

The Development Context of Zambia: An Update and Analysis, with Lessons Learned and Recommendations for USAID's Next Strategy Plan

Volume 2 — Annexes

Prepared for USAID/Zambia
Under USAID Contract No. PCE-I-00-00-00015-00,
Task Order No. 804

August 14, 2002

The Development Context of Zambia:

**An Update and Analysis, with Lessons Learned and
Recommendations for USAID's Next Strategy Plan**

Volume 2 (Annexes)

DAI

August 14, 2002

TABLE OF CONTENTS

ACRONYMS.....	III
ANNEX 1: STATEMENT OF WORK	1
ANNEX 2: DISTRIBUTION OF POWER IN THE POST 2001 ELECTIONS PARLIAMENT	8
ANNEX 3: ZAMBIA - SELECTED ECONOMIC INDICATORS	10
ANNEX 4: ZAMBIA’S EXTERNAL DEBT STOCK, 1997 – 2001 (US\$ MILLION)	12
ANNEX 5: THE SIGNIFICANCE OF AID.....	14
ANNEX 6: GRZ’S PLANNED EXPENDITURE IN AGRICULTURE.....	16
ANNEX 7: THE GRZ’S CHANGING AGRICULTURAL POLICY	18
ANNEX 8: AGRICULTURE REAL GROWTH RATES, 1992-2000	21
ANNEX 9: WORLD COPPER PRICES, 1974-2000	23
ANNEX 10: KEY ELEMENTS OF THE AID APPROACHES OF ZAMBIA’S MAIN BILATERAL DONORS.....	25
ANNEX 11: CROSSCUTTING THEMES	27
ANNEX 12: THE GLOBAL DEVELOPMENT ALLIANCE (GDA)	32
ANNEX 13: ZAMBIA’S POVERTY PROFILE.....	35
ANNEX 14: OPTIMAL IMPACT AREAS AND PROPOSED STRATEGIC INTERVENTIONS... ..	42
ANNEX 15: MULTI SECTOR APPROACH HIV/AIDS.....	54
ANNEX 16: THE MULTI-SECTOR APPROACH TO DEVELOPMENT IN ZAMBIA	57
ANNEX 17: PARTNER AND STAKEHOLDER LIST.....	65
BIBLIOGRAPHY	71

List of Tables and Figures

TABLE 1: DISTRIBUTION OF POWER IN THE POST 2001 ELECTIONS PARLIAMENT	9
TABLE 2: ZAMBIA - SELECTED ECONOMIC INDICATORS	11
TABLE 3: ZAMBIA'S EXTERNAL DEBT STOCK, 1997 – 2001, (US\$ MILLION).....	13
TABLE 4: KEY ELEMENTS OF THE AID APPROACHES OF ZAMBIA'S MAIN BILATERAL DONORS.....	26
TABLE 5: INCIDENCE, DEPTH, AND SEVERITY OF POVERTY BY RURAL/URBAN CLASSIFICATION AND PERCENT CHANGE BETWEEN 1991 AND 1998.....	36
TABLE 6: INCIDENCE OF POVERTY BY SOCIOECONOMIC STRATUM AND PERCENT CHANGE BETWEEN 1996 AND 1998.....	38
TABLE 7: INCIDENCE OF POVERTY BY HEAD OF HOUSEHOLD GENDER.....	39
TABLE 8: POVERTY INCIDENCE AND DISTRIBUTION BY PROVINCE 1998	39
TABLE 9: NON-INCOME POVERTY INDICATORS.....	40
FIGURE 1: AID FLOW TO ZAMBIA, 2000 AND 2001 (US\$ MILLION)	15
FIGURE 2: AGRICULTURE REAL GROWTH RATES, 1992-2000	22
FIGURE 3: WORLD COPPER PRICES, 1974-2000.....	24
FIGURE 4: DISTRIBUTION OF POVERTY	37

ACRONYMS

ACC	Anti-Corruption Commission
ACF	Agricultural Consultative Forum
ACP	African, Caribbean Pacific countries
ADB	African Development Bank
ADF	African Development Fund
AFD	French Aid
AGOA	African Growth and Opportunity Act
ASNAPP	Agribusiness in Sustainable Natural African Plant Products
BESSIP	Basic Education Sub-Sector Investment Program
BOP	Balance of Payments
CBI	Cross-Border Initiative
CBNRM	Community Based National Resource Management
CF	Conservation Farming
CFU	Conservation Farming Unit
CIDA	Canadian Aid
CLUSA	Co-operative League of the USA
COMESA	Common Market for Eastern and Southern African Countries
CPI	Corruption Perception Index
CSO	Central Statistics Office
CSP	Country Strategy Plan
DAI	Development Alternatives International
DANIDA	Danish Aid
DBA	District Business Association
DEC	Drug Enforcement Commission
DFID	Department for International Development (British Aid)
DG	Democracy and Governance
DGIS	Director General for Development Co-operation
DHS	Demographic Health Survey
DRC	Democratic Republic of Congo
ECCED	Early Childhood Care, Education & Development
ECZ	Electoral Commission of Zambia
EMIS	Educational Management Information System
EU	European Union
FDI	Foreign Direct Investment
FINNIDA	Finnish Aid
FODEP	Foundation for Democratic Process
FSRP	Food Security Research Project
FSRP	Food Security Research Program
GDA	Global Development Alliance
GDP	Gross Domestic Product
GMA	Game Management Area
GRZ	Government of the Republic of Zambia
GTZ	German Aid

HCC	Health Center Committee
HIPC	Heavily Indebted Poor Country
IA	Implementing Agency
ICT	Information and Communication Technology
IDA	International Development Agency
IESC	International Executive Service Corp
IFI	International Finance Institution
ILO	International Labor Organization
IMF	International Monetary Fund
IR	Intermediate Result
IRI	Interactive Radio Instruction
ISP	Internet Service Provider
IT	Information Technology
ITN	Insecticide Treated Nets
KCM	Konkola Copper Mine
LuSE	Lusaka Stock Exchange
MAFF	Ministry of Agriculture Food and Fisheries
MMD	Movement for Multi-Party Democracy
MOE	Ministry of Education
MSA	Multi-Sector Approach
MSU	Michigan State University
NAC	National AIDS Council (National HIV/AIDS/STD/TB Council)
NCBPGG	National Capacity Building Program for Good Governance
NEP	National Energy Plan
NEPAD	New Partnership for African Development
NFRE	Non-Farm Rural Enterprise
NGO	Non-Government Organization
NHC	Neighborhood Health Committee
NORAD	Norwegian Aid
NTB	Non-Tariff Barrier
OPPAZ	Organic Producers' and Processors' Association of Zambia
PAGE	Promoting the Advancement of Girls' Education
PLWA	People Living with AIDS
PLWHA	People Living with HIV/AIDS
PRSP	Poverty Reduction Strategy Paper
PSDP	Private Sector Development Program
REDSO	Regional Economic Development Services Organization
REP	Rural Electrification Plan
RfP	Request for Proposals
RSA	Republic of South Africa
SADC	Southern African Development Community
SAP	Structural Adjustment Program
SHD	Sustainable Human Development
SHN	School Health and Nutrition
SIDA	Swedish Aid
SMME	Small, Micro and Medium-size Enterprise

SO	Strategic Objective
SOE	State-owned Enterprises
SOW	Statement of Work
SWAp	Sector Wide Approach
TB	Tuberculosis
TDCA	Trade, Development and Co-operation Agreement
TI	Transparency International
TNDP	Transition National Development Plan
UNDP	United Nations Development Program
UNHCR	United Nations High Commissioner For Refugees
UNICEF	UN Children’s Fund
UNIDO	United Nations Industrial Development Corporation
UNIP	United National Independence Party
UPND	United Party for National Development
VCT	Voluntary Counseling and Testing
WTO	World Trade Organization
ZACCI	Zambia Association of Chambers of Commerce and Industry
ZAMTIE	Zambia Trade and Investment Enhancement Project
ZATAC	Zambia Agribusiness Technical Assistance Center
ZAWA	Zambia Wildlife Authority
ZCC	Zambia Competition Commission
ZCSMBA	Zambia Chamber for Small and Medium Business Associations
ZEGA	Zambia Export Growers' Association
ZFAP	Zambia Forestry Action Plan
ZIC	Zambia Investment Center
ZIHP	Zambia Integrated Health Program
ZNFU	Zambia National Farmers’ Union
ZPA	Zambia Privatization Agency
ZRA	Zambia Revenue Authority

Annex 1: Statement of Work

STATEMENT OF WORK

CONTEXTUAL STUDY

PURPOSE

USAID/Zambia's current Country Strategic Plan (CSP) is scheduled to end in September 2003. The contextual study will identify new sectoral and thematic development hypotheses for the USAID program in Zambia and propose strategic options for USAID/Zambia's next CSP. The study will also propose approaches and indicative results associated for the strategic options. The study will be so structured and detailed to adequately provide the elements that USAID/Zambia would summarize into a concept paper for its next CSP.

Considering the focal role that the Zambian PRSP is expected to play in the country's development agenda, USAID's development of a new CSP for Zambia will take into consideration the need to help the Zambian Government successfully pursue its PRSP objectives. This will be done within the framework of USAID Pillar areas, USAID's comparative advantage, US National Interest, and resource availability. USAID Pillars are the areas of strategic interest to USAID. They represent the boundaries of USAID investments, which include:

Pillar I: Global Development Alliance: GDA serves as a catalyst to mobilize the ideas, efforts, and resources of the private sector, corporate America and non-governmental organizations in support of shared objectives

Pillar II: Economic Growth, Agriculture and Trade: USAID works to improve country economic performance using five approaches: (1) liberalizing markets, (2) improving agriculture, (3) supporting micro enterprise, (4) ensuring primary education, and (5) protecting the environment and improving energy efficiency.

Pillar III: Global Health: USAID works to: (1) stabilize population, (2) improve child health, (3) improve maternal health, (4) address the HIV/AIDS epidemic, and (5) reduce the threat of other infectious diseases.

Pillar IV: Democracy, Conflict, and Humanitarian Assistance

HIV/AIDS (multi-sectoral approaches), gender mainstreaming, environmental considerations as well as conflict and vulnerability will be themes of particular USAID/Zambia interest. Partnerships with the private sector, in the sense of mutual design of activities and leverage of resources, are a development approach USAID seeks to optimize.

II. Country Context

The past two decades have seen an increase in Zambia's external debt burden, leading to high debt service obligations that have compromised the country's capacity for investment in social services and public infrastructure. Weaknesses in public expenditure management and prioritization persist amid allegations of increasing levels of corruption in the public sector. Although Zambia's macroeconomic stabilization efforts have led to the country reversing the negative Gross Domestic Product (GDP) growth trends in the latter half of the 1990s, the growth rates remain too modest to meaningfully impact on the socio-economic downturn in the Zambian living condition. Zambia's human development indices have failed to recover to the post-independence peak of the 1970s and are currently poor by international standards.

Zambia is arguably far from being the Zambia of ten years ago, or even five years ago. The country has gone through political and economic restructuring, rapidly moving from decades of one-party autocracy to multi-party democracy and making significant progress in liberalizing the economy, foreign trade and privatizing state-owned enterprises, including the copper mines. Improved financial discipline has resulted in the rate of inflation falling from 187% in 1993 to 18.7% in 2001. Apart from the substantial privatization achieved, market-driven exchange and interest rates, attainment of full convertibility of the national currency, establishment of a stock exchange and other financial sector reforms demonstrate Zambia's re-orientation towards private sector-led economic growth and stability.

The Zambian Poverty Reduction Strategy Paper (PRSP), 2002-2004, which acknowledges Zambia's global commitment to reduce poverty by 50% by 2015, observes that Zambia needs to attain sustained annual growth rates in GDP of 6-8%, over the next ten years, to achieve this. The PRSP represents the Zambian Government's medium term strategy for accelerating growth and tackling poverty.

Tragically, the HIV/AIDS pandemic threatens to reverse all these gains. Approximately 20% of adults are HIV-infected and the HIV/AIDS epidemic is having a devastating impact on the people, institutions, and country's ability to achieve sustainable development. Largely because of the AIDS crisis, life expectancy at birth has declined to 37 years. As AIDS death rates accelerate, a secondary epidemic of orphaned and vulnerable children has arisen. By the end of the year 2000, an estimated 1.25 million children (27.4% of children under age 15) were orphaned.

Zambia's presidential and parliamentary elections of December 2001 took place peacefully, although some stakeholders have questioned the fairness of the electoral process. Although the opposition won the majority of seats in parliament, the ruling party retained the presidency.

USAID supports innovative programs in agricultural privatization, technologies in conservation farming and community-based natural resource management in protected areas. In education, the program mobilizes communities in support of basic education

and nutrition interventions and promotes the expansion of innovative models to improve access to education especially for the rural poor and for girls, orphans and other vulnerable children. To promote democracy, USAID supports increased and informed public debate on key issues, access to alternative dispute resolution and better access to information for legal professionals. In addition, **USAID has classified Zambia as a priority country for the worldwide-roll-back-Malaria program and a Rapid-scale-up country for HIV/AIDS.** USAID also supports national programs in family planning and maternal health, vitamin A food fortification and supplementation, integrated management of childhood illnesses and immunizations. Additionally, USAID has designed a crosscutting multi-sectoral coordinating mechanism to support a synergistic approach to improve the ability of all development sectors in Zambia to better respond to the impact of HIV/AIDS – not just as a health problem but also as an overall development challenge.

The contextual study will draw on a prior Literature Review that will have listed and prepared abstracts for selected key documents covering Zambia's socio-economic situation within the framework of USAID Pillars. The Literature Review will also have identified and described gaps in the literature.

III. SCOPE OF WORK

USAID/Zambia emphasizes multi-sectoral approaches to HIV/AIDS mitigation and promoting accelerated economic growth as its priorities. Within the context of US National Interest, USAID pillars and USAID's comparative advantage, the study will determine and recommend priority areas for possible USAID interventions, with due attention to relevant current and future opportunities and constraints.

The contractor will be required to refer to the literature review described earlier, but will be free to review additional literature that they may consider essential to the contextual study. The contractor will consult USAID/Zambia staff, Zambian Government Officials, the private sector, civil society and other relevant stakeholders in order to gain a broad-based understanding of Zambia's development challenge, on-going efforts and lessons learned. The consultations will include a series of meetings, feedback briefings and field visits where appropriate. In this respect, the contractor will agree with USAID/Zambia's Strategy Planning Team on a list of essential stakeholders to be consulted. The contractor will carry out detailed technical analyses, as described in section IV below, leading to a draft report for USAID/Zambia's consideration. Upon USAID/Zambia's feedback, the contractor will prepare a final report acceptable to USAID/Zambia.

The contractor will commence the contextual study on 15th May 2002 and the final report will be due to USAID/Zambia, from the contractor, on 28th June 2002.

IV. DETAILED TECHNICAL REQUIREMENTS

The contextual study to be undertaken by the contractor will include the following elements:

1. Update Zambia's development challenge, including:
 - a) A situation analysis to provide an update of Zambia's current social and economic status and the key development challenges.
 - b) Review Zambia's poverty profile and discern the key constraints to accelerated economic growth and causes of poverty.
 - c) Assess the status of multi-sectoral approaches to addressing the HIV/AIDS pandemic in Zambia.
 - d) Assess USAID/Zambia's alliances with NGOs and the private sector, in the context of USAID's definition of Global Development Alliances.

2. Review of USAID/Zambia's experience in terms of lessons learned, i.e. what strategies and approaches have worked well and which ones have not worked very well and why.

3. Determine opportunities and constraints to accelerated economic growth and poverty reduction:
 - a) With respect to the priority themes and sectors, determine key opportunities for significantly accelerating economic growth and reducing poverty, based on a thorough review of current constraints and obstacles inhibiting Zambia's progress.
 - b) Carry out analyses of factors exogenous to USAID/Zambia and their foreseeable implications on the success of the USAID program in Zambia.
 - c) Carry out analyses of relevant external sector developments (e.g. Free Trade Areas, trade protocols, international conventions, etc.) and their foreseeable implications on Zambia, in terms of future opportunities and threats affecting the selected thematic/sector areas.
 - d) Determine key opportunities and constraints to a successful multi-sectoral approach to addressing HIV/AIDS in the USAID program.
 - e) Determine key opportunities and constraints to USAID/Zambia forging alliances with NGOs and the private sector, in the context of USAID's definition of Global Development Alliances.

4. Determine optimal impact areas for interventions:

Within the framework of USAID Pillars, and drawing on the social and economic analysis, the contractor will propose areas with significant potential for mitigating

HIV/AIDS, promoting accelerated broad-based growth, and reducing poverty in Zambia.

5. Propose strategic options for USAID:

a) Based on the identified optimal impact areas, and taking into consideration on-going efforts and external developments, propose approaches through which development assistance can make, or continue to make, a tangible positive difference to Zambia’s development challenge (within the framework of USAID Pillars, US National Interest and foreseeable levels of USAID resources for assistance to Zambia).

6. Identify areas for further research:

The contractor will identify and recommend areas for further research to help the Mission in its effort to prepare a good CSP.

IV. WORK AND REPORTING SCHEDULE

The contractor will undertake the Contextual Study over a period of seven weeks. The following will be the work schedule:

Activity	Due Date
Commencement of Contextual Study	05-22-02
Orientation meeting for contractor with Strategy Planning Team	05-22-02
Contractor submit Table of Contents for Contextual Study report to Program Office for USAID/Zambia clearance	05-24-02
Contractor make presentation to USAID/Zambia, for feedback on activities undertaken by the contractor and their initial impressions	06-12-02
Contractor hold meetings with stakeholders (SO Teams, Donors, GRZ, private sector, civil society, etc.) to vet findings	Week starting 06-17-02
Contractor submit first draft report to USAID/Zambia	06-26-02
USAID/Zambia provides feedback to consultants on draft report	06-28-02
The contractor submit final draft report to USAID/Zambia	07-03-02
USAID/Zambia provides feedback to contractor on draft report	07-05-02
Contractor submit final report to USAID/Zambia	07-09-02

V. DELIVERABLES:

1. The contractor submit Table of Contents for Contextual Study report to Program Office for USAID/Zambia clearance
2. In consultation with and for clearance by USAID/Zambia, the contractor will prepare and submit to the Program Officer, a list of stakeholders to be consulted during the study.

3. The contractor will prepare, and submit to the Program Officer, 5 hardcopies of the draft report.
4. The contractor will prepare, and submit to the Program Officer, 5 hardcopies of the final report.

Both the draft report and the final report will be submitted to the Program Officer, or his designated representative, in both hardcopy and electronic format. Electronic copies of the reports will be submitted in duplicate on two three and half-inch IBM compatible diskettes.

VI. Team COMPOSITION

The analytical team of contractor will consist of three external and two local experts. The skills mix of the contractor on the team will include:

1. Strategic planning expertise, particularly for the team leader
2. Macroeconomics
3. HIV/AIDS impact analysis
4. Sociology
5. Political science

The team's social/economic knowledge of and experience with Sub-Saharan Africa will be important to the successful execution of the contract. The contractor are required to possess requisite advanced degrees of higher learning (Masters or higher) and have a minimum of 5 years of working experience in relevant fields.

Annex 2: Distribution of Power in the Post 2001 Elections Parliament

Table 1: Distribution of Power in the Post 2001 Elections Parliament

Party	Number of Parliamentary Seats obtained in 2001 Elections	Percentage of Parliamentary Seats obtained in 2001 Elections
MMD	69	46
UPND	49	32.66
FDD	12	8
UNIP	13	8.66
HP	4	2.67
ZRP	1	0.67
PF	1	0.67
INDEPENDENTS	1	0.67
TOTAL	150	100

Source: Foundation for Democratic Process (FODEP). 2002. *Zambia's 2001 Tripartite Elections*. Lusaka, Zambia: p.54.

Annex 3: Zambia - Selected Economic Indicators

Table 2: Zambia - Selected Economic Indicators

Indicator	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Exports of goods and services (% of GDP)	35.9	34.6	36.1	32.0	36.0	36.1	31.3	30.1	26.7	22.6	30.0
Imports of goods and services (% of GDP)	36.6	37.3	48.0	38.0	36.8	39.8	38.9	35.3	39.2	41.5	40.0
Resource balance (% of GDP)	-0.7	-2.6	-11.9	-6.0	-0.8	-3.8	-7.5	-5.2	-12.5	-18.9	-10.0
Current account balance (% of GDP)	-12.0	-15.0	-24.0	-14.0	-12.0	-13.0	-13.0	-11.0	-15.0	-18.0	-17.0
Total debt service (% of exports of goods and services)	15.0	47.0	27.0	31.0	29.0	182.0	20.0	17.0	20.0	46.0	..
Gross international reserves in months of imports	1.0	1.3	..	1.4	1.9	1.4	1.6	1.4	0.5	0.4	..
Current revenue, excluding grants (% of GDP)	20.0	19.0	18.0	16.0	20.0	20.0	21.0	20.0	18.0	..	..
Expenditure, total (% of GDP)	0.2	0.3	0.3	0.1	0.1	0.2	0.2	0.2	0.1	0.1	0.1

Source: World Bank. Various years. *SIMA and Region.*

Annex 4: Zambia's External Debt Stock, 1997 – 2001, (US\$ million)

Table 3: Zambia's External Debt Stock, 1997 – 2001, (US\$ million)

	1997	1998	1999	2000	2001*	% Change 2001-2000	% Share in total debt
Bilateral	3,296.90	3,477.80	2,676.40	2,390.20	3,091.76	29.4	42.5
<i>of which</i>							
Paris Club	2,816.50	2,998.50	2,405.00	2,131.40	2,713.85	27.3	37.30
Non-Paris Club	480.40	479.30	271.40	258.80	377.90	46.00	5.20
Multilateral	3,152.40	3,172.70	3,375.10	3,446.82	3,346.04	(2.90)	46.00
<i>of which</i>							
ADB/ADF	327.00	257.00	320.70	316.66	318.66	0.60	4.40
World Bank	1,450.20	1,547.60	1,668.30	1,736.43	1,837.06	5.80	25.30
IMF	1,205.50	1,205.20	1,219.20	1,245.40	992.00	(20.30)	13.00
Others	169.70	162.90	166.90	148.33	198.32	33.70	2.70
Total Govt. Debt	6,449.30	6,650.50	6,051.50	5,837.02	6,437.80	9.50	88.50
Private and Parastatals	303.30	278.20	455.90	473.49	832.30	75.80	11.50
Total External Debt Stock	6,752.60	6,928.70	6,507.40	6,310.51	7,270.06	15.20	100.00

* Preliminary

Source: GRZ. 2002. *Economic Report 2001*. Ministry of Finance and National Planning, Lusaka, Zambia. (February): p.58.

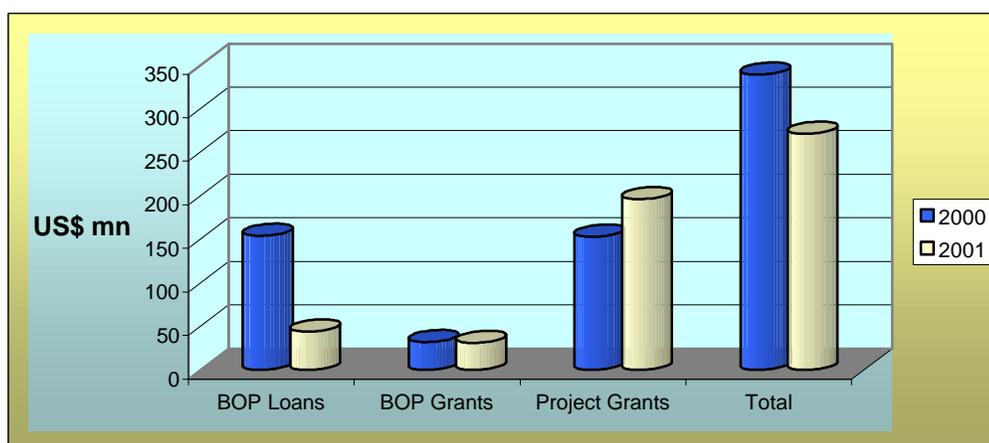
Annex 5: The Significance of Aid

The Significance of Aid

Zambia's worsening debt burden largely explains why, to a large extent, donors are increasingly more predisposed to giving the country grants rather than loans. Equally noteworthy, a significant level of external resource flow to Zambia goes towards debt servicing as part of balance of payments support. Since the 1960s, aid to Zambia had shown steady increase (at current prices), particularly during the early 1990s. Bilateral aid has been more significant than multilateral assistance. Multilateral institutions, mainly the World Bank, African Development Bank and the European Union accounted for roughly 30 percent of aid to Zambia in 1998, mainly project related. Japan, with its focus in infrastructure development and agriculture-related support, remained the largest bilateral donor to the country in the same year. A group of bilateral partners, disbursing similar levels of support, occupied the second place following Japan. These were Sweden, United Kingdom, Denmark, Norway, and the United States. The share of the EU in Zambia's aid flow, particularly with respect to balance of payments, has declined in the post-1997 period.

More recent data shows that the picture has not changed much. According to the Zambian government's most recent Economic Report,¹ aid flow to Zambia declined in 2001. While US\$339 million was received in 2000, only US\$271 million was received in 2001, a 20.1 percent decline. Out of the total received in 2001, balance of payments support accounted for only 11.4 percent, compared to its share of over 50 percent during the 1992-1993 period. There is an evident preference towards project grants whose share of the 2001 external aid was US\$196 million, or 72.3 of the total. Moreover, BOP loans stood at US\$154 million during 2000 (representing 45.4 percent of the total aid flow during that year), but this declined to only US\$44 million in 2001. Aid flow to the country in the last two years (2000 and 2001) is shown in Figure 1.

Figure 1: Aid Flow to Zambia, 2000 and 2001 (US\$ million)



Source: GRZ. *Economic Report 2001*. Ministry of Finance and National Planning. Lusaka, Zambia.

¹ GRZ. *Economic Report 2001*. Ministry of Finance and National Planning. Lusaka, Zambia. (February): pp. 57-58.

Annex 6: GRZ's Planned Expenditure in Agriculture

GRZ's Planned Expenditure in Agriculture

In terms of thrust, the 2002 budget, the first for the new government, places emphasis on agriculture in line with the PRSP prioritization and in support of poverty reduction. Out of the total budget amount of K5,676.8 billion, K450 billion (or 7.9 percent) is earmarked for financing new or enhanced activities in priority poverty reduction programs while the agricultural sector's share has almost trebled from K88 billion in 2001 to K231 billion in 2002. An additional K10 billion has been allocated to "vulnerable-but-productive small-scale farmers for the distribution of input packs to enable them to grow food crops for their subsistence." An additional K15 billion has been earmarked for outgrower schemes. There is, however, very little evidence that the requisite capacity needed to operationalize the major changes in resource allocations towards poverty reduction is present, let alone evidence that serious effort is underway to build this capacity. For example, the absorptive capacity of existing poverty safety nets, especially in backstopping ministries for this purpose (e.g. Ministry of Community Development and Social Services), is so weak that one wonders how much of the earmarked resources for poverty programs shall be absorbed and applied in an effective and transparent manner. The same can be said of the K231 billion allocated for the agriculture sector that is barely recovering from the disastrous performance of ASIP. It will be interesting to see how, for example, the K10 billion allocated to small-scale farmers for 'input packs' shall be managed in a ministry that is yet to develop vulnerability targeting tools. The placement of the Agriculture and Cooperatives Ministry under the Office of the Vice President may have given it an additional political clout but the importance of well-conceived institutional and operational structures to translate and apply the priority given to this sector cannot be overemphasized.

Annex 7: The GRZ's Changing Agricultural Policy

The GRZ's Changing Agricultural Policy

By 1994 and under its liberalization policy, the government removed consumer subsidies on maize and maize products. Moreover, all parastatals that were involved in marketing activities were abolished and the country's trade with the world liberalized. This formed the entry point of the Agricultural Sector Investment Program (ASIP) through which the government attempted to create a positive policy environment within which agricultural markets liberalization could be consolidated. ASIP was launched in January 1996 in the context of five broad objectives, namely (a) to ensure national and regional food security; (b) to generate income and employment; (c) to ensure that the existing agricultural resources base (land, water and air) is maintained and improved upon; (d) to contribute to sustainable industrial development; and (e) to enhance agriculture's contribution to the national balance of payments.² Ten strategies were adopted for ASIP, namely, liberalization of agricultural markets; diversification of crop production; development of the livestock sector; emphasizing services to smallholders; expanding economic opportunities for outlying areas; improving the economic status of women; improving the use of the available water resources; full utilization of land suitable for agriculture; helping farmers deal with natural disasters; and emphasizing sustainable agriculture.

Beyond ASIP, Zambia's current strategy in agriculture under the PRSP is two pronged. On the one hand, the government aims to provide assistance to small-scale producers. This group constitutes one of the most poverty stricken in the country (84 percent of them are poor). It is government policy to draw small-scale producers into commercial agriculture because poverty reduction is seen as going beyond attaining subsistence to reach surplus production at the household level. The lead arrangement for this will be outgrower schemes where large-scale estates will support surrounding small-scale farmers in input provisioning and marketing of output.

On the other hand, the government also recognizes that commercial agriculture is well below potential. Consequently, the second strand of agricultural development under PRSP aims at encouraging large-scale production to exploit the untapped potential, especially for the export markets in appropriate products so as to escape the market constraint imposed by the small Zambian market. The key interventions in support of large-scale agriculture include the establishment of new farming blocks especially in the poorest provinces of Zambia (such as the Western Province), and the PRSP has already provided for this as part of its US\$1.2 billion budget over the 2002 to 2004 period. At the strategy level and considering the limited domestic market for agricultural products, the government under PRSP focuses its attention on the regional and international export market for products in which Zambia has comparative advantage. To facilitate faster and diversified agricultural activity, the PRSP also places a high premium on infrastructure development, particularly rural road networks. To encourage rural-based agricultural processing and mechanization, the energy sector is also receiving priority attention.

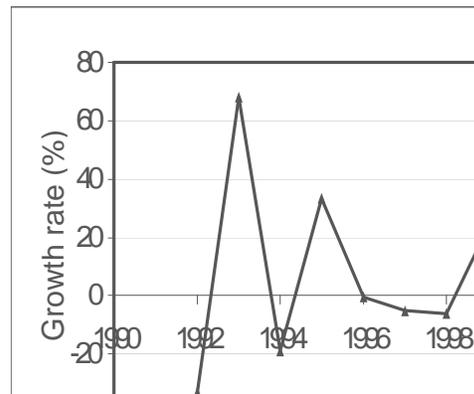
²For more details, see GRZ .1992. *A Framework for Agricultural Policies to the Year 2000*. Ministry of Agriculture, Food and Fisheries. Lusaka, Zambia.

The Agriculture Commercial Program (ACP) has replaced ASIP as the policy document governing actions in the agricultural sector. It aims to facilitate sustainable and broad based agricultural sector growth over the period 2002-2005 by focusing on increasing the generation of income from farming through improving access to marketing, trade, agro-processing opportunities, agricultural finance services, improved agriculture infrastructure and serviced land, appropriate technology and information.

Annex 8: Agriculture Real Growth Rates, 1992-2000

Figure 2: Agriculture Real Growth Rates, 1992-2000

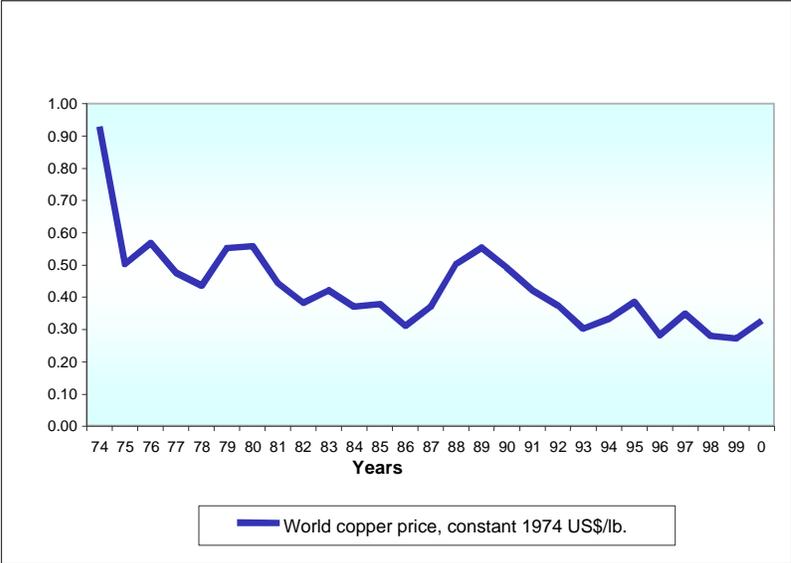
Year	1992	1993	1994	1995
Rate	-33.1	68.1	-18.9	33.4



Source: Data derived from GRZ. 2002. Poverty Reduction Strategy Paper. Ministry of Finance and National Planning. Lusaka, Zambia.

Annex 9: World Copper Prices, 1974-2000

Figure 3: World Copper Prices, 1974-2000



Source: World Bank. 2001. *World Development Indicators*.

Annex 10: Key Elements of the Aid Approaches of Zambia’s Main Bilateral Donors

Table 4: Key Elements of the Aid Approaches of Zambia’s Main Bilateral Donors

Agency	Approaches
AFD (France)	Involved in a number of SWAps through parallel financing, but no formal policy. Co-financing with other agencies is, however, now the rule.
CIDA (Canada)	There is greater involvement in program approaches and more untied aid. SIDA is moving away from heavy emphasis on project funding to increased involvement in SWAps, although most of this is still through parallel financing. Accountability regime encourages this because of emphasis on attribution of results to CIDA rather than to a group of international development agencies (IDAs). Because of tying restrictions, CIDA is unlikely to become involved in significant budget support in the near future.
DANIDA (Denmark)	New paradigm, policy being revised for the end of 2001, likely to move towards more pooling and collaboration; untying proposed in on-going policy review, although there is already greater flexibility than in the past. There are also discussions about the level of aid, with the possibility of increasing the ODA budget to 1.5% of GNP.
DFID (United Kingdom)	New paradigm; SWAps are now the major way of working in 13 or more countries. DFID wants to develop strong programs including budget support with countries committed to poverty reduction; budget support is increasingly preferred where feasible; DFID is strong advocate of harmonization.
Directorate-General for Development Co-operation (the Netherlands) (DGIS)	New paradigm, but recognition that major budgetary support is still 10 years away; decrease in number of programming countries has created disbursement pressures in the remaining ones. Much interest in pooling and harmonization.
European Union	New paradigm, but there are major gaps between policy and implementation in general, with limited risk taking; new development policy in 2000 encourages co-operation with other IDAs.
GTZ/BMZ (Germany)	Considerable interest in SWAps but GTZ does not yet participate in the up-front joint planning of SWAps with other donors.
Ireland Aid (Ireland)	Policy being reviewed, but there is informal support for the new paradigm. Irish aid budget will increase to 0.7% of GNP by 2007.
FINNIDA (Finland)	New policy for development co-operation in Feb 2001 clarifies support for poverty reduction and sectoral programming. Involvement in SWAps normally through parallel financing rather than through common activities.
NORAD (Norway)	New paradigm, shifting from projects to programmatic approaches linked to national planning mechanisms such as PRSPs. Strong emphasis on building competence and capacity internally, i.e. internal institutional development.
Sida (Sweden)	New paradigm, with strong commitment to applying the principles of co-ordination, ownership, etc., that underpin SWAps to other funding mechanisms; hence increasing emphasis on finding common ground between Programme and budget support, e.g. the need for institutional strengthening and good governance. Also looking at long-term (10 years) budget support to selected countries.

Source: Baser, H. and P. Morgan. 2001. “The Pooling of Technical Assistance: An Overview based on Field Experience in Six African Countries.” *ECDPM Synthesis Paper*. Maastricht: ECDPM: p.14.

Annex 11: Crosscutting Themes

Crosscutting Themes such as Food Security, Gender Mainstreaming, Information Technology, the Environment, Refugees

These topics, mentioned in the scope of work or suggested by USAID/Zambia's staff during the consulting team's work, are but a few of the possible crosscutting themes the Mission might emphasize. As gender mainstreaming differs from the others in that USAID now requires attention to it as a cross-cutting theme (see the ADS section 201.3.4), we have made specific recommendations relating to it in the body of the report. For the others, however, this being a contextual study, the discussion below treats them as an ensemble rather than individually or in depth, in order to suggest broadly how they have been employed up to now and how they might be better used in a new strategy.

The consulting team basically found little in the way of a commonly understood USAID/Zambia approach to applying crosscutting themes. Mission and cooperating agency or contractor people generally did not resist either the crosscutting principle or the individual ideas so much as they lacked an awareness of how they were expected to go about dealing with them amidst the abundance of other mandates requiring their attention.

That does not mean that certain themes are not playing an important part in USAID's present program. The most obvious one is IT, or ICT, which is used as a tool and has activities or effects in every SO.

IT, evident as a fact of life today and supported by the Leland initiative, has made its way into development efforts. Now an omnipresent feature of daily work, one question is whether it could usefully be incorporated as a standard requirement or USAID practice along the lines of earlier environmental and gender measures. Does the just-funded information and communications technology private-public alliance proposal offer an example of how IT could be made more concrete? In this case, IT as crosscutting tool or theme was approached in GDA style. Surely, the environment offers similar mixed crosscutting/GDA opportunities, and there may be others in gender mainstreaming as well.

Further to IT, the operative words to describe the information sector today in Zambia are poor quality and high cost. It is a tribute to the immense power of the new technology that it is nonetheless taking hold rapidly in Zambia, albeit rising from a tiny base. The question becomes one of how to put telecommunications at the service of the country's economic development, in particular to stimulate value-added processing and export market exploitation. IT benefits can become broadly available as a tool to help drive the growth of the modern sector only if vigorous action is taken against several obvious problems. Broadly speaking, the main obstacles are the state telephone monopoly, high duties and VAT on electronic equipment, an unattractive tax and incentive environment, and restrictive Internet Service Provider (ISP) procedures. The Zambia business community stands to gain directly from relief on all these fronts and ought, therefore, to

be mobilizing itself to put pressure on the government for rapid positive change. In fact, though, the economy as a whole can only benefit in terms of increased economic activity, better information for entrepreneurs and, ultimately, job and income creation. Any lobbying effort should be made on those broad economic grounds rather than as a special interest case. USAID/Zambia's role could take the form of a joint push from the SO 1 (economic growth) and SO 4 (democracy and governance) teams, since aspects of both objectives are involved. SO 1 and SO 4 could join forces with Zambian business organizations to build on the consultative IT efforts begun before the last elections and press the GRZ to move ahead promptly to create the new conditions needed. USAID already has means available to assist, ZAMTIE and the D G team's experience at helping to mobilize civil society being the most obvious ones. Such an approach would constitute a specific and useful contribution to improving the IT policy and regulatory environment and give a concrete boost to restarting Zambia's economy.

Gender mainstreaming is a theme presently manifested in the program, especially in the education and health SOs. The consultants did not find much to suggest a concerted Mission approach to the other three themes. The problem is not the content of these topics: it is not a matter of lacking adequate information or analytical guidance. As an agency, USAID has ample information and guidance available to all. USAID/Zambia should first decide whether it *wishes* to make systemic use of crosscutting themes as a way to carry out its programs and second, if the answer is affirmative, devise a systematic approach for doing so. Third, it should select a small number, preferably only one or two, to reduce the wear and tear on its staff.

Mission officers are well aware that taking on cross-sector matters seriously is not cost free. The point was amply made in discussions of the multi-sector approach to HIV/AIDS. It takes a great deal of time and effort to mobilize around a topic and make its across-the-board application real and sustained. USAID/Zambia's employees have not been observed to have time hanging heavy on their hands.

Such a systematic crosscutting approach could start by considering the following points:

How can and should these themes be taken as opportunities to improve USAID's development impact? How can and should they be viewed and treated by the Mission and its program in the Zambian context? Which one or two of them are best suited to the Zambian context?

Multi-sector approach vs. crosscutting theme. Does USAID/Zambia wish for food security, gender mainstreaming, IT, the environment or refugees to become as all pervasive as the multi-sector approach for HIV/AIDS appears to be?

If so, following in the footsteps of HIV/AIDS as the multi-sector HIV/AIDS approach unfolds further could help to illustrate the intended application of these crosscutting themes. HIV/AIDS could become a systemic model, in other words.

If not, the Mission would do well to spell out how a crosscutting theme is to operate differently from a multi-sector approach. (That said, the consulting team feels strongly, in view of hunger in Zambia, that food security may warrant as prominent an across-the-board approach as HIV/AIDS is already receiving).

Is each selected crosscutting theme to have its own approach, or is there a common way to go about them all? If the former, a good deal of individual creativity will be needed separately within each theme, as opposed to adopting a model approach from, for instance, HIV/AIDS.

What are the responsibilities of various USAID and USAID-connected entities for the crosscutting themes? How deep into everyday work throughout the SOs should the themes go? For instance, should they become a standard feature of RfPs and grant proposals regardless of the subject of the eventual agreement? If so, that requirement should be placed into each RfP and made known to all would-be grant requestors.

Certain other comments that arose in the course of this work may fit well within a crosscutting context:

- Food security. Persuasive evidence exists of widespread hunger in Zambia, a phenomenon more intense in seasons of drought but evidently not limited to them. Hunger may well be as fundamental a problem in the country as is HIV/AIDS. If so, it warrants as sweeping an approach to combating it as the HIV/AIDS crisis is receiving. Food security would be a good topic for the Mission to consider as a major guiding multi-sector or crosscutting theme in its new country strategy plan. The idea would be for USAID/Zambia to take the lead with the GRZ, other donors, the private sector and non-profit groups to mobilize understanding and concrete action to sharply diminish hunger in Zambia, a country that should not only be feeding itself but ought routinely to be exporting surpluses elsewhere in Southern Africa. To cite a specific instance, imaginative thinking is needed to counter the effects of hunger in the classroom and its impact on pupils' performance as well as their attendance. This is a daily development aspect of food security that deserves urgent attention irrespective of the national food security picture at any given moment
- Refugees. USAID customarily sees UNHCR and the World Food Program, both supported by the United States, as the bodies best suited to deal with refugees. These organizations are assisting those who have taken refuge in Zambia. Unless circumstances were to change radically, it is probable that USAID/Zambia's own response to refugee problems would be more indirect. It could help those Zambian populations adjacent to refugee settlements to avoid negative spillover effects that might spread to them. For example, intensified anti-HIV/AIDS campaigns or special immunization efforts among these Zambian communities may be necessary.

Environment. Urbanization of the population in compounds that are not adequately served with electric power has accelerated the pace of deforestation to supply charcoal thereby denuding river headwaters, accelerating erosion and silting streams

and dams. There has been no effort to enrich the depleted forests by planting. Forest reserves have been logged with no effective control thus reducing the seed tree populations and reducing the scope for natural regeneration in the event of an abatement of exploitation. Fire control measures have become ineffectual through lack of maintenance of firebreaks and undermined capacity to apply any form of prevention or control. Community encroachment in GMAs has applied further pressure on the natural resources and in many areas, where there is no CBNRM, there has been what amounts to a race between the local community and the mobile commercial operators to exploit the remaining resources of game and timber. Water pollution has also deteriorated in some rivers due to inadequate waste management or mines water disposal although the latter has been the subject of deliberation in the privatization process. The pervasive effect of this environmental degradation would well warrant USAID/Zambia's considering the environment as a crosscutting theme it ought to pursue.

Annex 12: The Global Development Alliance (GDA)

The Global Development Alliance (GDA) and the other three pillars

Teaming up between public and non-public sectors is the essential idea of the Global Development Alliance (GDA), launched last year at USAID headquarters in Washington. The concept is not new: it has been around for a decade or longer in the form of such USAID-supported endeavors as the U. S. - Asia Environmental Partnership. As the GDA, though, it has been erected into an Agency pillar, giving it new prominence and a position of structural equality alongside the staples of economic growth, health, and democracy and governance.

Unlike the other pillars, DGA is an approach rather than a topic. Cooperating with and helping to mobilize development attention and resources outside the public domain cut across all subjects in which USAID conducts its business. The spirit of GDA is broad enough to encompass public-private alliances (as USAID's Bureau for Africa has styled them), joint for-profit and non-profit ventures, and interlinked university and private research or education programs devoted to development topics. Indeed, even civil-military partnerships are possible within it as well.

Both USAID as a global agency and its Africa Bureau offered special funds this year to USAID Missions that applied to obtain financing of worthy GDA and public-private alliances. The hope is that providing seed money will stimulate contributions from non-government partners to swell the resources available for any particular activity.

Seeing the GDA as an opportunity, USAID/Zambia sent in a number of proposals for grants. Three have now been approved for Africa Bureau funding:

- Zambia Milk Collection Center Alliance
- Zambia Warehouse Receipt Program
- USAID/Zambia Information and Communications Technology Alliance

These activities aim directly at an urgent need in present-day Zambia, namely the revival and re-direction of an economy that has left people poorer now than they were at independence. Hence the emphasis on aiding small business, smallholders and the business environment.

USAID/Zambia may also wish to consider how the GDA might best be applied in education, especially to reinforce those innovative aspects which the Mission's program has already pioneered in this country: school health and nutrition, changing the common social perceptions of girls, interactive radio outside the formal classroom, and educational data systems. Could public-private alliances be promoted to support or extend those activities? For example, might a large food company or pharmaceutical corporation be interested in contributing micronutrients or de-worming medications? Could private broadcasters cooperate in some useful manner with interactive radio? Democracy and governance, a lightly funded SO at present (and also a crosscutting topic of primary importance) seems like a natural topic for alliances with the private non-profit sector.

The basic message is that seizing the GDA moment is limited only by the amount of creative imagination USAID/Zambia can bring to bear on it. There is certainly no SO, and perhaps no individual IR activity, that could not potentially take advantage of the approaches put forth by the DGA pillar.

To build on existing strengths and alleviate its management burden, the Mission could encourage or even require its bidders on all future Requests for Proposal (RfPs) and its applicants for new grants to show how they would stimulate or team up with GDA or GDA-like alliances in their fields of competence. This would be a way to mobilize more resources and encourage additional non-public action within their projected programs of activities.

The separately funded grants received for GDA or GDA-like work adds to the number of activities the Mission must track and manage. The attention the funded proposals will require from USAID/Zambia may have little to do with the amount of money any of them received. Having received three fairly large grants (total: \$1,350,000) is probably preferable, in that sense, to obtaining a larger number of small grants.

Annex 13: Zambia's Poverty Profile

Zambia's Poverty Profile

Incidence, Degree, and Location of Poverty

The overwhelming majority of the population in Zambia is living below the poverty line. Indeed, in 1998 the incidence of poverty in Zambia was estimated to be 73 percent.³ The proportion of the population living below the poverty line in Zambia is among the highest in the world (UNDP 2001). Even more distressing is the fact that since 1991 poverty incidence has increased (see Table 7).⁴

Table 5: Incidence, Depth, and Severity of Poverty by Rural/Urban Classification and Percent Change between 1991 and 1998

	1991	1993	1996	1998 ⁵	Percent Change 1991-1998 ⁶
Poverty Incidence					
<i>All Zambia</i>	69.7	73.8	69.2	73	4.74
<i>Rural</i>	88	92.2	82.8	83	-5.68
<i>Urban</i>	48.6	44.9	46	56	13.21
Poverty Depth					
<i>All Zambia</i>	62.2	58.3	51.3	---	-17.5
<i>Rural</i>	69.7	65.3	55.6	---	-20.2
<i>Urban</i>	46.4	35.4	37.9	---	-18.3
Poverty Severity					
<i>All Zambia</i>	46.6	40.5	32.3	---	-30.7
<i>Rural</i>		47.6	36.5	---	-33.15
<i>Urban</i>	54.6	17.4	19.4	---	-54.12
	29.9				

Source: CSO. 1991. *Social Dimensions of Adjustment Priority Survey (I). (PSII)*. Lusaka, Zambia: CSO; 1993. *Social Dimensions of Adjustment Priority Survey (II). (PSII)*; Lusaka, Zambia: CSO; CSO. 1996. *Living Conditions Monitoring Survey Report, 1996*. Lusaka, Zambia: CSO; CSO. 1998. *Living Conditions in Zambia, 1998*. Lusaka, Zambia: CSO.

³ In Zambia's quantification of poverty, the Central Statistics Office (CSO) determines the poverty line as the amount of monthly income required to purchase basic food to meet the minimum caloric requirement for a family of six. The conditions under which unsupported children and women; the disabled; women-headed households; lactating mothers; widows, and the unemployed currently live, put together, constitute a proxy for poverty in Zambia today.

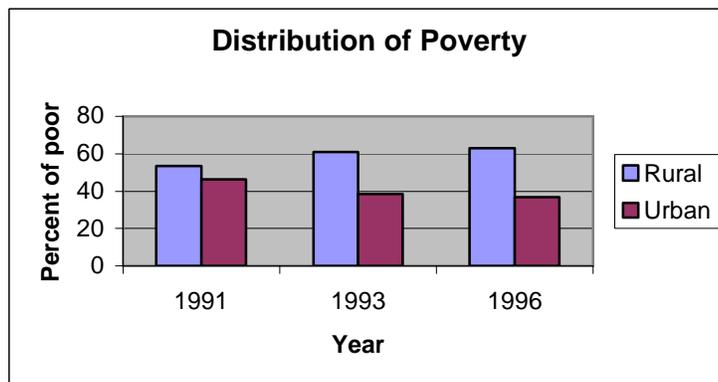
⁴ 1991 is chosen as a baseline year because it is then that the monitoring of poverty levels began with the Priority Survey of 1991.

⁵ The estimates of the depth and severity of poverty in Zambia for 1998 are not included because data was not available.

⁶ Because estimates of depth and severity of poverty are not available for 1998, the percent change refers to 1991 and 1996.

It is interesting to note, however, that between 1991 and 1996 the depth and severity of poverty decreased in Zambia.⁷ This suggests that the changes that have occurred over this period have been relatively pro-poor. While Zambia is by Sub-Saharan standards highly urbanized, approximately 63 percent of the population live in rural areas. It is therefore instructive to examine the differences in the incidence of poverty between the rural and urban areas. Table 7 shows that the incidence of poverty in rural areas is significantly higher than that of urban areas. Furthermore, the distribution of poverty is such that the majority of Zambia's poor live in rural areas where poverty is substantially deeper and more severe than in urban areas (see Figure 4 and Table 7).⁸ It is interesting to note, however, that the trends in rural and urban poverty over the 1991 to 1998 have diverged: poverty has increased from 48.6 percent to 56 percent in urban areas and in rural areas poverty has decreased from 88 percent to 83 percent.

Figure 4: Distribution of Poverty



Source: CSO. *The Evolution of Poverty in Zambia, 1991-1996*. Lusaka, Zambia: CSO.

Identifying the Poor

For policy purposes, it is important to identify those groups that are disproportionately poor. While the identity of the poor will vary, depending on what measure of poverty is used, in this section we concentrate on poverty as defined by money-metric measures (i.e., poverty incidence and related measures). Consequently, certain categories of Zambians emerge as relatively more deprived than others did. Table 8 shows that while the incidence of poverty for small farmers decreased between 1991 and 1998, this group still had the highest incidence of poverty among the different socioeconomic strata. In addition, the depth of poverty is higher among small farmers than among any other

⁷ The incidence of poverty (“headcount index”) refers to the share of the population whose income or expenditure is below the poverty line, while the depth of poverty (“poverty gap”) is a measure of the average gap between expenditure or income of poor households and the poverty line. Finally, severity of poverty (squared poverty gap) takes into account not only the distance separating the poor from the poverty line (the poverty gap) but the inequality among the poor. This measure places a higher weight on those households that are further away from the poverty line. Consequently, the higher the value of the measure, the more severe the poverty.

⁸ The distribution of poverty refers to the percentage distribution of poor persons in a particular category from the total number of poor persons.

group. Consequently, among the different socioeconomic strata represented in Table 8, small farmers are the poorest. It is interesting to note however that while the poverty incidence was highest among the small farmers, poverty incidence among this group actually shows a *decreasing* trend over the 1991 to 1998 period. By contrast, the incidence of poverty among the rural non-agricultural stratum and the strata living in the urban low and medium cost areas has been *increasing*. Between 1991 and 1998 the incidence of poverty in among the rural non-agricultural stratum has increased by over 12 percent, while poverty in urban low cost and medium cost areas has increase by almost 9 percent and over 15 percent, respectively. In addition to the increasing trend in poverty incidence experienced by the rural non-agricultural stratum, the depth of poverty of this group is among the highest. Consequently, the rural non-agricultural stratum is the second poorest group among the strata represented in Table 8.

Table 6: Incidence of Poverty by Socioeconomic Stratum and Percent Change between 1996 and 1998

	1991	1993	1996	1998	%Change 1991- 1998	Depth of Poverty 1991	Depth of Poverty 1996	%Change 1991- 1996
Stratum								
<i>Small scale farmers</i>	9	93	84	84	-6.67	70.8	56.2	-20.6
<i>Medium size farmers</i>	62	91	65	72	-8.86	62.1	48.2	-22.4
<i>Large scale farmers</i>	70	---	35	17	-72.58	51.3	26.9	-47.6
<i>Rural non-agricultural</i>	56	---	72	79	12.86	59.0	51.1	-13.4
<i>Urban low cost areas</i>	43	50	51	61	8.92	46.9	38.9	-17.1
<i>Urban medium cost areas</i>	36	41	32	51	15.7	46.3	32.1	-30.1
<i>Urban high cost areas</i>		33	24	34	-5.6	44.1	30.7	-30.4

Source: CSO. 1991. PSI; CSO. 1993. PSII; CSO. 1996. *Living Conditions Monitoring Survey Report, 1996*; CSO. 1998. *Living Conditions in Zambia 1998*; CSO. 1997. *The Evolution of Poverty in Zambia, 1991-1996*.

Another group that is among the poorest in Zambia is the female-headed household (both married and widowed). Not only is the incidence of poverty higher for female-headed households, but the incidence of extreme poverty, depth and severity of poverty were higher for female-headed households than for male-headed households (see Table 9). Compounding this problem, is the fact that the proportion of the population living in households headed by female widows has increased from 4.8 percent in 1991 to 7.4 percent in 1996 and the proportion of female-headed households in general has increased from 20 percent in 1991 to 24 percent in 1996.

Table 7: Incidence of Poverty by Head of Household Gender

	1991	1993	1996
Poverty Incidence			
Female headed	76.9	81.1	73.2
Male headed	68.4	72.5	68.2
Extreme Poverty			
Female headed	67.6	70.5	60.4
Male headed	56.5	58.7	51.5

Source: CSO. *The Evolution of Poverty in Zambia, 1991-1996*. Lusaka, Zambia. CSO

In addition to examining poverty by socio-economic strata and gender, it is also instructive to determine the most impoverished areas. As shown in Table 7, the level of poverty is higher in rural areas than in urban areas. Table 10 gives us a more detailed picture of the location of poverty in 1998. Generally speaking, the farther a province is from an urban center and the line of rail, the poorer it tends to be. More specifically, Eastern, Luapala, Northern, and Western provinces demonstrated the highest incidence of poverty, with all of these provinces possessing poverty incidence levels of 80 percent and higher. While the *level* of poverty is highest in these provinces, because the population inhabiting Luapala and Western provinces in particular is relatively small, the actual number of people living in poverty in Luapala and Western Province is not as great as the number of poor in Southern and Central Provinces.

Table 8: Poverty Incidence and Distribution by Province 1998

Province	Poverty Incidence	Poverty Distribution
Central Province	77	10
Copperbelt Province	65	18
Eastern Province	80	13
Luapula Province	81	7
Lusaka Province	52	15
Northern Province	81	12
Northwestern Province	76	5
Southern Province	76	13
Western Province	89	7

Source: *Living Conditions in Zambia 1998*. Lusaka, Zambia: CSO.

Seasonal Character of Poverty

In the Zambian context, another critical aspect of poverty that policymakers must consider is the seasonal character of poverty; this is especially relevant in rural areas. The months of January through March are referred to as the “hungry season” in Zambia. This is because these months fall in between the harvesting and planting seasons. During this period, resources are scarce because they have been expended in planting and it is too early for rain-fed crops to produce output. To compound the problem, there is no bush fruit or forest fruit available during these months. Consequently, this is the period in

which rural Zambians must draw upon any reserves they may have to carry them through to either the harvesting period, which begins in the month of May or if they are fortunate they may be able to pre-sell a portion of their crop in April.

Multidimensional Character of Poverty

While the preceding discussion concentrated on the income-related dimension of poverty, poverty is multidimensional. A number of poverty indicators exist which gauge deprivation in other aspects of human welfare such as health, education, nutrition, and overall standard of living. Table 11 presents some key non-income indicators of poverty.

Table 9: Non-income Poverty Indicators

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
HEALTH											
Mortality rate, infant (per 1,000 live births)	107.3	..	108.0	..	109.0	110.3	..	113.0	..	114.0	..
Under 5 mortality rate (per 1,000 live births)	..	..	194 ^a	..	..	..	198 ^b	..	202	..	..
Maternal mortality ratio (per 100,000 live births)	..	..	..	..	..	..	..	..	649	..	..
Stunted children	..	..	..	..	..	..	46	..	..	..	53 ^c
Immunization, (% of children under 12 months)	71.0	91.0	61.0	67.0	86.0	82.0	83.0	70.0	..	92.0	..
Life expectancy at birth, total (years)	49.1	..	48.8	..	..	45.4	..	43.1	..	38.5	..
KNOWLEDGE											
Illiteracy rate, adult total (% of people 15+)	31.9	30.8	29.7	28.7	27.7	26.8	25.7	24.7	23.7	22.8	21.9
School enrollment, primary (% gross)	98.7	99.0	100.2	..	90.8	88.5	..	..	..	..	..
Primary age attendance	..	..	..	..	..	..	69	..	68	..	..
Female primary attendance	..	..	..	..	..	..	70	..	68	..	..
STANDARD OF LIVING											
Sanitation (% of population with access)	63.0	..	..	..	..	..	..	..	..	..	78.0
Population not using improved water sources (%)	..	..	..	..	..	..	..	..	..	36	..

Source: UNDP. 2002. *Human Development Report 2001*; World Bank. Various years. *SIMA and Region Database*; CSO. 1997. *The Evolution of Poverty in Zambia*.

a. Between 1989-1992

b. Between 1994-1996

c. 2002

It is clear from Table 11 that the trend in poverty measured by non-money metric indicators mirrors the increasing trend in poverty as measured by income-related indicators. Particularly egregious is the decrease in life expectancy from 49.1 years to 38.5 years in the span of less than a decade. It is reasonable to assume that the sharp decrease in life expectancy is directly related to the high incidence of HIV/AIDS. Additionally, the increase in both infant and child mortality is an indicator of the declining quality of pre-natal and pediatric health services. The percentage of children (aged 3 to 39 months) that are stunted is extremely high relative to other developing

countries. Clearly, this points to chronic malnutrition among children. Stunted children are likely to suffer from impaired cognitive functions, be physically weaker, and have an impaired immune system. Unfortunately, the incidence of stunting showed an increasing trend between 1996 and 1998. This is likely directly related to the increasing poverty levels and the lack of food security. The fact that over 50 percent of Zambia's children are stunted does not bode well Zambia's future.

Annex 14: Optimal Impact Areas and Proposed Strategic Interventions

Optimal Impact Areas and Proposed Strategic Interventions/Options for USAID/Zambia

IDENTIFIED PROBLEM	OPTIMAL IMPACT AREAS	PROPOSED STRATEGIC OPTIONS/STRATEGIES FOR USAID
<i>Trade and Investment Environment</i>		
Policy and political uncertainty	Linkage with Democracy and Governance on economic governance issues	<ul style="list-style-type: none"> • Support private sector and stakeholder input in policy development • Support the development of Decentralization Policy
Poor external marketing of Zambia’s investment opportunities	Support to the growth of regional trade through market development	<ul style="list-style-type: none"> • Capacity development support for Zambia Investment Center • Support the development of Export Board of Zambia
Human resource and management Constraints: Lack of market discipline	Enterprise development support	<ul style="list-style-type: none"> • Expand CLUSA Rural Group Business Project in both regional coverage and capital allocation
<ul style="list-style-type: none"> • Unsupportive Investment Legislation • Unsupportive Trade Legislation 	Improved marketing, trade and agro-processing opportunities	<ul style="list-style-type: none"> • Support to legislative reforms through the Zambia Law Development Commission (trade legislation reforms) • Support to the Zambia Competition Commission
Little appreciation in GRZ and business community of regional and investment opportunities e.g. CBI, regional trade protocols and their provisions/implications SADC, COMESA, Cotonou Agreement, EU/RSA Trade Development Agreement	Advocacy for regional and international trade	<ul style="list-style-type: none"> • Support the establishment of Trade and Investment Forum that would facilitate the discussion of, and advocacy on, trade and investment opportunities • Provision of information on local and international markets for products with comparative advantage • Strengthen the capacity of the Export Board of Zambia (EBZ) in the area of support to small-scale and agro-processing exporters. • Extend ZAMTIE’s activities to EBZ • Support Zambia’s competitiveness studies
Little knowledge within GRZ and business community of AGOA provisions	Advocacy for international trade	<ul style="list-style-type: none"> • Support familiarization and business linking-up trade missions to the US

IDENTIFIED PROBLEM	OPTIMAL IMPACT AREAS	PROPOSED STRATEGIC OPTIONS/STRATEGIES FOR USAID
		<ul style="list-style-type: none"> Expand support to Agricultural Consultative Forum to enable it play the advocacy role for AGOA
Little knowledge of WTO Rules		Finance a Zambia study on the potential impact of, and opportunities from, AGOA
Too much bureaucracy in contract development and enforcement	Improvement in Contract Enforcement	<ul style="list-style-type: none"> Support of small claims court decentralization Support cheap, timely arbitration/mediation services Support the review/amendment of Agriculture Credit Act and similar legislation
Low prices of imports due to competition and currency externalization from imports.	Rationalized trade agreements	<ul style="list-style-type: none"> Increase awareness of terms of trade at policy level through ZAMTIE, MSU, ACF, and REDSO. Establish trade and investment forum.
Lack of realism in policy determination and poor implementation.	Policy analysis, dialogue and advocacy	<ul style="list-style-type: none"> Support to ZNFU and ACF to build capacity currently seated in FSRP and ZAMTIE to analyze policy issues and to produce focussed advocacy documents for reform.
Agriculture		
High risk of commercial production of staple foods due to annual price instability and drought.	Food reserve purchases to stabilize market supply. Expand production in higher rainfall areas.	<ul style="list-style-type: none"> Support to food reserve facility and warehouse receipt program through ZACA. Create market linkages for Northern Province producers by creating “piggy-back” links with proven outgrower crops and companies.
Lack of market information and domestic market outlets.	Increase market linkages. Improve communications.	<ul style="list-style-type: none"> Assist in establishment of rural markets and market information systems. Generate agribusiness alliances using workshops with focus groups and conferences. Improve road network and promote local involvement in maintenance contracts with hand labor and oxen.
Slow uptake of export opportunities.	Outgrower schemes for specified products.	<ul style="list-style-type: none"> Assist with expansion of outgrower schemes for export crops including vegetables, coffee, paprika, and cotton. These are constrained by lack of finance for management training, logistical

IDENTIFIED PROBLEM	OPTIMAL IMPACT AREAS	PROPOSED STRATEGIC OPTIONS/STRATEGIES FOR USAID
	<p>Product alignment with market needs.</p> <p>Exploration of market demand.</p>	<p>finance for management training, logistical capacity and working capital.</p> <ul style="list-style-type: none"> • Assist with funds for input finance through credit schemes where GRZ provides established extension network, donors provide management and extension training and private sector outgrower schemes manage credit and input supply. • IESC assistance in preparation of goods for target markets including those available through AGOA. Assistance in establishing a capability in issuing reliable phytosanitary certificates. • Constant watch on market opportunities through ZAMTIE and FRSP but also building up sustainable capacity in the private sector.
<i>Production constraints</i>		
Lack of finance.	<p>Increase flow of funds to private sector lending.</p> <p>Improved efficiency in application of resources for financing.</p>	<ul style="list-style-type: none"> • (Non – USAID) Foster improvements in macro-economic management to reduce Treasury Bill sales thereby encouraging Banks to lend to private sector. • Support to ZACA warehouse receipts program and Food Reserve Agency. • Equity market through ZACCI.
High factor costs.	Increased competition among suppliers.	<ul style="list-style-type: none"> • Ensure through advocacy using ACF that distributions of inputs by GRZ do not distort commercial markets. • Advocacy on rationalization of fuel and power pricing. • Good governance promotion to remove anomalies of import tariffs.
Farmers have left the land.	The urban poor with agricultural inclinations	<ul style="list-style-type: none"> • Facilitate repatriation to farming areas with starter pack of skills, market linkages, equipment, and inputs.
Security of tenure and collateral access.	Ministry of Lands	<ul style="list-style-type: none"> • Facilitate issuance of Land Title Deeds.

IDENTIFIED PROBLEM	OPTIMAL IMPACT AREAS	PROPOSED STRATEGIC OPTIONS/STRATEGIES FOR USAID
Poor connectivity/communications	Telecommunications network	<ul style="list-style-type: none"> Implementation of recommendations on IT report and addressing the shortages in Information and Communications Technology (ICT).
Capacity to Produce		
Inappropriate cropping patterns and farming systems.	Diversification of crops and products range.	<p>Extension training and promotion of CF systems. Research into modifications to Conservation Farming systems to bring benefits to new areas with alternative specifications and management requirements. Promote market activity and information. Promote processing and product development.</p>
Inadequate water harvesting infrastructure.	<p>Dam, weir, furrow, well and borehole development and rehabilitation.</p> <p>Plant wood lots.</p>	<p>Support local entrepreneurs in development of capabilities to perform simple engineering operations in construction and rehabilitation. Support tree-planting enterprises to improve rainfall penetration, increase shade, reduce wind erosion, and increase transpiration.</p>
Lack of irrigation technology.	Increased extension and access to appropriate equipment.	<p>Link supply of equipment to irrigation extension to improve application of water and increase factor efficiency. Promote use of storage drums and drip lines with treadle pumps. Explore scope for contract pumping by individual to groups of growers. Extend electricity grid to areas providing irrigation potential.</p>
Farm productivity		
Poor management and inappropriate production technology.	<p>Improved management and techniques.</p> <p>Improved awareness of agricultural technology.</p> <p>Improved agricultural training.</p> <p>Improved labor productivity.</p> <p>Improved crop rotations.</p>	<p>Support dissemination of CF methods through CFU and Kasisi Mission. Assist in ensuring timely distribution of full complement of CF inputs including lime. Promote school gardens program as a teaching tool and means of improving nutrition and income generation. Support education in agricultural colleges and institutes. Expanded use of weed-wipes. Crop diversification and green manure rotations.</p>

IDENTIFIED PROBLEM	OPTIMAL IMPACT AREAS	PROPOSED STRATEGIC OPTIONS/STRATEGIES FOR USAID
	Increased access to irrigation.	As above.
Risk of financial ruin diminishes application of inputs.	Insurance provision.	Promote access to crop insurance to cover input cost.
Poor access to inputs and produce markets.	Agribusiness linkages.	Promote agribusiness linkages to enhance access to inputs, including lime, and produce marketing channels.
Subsistence needs drain inputs from cash crops.	Outgrower schemes to cater for subsistence needs of cash crop growers.	Support to fund for supply of inputs to cash crops and food crops through outgrower schemes.
Farmers relinquish added value opportunities.	Local processing and cottage industries. Niche market opportunities.	Train in adding value and enterprise diversification. Expansion of use of hand-operated oil presses and linkage to dairy and poultry production. Assistance to OPPAZ in the funding of their core operation to assist in building a capability to supply the organic export markets. Support to ASNAPP.
Depletion of resources and environmental degradation.	Small scale farming areas.	Plant trees for wood lots.
Diseased and depleted livestock.	Improved management skills and access to preventative and curative compounds. Replace livestock losses into secure management systems.	Rehabilitation of selected dipping facilities and instigation of local management. Assisted distribution of drugs. Promote livestock markets for breeding stock as management capabilities improve.
Poor access to markets for animal products.	Milk production and collection network.	Expanded support to ZATAC program of support to milk producers in Southern Province.
Wasted opportunities in aquaculture	Rural communities and farmers	Promote fish farming where feasible.
Natural Resource Use		
Tourism is underdeveloped.	Private sector investment, national promotion and conservation of resources.	<ul style="list-style-type: none"> • Promote Zambia as a destination with varied wildlife resources. • Urgently promote workable CBNRM format in all appropriate areas. Study the model options. • Actively promote domestic development of ecotourism product chain.
Timber sources mined without conservation or replacement.	Improved governance in Ministry of Environment and Natural Resources.	<ul style="list-style-type: none"> • Advocate for charges on timber extraction to cover monitoring costs as well as a return to local

IDENTIFIED PROBLEM	OPTIMAL IMPACT AREAS	PROPOSED STRATEGIC OPTIONS/STRATEGIES FOR USAID
	<p>Train Police and Customs in the provisions of the Law regarding timber extraction.</p> <p>Create forest inventory to establish resource status.</p>	<p>communities and government or moratorium on export of raw timber to promote local value adding and preserve depleted resource. Advocate for imposing obligations on harvesters to replant truncheons for mukwa (<i>Pterocarpus angolensis</i>) and seed for other species as appropriate.</p> <ul style="list-style-type: none"> • Training courses and adjustment of curricula. • • Commission baseline study to determine status of the timber resources and the sustainable off-take rate and the needs for enrichment planting.
Lack of domestic industry in adding value.	<p>Local industry support.</p> <p>Reduction in cost of doing business.</p>	<p>Trade training. Business training. Market linkages. Certification of resource sustainability where applicable.</p>
Crafts market under-utilized.	Training and market linkages	<p>IESC application to improving quality of crafts and marketing with sustainable natural resource use including planting programs.</p>
Charcoal production depleting tree cover.	Environmental protection.	<p>Extend electricity grid to high density housing areas and regulate extraction areas.</p>
Woodland depletion for craft production in selected areas.	Environmental protection.	Regulation and forest management.
Management of resources favors short term gain at the expense of long term sustainability.	Forest management practices.	<p>Update and enforce forest management and extraction regulations for long term sustainability.</p>

IDENTIFIED PROBLEM	OPTIMAL IMPACT AREAS	PROPOSED STRATEGIC OPTIONS/STRATEGIES FOR USAID
<i>Private Sector SME Growth</i>		
Lack of competitiveness of Zambian agricultural and manufactured products in local, regional, and international markets.	Increasing competitiveness through clusters and value-added processing.	<ul style="list-style-type: none"> • Promote SME clusters. Specifically target growth-oriented sub-sector clusters such as value-added agribusiness processing for support. As an alternative to outgrower schemes, use the concept cluster to develop clusters of emergent farmers that engage in some level of processing. • Prior to the establishment of value-added agribusiness, fund studies to determine which location and what product might be economically viable.
Almost 50% of Zambians live in urban areas and poverty in urban areas is rising at a faster rate than in rural. SMMEs represent a critical means of generating income and employment in both urban and peri-urban areas. Furthermore, the EU's PSDP will no longer provide direct support for these businesses in the next strategic period. Consequently, there will be a need for extension of support to these areas.	Support for SMME in rural as well as peri-urban and urban areas	<ul style="list-style-type: none"> • Expand activities in the area of SMME development to include targeted peri-urban and urban areas.
SMMEs and SME agribusiness need assistance in the critical area of marketing	Marketing	<ul style="list-style-type: none"> • Assist existing SMMEs to identify market niches and develop strategies to reach target markets. • Expand business and investment partnerships between SMME businesses and SME agribusiness and larger Zambian businesses. • Cultivation of business and investment partnerships between U.S., businesses and Zambian SMME and SME agribusiness.
A major constraint on SMME business and agribusiness growth is the lack of business management and entrepreneurial skills.	Business development services	<ul style="list-style-type: none"> • Continue providing support to ZCSMBA and the DBAs so that they may continue to provide business development services to SMEs. In particular, focus on developing business and

IDENTIFIED PROBLEM	OPTIMAL IMPACT AREAS	PROPOSED STRATEGIC OPTIONS/STRATEGIES FOR USAID
		entrepreneurial skills through business linkage programs (e.g., IESC).
Despite great advancements, ZCSMBA and DBAs are still relatively weak institutions.	Institutional strengthening and support of ZCSMBA and DBAs.	<ul style="list-style-type: none"> • Continue to provide support to ZCSMBA and DBAs, with the aim of achieving a self-sustaining institution, which provides support to SMEs in areas such as training, lobbying, facilitating linkages, marketing, linking members to credit facilities, and information dissemination.
Need to improve lobbying capacity of SMME business associations at local and national levels.	Lobbying/advocacy capacity of business associations and support of public-private dialogue	<ul style="list-style-type: none"> • Expand support in this area to organizations like ZCSMBA, and the DBAs. Support dialogue between BAs and the government on issues of interest to them such as regulatory environment, import policies, taxes, etc.
Finance: access to affordable capital is a major constraint for SMMEs and SME agribusiness. An aggravating factor is the culture of non-repayment culture	Need to develop innovative and non-traditional financing mechanisms, which also provide a <i>savings</i> facility.	<ul style="list-style-type: none"> • Expand micro credit services • Support the development of financing mechanisms which SMMEs can affordably access • Support development of innovative forms of collateral. • In an effort to improve repayment rate, continue to use ZCSMBA and DBAs to pre-screen and train members regarding loan responsibilities.
In an effort to increase efficiency and minimize the drain on state resources, the <i>privatization</i> process should continue to be supported.	Continue support of privatization	<ul style="list-style-type: none"> • In an effort to increase efficiency and minimize the drain on state resources, privatization should be supported. 253 of the 280 SOEs slated to be privatized have been privatized. Consequently, the level of resources devoted to the process should be scaled down.
Education		
Public demand for radio instruction outpacing supply	Extend radio instruction within IRI program; add it to regular classroom content	Advance with all deliberate speed, bearing in mind that quality must come first
Public demand for better school health and nutrition outpacing supply	Extend school health and nutrition program	Advance with all deliberate speed, bearing in mind that quality must come first

IDENTIFIED PROBLEM	OPTIMAL IMPACT AREAS	PROPOSED STRATEGIC OPTIONS/STRATEGIES FOR USAID
Lack of reliable data in education	Build sustainable MOE systems to collect, maintain, analyze, disseminate and use data	Pursue EMIS, enlarging it from pilot phase as soon as feasible.
Hungry pupils in the classroom	Provide food (at least snacks) to improve classroom performance, reduce drop-out rate	Encourage communities to offer food (e. g., bananas, other locally-available produce) to pupils in their schools. A scheme could be devised whereby smallholder farmers could be linked with local schools to provide them with, at the very least, snacks. USAID/Bolivia's CONCADE project has had great success providing snacks to schools from the produce of small-scale farmers.
No measures available to assess results of UNICEF program to improve girls' education supported by USAID	Support improved education for girls in measurable ways	Use funds for support of girls' education to support the Southern Province community sensitization and mobilization campaign.
Need for strategic planning in MOE	Assist with MOE strategic planning	Aid upcoming plan <u>or</u> Use this as entry point to build general strategic planning capacity.
Shortage of teachers	Use radio instruction in classrooms to supplement teaching corps	Discuss with MOE how this feature might be added to IRI
Accurate HIV/AIDS information not adequately available among young Zambians	Infuse HIV/AIDS messages into radio content as rapidly as possible	Advance with all deliberate speed, bearing in mind that quality must come first
Governance		
Good Governance is essential for Sustainable Human Development. Bad Governance leads to State Collapse or Implosion	Early Warning System for Bad Governance Practice	Engage Civil Society and select governance institutions to proposed to promote 'rule of law' as opposed to 'rule of man'
USAID's support for increased efficiency in the administration of justice is enhancing the rule of law and improved investor confidence necessary for economic growth	USAID should scale up its intervention in order to promote good economic governance & poverty reduction	<ul style="list-style-type: none"> • USAID should lobby GRZ to take necessary measures to enhance independence & autonomy of the judiciary & economic governance bodies (ZPA, ZCC, ZIC, ZRA ACC, DEC, etc)

IDENTIFIED PROBLEM	OPTIMAL IMPACT AREAS	PROPOSED STRATEGIC OPTIONS/STRATEGIES FOR USAID
SO1's Economic growth mandate to promote economic growth and good economic governance in Zambia can be complemented by SO4/DG in terms of enhancing Zambia's export potential by jacking up ICT	SO1 and SO4 could harness synergies of the business community to attract domestic and foreign investment to improve Zambia's status as a high cost & poor service IC T economy.	<ul style="list-style-type: none"> • USAID could facilitate creation of a public/private forum to enhance the private sector's visibility & involvement in policy development
USAID's support for public debate as evidenced in support for Law Association of Zambia, OASIS Forum, FODEP etc has promoted democratic culture (Third Term Debate)	USAID should maintain current levels of support, but insist that Civil Society Organizations are equally transparent & accountable	
The 2001 global corruption survey of Transparency International (TI), which ranks countries on both a bribe payers and Corruption Perception Index (CPI), rates Zambia as the second most corrupt country in Southern Africa. This ranking is detrimental to Zambia's economic growth prospects	USAID should seriously consider supporting, Civil Society Organizations advocating a corrupt free Zambia on condition that such NGOs are themselves equally transparent & accountable	<ul style="list-style-type: none"> • There is therefore an urgent need to for USAID through SO4 to help Zambia develop strategies that de-link private resource accumulation through corruption from access to public office through politics.
The National Capacity Building Program on Good Governance NCBPGG outlines Zambia's vision of Governance, but commitment to accountability, transparency on the part of government remains a major concern.	USAID should maintain current support levels to CSOs demanding government's implementation of NCBPGG	<ul style="list-style-type: none"> • USAID working with other donors should use public pronouncements of the new government in favor of the 'rule law' over the 'rule of men' as an entry point to dialogue with government on its commitment to NCBPGG
A review of the Constitution is urgent in order to address those issues that inhibit democratic governance. In this context, the powers of the presidency vis-à-vis other arms of government, the nationality clause, the autonomy of key governance institutions like the Electoral Commission of Zambia, (ECZ) etc. are key.	USAID should maintain current support levels to CSOs working to remind GRZ that reform should not quietly fizzle out of the agenda of the Mwanawasa government	<ul style="list-style-type: none"> • USAID working with other donors should use public pronouncements of the new government in favor of the 'rule law' over the 'rule of men' as an entry point to emphasize the urgency of constitutional reform if Zambia is to compete effectively for foreign investment
The prolonged delay on the part of GRZ in articulating a national decentralization policy means there is no coherent macro-framework within which to contextualize (common denominator) sectoral decentralization (health, education, agriculture etc.)	USAID should maintain current support levels to CSOs & the independent media working to lobby GRZ to articulate the long delayed national decentralization policy	<ul style="list-style-type: none"> • USAID should dialogue GRZ through NCBPGG to advocate that the envisaged policy will not only democratically empower peripheral communities that but fiscal resources will be made available to sub-national structures.

IDENTIFIED PROBLEM	OPTIMAL IMPACT AREAS	PROPOSED STRATEGIC OPTIONS/STRATEGIES FOR USAID
Social implications of HIV/AIDS (cross cutting issue) (widows, orphans, property grabbing) appear to have been viewed mainly as an issue for SO3.	USAID’s support for better administration of justice & the rule of law should incorporate a dimension intended to empower widows & orphans in terms of protecting them against property grabbing & related abuses	<ul style="list-style-type: none"> • USAID could through a joint SO3/SO4 initiative work to build capacity of NGOs concerned with this issue as well as dialoguing GRZ through the Law Development Commission so relevant legal provisions are updated.
Crosscutting Issues		
IDENTIFIED PROBLEM	OPTIMAL IMPACT AREAS	PROPOSED STRATEGIC OPTIONS/STRATEGIES FOR USAID
<i>The Environment</i>		
Water Pollution and poor sanitation	Mining wastewater management and urban water & sewerage management.	<ul style="list-style-type: none"> • Monitoring of EMPs through ECZ. Privatization program. Clean drinking water projects.
Soil degradation	Agricultural practices and deforestation.	<ul style="list-style-type: none"> • Support to CFU, Kasisi Mission in introduction of green manure crops and commercially viable agro-forestry and forestry programs for tree planting programs. SSAFE support.
Air pollution	Fuel quality.	<ul style="list-style-type: none"> • IPPP Licensing and monitoring.
Wildlife depletion	Local community involvement. Good governance in Wildlife Department.	<ul style="list-style-type: none"> • Continued support to CBNRM, CONASA. Strengthening of support to ZAWA under good management.
Deforestation	<p>Assistance to NEAP, PFAP and ZFAP</p> <p>Timber extraction policy.</p> <p>Electric grid extension to replace charcoal.</p>	<ul style="list-style-type: none"> • Support to CLUSA in forest management. Protective policy decisions on basis of reliable data. Extraction control, law enforcement, enrichment planting and wood lot establishment. • Good governance in revenue collection, long-term replanting obligations. • Grid extension to high density housing areas.

Annex 15: Multi Sector Approach HIV/AIDS

Multi Sector Approach HIV/AIDS

IDENTIFIED PROBLEM	OPTIMAL IMPACT AREAS	PROPOSED STRATEGIC OPTIONS/STRATEGIES FOR USAID
Dearth of HIV/AIDS in the workplace programs	HIV/AIDS in the workplace	<ul style="list-style-type: none"> Support the development of HIV/AIDS in the workplace programs in SMEs. ZCSMBA may be the channel through which such programs can be efficiently established.
HIV/AIDS exacerbates the problem because of pressures on loanees from family orphans.	Support for safety nets for orphans.	<ul style="list-style-type: none"> Because of orphans/non-repayment link, some thought should be given to supporting the appropriate institutions to lobby government to provide financial and/or in-kind support to orphans so that they do not stretch the resources of families so thinly that it puts pressure on loanees.

IDENTIFIED PROBLEM	OPTIMAL IMPACT AREAS	PROPOSED STRATEGIC OPTIONS/STRATEGIES FOR USAID
Multi Sector Approach HIV/AIDS		
Dearth of HIV/AIDS in the workplace programs	HIV/AIDS in the workplace	<ul style="list-style-type: none"> Support the development of HIV/AIDS in the workplace programs in SMEs, including in informal sector, and collaborate with ILO's HIV/AIDS in the workplace efforts. ZCSMBA may be the channel through which such programs can be efficiently established.
Micro-finance/credit focused primarily on individuals rather than groups.	Mitigation of impact of HIV/AIDS and jobs creation/economic development	<ul style="list-style-type: none"> Greater focus on micro grants/loans to community groups with expressed goal of local job creation.
HIV/AIDS impact exacerbates problems families and orphans.	Support for safety nets for orphans and affected households.	<ul style="list-style-type: none"> Advocacy to gain government grants and other forms of direct support (e.g., full education subsidies) to orphaned children and to foster

		families; research to better understand impact of pandemic on rural and urban household assets and savings.
Male social and cultural attitudes, beliefs and practices place girls and women at risk of HIV/AIDS infection	Changes in male social norms and attitudes	<ul style="list-style-type: none"> • Multi-dimensional attention to attitudes and behaviors: promotion of non-harassment policies and practices in the workplace and by workers outside the workplace; increasing girl's awareness of their rights; legal actions against overt sexual exploitation of girls; increased media attention to male norms; sustaining behavior change programs targeted at young women and men
Community mobilization of talents and resources only somewhat recognized.	Greater support for local initiatives to guide prevention, care and mitigation efforts	<ul style="list-style-type: none"> • Quick inventory and analysis of community mobilization initiatives across the country; workshop(s) for sharing of community-based responses to HIV/AIDS and identification of approaches for scaling up; increased grants program for local initiatives.
Limited advocacy and policy and program oversight by civil society groups	Governance and economic security arising from advocacy around a spectrum of HIV/AIDS	<ul style="list-style-type: none"> • Document and disseminate lessons and effective responses to pandemic; build capacity of NGOs to analyze issues and develop advocacy campaigns; build capacity of NGOs and government bodies to monitor implementation of policies and programs.

Annex 16: The Multi-Sector Approach to Development in Zambia

THE MULTI-SECTOR APPROACH TO DEVELOPMENT IN ZAMBIA, WITH PARTICULAR REFERENCE TO THE PERVASIVE IMPACT OF HIV/AIDS

The Multi-Sector Context

This annex offers a review of the multi-sector nature of some major development challenges facing Zambia today. It draws on key comments made by many of the people interviewed, from communities, government, NGOs and USAID programs. Its purpose is to show that development planning must by necessity reflect the complex and multi-sector nature of people's lives.

Poverty is not a generic condition, neither for nations, households or individuals. In Zambia, many Government interventions and massive donor assistance have failed as most if not all indicators of human and economic development show. Success stories, where they are found, share the characteristic of understanding and reflecting the specific contexts, at different levels, in which they work.

Poverty has become entrenched in Zambia through a process that has gone on for many years. It would be wrong to interpret this as a static situation - a poor country that is still waiting on the baseline to move forward. Rather, it is dynamic, with a variety of factors over the decades changing the economy, the social fabric of the nation, the performance of Government etc. It is therefore necessary to look at the Zambian context carefully, to determine what the situation is here and now.

Sets of multi-sector problems

The following describes two core “sets” of multi-sector problems, arguing that partial or incremental responses will contribute little or nothing to their resolution, and illustrating the need for multi-sector responses.

The Rural Crisis

The silent, slow motion crisis in Zambia is the rural areas. Rural areas are characterized by poor health (especially as a result of HIV/AIDS), lack of communication, poor access to sub-standard services, lack of community level food security, deterioration in livelihoods and reduction in livelihood choices, and increasingly rapid household disruptions from in- and out-migration. “Coping strategies” could in fact be better

termed “failing to cope” strategies, as families are reduced to exploiting unsustainable livelihoods to survive⁹

In the current circumstances, it is doubtful whether many people in the rural areas have the capacity that it is assumed they have to respond to many planned new investment and opportunities, whether provided for through government, the PRSP or NGO, project or private sector intervention. For example, in order to participate in an outgrower scheme, households need access to labor, health, education and literacy, agricultural implements, and the confidence and hope to invest for the future. Those that can participate may have huge responsibilities to those who cannot – so much so that the benefits of participation are rapidly lost¹⁰. And there are many examples of how increased opportunity or knowledge in one sector fails to have an impact because of unresolved problems in another¹¹.

In contrast, people working *successfully* with rural communities all report that household and community problems are so complex that progress always depends on adopting a flexible approach. Such projects are varied but share the use of long term, locally appropriate sequence of interventions to rehabilitate livelihoods, food security and aspirations for the future.

A key asset in the recovery of the rural areas is the damaged but nonetheless still remarkable social capital. Recognition of local capacity and commitment is essential in proper planning, just as taking a behaviorist approach to the human “targets” of development will fail. A related asset is the knowledge and experience of successful community interventions¹².

Even the improved delivery of basic services – a highly mechanistic phrase! – cannot be tackled without cognizance of multi-sector issues. An example lies in the education sector, where the falling number of teachers (as a result of HIV/AIDS as well as a reduction in teachers trained) is a commonly discussed concern. The solution to this appears straightforward – recruit more students, train them as teachers, post them. However, as this initiative progresses it is apparent that the newly trained teachers are simply not willing to take their families to rural areas, for complex reasons that include the lack of services and communications.

Thus the huge deficits in rural incomes, rural services, rural food security and rural social development must be addressed in a holistic manner. This does not imply that everything

⁹ Reducing the number of meals or depending on unsustainable use of natural resources are often cited as “coping strategies”. In one field visit, thefts (previously unheard of) were mentioned as a new “coping strategy”. These are conspicuous *failures* to cope.

¹⁰ One of CLUSA’s most successful conservation tillage farmers in Monze reported recently that his comfortable year’s supply of maize for domestic consumption has been finished off by the community, which had nothing.

¹¹ For example, women may know what food is appropriate for their children but not have time to prepare the right food; girls may know about condoms but in the cultural and social context cannot negotiate for safer sex; a new schoolroom is built but the children are needed for domestic labor.

¹² Of which there are many. Members of the study team visited Chikankata, as an example.

must be thrown in at once, but it does suggest an open, flexible and problem-oriented approach.

These approaches are sometimes said to be incompatible with the requirements for major donor funding, but this is not wholly the case. Participatory processes are not chaotic – there is adequate order and process in the established methodologies – nor do they have unpredictable outcomes. Where problems might arise, however, is in that the time frame is not predictable, and is often long term, whilst the costs may be low. This does not lend itself to quick disbursement and rapid results.

The OVC Crisis

The problems with regard to orphans and vulnerable children are well researched and reported. These children are highly compromised in all aspects of their lives, including education, health, poverty and their social, emotional, and human development. And as they are being deprived of an adequate childhood, they will suffer from consequent deprivations and deficits as adults, in terms of how they are able to raise their own families and participate in the growth of the nation.

Besides seeing this as many individual human disasters, the numbers of OVCs are so large – currently one third of all children – that the future of the nation is threatened by the predicted incapacity of the next generation. The germ of today’s hope for the future – the social capital of Zambia’s communities – will be absent in the future when tomorrow’s adults have grown up uneducated and on the margins of society.

In Zambia today, the problems of OVCs are given minimal attention compared to any other aspect of the HIV/AIDS crisis. This is true in terms of the response from GRZ and from the major donors (if not from faith based and community organisations).

Dealing with the OVC crisis is not an analytical challenge. The major difficulty in implementing multi-sector responses to their problems is simply that of facing up to the costs, including the management costs of operating successful programs. The economists view expenditure on services to support OVCs as consumption – a luxury we cannot afford. Rather it would be better to see support to OVCs as an investment – an essential we cannot afford to do without.

It is absolutely clear that sending a hungry child to school is of limited value, just as giving medicine to a chronically malnourished child is of limited benefit. In order to secure the future, all children urgently need a vastly improved quality of education as well as food security. As households become more food secure, adults and children will also become more receptive to programs that seek to optimize traditional, formal sector and family care for vulnerable and traumatized children, and promote the healthy psychosocial development of both girl- and boy-children.

Multi-sector impacts of HIV/AIDS

Moving towards more specific concerns, we can examine the existing multi-sector impacts of the HIV/AIDS epidemic. These findings can help to orient sector planners so as to ensure that their programs assist in prevention, support or mitigation as appropriate. There are many sources on these issues, published as well as informal. This section therefore seeks to present a summary, organized according to USAID's current portfolio of sector interventions, followed by other key sectors:

Sector / sub-sector	Current situation	Experience to date
Agriculture – household food security & cash crop production	<p>Household food security is very low, due to 01-02 drought as well as consistently poor performance in policy / implementation from MAFF. Inappropriate dependence on maize still common. Low availability of alternative crops e.g. cassava, sorghum etc. Missed opportunities due to low levels of knowledge e.g. soybean crop all sold, not used to supplement household diet</p> <p>HIV/AIDS has 1. Reduced overall household labor availability, and reduced the physical capacity of available labor; 2. Reduced household technical knowledge; 3. Reduced security of lending money to farmers due to the possibility of sickness / death / emergency use of resources; 4. Reduced the attractiveness of investing in extension / capacity building of farmers who might die (worst case for CLUSA was training a group of 15 farmers, 6 of whom died before the harvest); 5. Increased extended family demands on the small number of successful farmers, thus reducing the attractiveness of seeking success in the first place.</p> <p>School curriculum does not support agriculture. MoE permits 10% of school curriculum to be developed locally, but this does not happen. Pursuing this could assist in increasing agricultural production.</p>	<p>Close contact with farmer groups can increase food security through use of conservation farming & introduction of appropriate staple appropriate crops. Need to work with enough farmers to ensure overall community food security. Having secured food, can move to raising incomes further.</p> <p>There are no “quick fix” extension methods. Attempts to adapt CLUSA approach to cheaper / less intensive training and extension activities have resulted in a critical loss of accuracy in learning and application of techniques, and ultimately the failure of the new methods.</p> <p>Work on new technologies include treadle pumps, which can increase incomes for able farmers. Weedwipe technology assists in critical weeding process, where labor shortage / physical demanding nature of weeding hampered performance.</p> <p>School curriculum idea discussed but not piloted.</p>
Education	<p>GRZ is failing to provide free, compulsory basic education of a reasonable quality. There are overall insufficient places, and schools in rural areas may be distant. This has been the case since before the explosion of HIV/AIDS.</p> <p>However, HIV AIDS has worsened the situation: 1. Teacher shortages due to death of teachers; 2. Teachers sometimes abuse pupils and infect them; 3. OVCs unable to access resources necessary to attend school; 4. High drop out rate due to changes in family circumstances, death, moving residence etc; 5. High demand on girls to drop out of school to support domestic activities; 6. Children who are tired and hungry have poor attendance and education has little impact.</p> <p>Teachers are unwilling to be posted to rural areas. Simple training and provision of houses may not be sufficient to solve the problem of lack of</p>	<p>Ministry of Education is struggling in terms of capacity but has some demonstrated commitment to improving the sector.</p> <p>School health & nutrition programs are positive, but there are few indications that the education sector is willing to “bite the bullet” of child malnutrition. As the major service deliverer to children, MOE is failing to meet GRZ commitment and responsibilities to children.</p> <p>Community involvement in schools need not be limited to community schools. There is positive experience in promoting community ownership of GRZ schools.</p> <p>Some schools offer more OVC-friendly services, including rehabilitative services for former drop-outs / counseling etc,</p>

	<p>teachers.</p> <p>Community schools and IRI “schools” provide emergency solutions to local problems. Continued fears concerning quality of these services, and stigmatization or doubts exist over creating a two-tier education service.</p>	<p>particularly where teachers feel they have wider role / responsibilities to the community.</p> <p>Links to improve services to high-risk groups have been facilitated by some programs, e.g. cross-border initiative for sex-workers has supported girls' return to school, where previously known CSWs would not have been admitted to any school.</p> <p>Research & monitoring of education performance on-going, measuring degree of success in education.</p>
<p>Governance</p>	<p>Missed opportunities for the prevention, support or mitigation of HIV/AIDS manifest at all levels of the governance system. Leadership on HIV/AIDS at local level is missing – e.g., among most traditional chiefs, councilors, local leaders and churches.</p> <p>As a major employer as well as deliverer of public services the government has described HIV/AIDS as a development issue in its existing policies. However, implementation has been weak and fragmented. There is no civil service strategy for workplace/sector planning/multi-sector activities. No leadership, monitoring or link to the budget office are evident. Ministry budgets remain small. Huge national resources continue to be spent in diverse programs that are blind to HIV considerations.</p> <p>Ministry Focal Point people do provide a mechanism for guiding and monitoring implementation of policies, but the system does not always work in practice.</p> <p>Few workplaces have HIV/AIDS policies and programs. Many people employed or self-employed in “difficult to reach” companies/locations.</p> <p>Another governance concern is gaps in civic education, especially human rights and gender issues. Lack of rights-based work means that citizens rarely <u>demand</u> services and tolerate shoddy and unprofessional performance at all levels. Passive acceptance of the status quo and fatalistic attitudes militate against effective action against HIV/AIDS.</p>	<p>Work with traditional leaders and local councilors as well as other leaders is shown to be useful, particularly in rural areas.</p> <p>Government acknowledges need for multi-sector response but ministries have little guidance or incentive for collaboration. Donor co-ordination in other sectors (e.g. wildlife) has had useful impact on raising priorities – similar methods could be used in this case.</p> <p>Civic education has had mixed successes. Perhaps need to re-consider methods, to develop from “media” to community advocacy. A slow process. However, experience shows that work using traditional approaches has been successful in rural areas even with youth, women, traditional leaders etc.</p> <p>Workplace education programs slow to start, but some promising results in urban and commercial farming sectors, and with small-scale farmers. Limited experience with informal sector, e.g. marketers, fishing communities. Still on small scale.</p>

Water	<p>Lack of clean water is cited as a constraint by people from other sectors – the difficulty in accessing water limits household supply (a concern for health), utilizes labor (detracting from time available for domestic work, income generation, voluntary participation in development activities, etc), and reduces opportunities for certain income activities e.g. keeping livestock. The poor quality of water is also another health concern.</p> <p>All the constraints mentioned above are exacerbated by HIV/AIDS, which simultaneously increases the <u>demand</u> for household labor, while reducing the <u>supply</u>. HIV/AIDS also increases the amount of clean water needed in the household as sick people are nursed at home.</p>	<p>The WASHE program provides good lessons for the sustainable management of improved local water supply.</p> <p>The WASHE program also provides insight into effective interventions to promote institution building – from V-WASHE, D-WASHE, P-WASHE and N-WASHE (village, district, province, national). The structures involve communities, local government & national co-ordination in a manner which has failed in most other sectors.</p>
Gender	<p>HIV/AIDS has highlighted gender issues, especially for girls and young women. It can be argued that some of the biggest constraints to halting the epidemic are those caused by gender problems. From early childhood girls are taught to behave in a way that ensures that their independence and negotiation skills are minimal, and their self-confidence is eroded.</p>	<p>This issue may need further research, especially to support prevention / behavior change programs aimed at the “silent majority”. In particular, the links between early childhood and teenage capacity to respond might be investigated.</p>
Environment	<p>HIV/AIDS has reduced the capacity and incentive for households and communities to invest in the future, and reduced livelihood choices. Unsustainable uses of natural resources – charcoal burning, fire wood, timber, over-fishing, poaching, etc – are the easiest short term choices available to many rural families.</p>	<p>Community based wildlife conservation programs that work with communities to tackle multi-sector problems have the result of conserving wildlife, as well as increasing rural incomes. The inclusion of all households in these programs is essential, as the success of the program is dependent on full participation. In this case, HIV/AIDS makes participation harder to expect or assume.</p>

Annex 17: Partner and Stakeholder List

The following is a list of partners and stakeholders consulted by the members of the DAI Team.

PARTNER AND STAKEHOLDER LIST

Institution	Name	Individual (I) or Group Meeting (GM)
Abt Associates Inc.	Gilbert Kombe	I
ACF	Peter Aagaard	I
Agriflora	Jacob Mwabe, David Harvey	I I
ASNAP	Noah Zimba	I
Anglican Children's Project	Felix Mwape	I
ARCH – Boston University School of Public Health	Jonathan Simon	I
ARD, Inc.	Stevens P. Tucker	I
Barclays Bank	Yusuf Koya	I
Bimzi	Catherine Mwanamwamba	I
CARE LFSP	Robby Mwiinga	I
CARE CONASA	Peter Tilley, Godfrey Mitti	I I
CARE/Zambia	Brenda Cupper	I
CFU	Peter Aargaard Dutch Gibson	I I
CHANGES, Livingstone	Madhuri Kilpatrick	I
CLUSA (RGB)	George Allison	I
CHANGES	Ed Graybill	I
Chief of the Toka Leya People, Livingstone	Chief Mukuni	I
Choma Museum and Crafts Center	Esnart Mweemba, Manager	I
CMS	Derek Molver	I
COMESA	Mwansa James Musonda	I
DANIDA	Sanne Olsen	I
Development Bank of Zambia	Dr. B. Ng'andu, Managing Director	I
DFID	Samantha Gibson	I
Electoral Commission of Zambia	Ms. Sylvia Bwalya, Ms. Nancy Muyunda	I

Emis/Air	George Caldwell	GM
EU	Joe Green, Ambjorn Berglund, Deputy Representative; Chris Seeley, Private Sector Development Project	I I I
FAO	Richard Fuller	I
FHI	Karen Doll Manda	I
Finta Farms	Roshan Parbhoo	I
Friedrich Ebert Foundation	Andrea Froschholz	I
Horticultural Exporter (Lusaka)	Inder Kumar	I
IESC	M.K. Cope, Nathan DeAssis, Ashley Gasque	GM GM GM
IESC Livingstone, Business Linkages Program	Percy Bwalanda	I
IMF	Mark J. Ellyne	I
Institute of Economic & Social Research (INESOR)	Mutumba Bull, Coordinator, Governance Program; Chileshe Mulenga, Acting Director	I I
Integrity Foundation Zambia	Steven Moyo, Director	I
Interactive Radio Programming (EBS, EDC)	Sera Kariuki, Technical Advisor	I
International HIV/AIDS Alliance	Daphetone C. Siame	I
International Union Against TB & Lung Disease	Donald Enarson	I
IRIS	Betty Wilkinson	I
Irish Embassy	Kevin Kelly, Development Attaché	I
Kubu Crafts, Livingstone	Lucy Renew	I
Law Association of Zambia	Mr. Simukoko	I
Linkages/AED	Nomajoni Ntombela	I
Livingstone	Ms. Cecila Sakala	I
Livingstone City Advisory Council	Gill Staden, Secretary	I
Livingstone City Council	Fred Mwendapole, Mayor	I
Livingstone Chamber of Commerce and Industry	Gill Staden, Secretary	I
Livingstone District	Peter Katyoka, Chairman	GM

Business Association (DBA LIVE)	Alick Muchindu Mr. Mangwendu	GM GM
Livingstone, District Health Management Team	Dr. Jelita Chiyonga, Director	I
Livingstone District Task Force	Mr. Jethro, People Living with HIV/AIDS; Cecilia Sakala, Ministry of Education; Muta Tiche, Sepo Center (IEC); Ikwahbwa, Sepo Center; Aka, Representative from DAC	GM GM GM GM GM GM
Livingstone Farmers' Multipurpose Co-op	Alick Muchindu, Chairperson; Alfred Chipango, Board Member; Urban Hankuku, Treasurer; Ruth Henson, Vice Chairperson of Livingstone Zimba Farmers' Association	GM GM GM GM
Livingstone Zimba Farmers' Association		
Mano (Consulting Firm, Lusaka)	Guy Scott, Director	I
Maramba St. Francis Home Based Care	Sister Mary and a dozen volunteers	GM
Masebe Ranch	Don Stacey	I
Ministry of Agriculture Food and Fisheries	A.K. Banda, Dr. Hantuba, Director of Planning	I I
Ministry of Community and Social Welfare	Charlotte Harland	I
Ministry of Education	Jason Mfula, Rosemary Chipambe, Arnold Chengo, BESSIP Manager; Mrs Barbara Chilangwa Permanent Secretary	I I I GM I
Ministry of Environment	Anna Chileshe, Lilian Kapulu, Deputy PS; Mr. Mpampim, Director Planning and Information Mr. Chilube, Director of Tourism Planning Management	GM GM GM

	Coordination; Justina Waake	
Ministry of Finance and National Planning	Mr. James Mulungushi, Director Planning and Economic Management Unit; Dr. Kapai, Director External Resource Mobilisation Department	I I
Ministry of Legal Affairs, Governance Development Unit	Mr. Daefy Chaponda, Head National Capacity Building Program for Good Governance; Mr. Basulio Chilumbwa, Programs Officer	I I
Mtika, (Furniture manufacturer) Livingstone	Deborah Auld	I
NAC	Alex Simwanze	I
National Movement Against Corruption	Dr. Steven P.C. Moyo, Chairman; Mr. Sibalwa Mwaanga, Expert/Consultant	I I
OPPAZ	Susie Burgess	I
PCI	Tom Ventimiglia	I
Private sector, lime and fertilizer consultant	Briton Walker	I
Royal Netherlands Embassy	Robert-Jan Siegert	I
Cefac	Felix Chisuka	I
SEPO Center	Aka	I
Swedish SIDA	Torsten Andersson	I
University of Zambia, Agriculture Economics	Faustin Mwape, Lecturer	I
University of Zambia, Economics Department	Ngenda Mwikisa, Head; Dr. Inyambo Mwanawina, Senior Lecturer	I I
U. S. Embassy (Lusaka)	Lisa Peterson, Political Officer	I
U. S. Embassy Lusaka	Ambassador David Dunn, Troy D. Littrell , Economic and Commercial Chief	GM GM
UNDP	Michael Soko, Assistant Resident Representative	I
UNICEF	Stella Goings	I
USAID/Washington	James T. Smith, Acting	I

	DAA/AFR	
USAID/Washington	Karen M. Poe, Director, AFR/SA	I
USAID/Washington	Keith Brown, DAA/AFR	I
USAID/Zambia	Sydney Watae	I
USAID- USDA/Washington, Africa Bureau	Melissa Rosser	I
Visual Arts Council, Livingstone	Vincent Maonde and associate	GM
World Bank	Hind Dinh (DC), Lead Economist, Southern Africa; Claire Pope, ZAMSIF	I I
Zambia Competitiveness Commission	F.S. Chirwa	I
Zambia Privatization Agency	Florence Mumba	I
ZAMNET	Daniel Mpolokoso	I
ZAMTIE	Ronald Black, Dorothy Tembo	GM GM
ZATAC	Bagie Sherchand, Elizabeth Phiri-Mudenda, Wiggan Kanchela, Ivan Stubbs	GM GM I GM GM
ZCSMBA	Max Sichula	I
ZIHP	Peter Erens, COP (Abt Associates); Cosmas Musumuli, Lynn Van Lith (Michigan Fellow) Uttara Bharath, Deputy Director, (JHU Center for Communication Programs); Elizabeth Serlemitos, COP (JHU Center for Communication Programs); Nils Gade, COP (PSI); Cathy Mkwakwa	I I I I I I I I
ZNFU	Vashee	I

Bibliography

- Addison, Tony and Giovanni Andrea Cornia. 2001. "Income Distribution Policies for Faster Poverty Reduction." *World Institute for Development Economics Research. Discussion Paper No. 2001/3*.
- Baser, H. and P. Morgan. 2001. "The Pooling of Technical Assistance: An overview based on Field Experience in Six African Countries." *ECDPM Synthesis Paper*. (Maastricht: ECDPM).
- Bratton, Michael and Daniel Posner. "A First Look at Second Elections in Africa, with Illustrations from Zambia." *State, Conflict and Democracy in Africa*. ed. Richard Joseph (Boulder: Lynne Rienner Publishers).
- Callison, C.S. 2001. "Sustained Poverty Reduction Requires Trade Liberalisation and an Export-Oriented Economic Growth Strategy." *ZAMTIE Policy Note No. 1*. Lusaka, Zambia.
- The Carter Center. 2002. "Zambia Seminar: Parliament and Society." Information packet prepared for the Parliament and Civil Society Conference, Mulungushi International Conference Center, May 5-6 2002.
- Central Statistical Office. 1997. *The Evolution of Poverty in Zambia*. Lusaka, Zambia: CSO.
- . 1991. *Social Dimensions of Adjustment Priority Survey (I). (PSI)*. Lusaka, Zambia: CSO.
- . 1993. *Social Dimensions of Adjustment Priority Survey (II). (PSII)*. Lusaka, Zambia: CSO.
- . 1996. *Living Conditions Monitoring Survey Report, 1996*. Lusaka, Zambia: CSO.
- . 1998. *Living Conditions in Zambia, 1998*. Lusaka, Zambia: CSO.
- Chernick, Mark et al. 1997. *The Transition to Democracy in Zambia: A Democracy & Governance Strategy*. (June).

COMESA. 2001. "Patterns in COMESA Trade." *External Trade Statistic Bulletin*. Lusaka, Zambia: New Horizons Printing.

The Economist. 2002. "Zambian Copper: Tragically Undermined." *The Economist*. (May 30).

Foundation for Democratic Process (FODEP). 2002. *Zambia's 2001 Tripartite Elections*. Lusaka, Zambia.

Govere, Jones, et al. 2000. *Improving Smallholder Agribusiness Opportunities in Zambia's Cotton Sector: Key Challenges and Options*. Food Security Research Project. Working Paper No. 1. Lusaka, Zambia.

Government of the Republic of Zambia (GRZ). 2002. *Economic Report 2001*. Ministry of Finance and National Development. Lusaka, Zambia.

Groenewald, Robert, Donald Muncy and Dana Ott. 2000. "Synthesis of Democracy and Governance Cross-Sectoral Case Studies."

Government of the Republic of Zambia (GRZ). 1999. *Macroeconomic Indicators*. Ministry of Finance and Economic Development. Lusaka, Zambia.

----- . 2000. *Public Welfare Assistance Scheme, Guidelines*. Ministry of Community Development and Social Services, Zambia. Lusaka, Zambia.

----- . 2002. *Budget Speech*. Ministry of Finance and National Planning. Lusaka, Zambia.

----- . 2002. *Draft Community Health Waiver Scheme (CHEWS) Guidelines for Community Welfare Assistance Committees and Health Centre Staff*. Lusaka, Zambia.

----- . 2002. "Memorandum of Understanding 2002 Zambia EDDATA Survey (ZDES)." Ministry of Education. Lusaka, Zambia. (March).

----- . 2002. "Zambia Interactive Radio Instruction Programme for Out-of-School and Vulnerable Children: Semi-Annual Report October 2001-March 2002." Ministry of Education. Submitted by Education Development Center, Inc. (April).

- . 2001. “Interactive Radio Instruction for Out-of-School Children and Youth in Zambia: An Evaluation Report for Grade One Learners, 2001.” Ministry of Education, Educational Broadcasting Services. Lusaka, Zambia. (December).
- . Zambia. 2000. *Interim Poverty Reduction Strategy Paper*. Ministry of Finance and Economic Development. Lusaka, Zambia.
- . 2002. *Government Budget*. Ministry of Finance and National Planning. Lusaka, Zambia.
- . 2002. *Poverty Reduction Strategy Paper, 2002-2004*. Ministry of Finance and National Planning. Lusaka, Zambia.
- . Draft Transitional National Development Plan (TNDP). Ministry of Finance and National Planning. Lusaka, Zambia.
- . 2002. *Economic Report 2001*. Ministry of Finance and National Planning. Lusaka, Zambia.
- . 1992. *A Framework for Agricultural Policies to the Year 2000*. Ministry of Agriculture Food and Fisheries. Lusaka, Zambia.
- Humphrey, John and Hubert Schmitz. 1995. *Principles for Promoting Clusters and Network of SMEs*. Paper commissioned by UNIDO, Small and Medium Enterprise Branch.
- Institute of Economic and Social Research (INESOR). 2002. “Political Processes in Zambia: The 2001 General, Presidential and Local Government (Tripartite) Elections.” *Institute for African Studies, INESOR Working Paper Series*. Lusaka, Zambia.
- International Monetary Fund (IMF) and International Development Association (IDA). 2000. “Assessment of Interim Poverty Reduction Strategy Paper.” (July).
- . Various years. *Government Finance Statistics*. Washington D.C.: IMF Publications.
- Jayne, T.S. et al. 2001. “Smallholder Income and Land Distribution in Africa: Implications for Poverty Reduction Strategies.” *MSU International Development Paper No. 24*. Lusaka, Zambia.

- Kariuki, Sera and Mike Laflin. 2001. "Five Year Strategic Plan for the Zambian Educational Broadcasting Services: Interactive Radio Instruction for Out-of-School and Vulnerable Children." Prepared by the Improving Educational Quality Project. (March).
- Kenworthy, Jim. 2002. "Trade Remedy Possibilities for Zambia." Prepared by ZAMTIE for USAID. Lusaka, Zambia (March).
- Ketterer, James P. et al. 1999. "Reform of the National Assembly of Zambia: Agenda for a 21st Century Parliament." Report to the National Assembly of Zambia from the State University of New York International Development Group. USAID IQC Contract AEP 5468-I-00-6004-00.
- Lyons, Andrew. 2000. *Lessons Learned from USAID/Zambia Investments in Agriculture and Natural Resource Management*. Presented to USAID/Zambia under RAISE, Contract No. PCE-I-00-99-00001-00: Task Order 11.
- Matibini, Patrick. 2002. "Role of Civil Society in Zambian Parliament." Paper presented to Joint Parliament and Civil Society Seminar, Mulungushi Conference Centre, Lusaka May 5-6, 2002.
- McCulloch, Neil et al. 2000. Globalisation, Poverty, and Inequality in Zambia during the 1990s. Paper prepared for Institute of Development Studies, University of Sussex.
- Mulikita, N M. 2002. "Political Parties and the Unfinished Quest for Democratic Governance in Zambia." Paper presented to the *ISS/OSSREA Workshop on the Sustainability of African Political Parties*, Addis-Ababa, Ethiopia, May 6-10, 2002.
- Neubert, David and Dhruv Sarda. 2000. *Cooperative League of the USA Rural Group Business Program Evaluation*. Presented to USAID/Zambia under RAISE Contract No. PCE-I-00-99-00001-00: Task Order 11.
- ORC Macro. 2002. "Zambia Demographic and Health Surveys (DHS) Education Data Survey (ZDES)." Quarterly Report. (April).
- Parker, J.C. 1996. *Micro and small-scale enterprises in Zambia: Results of the 1996 Nationwide Survey*.
- Pfeiffer, Dale, Neo Simutanyi and John Holm. 1997. "Zambia Democratic Governance Project: Final Evaluation." Lusaka, Zambia. (June).

Phiri, Stanley Ngalazu et al. 2001. "Expanding and Strengthening Community Action: A Study of Ways to Scale up Community Mobilization Interventions to Mitigate the Effects of HIV/AIDS on Children and Families." Prepared with support provided by the Displaced Children and Orphans Fund of USAID. (March).

The Post. 2002. "Analysis of Chiluba's Matrix of Plunder." *The Post*. (June 25): pp. 1-3.

Ravallion, Martin. 2001. "Growth, Inequality, and Poverty: Looking Beyond Averages." Paper presented at the UNU/WIDER Conference on Growth and Poverty, 25-26 May 2001, Helsinki.

Saasa, Oliver et al. 1999. "Comparative Economic Advantage of Alternative Agricultural Production Activities in Zambia." SD Publication Series, Office of Sustainable Development Bureau for Africa. *Technical Paper No. 104*.

----- . 2002. *Literature Review*. Prepared for USAID/Zambia, Country Strategic Paper Preparatory Process.

Shapouri, Shahla and Stacey Rosen. 2001. "Issues in Food Security: Toll on Agriculture from HIV/AIDS in Sub-Saharan Africa." United States Department of Agriculture, *Agriculture Information Bulletin, No. 765-9*.

Shonga, Emelda. 2001. "Zambia's Refugee Population Shoots to 270,000." *Zambia Daily Mail*. (September 20): p.1.

Simumba, Trevor and Bwalya Penza. 2002. "US Market Opportunities and AGOA." Report compiled from workshop proceedings by ZAMTIE for USAID. Lusaka, Zambia. (April).

Simutanyi, Neo. 2002. "Opposition Parties in Zambia: Problems and Prospects." Paper Presented to the Conference for Political Parties on Parliament after the 2001 Elections, Freidrich Ebert Foundation, Pamodzi Hotel, Lusaka, 18th-19th April, 2002.

Tucker, Stevens P. et al. 2002. "Concept Paper Outline: Democracy and Governance Strategic Objective." Lusaka, Zambia. (June).

UNHCR. 2002. *UNHCR Global Appeal 2002*.

United Nations Development Program (UNDP). 2002. Human Development Report 2001. (New York: United Nations Publications).

UNHCR. 2002. *Global Appeal*.

USAID/Zambia. 1997. *Country Strategic Plan*.

----- . 2002. *Mission Country Strategic Plan Stakeholder Consultation*. Stakeholder Consultative Meeting at the Hotel Intercontinental, May 22, 2002.

----- . 2002. “Democracy and Governance Concept Paper.” Lusaka, Zambia. (June).

----- . 2002. “Strategic Objective 2: Basic Education, Implementing Partner’s Strategic Planning Workshop Process Report.” Lusaka, Zambia. (May).

----- . 2000. “Private Sector Development Results Package.” Lusaka, Zambia (February).

Wilkinson, Betty. 1997. “Zambia: Private Sector Assessment.” Prepared by Iris Center for USAID/Zambia. (May).

Wilkinson, N.T. 2002. “Food Security and Poverty Alleviation through Cotton, Achievable and Sustainable.” Lusaka, Zambia. Dunavant Cotton. (May).

World Bank. 2001. *Zambia Public Expenditure Review, Public Expenditure, Growth and Poverty: A Synthesis*. Report No. 22543-ZA. Washington D.C.: World Bank Publications.

----- . Various years. *World Development Indicators*. (Washington D.C.: World Bank.)

----- . Various years. *World Development Report*. (Washington D.C.: World Bank).

----- . Various years. *SIMA and Region Database*.

----- . Various years. Africa Region Database. Zambia Privatization Agency. 2002. *Status Report as at May 31, 2002*. Lusaka, Zambia.

----- . 2001. *Progress Report No. 18, 1st January, 2001 to 30th June, 2001*.

Zambia Trade and Investment Enhancement Project (ZAMTIE). 2001. “ZAMTIE Quarterly Progress Report.” Lusaka, Zambia (September).

----- . 2002. “Zambian Export Products Research Study to Assess US AGOA Import Regulatory Requirements.” Prepared by ZAMTIE for USAID/Zambia. Lusaka, Zambia. (April).

Zulu, Ballard et al. 2000. “Is the Glass Half-Empty or Half Full? An Analysis of Agricultural Production Trends in Zambia.” *Food Security Research Project, Working Paper No. 3.*