 52.3                                    |
| 2003 | 14.84                 | -                  | -                                    | 1.00          | 0.5   | 1.43*              | 1.10         | 143.0                                    | 7.4                                     |

<sup>#</sup> All figures in this role are inclusive of the K22 billion for NCZ and KTZ.

\*Overall expenditures for 2003 include carryovers from the previous year

## PRSP Implementation

### Exports Processing Zones Programme (EPZ)

An amount of K850 Million was disbursed and spent on the EPZ programme. By the end of June 2003, three companies had their EPZ licenses approved and recommendation made to this effect as provided for by the EPZ Act. The amount was spent on Investment Promotions to various investment destinations, and participation in media awareness programmes.

### Rural Industrialization and Micro Small and Medium Enterprises Promotion

Rural industrialization and MSME promotional activities were undertaken through the Small Enterprise Development Board (SEDB) utilizing PRP funds. A total amount of K198.6 million was utilised for skills training and sensitisation, acquisition of equipment/machinery renovations/office maintenance, monitoring and networking marketing support services and consultancy services. Under skills training and sensitisation, a total number of 634 new beneficiaries were reached in fifteen districts of the various provinces in Zambia. (See appendix 9).

### Investment Opportunities Identification Programme

The Zambia Investment Centre embarked on an Investment Opportunities Identification Programme to create the National Investment Plan. Seventy-two workshops in all the districts of the country were planned at a total cost of K 852 million. However, only four workshops were conducted in the Copperbelt, Eastern, Western and Southern provinces covering about sixteen districts at a total cost of K 38.8 million.

#### 4.1.5 Energy

The main poverty reduction interventions in the energy sector were to:

- Increase access to power in rural areas by intensifying promotion of off-grid power supplies not only through solar energy but also small and mini-hydro schemes.
- Reduce the cost of electricity for irrigation by 50 percent.

## **PRSP Implementation**

In 2001 about K18.9 billion, accounting for 0.3 percent of the national budget was allocated to the energy sector. In the same year, K8.5 billion accounting for 45.0 percent of the total sector allocation was spent on PRP's. A total of K4.0 billion was spent on implementing rural electrification projects. This amount represents 47.1 percent of the PRP allocation.

In 2002 about K 16.2 billion of the national budget was the total sector allocation. The allocation for poverty reduction Projects during the same year was K5 billion accounting for 30.9 percent of the sector allocation. A total of K 5 billion was spent on implementing mainly rural electrification projects representing 100 percent of the PRP allocation. About 35 percent of the work has been done on the rural electrification projects for over 55 Kilometers of 330 KV line in various parts of the rural areas. (See appendix 3)

In 2003, the total sector allocation was K 12.5 billion accounting for 0.2 percent of the national budget. The allocation for PRPs during the year was K 6.0 billion accounting for 48.0 percent of the sector allocation. By September, no amount was released against this allocation.

### **4.1.6 Communications and Transport**

The government recognises that in order to attain a high and sustained growth, infrastructure plays a catalytic role. A functioning infrastructure will enhance the drive for exports competitiveness in view of the country's land-locked status as well as linking poor rural areas to urban markets and social amenities. In this regard the strategic focus for the period 2002 and 2003 in the Communications and Transport sector was to;

- Create an efficient Communications and Transport system that will promote economic growth and reduce poverty
- Expand, rehabilitate and invest in the road sector so as to improve accessibility, mobility and bring a core road network of 40, 015 km up to maintainable condition.

### **Policy Development**

The government approved the National Transport Policy in order to address fragmentation in the road transport sector. The policy advocates for the establishment of three new road sector agencies, namely; Road Development Agency (RDA), National Road Fund Agency (NRFA) and the Road Transport and Safety Agency (RTSA). The agencies will be responsible for management and disbursement of funds, construction, maintenance and rehabilitation of all roads in the country and the enforcement of road traffic and safety regulations respectively.

For the period 2002 to 2003, the sector received a total of K970 million out of the budgeted amount of K1.5 billion for PRP's representing 63.1 percent of the total PRP budget. The PRP implementation for the year 2003 was quite satisfactory as all the funds released were fully utilized. (See table 4.3 below).

**Table 4.3 Budget Allocations and Releases “K bn”, 2001-2003**

| Year  | Overall Budget |                    |                                   | Poverty Reduction Programmes |       |                     |          |  |                                  |
|-------|----------------|--------------------|-----------------------------------|------------------------------|-------|---------------------|----------|--|----------------------------------|
|       | Allocation     | Actual Expenditure | Expenditure as percent allocation | GRZ Allocation               | Donor | Actual Expenditures | Releases | PRP Expenditure as percent of allocation | percent of PRP to overall Budget |
| 2001  | 61.81          | 41.80              | 68                                | -                            |       | -                   |          | -  | -                                |
| 2002  | 14.50          | 9.47               | 65                                | 1.50                         | 0.00  | 0.90                | 0.97     | 63.12                                    | 6.20                             |
| 2003* | 17.08          |                    |                                   | 2.75                         | 0.50  | 0.85                | 0.85     | -  | 31                               |

Source: Ministry of Finance and National Planning

: Overall actual expenditures for 2003 await Financial Report

: Actual Expenditures for PRP are preliminary

## Water Transport

Of the released funds, a total of K 900 million was spent on rehabilitation of canals and waterways in Western, Northern, and Luapula provinces. The canals and waterways that were identified were lakes Tanganyika, Bangweulu, Mweru and Kariba. Others were Luapula river, Upper and Lower Zambezi, Kafue, Bangweulu, Mweru and Lukanga swamps. The total network of canals and waterways is about 2,433km out of which 150 km was covered. The works involved vegetation control and canal clearing for a stretch of 50 kilometres in each province.

## Air Transport

The Government continued with the rehabilitation of airstrips and airports. Rehabilitation of Livingstone at a cost of K 9.5 billion, Lusaka international airports at K 51 billion and Chipata airport’s runway at K 2 billion respectively was undertaken. The works involved provision of communication equipment to all airports, face-lifting of terminal buildings and upgrading of the runways.

The works at Livingstone airport involved face lifting of the terminal building and upgrading of the runway. This led to the upgrading of the airport to international standard, which has seen an increase in international flights and passengers from 1,517 in 2001 to 2,172 in 2002 and 35,246 in 2001 to 63,956 in 2002, respectively.

## Railway Transport

The major development of the sector was the concessioning of the Zambia Railways Limited (ZRL) to the Zambia consortium comprising Spoornet, New Limpopo Bridge investment project and Canarail international Inc. Staff complement was downsized from 5,128 in 1998 to 1,474 by end June 2003.

An additional K 135 billion (US \$27 million) was earmarked for restructuring of ZRL. A total of K 70 million (US \$14 million) was spent on retrenchment packages, K 30 billion (US \$6 million) was spent on Environmental Mitigation and Social Safety net, K5 billion (US\$1 million) was spent on reviewing and strengthening of the Ministry of Communications and Transport’s legal and regulatory framework.

By end June, 2003 K 10 billion (US\$2 million) was disbursed for continuation of the restructuring process. Concessioning ZRL will lead to the revitalisation of the firm as it will undergo a complete overhaul and effectively contribute to economic growth and poverty reduction.



The Government also approved the participation of the private sector in the running of the Tanzania – Zambia Railways Authority (TAZARA) and the study on the options for private sector participation is expected to commence in 2004.

### **Road Sub-Sector**

The government, with the support of cooperating partners, continued to implement the Road Sector Investment Programme (ROADSIP phase I). The project's positive impact has been registered with the paved road network totaling 6,476 km improving tremendously. The percentage of the paved roads in good condition increased from 46 per cent in 2001 to 60 percent by the end of 2002 with only 19 per cent in poor condition. However, very little progress has been made on the remaining unpaved road network, the majority of which includes feeder roads and paved road network within the urban centers. Progress was slow on roads that were entirely funded by the government due to poor release of funds.

In nominal terms, the Government budget allocations for the roads sub-sector for the period 2001 to 2002 declined. In 2001, a total of 251 billion was allocated out of which K168 billion or 67 percent was released. In 2002, the allocation fell to K151 billion out of which K 99 billion was released. This situation was largely due to budgetary constraints as a result of extra budgetary pressures. In 2003, the Government allocation to the road sector improved with K182 billion being allocated out of which K118 billion or 65 percent was released. (See table below 4.4)

**Table 4.4: Budget Allocations and Releases (“K bn”), 2001-2003**

| YEAR         | 2001          |               |               | 2002          |              |              | 2003          |               |               |
|--------------|---------------|---------------|---------------|---------------|--------------|--------------|---------------|---------------|---------------|
| CATEGORY     | Budget        | Release       | Actual exp    | Budget        | Release      | Actual exp   | Budget        | Release       | Actual exp    |
| PRPS         | 13.34         | 6.1           | 6.1           | 9.77          | 9.77         | 9.77         | 46.33         | 38.14         | 38.14         |
| Capital- GRZ | 108.88        | 112.24        | 112.24        | 74.09         | 51.04        | 51.04        | 63.96         | 41            | 41            |
| Road Fund    | 129.13        | 49.71         | 49.71         | 67            | 38.22        | 38.22        | 72            | 39            | 39            |
| Total GRZ    | <b>251.35</b> | <b>168.05</b> | <b>168.05</b> | <b>150.86</b> | <b>99.03</b> | <b>99.03</b> | <b>182.29</b> | <b>118.14</b> | <b>118.14</b> |
| Dnor         | 179.69        | 119.85        | 119.85        | 223.88        | 130.55       | 130.55       | 383.78        | 222.3         | 218.98        |

Source: Ministry of Finance and National Planning

Over the last two years, releases from the road fund were not commensurate to the collections. Most of the financing is from the fuel levy. This problem is however, expected to be rectified by the institutional reforms, currently being undertaken in the sector especially with regard to the management of the fuel levy. For progress made on works and policy actions please see Table 4.5 below and Appendix 11 respectively.

**Table 4.5: Utilization of 2002/2003 PRP Funding For Roads**

| Programme/projects   | Activities  | Actual Funding (K'M) | Status   |
|----------------------|---|----------------------|--|
| Road maintenance     | Gravelling and resealing of district roads and feeder roads | 6100                 | Gravelling and sealing undertaken in most of the districts though at a minimal rate because of under funding   |
| Msoror-Katete Road   | Construction of Lupande bridge                              | 3000                 | Tender authority granted for award of the contract   |
| Chirundu Chiawa road | Otta seal surfacing and performance contracts               | 1774                 | Works ongoing  |
| Mumbwa –Kaindu road  | Heavy grading, spot regraveling and drainage works          | 5000                 | The project is divided into 12 LOTS while a 20kilometre stretch is maintained by force account under supervision by the roads Board. All contractors have mobilized to site and the works are ongoing. |
| <b>TOTAL PRP s</b>   |   | <b>K15, 874</b>      |  |

Source: Ministry of Communications and Transport 2003

## 4.2 SOCIAL SECTORS AND SAFETY NETS

### 4.2.1 Education

In the education sector, the PRSP identified and targeted six programmes for implementation so as to contribute towards economic growth and poverty reduction. These programmes were Infrastructure development; curriculum development; provision of education materials and provision of bursaries to orphans and other vulnerable children. In order to address the issues of equity, especially in the priority areas of gender and HIV/AIDS, intensive awareness campaigns were conducted. These programmes were to be implemented under the auspices of two ministries, these being the Ministry of Education and the Ministry of Science, Technology and Vocational Training. The combined authorized expenditure of the two ministries, in the 2002 budget was an estimated K 928 billion representing 15.1 percent of the total budget estimate. The 15.1 percent for 2002 proportion of the budget towards the sector showed an improvement as compared to 12 percent of 2001. In 2003, the estimated budget for the sector is 931 billion, representing 16.4 percent of the overall revised national budget of K5.7 trillion. (See appendix 9)

In terms of the domestic discretionary budget, the Education budget share was 20.2 percent in 2001, and then declined to 18.2 percent in 2002 while showing an upwards movement to 19.7 percent in 2003. Although the 2003 education share is higher than that of the previous year, it is evident that the disbursement fell below government commitment of 20.5 percent. However, it is planned that the percentage allocation to education from the total discretionary budget will increase to 20.5 percent in the 2004 budget.

In regard to Poverty Reduction Programmes (PRPs), the budgeted amount for the sector in 2002 was K 43.9 billion with the largest component being donor funded. Government disbursed an estimated K6.85 billion while the cooperating partners disbursed an estimated K37.14 billion. In 2003, the Budgeted amount for the PRPs is estimated at K51.7 billion, with government responsible for an estimated K5 billion. By October 2003, government had released an estimated K6.2 billion representing 123.3 percent of its budgeted figure. (See table 4.6 below).

**Table 4.6: Education Budget Allocation and Releases (K'bn) 2001 to 2003**

| Year | Overall Sector Budget/Expenditure |                    |         | PRPs Budget/Releases |      |                  |                    |                                  |
|------|-----------------------------------|--------------------|---------|----------------------|------|------------------|--------------------|----------------------------------|
|      | Allocation                        | Actual Expenditure | Percent | Donor                | GRZ  | Total Allocation | Actual GRZ Release | Percent of PRP to GRZ allocation |
| 2001 | 656.4                             | 367.9              | 56      |                      |      |                  |                    |                                  |
| 2002 | 927.6                             | 708.9              | 76      | 20.0                 | 24.0 | 44.0             | 6.9                | 28.5                             |
| 2003 | 931.0                             | -                  |         | 46.7                 | 5.1  | 51.8             | 6.3                | 123.3                            |

Source: Ministry of Finance Financial Report

\*The 2003 overall estimate is derived from the Revised Yellow book

### PRSP Implementation

#### Access to Education

The sector performed fairly well in increasing access to all levels of education over and above the pre-PRSP Implementation period. Basic schools increased by 2.27 percent from 4,556 in 2002 to 4662 in 2003. A total of 165,037 more pupils were enrolled above the 2002 enrolment. In addition the number of basic school teachers increased from 37,793 in 2001 to 40,488 in 2002, but then fell back to 38,891 in 2003, after the Ministry of Education applied a hiring freeze in order to remain within its wage bill ceiling. Out of the

basic school going age of 2,558,898 (grades1-9), 77 percent were absorbed in the school system in 2003 compared to 75 percent in 2002 and 71 percent in 2001. The total basic school going age in 2002 stood at 2,498,962. The high school sub-sector (grade8-12) recorded an increase in pupil enrolment from 205,393 in 2002 to 210,061 in 2003.

The Gross Enrolment Ratio (GER) in 2003 rose by 4 percent. The GER has been rising since 2001, indicating the growing capacity of the basic education system to enrol more pupils as the programmes of intervention intensify. The increasing pupil enrolment has been matched by the increase in the number of qualified teachers entering the system since 2000. However, the pupil teacher ratio has remained at 46 in 2002, and then rose to 52 in 2003.

### **Quality of Education**

In order to monitor the education standards, 7,320 inspections of basic education schools were carried out in 2003 as opposed to 5,695 in 2002. In the same vein, 725 inspections of secondary schools were carried out in 2003. In regard to the provision of school materials, the provision of books went up as is exemplified in the 947, 998 English textbooks provided in 2003 compared to 865,701 in 2002. As a result there has been an improvement in reading and writing levels of children in schools in Grade 1. The reading levels improved from 34 percent in 1999 to 64 percent in 2003. In addition, between 2001 and 2003, the mean mathematics score increased from 36 percent to 39 percent, while the mean English score increased from 33 percent to 35 percent. For the secondary schools, the total number of books increased from 109,589 in 2002 to 520,909 in 2003.

While the recent gains in learning achievement are encouraging, there is concern that they are at risk, due to the current teacher employment crisis. In 2003, the Ministry of Education's wage bill ceiling made it impossible to employ the Teacher College graduating cohort of December 2002. A count in October 2003 revealed that the Ministry had 9,000 teaching vacancies in the seven mainly rural provinces (8,500 in basic schools, and 500 in high schools). Another cohort of newly qualified perceptive teachers graduated from the Teacher Training Colleges in December 2003. It is planned that some of these teachers will be absorbed in the system in 2004.

### **Equity and Efficiency**

The sector responded very favourably in providing education to orphans and physically impaired children. At basic school level 350,292 orphans and 25,626 impaired children were absorbed in the system in 2003 compared to 235,515 orphans and 19,761 impaired children in 2002. 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. The Pregnancy Re-admission Policy resulted in 724 re-admissions against 1,153 pregnancies registered in 2001. In 2002 the numbers of re admissions were 926, against 3,509-recorded pregnancies.

### **HIV/AIDS Awareness**

Strategies for mitigating the impact of HIV/AIDS on Ministry of Education staff, Pupils and Teachers, to enable them plan ahead were developed. The capacity to manage HIV/AIDS interventions in order to foster the reduction of HIV/AIDS infections was also strengthened. Strategies such as sensitization workshops, awareness campaigns through T/shirts, awareness talks in schools, distribution of condoms and encouraging Voluntary Counseling and Testing (VCT) for its staff was undertaken.

## MDGs

With regard to the Millennium Development Goals (MDGs), two out of the eleven targets are from the education sector. These are; a) To ensure that by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling and, b) Eliminate gender disparity in Primary and Secondary Education preferably by 2005 and to all levels no later than 2015. In relation to the good performance exhibited by the sector in the first one and half years of the implementation of the PRSP, the indication is that the first target will potentially be met, while there is a good probably that significant progress will be made towards achieving the second objective.

### 4.2.2 Health

#### Sector Performance

The PRSP objective in the Health sector is to improve the health status in Zambia, especially for the poor. In this regard, the focus during the period under review remained that of attaining the objectives of equity and efficiency in the health cared delivery system.

In line with the PRSP objective, Government has committed itself to safeguard social sector allocation in the budget, including that of health. Government has also taken cognisance of meeting the Millennium Development Goals of reducing Child Mortality and Improving Maternal health. Potential for the achievement of these goals exists, though much needs to be done in the area of improving maternal health.

Allocation to the health sector from 2001 to 2003 has been increasing in nominal terms. Total Domestic Discretionary Budget for the health sector in 2001 stood at 12.8 percent, dropped to 10.7 percent in 2002 and increased to 12 percent in 2003 indicating Government's desire to increase access to health care as close to the family as possible. However, the PRP budget as a share of the sector budget has been fluctuating between 2001 and 2003. It was highest in 2001 at 21.3 percent and lowest in 2002 at 5.3 percent. PRP releases as a percentage of the GRZ allocation have also been increasing indicating government's commitment in implementing the PRSP priorities. In 2002, about 27.3 percent from the PRP had been released and 59.2 percent was released by October 2003. (See Table 4.7).

**Table 4.7: Budget Performance in "K" Billion, 2001-2003**

| Year  | Sectoral Budget |                     | Poverty Reduction Programmes Budget |              |                     |                                       |      |
|-------|-----------------|---------------------|-------------------------------------|--------------|---------------------|---------------------------------------|------|
|       | Allocation      | Actual Expenditures | Allocation GRZ Donor                | GRZ Releases | Actual Expenditures | Releases as percent of GRZ allocation |      |
| 2001  | 370.2           | 95.7                | 78.7                                | -            | -                   | 14.8                                  | 18.9 |
| 2002  | 757.6           | 245.8               | 22.0                                | 18.0         | 6.0                 | 6.0                                   | 27.3 |
| 2003* | 816.6           | -                   | 58.8                                | 16.6         | 34.8                | 16.1                                  | 59.2 |

Source: Ministry of Finance and National Planning

\*Releases are up to October 2003 while actual expenditures are up to 15 December 2003 and are not audited.

The funds released have been used to implement the following major programmes: the basic health care package; integrated malaria control (Rollback Malaria); campaign against malaria; acquisition and distribution of essential drugs; and construction and rehabilitation of health facilities.

## **Provision of Basic Health Care Package**

In 2002, a total of K 3.5 billion was released for the purchase of drugs in the hospitals, which included TB second line drugs and Anti-Trypanosomal drugs. Other drugs include anti-biotics, analgesics and antihelmuths. Though most health institutions received drugs, the health delivery system was however weakened by lack of equipment and shortage of qualified staff especially in rural areas.

## **Integrated Malaria Control Programme (Rollback Malaria)**

A total of K 500 million was released for this programme in 2002. However, the actual expenditure was about K 124 million and was used to purchase 82,349 Insecticide Treated Nets (ITNs). ITNs were distributed to the following districts: Mambwe (13,222); Nyimba (18,532); Chilubi (12,500); Kaputa (23,200); and Kalulushi (14,895). This programme is working towards meeting the Abuja Declaration of providing Insecticide Treated Nets (ITNs) to 60 percent of the Zambian population by 2005. Furthermore, a major development in the control of Malaria has been a shift in Malaria treatment from chloroquine to more effective drugs. The country adopted a new policy to move to fansidar due to high levels of resistance and thereafter to a more effective arteminism-based therapy (co-arterm). The delay in a shift to more effective drugs was due to lack of financial resources.

Following the successful implementation of some programmes such outcomes on some essential health indicators have improved. For instance, the Infant and Under Five Mortality rates have declined from 109 and 197 in 1996 to 95 and 168 in 2002, respectively. The malaria incidence has dropped from 406 in 2001 to 387 in 2002, although indications are that in 2003 it rose. Under five malaria fatality has also dropped from 26 and 22 in 2002. However, maternal mortality has gone up from 649 in 1996 to 729 in 2002 (see Table 4.8).

## **Campaign Against Measles**

A total of K 1 billion was expended for the campaign against measles in 2003. Eight provinces were covered, except for Southern Province, which had already conducted its measles campaign in 2002. Coverage of almost 100 percent for children aged 0-15 years was reached indicating that the programme was successfully implemented. Additionally, 16 freezers and vaccines were procured to add to the existing stock in the country. Furthermore, a helicopter was hired in order to facilitate the distribution of drugs to hard to reach areas.

Additionally, Government continued with Polio Surveillance activities and managed to maintain surveillance certification level at District level. This can be evidence by the non acute Flaccid Paralysis (AFP) cases and a drop in Stool Adequacy rates during the review period. Apart from the intensified campaigns against measles, BCG, and DPT immunization coverage ranged between 87 per cent and 90 per cent.

## **Acquisition and Distribution of Essential Drugs**

In 2002, a total of K 13.2 billion was used for the purchase of drugs. The drugs procured include TB and STI drugs, anti-malaria. Each Rural Health Center received on a monthly basis about 1,025 drug kits, meeting an annual requirement of 12,300 for rural health centers.

In 2003, a total of K 12 billion was released for the purchase of essential health drugs, which included Antiretroviral (ARVs) drugs. The ARVs will only cater for 6,600 patients against the target of 10,000 patients for the selected health facilities. The first recipients of the ARVs were University Teaching

Hospital and Kitwe and Ndola Central Hospitals. Further, the Medical Stores Limited contract was re-tendered in order to ensure transparency and accountability in the storage and distribution of drugs.

## Construction and Rehabilitation of Health Facilities

In 2002, about K 4.1 billion was spent on the rehabilitation of district and provincial hospitals and was distributed as follows: the General Hospitals in Solwezi, Chipata, Mansa, Kabwe, Livingstone and Kasama each received K 150 million while the University Teaching Hospital, Ndola Central Hospital, Arthur Davison hospital and Chainama Hospital each received K 250 million. Lewanika General hospital received K 150 million while District hospitals in Lusaka Province, Copperbelt Province, Northern Province, Eastern Province, Western Province, Luapula Province, Southern Province, Luapula Province, Southern Province, Central Province, and North-Western Province received K 200 million each;

At the UTH, the works conducted included the rehabilitation of blocks B, C, D, E, ultra sound room, laboratories, elevators, industrial cooker and the purchase of neonatal ventilators. At Chainama Hospital, major works involved the rehabilitation of the X-ray room and renovation of the maternity ward.

For the Livingstone General Hospital, X-ray machines were serviced and linen was procured while at Kabwe General Hospital, the mortuary refrigeration system was repaired and new cardaval units were purchased.

**Table 4.8: Selected Essential Health Indicators**

| Indicator                                    | Baseline   | Current (2002) |
|--|------------|----------------|
| Infant Mortality rate (per 1000 live births) | 109 (1996) | 95             |
| Under Five Mortality Rate (per 1000)         | 197 (1996) | 168            |
| Maternal Mortality (per 100,000)             | 649 (1996) | 729            |
| Malaria Incidence (per 1000)                 | 406 (2001) | 387            |
| Malaria Fatality Under Five (1000)           | 26 (1999)  | 22             |
| Low Birth Weight New Borns (percent)         | 10 (1999)  | 8              |
| Measles Incidence Under Fives (per 1000)     | 5.7 (1999) | 5.9            |
| Supervised Deliveries (percent)              | 32(1999)   | 47             |
| Tuberculosis Cure Rate (percent)             | 50 (1999)  | 55             |
| Life Expectancy at Birth                     | 46.9(1990) | 49.5(2000)     |

Source: Ministry of Health

### 4.2.3 Nutrition

In the period under review, Government embarked on the strengthening of the institutional capacity of the National Food and Nutrition Commission (NFNC), provision of Information Education and Communication and the prevention of malnutrition and promotion of appropriate diets in the life cycle and finalisation of the National Nutrition Policy.

In terms of Nutritional status there is increasing recognition of NFNC's important role in tackling food and nutrition problems. However, the Commission and its partners have been confronted with a multitude of nutrition and nutrition related problems as manifested in the current malnutrition levels. Stunting in children under five years increased from 40 per cent in 1992 to 42 per cent in 1996 and 47 per cent in 2001/2 (DHS 2001). Mid decade goals shows a higher figure of 53 per cent Wasting reduced from 5 per cent to 4 per cent in 1992 and 1996, respectively but by 2001/2 it had risen to 5 per cent These levels are high compared to a normal situation and have contributed significantly to infant and child mortality, which stands at 110 per 1000 live births.

The NFNC receives annual grants released by the Ministry of Health. As a statutory body, it also receives funding for specific programme or project activities from multilateral and bilateral cooperating partners. Government released a total of K 473.3 million to the commission in 2001 while K 699.9 million was released in 2002. Though government funding to the Commission had been increasing in nominal terms, it had not been so in real terms. To this effect, implementation of interventions has been adversely affected leading the Commission to heavily rely on donor funding for major programmes.

## **PRSP Implementation**

### **National Nutrition Policy**

In September 2003, a stakeholders' workshop was undertaken on the National Nutrition Policy and the submissions were incorporated into the draft policy document. The draft document was submitted to Cabinet and is currently in circulation for comments.

### **Institutional Capacity Building**

Having realized that the National Nutrition Policy would take long to finalize and implement, the NFNC embarked on the Strategic Planning process which involved the revisiting of its structure in order to rationalize its capacity towards effective implementation of the PRSP interventions. These findings will be presented to the Board in June 2004.

## **Micronutrient Control**

### **Child Health Week (CHW) and National Immunization Days (NIDS)**

In 2002, a total of 2,125,000 children were administered with Vitamin A supplementation in the first half of the year, while 2,262,000 were reached in the last half of the year. This represented a coverage of 88 percent. In 2003, 2,200,000 children were immunized in the first half of the year while 2,385,000 were immunized in the last half of the year. This exercise was carried out mainly through the CHW and during NIDS covering all children under five in all the 72 districts in Zambia.

### **Fortification of Sugar with Vitamin A**

During the period under review, NFNC's activities in this programme mainly involved monitoring vitamin A levels in sugar. Sugar samples were collected from households during the post Child Health Week mini surveys and taken for analysis at UNZA's Food Science and Technology Laboratory, while other samples were sent to Craft Technology through the Centre for Disease Control. Sugar samples were also collected during DHS survey of 2001. Results show that about 80 percent of the samples have vitamin A. However, about 29 percent meet the standard (equal or greater than 15 parts per million). NFNC intend to further validate this by conduction a shelf life study of vitamin A levels in sugar.

### **Fortification of Maize Meal with Vitamin A**

In 2002 the NFNC co-organized the dissemination meeting on the maize meal fortification trials, where major stakeholders attended. The trials commenced in 2000 with the collaborative effort of NFNC and National Industrial and Scientific Research (NISIR). Support from Micronutrient Initiative (MI) and UNICEF was also invaluable to this process.



By September 2002 Maize Meal fortification at hammer mills had started in all the six selected hammer mill sites in Lusaka. These sites were in Chipata, Chaisa, Bauleni, George, Chawama and Kanakatapa. The fortification trials at each of the above sites were done on different dates. The trials were successful in that the communities that participated in the trials had accepted fortification.

### **Infant and Young Child Feeding**

In 2002 the NFNC coordinated the drafting of the National Regulation on Marketing of Breast Milk Substitutes. The final draft was submitted to CBoH for onward submission to Ministry of Health for further action. In the same year, the NFNC participated in the development of training guidelines on the Integrated Prevention of Mother to Child Transmission of HIV. Training of health workers in Prevention of Mother to Child Transmission of HIV/AIDS (PMTCT) using the same guidelines followed this up. This programme was carried out with support from AED-LINKAGES, WHO and UNICEF.

### **4.2.4 Water and Sanitation**

The broad PRSP objective 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 for low income rural and urban Zambians. The PRSP also aims at developing water resources infrastructure such as dams, boreholes and wells for improvement in water supply in rural areas and for agricultural use. Government has consequently committed to safe guarding the water and sanitation as seen in the budget.

In 2002, a total of K20.8 billion to the sector and K 9.4 billion or 0.3 percent of the discretionary budget was released while in 2003, the budget increased to K 23.2 billion and the releases were also increased to K16.3 billion or 0.5 percent of the discretionary budget. In 2002, a total of K 1.7 billion was spent on implementing the PRP's and this rose to K 4.20 billion in 2003.

### **Implementation Status**

#### **Water Resources Management**

The main intervention was the implementation of the Water Resources Action Programme (WRAP). The programme was planned and organised in order to implement Zambia's National Water Policy. It aims at streamlining and strengthening the water resources management functions of central government including the development of new water resources policy and legislation. It aims at establishing a comprehensive framework for effective use, development and management of the Zambia's water resources in a sustainable manner. To this effect, a draft framework has been formulated.

The WRAP has begun a programme on the Kafue River basin to improve water management through catchments based management of water resources.

#### **Water Resource Development**

To develop water resources especially in drought prone areas, Government embarked on a water resource infrastructure development programme which involved dam construction and rehabilitation, borehole drilling, construction of weirs and wells. The programmes were meant to improve the water supply in rural areas in all the nine provinces. To this effect, 8 dams were completely rehabilitated in 3 provinces, 153 boreholes were drilled in 6 provinces while work on 379 boreholes in 3 provinces is still on-going. The construction of wells in all the nine provinces is on going. Notwithstanding the impact this development has

had on the supply of water in rural areas, not much progress was made in the development of water supply infrastructure due to insufficient funds.

### **Water Supply and Sanitation**

Government continued to support the planning, execution, management, operation and maintenance of rural water supply and sanitation. As for urban and peri-urban water supply, Government continued with the commercialisation of Water Supply and Sanitation (WSS) services under the on-going water sector reforms. To this end, commercial water utilities established in most cities increased. This led to increased access to water supply and sanitation services in the low-income urban and peri-urban areas.

### **Water Sector Reforms**

Government has been implementing a number of reforms in the water sector. The reforms have recorded tangible achievements in the water and sanitation sector that includes the following.

- The successful decentralisation/devolution of service delivery from Central Government to the local authorities;
- The establishment of several commercial water utilities allowing for competition amongst the providers. Nine commercial utilities were established by 2002;and
- Clearly outlined strategies for urban, peri-urban and rural water supply and sanitation.

Notable improvements have been recorded in terms of service delivery and access to both water supply and sanitation in areas serviced by the commercial utilities. Notwithstanding this achievement, the situation in council operated areas continues to deteriorate and to be a source of concern. A number of districts go without water supply, for hours, due to lack of funds to operate and maintain the equipment that frequently breakdown.

The water and sanitation services in rural areas are mainly supplied by central government and the situation still remains poor. The improvement of the water and sanitation in rural areas has been constrained by lack of funding.

### **4.2.5 Social Safety Nets**

The main social safety nets programmes implemented were: the Urban Food For Assets (UFFA); Micro-Credit Scheme under PUSH and the Public Welfare Assistance Scheme (PWAS); Disaster Relief; and the future search programme. (See table 4.9)

**Table 4.9: Social Safety Nets Programmes**

| <b>Programme</b>  | <b>Implementing Institution</b>   |
|---|---|
| Public Welfare Assistance Scheme<br>- Provision of health care support<br>- Provision of education support<br>- Provision of social support e.g. food | <b>Ministry of Community Development and Social Service</b>                                 |
| Peri Urban Self Help<br>- Urban Food for Assets (UFFA)<br>- Micro Credit Scheme   | <b>Ministry of Community Development and Social Service</b>                                 |
| Food Security Pack  | <b>Programme Against Malnutrition/Ministry of Community Development and Social Services</b> |
| Future Search   | <b>Ministry of Labour and Social Security</b>   |
| Disaster Relief   | <b>Office of the Vice President</b>   |

Source: MOFNP

In 2002, a total of K 66.1 billion was allocated for social safety net programmes. This was distributed as follows: PWAS K12 billion; PUSH K 3 billion; Food Security Pack K 32 billion; Future Search K 1.1 billion; and Disaster Relief K 18.5 billion. Out of the total allocation of K 66.1 billion for social safety nets in 2002, 60 percent or K 35.9 billion was released. A total of K 400 million was released for PUSH, K 300 million for PWAS, K 500 million for Future Search, K 18.5 billion for disaster relief and K3.9 billion for Food Security Pack.

The money disbursed to PWAS went to support poor and vulnerable persons with health and education and other social requirements. Under health, 319 males and 305 females aged between 5 - 14 years and 626 males and 327 females in the age group 15 - 34 years accessed medical services. In education, 560 males and 400 females were assisted and were mainly orphans and vulnerable children. As for social support, a range of services are provided such as food, renting or building of shelter for the destitute, provision of clothing and blankets and the repatriation of stranded people. A total of 33 males and 5 females were assisted under social support.

As for PUSH the money disbursed was used to support the following programmes.

- Improvements of 23.5 Kilometre of access unpaved road in Monze and Lusaka out of the targeted 270 Kilometre road network in nine districts,
- Construction of two community skills training centers in Kafue (Soloboni), Chingola and Ndola (Mackenzie),
- Empowerment of 500 participants out of the targeted 4,500 in various income generating skills, and
- The establishment of 460 savings and solidarity groups for micro credit schemes

Under the food security pack programme the money was used for procurement and distribution of different crop seeds and fertilizer as well as agriculture lime. The total expenditure however, was K 16.2 billion as an amount of K 12.3 billion disbursed in the season 2000/2001 was only utilized in the 2001/2002 season. As a result of this expenditure a total of 125, 000 beneficiaries were reached from the targeted number of 200 000 vulnerable but potentially viable farmers per year.

With regard to the future search programme, the money released was used to assist 3,346 displaced workers, and to conduct 36 counselling sessions for 1,964. Other activities undertaken were to conduct job search seminars, entrepreneurship development workshops and small business awareness seminar.

In the period under review the disaster relief programme was allocated an amount of K18.5 billion of which K 2.1billion was from the normal government budget line. Of this amount K 6.2 billion was used for purchasing and storage of maize; K1.8billion for transportation; K 7.9 billion for purchase of mealie meal from suppliers; K 696 million for participating NGOs and K 1.8 billion for operational costs. This project was implemented in seven (7) affected provinces and reached a total of 2,433,412 beneficiaries.

In 2003 PWAS received K 4.5 billion for the provision of health support, targeting 200,000 clients. Of this amount, K224 million was spent on monitoring the implemented programmes.

In the 2002/2003 season, under the food security pack programme, 128 000 beneficiaries were reached at a cost of K 28.2 billion. The crops distributed under this programme included maize, sorghum, millet, rice, groundnuts, beans, Soya beans, banana suckers, sweet potatoes vines, and cassava cuttings

The discretionary allocation to the sector has been decreasing steadily. In 2001 the discretionary budget was 3.2 percent, in 2002 it was 2 percent and in 2003 it was 1.1 percent

## **4.3 CROSS CUTTING ISSUES**

### **4.3.1 Governance**

The PRSP has identified good governance as a key aspect in fostering growth and poverty reduction. It has therefore set to achieve three key objectives as follows:

- To have 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.

#### **PRSP Implementation**

In line with these objectives, funding for governance programmes has improved. The overall budget allocation for governance in 2002 was K 148.2 billion while the PRP programmes allocation was K 16.8 billion, accounting for 8.46 percent of the total budget. On the other hand, the overall Governance budget for 2003 was K 155.4 billion and the PRP allocation was K 21.6 billion, accounting for 11.3 percent. In 2002, out of the total PRP allocation, 50.9 percent was disbursed, while by October 2003, 11.8 percent was disbursed.

The major thrust of intervention were in the areas of constitutional and judicial reforms, electoral reforms, law enforcement and human rights improvement, enhancement of public accountability and transparency.

#### **Socio-Political Governance**

The government in 2003 began the process of reviewing the constitution. This was prompted by the desire of the Zambian people to address a number of contentious governance issues in the current constitution. To this effect, a Constitutional Review Commission (CRC) to conduct countrywide sittings where the citizenry would make submissions. The CRC has since been receiving submissions from the public through meetings being held in the provinces.

Furthermore, the government engaged civil society in major national issues. One such event is the National (Indaba) Convention held in 2003 involving all stakeholders to discuss economic governance and social issues of common concern. The recommendations of this Forum would be incorporated into the on-going governance reforms. Furthermore, to foster inclusive and participatory governance, the Government involved civil society organizations in major national social-political and economic forums. These included the Technical Committee for Electoral Reform process, Constitutional Review process, and Anti-Corruption Coalitions.

#### **Economic Governance**

##### **Public Expenditure Management Reforms**

Government further undertook budgetary reforms in 2003. A budget review process was embarked upon, in which a new form of budgeting known as the Medium Term Expenditure Framework (MTEF) was introduced. All key stakeholders were consulted as MTEF consultative meetings were held in all the nine provinces of the country. Furthermore, through the introduction of Activity Based Budgeting (ABB), the Ministry of Finance and National Planning will facilitate enhanced tracking of expenditure by activity.

Additionally, the Integrated Financial Management Information System (IFMIS) was introduced. This would facilitate the integration of financial and physical performance measurements for monitoring and evaluation of operational and medium term plans.

In order to enhance efficient, equitable and transparent management of scarce resources, the government, with support from Cooperating Partners, embarked upon the Public expenditure Management and Financial Accountability Review (PEMFAR) as a way to improve public expenditure and financial management.

Through this process, the Ministry of Finance and National Planning benefited from a number of capacity building programs. In terms of staff training, approximately two hundred (200) accountants have been trained in the application of Commitment Control Systems (CCS). This has resulted in a reduction in accumulation of arrears in almost all ministries where this system was introduced. Moreover, government ministries and government spending agencies have benefited from computer equipment to enhance data processing.

To promote accountability, the government built capacity in the office of the Auditor General by training staff in long-term professional courses as well as short-term refresher course programmes. Moreover, the decentralization of operations of the office of the Auditor General has resulted in Government financial statements for 2000, and 2001 being audited on time. Additionally, the backlog of audit reports has been cleared and there has been an increase in the number of special audit reports produced annually.

## **Democratic Governance**

A need to reform the electoral process was identified and an Electoral Reform Technical Committee was established in 2003, with a wide composition of members from the church, civil society, media and the government. The committee, whose mandate is to analyze and make recommendations regarding the legal framework of the electoral process in the country, has since began its work.

There were also reforms undertaken in order to revisit the way the Zambian Parliament conducts business of the House. Most of the parliamentary business is now being dealt with in committees. This has led to specialized matters being dealt with more efficiently. As a result, this increased the ability of the Parliamentary Public Accounts Committee to review reports of the Auditor General effectively and efficiently and also deal with issues of accountability, transparency and good governance in the government system. Moreover twelve pilot- constituency offices were established out of the total one hundred and fifty constituencies in the country. This was done to enhance interface between MPs and their constituencies.

Furthermore, the relaxation of the dress code for the visitors to the National Assembly has made the institution more accessible to the public. A Parliamentary website was also established in order to make people aware of the developments in the Parliamentary system.

## **Transparency and Accountability**

The Government has demonstrated political will to fight corruption through its Zero Tolerance of Corruption stance. To this effect, the operations of the Anti- Corruption Commission (ACC) have been decentralized to all the provinces, and an amount of K1.3 billion was disbursed to the Commission to facilitate finalization of this process. In view of this, there has been increased awareness of the importance of reporting corrupt practices in the community. The outcome has been an increase in the number of complaints received by the ACC. The number rose to 836 complaints in 2002 against the 315 received in 2001, representing an increase of 162 percent. By June 2003, a total of 439 complaints had been lodged, giving an indication of a further increase by the end of the year.

A Task Force on Corruption has been set up to investigate and prosecute cases of corruption and abuses of authority involving high officials in the previous Government as well as those currently serving in Government. So far the Task force has identified to investigate 405 firms. A total of 213 fixed assets have been traced and identified as suspected proceeds from plunder, while 150 persons have been identified and are under investigation. A total of 20 suspects have also been arrested and charged for various criminal offences. Some of these are already appearing in court while 2 have been acquitted.

A National Governance Baseline Survey was commissioned in 2002, to develop empirical information, which would be used to plan implementation of policies and programmes to improve good governance and thereby reduce corrupt practices. The survey has since been completed and it is hoped that the survey would benchmark indicators for future review of elements of governance and the extent of corrupt practices.

### **Law Enforcement and Human Rights**

The Government embarked on reforms in the law enforcement agencies such as the Police and Prisons service so as to enhance the protection, promotion and enjoyment of human rights.

To this effect, in 2002, an amount of K2.0 billion was released to the Police, resulting in the rehabilitation of eight (8) police cells. Furthermore, eleven (11) out of a target figure of hundred (100) boreholes were sunk in Lusaka, Shangombo and Mongu districts. Additionally, twenty motor vehicles were repaired to improve community policing.

The establishment of the Police Public Complaints Authority (PPCA), in order to check excessive use of power by police officers, so as to protect human rights of citizens was a notable development. Since its establishment in 2002, the PPCA has received 299 complaints and dealt with 4 cases involving abuse of authority by police officers. The PPCA recommended to the Police Service that the 4 officers concerned be dismissed.

Under the Prisons and Reformatories, K2.7 billion was released and out of the targeted 100 boreholes, twelve (12) were sunk and eleven of these are operational. Six (6) 1x2 prison cells were constructed. Additionally, seventeen prisons were targeted for rehabilitation and materials were procured for these works. The objective of undertaking these rehabilitation works was to improve prisons standards in order to enhance human rights of inmates.

Under Capacity Building Programme for Good Governance an amount of K375 million was released in 2002 to the Human Rights Commission. The Commission trained a total number of 3,679 law enforcement officers. These officers were from; Zambia Wildlife Authority, Anti Corruption Commission, Drug Enforcement Commission, Zambia Police and Prisons and Reformatories in Law Enforcement and Human Rights in Lusaka, Western and Southern provinces.

### ***Judicial Reforms***

In the Judiciary, K1.2 billion was released for PRPs in 2002. This led to a total of 27 courts being rehabilitated in all provinces in the country. Furthermore, a total of thirty-three Magistrates were sponsored to study law at the University of Zambia.

Government has improved access to the justice delivery system through a number of reforms and interventions. These included the establishment of Alternative Dispute Resolution Mechanisms which led to 2000 cases being dealt with.

To improve the dispensation of justice in the local courts, the Judiciary with the help of co-operating partners, embarked upon a programme of building capacity in the Local Courts Justices.

### 4.3.2 HIV/AIDS

Government's overall objective as outline in the PRSP is to reduce new infections and the social economic impact of HIV/AIDS. Due to the cross-cutting nature of the pandemic, Government has taken a multi-sectoral approach in the fight against the pandemic. In this regard, Government, working with other stakeholders, stepped up efforts and programmes aimed at preventing and controlling the spread of HIV/AIDS, promoting care for those who are infected and affected , and reducing the personal , social and economic impact of the epidemic.

In the period 2002-2003, Zambia received a number of grants from the donor community to complement Government efforts in eradicating HIV/AIDS. These are Global Fund to Fight HIV/AIDS, TB and Malaria, World Bank - Multi-sectoral AIDS Programme (MAP) grant, African Development Bank support, and various bilateral arrangements.

The cost required to implement all the interventions for the period 2002-2005 has been estimated at K 2.8 trillion (US\$560 million). Government under the Poverty Reduction Strategy Paper (PRSP) committed to spend K 475 billion (US \$95 million). However, only K 13 billion (US \$2.7million) was disbursed. By end June 2003, donor commitments amounted to K 1.3 trillion (US \$270.89 million) out of which K 27.8 billion (US \$6.09 million) was disbursed. (See table 4.10 below)

**Table 4.10: Government Commitments and Cooperating Partners' Pledges to National HIV/AIDS/STI/TB Council January 2002- June 2003**

| SOURCE       | <i>Pledges</i> |                  | DISBURSED    |               |
|--------------|----------------|------------------|--------------|---------------|
|              | US\$ million   | K' million       | US\$ million | K' million    |
| GRZ          | 95.0           | 460,750          | 2.7          | 13,095        |
| Global Fund  | 192.0          | 931,200          | 0            | 19,400        |
| World Bank   | 42.0           | 203,700          | 0            | 0             |
| DfID         | 30.0           | 145,500          | 0            | 0             |
| UNDP         | 5.0            | 24,250           | 1            | 4,850         |
| ADB          | 1.2            | 5,820            | 0.5          | 243           |
| WHO          | 0.00           | 0                | 0            | 0             |
| NORAD        | 0.250          | 1,213            | 0.25         | 1,213         |
| SIDA         | 0.220          | 1,067            | 0            | 1,067         |
| Ireland Aid  | 0.220          | 1,067            | 0.22         | 1,067         |
| <b>Total</b> | <b>365.89</b>  | <b>1,770,250</b> | <b>8.79</b>  | <b>40,935</b> |

Source: National HIV/AIDS/STI/TB Council 2003

**Note:** Exchange rate (1US\$ =K4, 850)

### PRSP Implementation

During the period 2002-2003, the implementation of HIV/AIDS programmes was quite favorable. Success has been noted in the areas of Public Awareness, provision of ARV's, and the provision and expansion of community home based care.



Research at UTH has been done to test patients for HIV, screen them for STIs, TB and then provide them with a comprehensive care, which includes TB preventive therapy. Training of Schoolteachers in life skills –based education has also been fulfilled with 996 teachers or 2.3 percent of the 43,448 teachers trained. Some encouraging results are being observed as evidenced by an increase in the Voluntary Counseling and Testing Centers from 56 in 2002 to 110 by end June 2003. Anti-Retroviral Therapy (ART) was introduced in all public Institutions through the establishment of Provincial ART centres. Initially 10,000 patients were put on the ART programme.

The Business Sector through the Zambia partnership has benefited through HIV/AIDS educational workshops, Distribution and promotion of male and female condoms at work place, provision of information on Voluntary Counseling and Testing and the introduction of Post – Test Clubs. As a result, approximately 20,000 employees have been reached and peer educators trained. Other groups targeted were the refugees, long distance truckers, migrant workers, cross-border traders and uniformed security personnel who are more susceptible due to their mobility.

Additionally, programmes targeting teachers and learners across the country were undertaken. This was done through the Ministry of Education by building capacity and capability to respond with timely actions to prevent school age children and teachers from becoming infected. Sensitization programmes were also undertaken in all the provinces through the Zambia Nurses Association, with 206 nursing officers and carers trained out of the targeted 270

In collaboration with the Virology Laboratory and the VCT Services, 41 health workers were trained in Serology and Rapid Testing to cope with the increased demand for VCT for Mother to Child Transmission (MTCT) in some of the health centers in rural Zambia, which do not have laboratory Technicians.

A consultant was engaged to work on the sensitization of farmers at District level. Small- scale farmers were therefore trained using drama and traditional leaders especially in risk prone areas.

### **4.3.3 Gender**

In 2001, the total allocation to Gender in Development Division (GIDD) was K 1.75 billion while actual expenditure was K 545 million which amounts to 31 percent. In 2002 the GIDD allocation was K 2.2 billion, while the actual expenditure was K 1.2 billion, which was 65 percent of the total budget allocation. In 2003, however, the allocation by GRZ to GIDD was K 1.7 billion and the donor allocation was K 500 million. However, 10.7 percent was released for PRPs to the sector.

In addressing gender in development, the focus for the period under review was on improving the participation of women in decision-making, engendering the national budget, promotion of women's economic empowerment and development of the National Gender and Development Information System.

To increase participation of women in decision-making, Government appointed women to various decision-making positions at Cabinet Minister and Deputy Minister levels and other areas of the public sector so as to achieve the thirty percent minimum representation of women in all decision-making positions stipulated by the 1997 Southern African Development Community (SADC) Gender Declaration. The representation of women at the ninth session of the parliament in 2003 was at 13.7 percent. Of all the selected positions in decision-making, only 18 percent are women as compared to 82 percent of the position held by men. (See appendix 4).

In an effort to engender the national budget, capacity building activities for all line ministries during the month of June 2003 were undertaken, and a draft framework has been developed to facilitate the collection, collation and analysis of data.

Government also recognized that due to customary practices, women still lacked access to land in comparison with their male counterparts. In this regard, the draft land policy proposing thirty percent of the land to be demarcated and allocated, for women and other vulnerable groups to reduce on discriminatory practices in the Land Act – Chapter 184 of the laws of Zambia was done. Consultations also started with various stakeholders on how international and regional agreements, such as Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW); the Protocol on African Charter on Human and People's Rights especially on rights of women (ACHPR), and the Southern African Development Community (SADC) Declaration on Gender and Development and its Addendum on the Prevention of Violence Against Women and Children could be translated into laws, policies, plans and programmes.

In order to promote women's economic empowerment, Government disbursed grants to Community Based Organisations (CBOs) amounting to K450 million in 2002 with a view to reducing poverty especially among women. More than ninety (90) CBOs benefited from these grants countrywide. Some of the activities supported included poultry farming, crop farming, tailoring and designing, piggery, fish farming, orphanage etc.

During the period under review, the process of setting up a National Gender Resource Centre to host the National Gender and Development Information System started with the release of K925 million (US\$185,000.00) under Public Service Capacity Building Project (PSCAP) to facilitate the process. Four thousand National Gender Policy documents were disseminated to raise public awareness. In addition to these efforts, Government held six (6) radio and television programmes on the importance of gender in development including poverty reduction. In gender capacity building programmes, ten training programmes with line ministries and other public and private institutions were conducted.