

Civil Society and the Poverty Reduction Strategy Process in Zambia

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by

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TABLE OF CONTENTS

Contents	Page
Acronyms and Abbreviations	
Executive Summary	1-8
Introduction	9-11
Chapter 1	11-18
Economy and Poverty levels in Zambia	
Social Indicators in Zambia	
Chapter 2	18-27
Poverty and Civil Society Actions in Zambia – A Historical Perspective	
Chapter 3	28-31
PRS Process in Zambia	
Chapter 4	32-57
Survey on the PRSP Process	
Findings	
Conclusion and Way Forward	

Chapter 5

The 2002 National Budget and PRSP

57-87

Conclusions and Way Forward

Chapter 6

87-89

Overall observations on the Civil Society and PRSP

Office of the President Poverty Allocation

Appendix 1

Ministry of Lands Poverty Allocation

Appendix 2

Other Poverty Reduction Related Allocation

Appendix 3

Bibliography

Appendix 4

Respondents Interviewed

Appendix 5

ACRONYMS AND ABBREVIATIONS

ASIP:	Agricultural Sector Investment Program
AFDB:	African Development Bank
AIDS:	Acquired Immune-Deficiency Syndrom
BOZ:	Bank of Zambia
CG:	Consultative Group
CCJP:	Catholic Commission of Justice and Peace
CMA:	Crop Marketing Authority
CS:	Civil society
CSPR:	Civil Society for Poverty Reduction
CSOs:	Civil Society Organizations
CSO:	Central Statistical Office
DFID:	Department of International Development
FRA:	Food Reserve Agency
G:	Government
GDP:	Gross Domestic Product
GTZ:	Germany Technical Aid to Zambia
HDI:	Human Development Index
HIV:	Human Immune-deficiency Virus
HIPC:	Heavily Indebted Poor Countries
ILO:	International Labor Organization
IMF:	International Monetary Fund
I-PRSP:	Interim Poverty Reduction Strategy Paper

JCTR: Jesuit Center for Theological Reflection

JICA: Japan International Corporation Agency

MDI: Marginalization and Discrimination Index

MOFED: Ministry of Finance and Economic Development

NGOs: Non-Governmental Organizations

NPRAP: National Poverty Reduction Plan

PI: Poverty Index

PRSP: Poverty Reduction Strategy Paper

UNDP: United Nation Development Programme

UNICEF: United Nations Children Fund

UI: Unemployment Index

USA: United States of America

WB: World Bank

WHO: World Health Organization

VI: Vulnerability Index

ZHDR: Zambia Human Development Report

EXECUTIVE SUMMARY

Introduction

In September 1999, the International Monetary Fund and World Bank endorsed a new framework for poverty reduction that involves the development of nationally owned participatory poverty reduction strategies. PRSP will provide the basis for debt relief under the enhanced Heavily Indebted Poor Countries (HIPC) Initiative, for World Bank and IMF concessional lending and, eventually for all donor assistance.

A number of countries in Africa, Asia and the Pacific, Latin America and the Caribbean, Arab States and Eastern Europe have embraced Poverty Reduction Strategies Paper (PRSP).

According to the IMF and World Bank, the PRSP should be a national strategy owned by the country and its people. And the actual PRSP preparation process should be country driven, transparent and consultative. In short, the PRSP should be an effective poverty reduction plan that has wide support among the people in the country itself. It must be managed at high levels of political authority. There must be a broader participation in policy making and a more diverse dialogue on poverty issues through direct consultations with stakeholders including poor communities.

Poverty and Economy

Zambia's economy is still very weak. SAP has not assisted to bring the intended macroeconomic stability in the economy. Instead, greater miseries have been created. Poverty levels in Zambia, at 80 percent of the population, are high and wide-spread. They include income deficiency, material deprivations in terms of food and nutrition, health, education and literacy, safe water and sanitation, and clothing and shelter, deprivation of security on account of vulnerability to external events such as bad weather, national disasters, illness and economic shocks; and deprivation of human rights through discrimination, disempowerment and exclusion that leads to loss of human dignity.

Poverty and Civil Society Actions – A Historical Perspective

Civil society for a long time have consistently advocated for improvement in the quality of life and poverty in Zambia through demands for total debt cancellation for Zambia, improvement in governance, accountability and transparency and human rights.

The advent of the PRSP in 2000 awakened the civil society even more to the importance of its role in the country's development process and the nature of its interaction with the government. However, in order to widen its participation and ensure that civil society constituted of organizations groups of diverse backgrounds and in diverse locations effectively and meaningfully participates in the design, formulation and implementation of the PRSP, the Civil Society for Poverty Reduction (CSPR) was formed.

On 18 July 2001, the CSPR launched its report: “A PRSP for Zambia: A Civil Society Perspective”. The idea of preparing this report was not to have a document parallel to the government PRSP document but to make it known to both the government and public what civil society considers to be its main concerns relating to the poverty reduction and to enable it to provide a consistent input into the Government PRSP document. The first draft government PRSP document revealed a considerable degree of congruence with the civil society’s own PRSP document testifying to the government’s earnest consideration of civil society’s views, but the civil society did not get representation to the technical drafting committee.

PRSP Process in Zambia

The Government PRSP was prepared after extensive consultations involving cabinet, the legislature, other government benefits, the private sector, academic, civil society, donors and the provinces. Eight thematic working groups comprising macroeconomic, agriculture, mining, health, education, industry, tourism and manufacturing were formed and came up with zero draft for the PRSP. These working groups were made of representatives of government, donors and civil society.

Zambia’s first PRSP has identified three broad themes for interventions: the economic, the social theme and the critical cross cutting issues.

Many of the measures proposed in the PRSP are to be effected through the government budget.

Findings

Members of the civil society and government officers were interviewed. Questionnaires were submitted to them for completion. The results of the findings indicated that:

- the PRSP process has strengthened consensus among the civil society on national poverty reduction goals and strategies;
- the government and civil society are organized and responsive to the PRSP Process;
- the CSOs have fully participated in the PRSP Process and the majority of their views have been reflected in the government PRSP document.
- the characteristics of those who participated in the CS PRSP consultations in four provinces were described as good. CSOs consultations were held with the from the poorest districts of Zambia. The participants were articulate and capable and came from the cross section of the communities.
- attendance at the civil society provincial consultative meetings was described as good, meaning that the majority of those who were invited attended and had the opportunity to exchange views, however, the non presence of the majority of the rural poor people was described as a serious omission which deprives them of PRSP ownership. An important

observation should be made that PRSP has just been introduced in Zambia and it is too early to expect total coverage of all the Zambian communities.

- attendance at the government provincial consultative meetings was also considered good but is said to have comprised more of civil servants and the educated at the expense of beneficiaries.
- the CSPR has done extremely well. Around 20 committee members are regularly involved in the PRSP process. However, some members do not have the sufficient capacity to contribute to ideas. Civil society has limited financial resources and consequently are constrained to reach the majority of the people in the rural areas or even to conduct civic research and awareness campaigns extensively;
- performance of Government on the PRSP in Zambia was described as follows:-
 - (i) good in involving other stakeholders
 - (ii) good in sharing information with other stakeholders
 - (iii) weak in consultation
 - (iv) very weak in communication and coordination
- the impact and assessment of civil society on PRSP was described as good. Civil society have interacted well with government through various working groups and had strong representation at the National PRSP Forum. Most of their views were incorporated in the government PRSP document.
- most of the fears and concerns from CS and government were common. They evolved around not having enough resources to implement even a minimum agenda; PRSP may not be a reality in the national budget since funds may not be adequate. Therefore, prioritization in the budget to capture even the serious concerns may not be done. Lack of political will and commitment by government may override economic prudence. Furthermore, donor conditionality may be a hindrance.
- Government expectations included better allocation and prioritization of resources may take place to reduce poverty;
- civil society hoped for success of PRSP and that the rural and urban communities will benefit.
- other fundamental additional points included:

- (i) that PRSP should not in effect turn out to be a disguised form of SAP (CS);
 - (ii) that PRSP should be owned by the people of Zambia to make it more effective and successful (CS);
 - (iii) that PRSP has not yet really shown it is a bottom-up concept. It should not be center driven but rather provincial-district driven (CS + G);
 - (iv) that it would have been helpful if there was a PRSP provincial document which could have highlighted key areas of concern in each province (G);
 - (v) that there is need to create a planning unit under MOFED, and that Government should start building capacities of CS through technical training to bring them to the same level as civil servants (G).
- students from UNZA, Evelyn Hone College and Fairview Hotel generally knew little about PRSP and they would wish somebody either from Government or civil society addressed them on the matter. Their current knowledge is derived from listening to TV and through the media. Those who have some idea about PRSP believe that:
 - (i) “PRSP is another one of the programs the politicians like to discuss in expensive hotels;
 - (ii) PRSP aims at alleviating poverty, reduces beggars in streets, benefits the poor....”
 - on the level of poverty most students believe it is very high. On hunger, they believe that it is extremely high. To reduce poverty or hunger they suggest that communities should be educated on the importance of agriculture so as to grow their food;
 - beneficiaries in provinces know very little or nothing about PRSP. No one ever visited them to tell them about PRSP. They are willing to participate in the program. Meanwhile, they seriously suffer from acute hunger. The majority only eat one meal a day and at 16:00 hours. They have little water and, drugs are in short supply.
 - civil society has requested government to allow them be part of a budget task force. Government has remained silent on the matter. A serious concern over this issue is the possibility of rendering the PRSP toothless. It is possible CS may disown it if this impasse remains so.
 - Government has not yet spelt out the modality of civil society complementing the members of parliament on PRSP implementation and monitoring.

The 2002 Budget, though well intended, may not succeed to fund all the activities budgeted for during 2002 and be able to implement them. This is because of various limiting factors such as lack of funds and capacity, poor rains and tense political climate – it may take the new Government time to settle down until its relationship with its party has improved and is adequately backed by the opposition.

Donors may not immediately disburse funds to the government until assured the good governance and corruption issues are in place.

Development of own resources to achieve a 60 percent contribution to the budget requirements may not be easy because some of activities in the budget such as production of maize under irrigation during dry season during this year will not succeed. This is a long-term investment requiring sufficient time to do an exhaustive feasibility study.

This year the only high priority given to reduction of poverty is agriculture. But as has already being observed in chapter 5, success in this sector requires great commitment on the part of Government. Besides, a number of projects in this sector are of a long term and whose impact is also of a long-term nature.

PRSP is focused on a medium-term and long term time frame. Therefore, funding for poverty reduction activities this year may have serious limitation. Utilization of savings from HIPC resources may not be sufficient and if available may not be properly channeled to prioritized target areas in the rural areas. Accountability and transparency mechanisms are not in place. Other local resources may not also be adequate to meet the demand for those resources. In short, the 2002 Budget has failed to respond to the priorities of the whole PRSP process.

The 2002 Budget has not succeeded in job creation. The poverty reduction activities in the budget have been narrowly described and are not sufficient to have an impact on poverty reduction. Although agriculture sector has been prioritized, its activities will not create jobs this year due to many uncertainties including drought, poor human resource capacities, poor funding and the fact that some activities are not truly focused.

Civil society views on Poverty Reduction have not been adequately factored in this year's Budget due to shortage of funds. We expect increased poverty reduction activities in 2003 and onwards as these will need to be planned effectively.

At this stage, it is not possible to indicate whether the PRSP document has factored all the concerns of the civil society until the final document has been approved by the Cabinet.

Way Forward

There is little time left for civil society (between now and implementation stage of PRSP) to ensure that their participation in the PRSP process remain effective. Certain matters have to be put in place urgently. The following could be some of the major points:

- civil society should immediately prioritize urgent and critical poverty reduction activities that may benefit from HIPC savings. Government publicized in the media (beginning 2/12/2001) receipts and disbursements of HIPC resources, giving sources of these funds and areas of disbursement. It is important that utilization of these funds are tracked. For instance, will the allocation of balance of funds in various ministries include civil society's critical prioritized activities, or are the balance of funds allocated to various items broken down in the media critical areas according to civil society's prioritization?

- civil society should select a competent team from its membership including the secretariat to be part of the Budget Task Force.
- civil society should begin to mount awareness campaigns through the media and other publicity fora e.g. meetings with communities in the rural areas, etc.
- that as part of civil society campaigns on poverty reduction, civil society should bring Members of Parliament (MPs) on board. Since MPs represent their rural and urban constituencies, they are in the position to know the seriousness and consequences of poverty. This will also facilitate to bring communities on board.
- civil society should not relent on their campaign for debt cancellation by all donors. Savings from HIPC relief may not be adequate for poverty reduction. Zambia's capacity, at present, to generate adequate funds internally necessary for poverty reduction is still very weak and will continue to be in that position for sometime.

Since the 2002 Budget has been presented and is being discussed in Parliament, civil society should start equipping themselves with necessary financial analysis skills, particularly budgeting skills, so that when they are invited to be part of the budget committees or implementation and monitoring committees, they will be able to handle the situations as their civil servants counterparts. If they did not have sufficient financial analysis skills arrangements could be made to train them.

Not all its membership have the budgeting skills. The few that have that knowledge include Catholic Commission for Justice and Peace. If agreeable, the CCJP could be used as a catalyst for training in the skills or Government could arrange their training in building up the civil society's financial capacity. The donor community such as UNDP and GTZ are determined to provide assistance in the budgeting process. Civil society should also concentrate on building capacity to monitor implementation of PRSP otherwise it will not succeed.

A detailed study of the contents of the 2002 Budget and of the data in the Yellow Book (Zambia's Estimates of Revenue and Expenditure) for the year 2002 should be done by civil society to acquaint themselves with the detailed poverty data (allocation) by department, ministry, province and district in order to enable them monitor usage of poverty funds in those areas. Civil society knowledge in these matters should match with that of their government counterparts.

Civil society should also acquaint themselves with the medium-term or long-term plans being prepared by the Ministry of Finance and National Planning so that they may start monitoring these plans along the way. They may also request government for their inclusion in the Planning Committee(s).

Overall Observations on the Civil Society and the PRSP process

The purpose of this study has been to analyse the Zambian PRSP-process, and especially

the role of the civil society. The role of the civil society in the PRSP process is seen as important because it, according to the definition used in this study, operates as an intermediary between individual citizens and the government. Strong civil society activities and cooperation can thus be seen as an important prerequisite for a strong commitment on the goal of poverty reduction in the broader political system. The study thus fundamentally also analyses what kind relationship there is between the civil society and the government in terms political dialogue on poverty reduction.

This study shows that the PRSP-process seems to have opened up an increased space for dialogue between civil society actors and representatives of the government of Zambia. These civil society actors, of which most have been active in Zambia during the 1990s on various issues, have increased their cooperation and organised themselves around a coalition on poverty reduction, CSPR. The study thus points out that the PRSP has strengthened the consensus among them and that their impact on the PRSP process has been quite high as well as the impact on the draft PRSP document. The study shows that the government was responsive to the interventions of the civil society.

The study also show that the PRSP process has had some implications to the priorities of the 2002 Budget, but at the same time it also raises serious doubts about whether it can be implemented in its full. This is because of various limiting factors such as lack of funds and capacity, poor rains and tense political climate. Donors may not immediately disburse funds to the government until assured of the good governance and corruption issues are in place. Also development of own resources to achieve a 60 percent contribution to the budget requirements is also difficult. The equivalent number for 2001 was only 40 percent.

Notwithstanding the above mentioned positive developments there seems still to be serious constrains and future challenges before one can start to talk about the Zambian PRSP process as a real development process for the whole country and not just a paper used to solicit funds from the donors. There are a couple reasons for this.

Firstly, the study results show that the broader segments of the Zambian society have participated very limited to the PRSP process. Thus there is a need for more community participation in future similar policy dialogues.

Secondly, the study gives indications to the fact that the involvement of political parties, and representatives of the Cabinet and the Parliament have not been active in the PRSP process. One indication of this is the delay of the PRSP document by political factors such as the so called third term debate and the electoral campaigns of 2001.

So far, thus, this study paints a picture of a relatively good PRSP-process between the organised and professional segments of the civil society and the Government ministry officials and donors, who have made the process a condition for debt relief and aid. And interesting is that the survey often points to similarities in the answers by the civil society representatives and the government officials. But on the other hand the study also paints a picture showing that the cornerstones of the political system, the broader segments of

the society, especially the rural communities, and the parliament and the political parties, have not been very integrated in the process.

The Poverty Reduction Strategy is a new medium term policy process, which has only started with the drafting of the PRS-paper. Too strong conclusions about its consequences and implications may thus not be drawn at this time. But it is clear that any real national development plan has to emerge as a result of a bottom-up political process and anchored strongly in the political system of Zambia. The key challenge for the PRSP-concept in Zambia is whether it can strengthen and contribute in creating the necessary environment for this. According to the finding of this study two key challenges seem to be important in creating a necessary environment for national development planning.

Firstly the relationship between the civil society and the government should move more strongly from a state of mutual suspicion (see chapter 2) towards a mutually strengthening political dialogue. The present state of suspicion, which however somewhat seems to have reduced as a consequence of the PRSP process, between these actors is e.g. exemplified by the fact that although the PRSP process is largely seen as a good one by the professional civil society there are strong doubts on the political will of the government to implement the PRSP.

This is a challenge that has to grow and develop from the Zambian society, and its various actors, itself. But external donors should in their aid interventions analyse carefully whether their interventions are strengthening the dialogue between the civil society and the government or the opposite. This requires understanding of the political environment of Zambia.

What does the goal of mutually strengthening dialogue in practice imply? On the one hand this study clearly shows that increased opportunities for the civil society for participation in development policy discussions and budget preparations is one part of achieving this goal. Increased opportunities for more participatory and transparent budget planning and implementation practises seems especially important. So is also increased focus by the government on implementing the PRSP document. But on the other hand the calls for increased space and room for the civil society in public policy processes should always have the goal to strengthen the capacities of the democratic institutions like the parliament to do their functions, for which they are accountable.

Secondly, the budget analysis in this study shows that the fragile and uncertain resource base clearly puts serious constraints and limits to development planning in Zambia. Thus the reducing of the extremely high dependence on external resources on the one hand as well as making the utilisation of public resources more effective and increasing the internal resource mobilisation on the other hand are very important goals for Zambia. Without changes and improvements in these both areas the conditions for a broad based development planning process with corresponding policy implementation that leads to actual improvements of the living conditions of the people of Zambia are quite difficult.

Civil Society and the Poverty Reduction Strategy Process in Zambia

Introduction

In September 1999, the International Monetary Fund (IMF) and World Bank endorsed a new framework for poverty reduction that involves the development of nationally owned participatory poverty reduction strategies.

The reasons for this action were:

Firstly, there was strong criticism from various stakeholders, mainly NGOs, about the negative effects of Structural Adjustment Program (SAP) policies as well as about the imposition of these policies (i.e. criticism also in the way these SAP policies have been conditioned to the poorer countries). Secondly, it was also about an international recognition of the importance of giving an even stronger emphasis on poverty reduction than before. Thus, PRSP grew out from: -

- a recognition of the critique that SAP was not benefiting the poor;
- widening and deepening consensus to have the pro-poor group benefit from the economy;
- a recognition that SAP was not a home grown approach but imposed from the top (IMF and World Bank). It lacked ownership of the people.

PRSP provides the basis for debt relief under the enhanced Heavily Indebted Poor Countries (HIPC) Initiative, for World Bank and International Monetary Fund (IMF) concessional lending, and, eventually for all donor assistance. This is the case, for an example, for Finland, which at a recent decision (spring 2001) regarding the implementation of its policies with developing countries identified the Poverty Reduction Strategy as one of the key conditions for Finnish Aid. The same policy paper also puts the Finnish Aid relationship with Zambia under critical consideration due to the governance problems in the country. The outcome of the PRS-Process should thus be of importance and have a great impact in the future decisions regarding the Aid relationship with Finland and Zambia.

The PRSP concept has since rapidly gained a lot of support in the international community. Worldwide experience in the recent years has demonstrated that although the standard economic reform measures can help to restore economic growth, this may not necessarily lead to satisfactory poverty programs and their international support must put poverty reduction at the center of economic reform. Consequently, countries are now required to prepare a Poverty Reduction Strategic Paper (PRSP) before they can access concessional financing, including debt relief.

A number of countries in Africa, Asia and the Pacific, Latin America and the Caribbean, Arab States and Eastern Europe have embraced PRSP. Zambia attained its I-PRSP status in July 2000 and is likely to gain full PRSP status in 2002. Zambia attained its Heavily

Indebted Poor Countries (HIPC) status in December, 2000¹.

The attendance of a large number of the countries at the Dakar Forum in Senegal from 10-13 September, 2001 signified the importance that African countries attach to PRSP's in Africa. The Dakar PRSP Forum which was attended by 300 delegates from 31 countries was organized by the African Development Bank, Africa Capacity Initiative, IMF and the World Bank to share knowledge and experiences of the PRS Process, particularly with those countries that have full PRSPs, such as Uganda and Burkina Faso.

According to the IMF and World Bank, the PRSP should be a national strategy owned by the country and its people. And the actual PRSP preparation process should be country driven, transparent and consultative. In short, the PRSP should be an effective poverty reduction plan that has wide support among the people in the country itself.

A major achievement of the PRSP initiative in some countries has been the increase in government ownership of the process. In such countries the process of developing the PRSP has been managed at high levels of political authority. As a result, there is a greater commitment to broader participation in policy making and a more diverse dialogue on poverty issues through direct consultations with stakeholders, including poor communities. Countries may differ in the scope of their participatory. Some are built on existing democratic and participatory processes (involving parliaments and local levels of authority, both traditional and formal).

PRSP is a long-term planned program. In the full PRSPs, the Medium Term Expenditure Framework is an effective tool for policy planning and increasing policy debate within the PRSP framework, both within government and more widely. However, MTEFs are not yet established in most of the I-PRSP countries and it has been difficult to prepare and complete costings of priority public policies in most cases. Even the full PRSPs (such as Uganda) have only provided detailed costings for a few of their policy programs.

Assessment of the resource implications for financing the poverty reduction strategy is one of the weakest points (with the possible exception of Uganda among the African countries), and urgently requires donor-funded capacity building. Experiences in increasing citizen participation in the budget process have proved to be an effective way of prioritizing expenditures and increasing transparency².

This report assesses and evaluates the poverty reduction strategy process in Zambia³. It is divided into two stages. In the first stage (chapters 1- 4), it attempts to identify whether or not the PRS-process has strengthened consensus among the civil society on national poverty reduction goals and strategies. And whether or not the views of the civil society are reflected in the PRS-document. Finally, the report looks at the implementation mechanisms of the

¹ UNDP Support for Poverty Reduction Strategies, 2001

² Caroline M. Robb and Alison M. Scott; Reviewing some Early Poverty Reduction Strategy Papers in Africa (Draft), IMF

³ The final PRSP document was not available at the time of writing of this study, it is thus made on the basis of the draft PRSP document, published in October 2001.

PRS, the role of the civil society actors in implementing the PRS. The report also looks at the question on whether there is political commitment, within the Government, donors and the civil society to implement the PRS.

In the second stage (chapter 5), the report will analyze the budget for 2002 in order to find out whether or not the PRSP is reflected in it and whether or not there is a change to be seen vis-à-vis the previous budgets from a poverty reduction point of view. This analysis will also look at how the positions of the civil society is reflected in the 2002 budget.

The question on the role of civil society in the PRSP process is seen as important as the civil society operates as an intermediary between individual citizens and the government. Strong civil society activities and cooperation can thus be seen as an important prerequisite for a strong commitment on the goal of poverty reduction in the broader political system. The study thus fundamentally also analyses what kind relationship there is between the civil society and the government in terms political dialogue on poverty reduction.

The outline of the report is as follows: Chapter 1 looks at the economy and poverty levels in Zambia; Chapter 2 looks at poverty and civil society actions in Zambia; Chapter 3 looks at the PRSP Process in Zambia; Chapter 4 explains survey method used, presents the findings and provides a conclusion and way forward for the first stage. Chapter 5 analyses the 2002 National Budget and the PRSP and Chapter 6 provides the final overall observations.

CHAPTER 1

The Economy and Poverty levels in Zambia

Poverty in Zambia can meaningfully be understood and appreciated by tracking its root causes. The poor economy and SAP have brought negative impacts on the community resulting in unemployment, poor health facilities, poor education, insufficient food, unsafe water and poor sanitation, economic shocks (little or no income) and poor road infrastructure to assist in transportation and marketing of inputs and outputs in the rural areas. In other words, although Zambia has abundant natural resources, enjoys favorable climate (for increased production, income generation and employment) and has been an ocean of peace and tranquility unparalleled in Africa since independence in 1964, it has not fared well socially and economically.

Zambia was economically prosperous at independence. It began to deteriorate in the mid - 1970s following the oil shock (1973) compounded by a sharp decline in world copper prices (1974)⁴. The increased decline in the economy in the 1980s was due to lack of sufficient responses to the above external fundamental changes, declining terms of trade and shifting demand patterns for raw materials produced. Secondly, it was due to Zambia's internal policies that favored imports at the expense of exports, over valued exchange rates, rampant shortage of goods in the shops. The 1980's marked the first phases of implementing Structural Adjustment Program (SAP) amidst a rapid stagnating economy. The implementation of SAP was however often piecemeal and failed to fundamentally change the

⁴ Zambia's economy before independence and after has been dependent on mining

economic structure. Also the design and implementation of SAP then often failed to sufficiently address issues of SAP related poverty. SAP was temporarily abandoned in 1987 and was replaced by Zambia's own program. It was, however, subsequently reintroduced in 1988, though not vigorously.

In 1968 most private medium and large business were nationalized. The mines were subsequently nationalized in 1970s. From this period, government introduced national plans spanning to 10 years. Under the plans, all future activities were reflected. The plans made it possible to track future incomes and expenditures.

In 1991, a fundamental change was made which resulted in complete liberalization of the economy and cancellation of long term strategic plans. Structural Adjustment Program (SAP) was drastically enhanced. Key reforms were undertaken including aggressive privatisation program, debt consolidation through debt buy back and stronger relief. Further, strict fiscal discipline was made to eliminate the printing of money and reduce inflation, exchange rate was freed, capital controls were removed, import controls were abolished, public enterprises which were fiscal drain were either closed or sold and, state monopoly in agriculture input and output markets was lifted. These changes were made in order to stabilise the economy to enhance growth.

Unfortunately, these measures were combined with slack control of parastatals which resulted in high real interest rates. The sale of foreign exchange by the central bank also had a downward effect on liquidity. The squeeze on domestic money supply combined with the release of official foreign exchange pushed up the real value of the Kwacha.

Over the period 1980 to 1990, Zambia's economic growth was second lowest in SADC after Mozambique. Over the period 1990 to 2000, it had the least average annual growth rate in the SADC region of 2.4 percent, which was well below the population growth rate of 3.2 percent. In particular, output in agriculture and tourism remained well below potential.

Thus, SAP, a package of measures that were aimed at restructuring the economy in order to restore growth by cutting public expenditure, removing subsidies, devaluing the local currency, opening up the local economy to foreign competition, selling off public companies and reducing the size of the civil service have resulted in undesirable social effects. The most structural challenge was in the mining sector where a massive drop in output complemented the negative impact of occasional price declines. Currently, copper output is only a third of the highest level ever attained. The contraction in mining, especially in 1998-2000 strongly dragged the rest of the economy down as demand collapsed.

Although macro-economic measures were taken in the last decade to boost the economy, the declining mining and agricultural sectors' effect was to shrink it. With a stagnant economy and a population that has more than doubled to ten million from independence, Zambia has found it difficult to maintain the social advances made since independence. For instance, formal employment declined by -1.4 percent from a workforce of 544,200 in 1991 to 477,508 in 1999; poverty is now at the level of 80 percent of the population, below US\$1 poverty line. Real per capita income/GDP declined by an average of - 2.6 percent annually during the same period.

SAP which already has been difficult to accept in the short term has become intolerable in the long term. Even if it was proven that in the absence of adjustment, the situation would have been worse or unsustainable. UNICEF and OXFAM reports show that economic reforms have left the majority of people in both rural and urban area with inadequate incomes to meet the basic needs of life⁵. Consequently, most people in Zambia have become increasingly insecure in terms of employment, income, household food requirements, health and education.

Recently, more parastatals have been privatised including the major mines, and others have been liquidated for lack of performance. In addition, more civil servants have been either retired or retrenched. These actions have caused more employees being declared redundant. This indeed has caused more people to be poor.

The implementation of the reform program since 1991 though done with great enthusiasm was slow to create a positive impact. The economy could not be sustained. This was due to continued high inflation, interest rates, foreign exchange rates and low GDP growth. Mismatch between government policy strategies and implementation has been evident throughout the last ten years. This can be traced through inconsistencies in achieved outcomes compared to program targets in respect of inflation and GDP (See Table 1)

In addition, contradictory policy outcomes have resulted in weak supply response and growth being withheld. For instance:

- consider the liberalization of both agricultural commodities and inputs. Producers may have been induced to expand the production of maize due to the liberalized price, but the same price liberalization will also have limited their ability to access credit and fertilizer;
- agricultural trade liberalization and privatization left small-scale farmers (the largest group in poverty in the country) especially in the remote rural areas bereft of avenues to sell their produce and thereby accentuated their poverty;
- Zambia conforming to the COMESA's time schedule for tariff reduction without other countries in the region following suit resulted in telling effects on Zambia's manufacturing sector. Although suggestions to resolve these contradictions such as countervailing duties were accepted in principle, very little changed at the operational level. The country thus became vulnerable to dumping of goods from others in the region;
- excessive monetary tightness succeeded in containing the hyperinflation that prevailed in the early 1990s but resulted in very high cost of loanable funds that has persisted to this date. This has made credit out of reach in particular to small- scale farmers and small business persons;

⁵ The Oxfam Poverty Report, 1995 and UNICEF/GRZ Report, 1999

- the adherence to the cash budget⁶ resulted in the budgets recording moderate surpluses at the end of the fiscal years. But this was achieved by starving the economic and especially the social sectors of the needed expenditures. Thus, while the disinflationary impact of the cash budget may have been favorable for growth, the curbing of expenditures on economic and social sectors would have weakened the prospects for growth.

The overall average GDP growth between 1991 and 2000 was 0.56 percent, not an impressive growth. Positive growth was intermittent. However, consistent growth in 1999 and 2000 could be attributed to increase in agricultural production which contributed 10.1 percent and 1.8 percent in 1999 and 2000 respectively. Other sources of economic growth included wholesale and real trade (1.8 percent), financial and insurance (0.8 percent), construction (0.5 percent) and manufacturing (0.3 percent). For the third consecutive year mining and quarrying acted as a drag on the economic growth, registering a further negative 2.2 percent growth in 1999 from negative 3.0 percent in 1998. GDP per capita reduced from US\$421.2 in 1991 to US\$344.1 in 1996.

Inflation rate although brought down to 30.1 percent in 2000, has not reached the predicted rate of below 15%. Reflecting these trends in money supply, the impact on the rate of inflation was to first push it to over 100 percent in the first two years of the reform policies of the 1990s before beginning to come down; dropping first to 38.3 percent in 1994 and, as low as 18.6 percent in 1997. However, it started rising again, reaching 30.6 percent in 1998 and dropping again to 20.6 percent by 1999 and rising again to 30.1 in 2000 as mentioned above. Although inflation at current levels is far much lower than that obtaining in the first few years of the reform, there is still need to bring it down to single digit levels in order to encourage long term investment to increase production.

The kwacha exchange rate against the USA Dollar has depreciated from K64.5 to the 1 USA Dollar in 1991 to K4,108 to the USA Dollar in January, 2000 pushing the cost of living for the poor.

Table 1: Macro-economic indicators, 1991 – 2000

	1991	1992	1993	1994	1995	
<i>Real GDP</i>						
Programme Target	3.0	2.0	5.0	5.0	4.0	
Actual	-0.4	- 2.8	4.0	-8.6	-4.3	
<i>Inflation Rate</i>						
Programme Target	n.a	9	9	9	9	
Actual	93	197.4	189.0	38.3	46.0	

⁶ Budgeting system based on cash availability.

<i>Interest rate</i>	n.a	n.a	139.5	70.7	45.5	
<i>Exchange rate</i>	64.6	172.2	452.7	670	864.6	
<i>Current Account</i>						
	1996	1997	1998	1999	2000	2001
Real GDP						
Programme Target	6.5	5.5	5.0	5.0	4.0	5
Actual	6.4	3.5	-2.0	2.0	3.5	5
Inflation Rate						
Programme Target	9	9	9	15	19	17.5
Actual	35.2	18.6	30.6	20.6	30.1	19
<i>Interest rate</i>	53.8	46.7	31.8	51.3	39.1	49
<i>Exchange rate</i>	1213	1321	2111	2595	4108	38.20

Source: Ministry of Finance and Economic Development, Economic Reports (1991 - 2000) and Budget Speeches (1989 – 2001)

Commercial bank interest rates during the same period had also negative impact to growth. These were tied to inflation. The weighted lending base rate⁷ first rose to 139.5 percent in June 1993 before starting to fall, reaching its lowest level of about 31.8 percent in December, 1998 before starting to rise again. By April 1999, the lending base was 51.3 percent (BOZ 1999). The percentage in December 2000 was 39.1. The rates volatility was a reflection of a number of factors including the unpredictable Government operations and mis-match between demand for and supply of funds in the money market. However, their volatility and movements did not always mirror liquidity flows (Bank of Zambia, Annual Report 1999). The increased interest rates had an adverse impact on domestic borrowing and in particular in agriculture, a significant sector for poverty reduction. Besides, it caused to be out of reach to most people particularly in the rural areas where affordable credit financing was not available.

The implementation of tight fiscal policy in 1991 was to do away with maize subsidies, which in some years accounted for more than 10 percent of the total Government budget. Apart from the adverse implications on agriculture development, subsidies also fueled inflationary pressures in the economy. However, the removal of subsidies, although primarily a fiscal measure, made the liberalization of agricultural markets possible, but disastrous to the poor.

Zambia's external debt at US\$ 7.3 billion is unsustainable. However, in recognition of this and her economic reform efforts, Zambia accessed the Highly Indebted Poor Countries (HIPC) status in December 2000, under which some US\$3.8 billion (in nominal terms) will be written off, the majority of this at completion point tentatively scheduled for 2003. Over the period 2001- 2003 annual debt service payments was projected at US\$160 million per annum. However, debt service still remains a hindrance to

⁷ weighted lending base rate is a rate that has been weighted in value different from a normal rate

development and poverty reduction, up from US\$133 million in 1999. This figure is 50 to 60 percent of total social expenditures.

As a HIPC, Zambia's total debt stock dropped by 3.1 percent from US\$ 6.5 million to US\$ 6.3 million in 1999 (largely due to some debt repayments and cancellations). But external debt increased again by about 15.9 percent from US\$6.3 billion in 2000 to US\$7.3 billion at 31 December 2001. In terms of the debt calculated for each individual Zambian, it is still over US\$700 for each woman, man and child in Zambia, or twice the size of the Gross Domestic Product (GDP). 55 percent of the total is still owed to multilateral institutions such as the World Bank and IMF. 38 percent is owed to bilateral creditors, with largest amounts owed to Japan, Germany, United States and the United Kingdom. Major bilateral creditors have promised cancellation of debts if HIPC conditions are met⁸. Thus debt remains a hindrance to development and poverty reduction.

Social Indicators in Zambia

The committee for Campaign Against Poverty in their book "Poverty Experience in Zambia" have shown that the wide spread and worsening poverty situation in Zambia in 1996 affected over 6 million people out of the country's estimated nine million (UNICEF, 1996; World Bank 1994). This was equal to two-thirds of the country's population at that time. Today, it is equal to at least 95 percent of the population in some poor provinces of the country such as Western and Luapula provinces. As incomes continue to decline and productive earnings continue to dwindle, human survival in Zambia has become more and more difficult. Most people have been left without any choices of what they can do to survive and, as a result, have been particularly affected in the areas of food security, health, education, sanitation and employment.

Further, the Zambia Poverty Assessment Report (World Bank, 1994; UNICEF, 1996) showed that the signs of distress or low welfare in the form of malnutrition, disease, illiteracy, ragged clothing and dirty conditions were everywhere to be seen. Chronic malnutrition in 1996 affected about 57 percent of the poorest rural households (core rural poor) and about 41 percent of the core urban poor (World Bank, 1994). The infant mortality rate rose from 97 deaths per 1000 births in 1980 to about 197 per 1000 in 1999, while the maternal mortality rate was 694 maternal deaths per 1000 hospital deliveries in 1996 from 200 in 1980 (World Bank, 1994). The average life expectancy, which is affected by increasing poverty levels and HIV/AIDS had fallen from a peak of about 54 years in the mid 1980's to less than 40 years (late 2000). In the education sector, the primary school enrolment rate declined from over 96 percent in the mid- 1980's to less than 80 percent in 1996, with the result that over 500,000 children were out of school (World Bank, 1994; UNICEF, 1996).

Employment in the formal sector reduced from 544,300 in 1991 to 472,000 in 1997. According to CSO, the depth of poverty in rural area was worse off. The Index P₁ stood at 69.7% in 1991 for rural and 46.4% for urban areas. Later in 1993, the indices were

⁸ State of the Nation, A comprehensive Statement on the situation in Zambia in 2000, by Catholic Commission for Justice and Peace (CCJP)

respectively 65.3% and 35.4%⁹. The gap was similar for 1996 when 55.6% was recorded for rural and 37.9% for urban areas. In the case of severity of poverty, the index P_2 was 54.6% for rural and 29.9% for urban areas in 1991. Poverty in rural Zambia remained more severe in 1993 when the severity index stood at 47.6% compared to only 17.4% for urban Zambia. Three years later in 1996, the index was 36.5% for rural and 19.4% for urban areas.

These levels are of worry because the bulk of the population lives in the rural areas. More than half of the country's population lives in the rural Zambia and, according to CSO, the proportion has been rising over the years: 53.5% in 1991, 61.2% in 1993 and 63.1% in 1996. The other worrying situations are the high poverty among the less educated, among women and children.

Although most persons in Zambia live in households headed by males, the proportion of female headed households is on the increase: 14.8% in 1991, 15.9% in 1993 and 19.8% in 1996. As mentioned earlier, female heads are not only separated, divorced, widowed, or never married persons but also persons with spouses. The number of married female heads has been rising over the years. The proportions are 3% in 1991, 3.7% in 1993 and 4.2% in 1996.

In Zambia as elsewhere, the poor are not a homogenous group. Some poor persons are more poor than others. Using 1996 prices, the moderately poor are individuals with adult equivalent monthly income expenditures ranging between K20,181 and K28,979. The extremely poor are those who spend less than K20,181 per month. Categories with significant numbers of the poor in Zambia include those in the informal sector.

In the process of restructuring the economy with a view to placing the country on a path to higher living standards, thousands of people have found themselves trying to make a living in the informal sector (640,000 in 1996). This is a sector defined by three main characteristics: (i) absence of paid leave, (ii) lack of entitlement to pension or any other formal social security arrangements, (iii) and five or less people working in or running a business. As such, it is a sector in which the majority of heads of households work in Zambia: 59% of households were working in this sector in 1993; 61% in 1996. In 1993, the informal sector has a higher incidence of poverty than the formal sector. The P_0 index stood at 86.5% in the informal sector compared to 52.3% in the formal sector.

The depth of poverty was also higher in the informal than in the formal sector: 63.2% and 43.9% respectively. The pattern on severity of poverty was the same. The P_2 index was

⁹ P_0 is a head count ratio. It indicates the proportion of the population below the poverty line. The higher the index, the greater the proportion of individuals or households who are poor. P_1 indicates the depth of poverty. It shows the average gap between the expenditure or income of the poor individual or household and the poverty line. The higher the index number the greater the poverty gap. P_2 is the square of the gap of each poor individual from the poverty line. P_2 is more sensitive to the most person in society by giving them a higher weight in calculating the depth of poverty line. The index will give a smaller weight for persons just below the poverty line than those much below.

45.3% for rural and 26.4% for urban areas. In 1996 the situation persisted. Poverty in the informal sector was worse than in the formal sector. On incidence the comparable figures were 79.4% and 53.3%. In the case of depth of poverty, 54.8% and 44.1% were recorded. Severity of poverty figures were 35.5% for the informal and 25.5% for the formal sector.

The HIV/AIDS Pandemic has also contributed to the worsening poverty figures in Zambia. Recent data indicates that infection rates of HIV are over 30 percent among low risk urban resident and more than 15 percent in rural areas (World Bank, 1994). Evidently, this is weakening havoc on household coping strategies as the number of dependants and orphans is increasing due to disease and death.

These levels of intolerable poverty in Zambia have caused strong reaction from the civil society against inability of Government to rectify the situation. The acceptance of SAP by Government in totality has brought severe pain to the poor who cannot afford to live a decent life. Not surprising, a strong emergence of united NGOs has arisen to protest against this inhuman life.

CHAPTER 2 Poverty and Civil Society Action in Zambia – A Historical Perspective

The Emergence of an Organized Civil Society in Zambia – Some Issues

Zambia re-entered the scene of a multi-party states in the beginning of the 1990s. One of the recognizable developments in multi-party Zambia has been the growth of a large number of civil society organizations. In order to be able to assess the PRSP-process in Zambia from a civil society point of view, one needs to take a brief look at some of the issues regarding the history and role of the civil society sector in Zambia. This is especially the case when it comes to the political role of the civil society in Zambia.

During the previous one-party regime in Zambia, under former president Kenneth Kaunda, the "party and its government" did practically everything. Civic activity outside the design, control and benefit of the ruling party was considered dangerous and with suspicion to the well being of state.

The relationship between the growing NGO sector and the government has however not been easy during the multi-party era either. Some observers have described this relation as one of mutual suspicion¹⁰. Why has this been the case? For the purpose of this study, it is important to highlight some points that are relevant in answering the question.

Firstly, the rapid growth of the NGO sector in Zambia, as well as in many other African countries during the 1990s, paralleled with another important development: The era of structural adjustment and the roll-back of the African state. The structural adjustment policies that was largely imposed to the indebted African states, as a condition for external assistance, weakened substantially these previously, in a national context, strong government actors.

¹⁰ E.g. Interview with Fred Mutesa, Department of Development Studies, UNZA, Zambia.

This was the case financially, but also politically as the heavy external policy conditionalities led to the narrowing down of the space for national policymaking.

Secondly this weakening, mainly due to external policies, coincided with the emergence of the civil society sector, which according to some observers¹¹, this time from below, even further strengthened the sense of powerlessness of the state sector.

Another important element in this regard is the fact that the strong growth of the civil society sector in Zambia, and elsewhere in Africa, has largely been possible through international donor funding. The interest and preferences of donors has thus influenced what type of NGOs has emerged.

*"Civil society is a notoriously slippery concept. It has entered donor terminology without careful definition...In many respects, the term is a code for a set of ideas related to participation, good government, human rights, privatization and public sector reforms"*¹²

According to Julie Hearn, who has studied civil society assistance in Ghana, Uganda and South Africa, the most popular civil society actors in terms of donor assistance have been formal, urban-based, professional, elite-advocacy-NGOs such as women's organizations, human rights groups, think tanks, development NGO forums, governance NGOs etc. According to Hearn these categories amount to a very narrow definition to what constitutes civil society in the countries in concern.

*" This paper shows that foreign support to civil society in all three African countries is not about the breadth and depth of actually existing, largely rural-based, civil society. Donors are not funding the popular sectors of society, but are strengthening a new African elite committed to the promotion of a limited form of a procedural democracy and structural-adjustment-type economic policies in partnership with the West."*¹³

To which extent this is the case in Zambia is outside the scope of this study, but there are observations in similar lines, according to which the donor support in Zambia has largely been directed to human rights and governance NGOs. This has been done mainly to secure that the Government stays on track with its promises to strengthen a liberal democratic political system in Zambia.¹⁴

The above mentioned deliberations give some of the explanations for the fact that many political parties and members of Government in Zambia have seen the civil society more as a threat to them than as an important element of democracy. This has been the case especially against NGOs engaged in political advocacy as opposed to service-delivery functions only.

¹¹ Ian Gary, Review of African Political Economy, p. 150, No. 68, 1996.

¹² R. Ridell and A. Bebbington, Developing Country NGOs and Donor Governments, 1995, Quoted in Julie Hearn: Foreign Aid, Democratization and CSOs in Africa; A study of South Africa, Ghana and Uganda, Discussion Paper 368, Institute for Development Studies.

¹³ Julie Hearn: Foreign Aid, Democratization and CSOs in Africa; A study of South Africa, Ghana and Uganda, discussion Paper 368, Institute for Development Studies.

¹⁴ Interview with Fred Mutesa, Department of Development Studies, UNZA (University of Zambia), Zambia.

JCTR-director Pete Henriot has exemplified this by saying:

*"There is an unfortunate amount of misunderstanding in the country at the moment regarding the role of NGOs. This misunderstanding has been increasing through the sharp criticism that has been raised against some NGOs, a criticism that sometimes comes from government officials and political leaders..."*¹⁵

It has thus not been uncommon to see NGOs in Zambia being criticized for being political, implying that they should never publicly address controversial issues that are engaging different points of view, for example, like the constitutional guarantee of human rights. One of the most common arguments for this criticism by the government has been the accusation of NGOs of not being accountable to anybody and nor having a proper constituency.

One of the latest examples of this type of criticism came before the December 2001 tripartite elections when former president Frederick Chiluba threatened that foreign donors could support NGOs only through the government. At the same time a NGO- coalition called "Coalition 2001"-was publicly classified as political party by the Government.

The above mentioned criticism towards the role of the NGOs, and the efforts by the Government to control the sector¹⁶, has also increased the suspicion among the NGOs towards the Government of Zambia. JCTR director Pete Henriot justifies the political role of NGOs as follows:

*"It is a legitimate activity of NGOs to engage in political activity in the sense of addressing issues that are currently being debated in the public forum...Political relates to arrangements in the public order; partisan relates to arrangements advocated by particular political party in fulfillment of its manifesto. It is obvious that NGOs will be involved with political issues (e.g. hunger, SAP, civic education) But NGOs should not become partisan in the sense of identifying only with one particular political party, endorsing candidates etc..."*¹⁷

For the purpose of this study the below definition serves as a good reference to the role of civil society in a society governed by democratic principles.

"Civil society is the basic constituent of participation. Civil society refers to the conglomerat of organizations and associations that are independent of the government and reflect the interest of the citizens. These include NGOs, trade unions, human rights organizations, sports clubs, churches, different advocacy groups etc.

Civil society operates as an intermediary between the government and the individual citizens. As such it contributes to the dialogue between the government and the governed citizens. Civil society helps to act as a channel for participation and ensures accountability and

¹⁵ Pete Henriot, Memorandum, Discussion on Government Policy on NGOs, in Zambia, 9.7.1996.

¹⁶ In the beginning of 1990s there was an attempt by the Government of Zambia to bring all NGOs under the same coordinating body. In mid-90s a NGO-Law was also under preparation, which did not however lead to an actual law.

¹⁷ Pete Henriot, Memorandum, Discussion on Government Policy on NGOs in Zambia, 9.7.1996

transparency. The relationship between the civil society and government should be mutually reinforcing. Democratic structures of government facilitate and encourage a lively participation by civil society and civil society engenders democratization."¹⁸

Civil Society and Political Dialogue on Poverty in Zambia

How has the civil society then operated as an intermediary between the government and the individual citizens when it comes to political dialogue on poverty in Zambia during the 1990s? What have the most important issues been?

This question is best answered by looking at the history of two different, but interrelated, processes or types of political dialogue in Zambia: On the one hand one needs to look at the most important issue-based advocacy campaigns that civil society actors have embarked on during the 1990s. On the other hand one needs to look at the impact of the donor policies of consultation and participation during the 1990s. Which kind of opportunities for policy dialogue with the government have they opened for the civil society and how have they been used?

The focus of the civil society in Zambia during the 1990s has mainly centered on two broad themes: On the one hand civil society actions has focused on governance issues. Despite the increase in political liberties during the multi-party era civil society has pointed out many problems in Zambia relating to deprivation of individual rights, governance, corruption, accountability and transparency. On the other hand there has been severe concern of the negative social impacts of economic policies and issues, like the structural adjustment policies (SAP) and the severe external debt problem.

Some Examples of Issue-based Advocacy Campaigns of the Civil Society: Civil Society, SAP and Debt Cancellation

Zambia has had a fairly long history of implementing SAP measures. In fact, the realization of the existence of high poverty levels, based on an ILO/JASPA study in 1980, and the increasing resource constraints and rising indebtedness experienced since the mid seventies prompted the Zambian government to begin implementing elements of SAP almost since the time the concept was introduced in the early eighties.

But there was no consistent and persistent implementation of SAP during most of the eighties which witnessed a see-sawing between controls and liberalization through SAP. It was only after the ushering in of a government under a new political dispensation based on a multi-party system in October 1991 that SAP measures have been implemented in a more robust manner.

The implementation of a wide array of SAP did however bring little of the intended

¹⁸ Thinking Strategically About Democracy Assistance, p. 51. Ministry For Foreign Affairs in Finland, 2001

economic growth. In stead, poverty levels have been on the rise during the decade of the nineties.¹⁹

According to CCJP (Catholic Commission for Justice and Peace) by 1993 there were clear indications of the negative impacts of SAP on lives of the people. The sudden removal of subsidies and job losses accompanying privatisation meant that huge numbers of people were losing jobs and not able to meet basic needs of food, education and healthcare. In response to this situation the Zambian Episcopal Conference (ZEC) in 1993, issued a pastoral letter "Hear the Cry of the Poor".

In the letter the bishops challenged that adjustment programmes needed to pay more attention to what was happening to the people. These developments led, in 1994, to the formation of the SAP Monitoring Project by CCJP. The SAP Monitoring project has aimed at strengthening the public awareness and advocacy about these policies.

Another important civil society campaign in Zambia has been the Jubilee 2000 debt cancellation campaign, which is very much interlinked – both thematically and organisationally - to the SAP Monitoring Project. The campaign, which has been facilitated by CCJP and JCTR (Jesuit Center for Theological Reflection) has been advocating for total debt cancellation for poverty eradication around the country through education and advocacy.

These "economic justice"-campaigns of CCJP and JCTR have played an important role in sensitizing the public about their role and connection to poverty. One indicator of this is the public opinion polls conducted by Jubilee 2000 –Zambia in 1998 and 2000. The poll made in 1998 revealed that 67 percent of the respondents knew about Zambia's debt; a similar poll undertaken early 2000 and revealed that 86 percent were aware of the debt situation.²⁰

Some Examples of Issue-based Advocacy Campaigns of the Civil Society: Governance

Although the hopes for the multi-party era were big in terms the development of a democratic and transparent political system the civil society has expressed governance concerns throughout the 90s. An important case in this regard was the civil society actions and protests during the discussion about reviewing the Zambian Constitution in the Mid-90s.

In 1993 the Mwanakatwe Constitutional Review Commission was appointed to review the 1991 Constitution of Zambia. The rationale behind the Commission was to enhance and entrench democratic governance in Zambia in the line of the political promises of the MMD (Movement for Multiparty Democracy). Practices intended for consideration included devolution of power, extension of Bill of Rights and limiting powers of the Office of the President.²¹

¹⁹ It can be noted that although there was a shortage of food during the end of Kaunda, in 1989-1990, which resulted in food riots, poverty level in Zambia was not as acute as it has been during the 1990's under a liberalized economy. The food riots, especially in 1990, were spontaneous and also politically influenced by the wind of political change emanating from the Eastern European block.

²⁰ JCTR, Public Opinion Poll 1998 and 2000

²¹ Afronet, Position Paper Series, January/February 2002

Members of civil society were largely satisfied with the suggestions of the Mwanakatwe Constitutional Review Commission in 1995²² for Constitutional reforms as well as on its proposal to discuss these in a broader public fora, a Constituent Assembly²³, and to organize a public referendum on the subsequent reforms. The Government of Zambia however went against these recommendations and hopes to secure a broad public debate by producing its own "White Paper", which was presented directly to, and later approved by, the Parliament in 1996.

In this "White Paper", Government also rejected many major proposals by the Mwanakatwe Constitutional Review Commission to enhance the democratic governance²⁴ elements of the Constitution. The Government also added some new elements to its proposals of which the most controversial was the "Christian Nation" clause in the Preamble.

Governments rejection of the proposal for a Constituent Assembly led to civil society protests and to formation of "the Civil Society Action Committee", made up by 27 organizations, with the aim of providing a forum for dialogue on this issue. This civil society forum later came with its own "Green Paper" with suggestions for constitutional amendments. But these civil society efforts were largely neglected by the Government.

This process was a big disappointment for the NGO-sector in Zambia. One of the then active NGOs, Afronet (Inter-African Network for Human Rights) describes Governments behavior at that time as follows:

*"A fundamental negation of popular participation in democratic governance was the ruling political party's response to the 1993 Mwanakatwe Constitutional Review Process"*²⁵

After the 1993 Mwanakatwe Constitutional Review Process civil society has continued to advocate for strengthening of democratic governance in Zambia. The latest example of this was the national convention, held in March 2001, organized by a network of civil society organizations²⁶ popularly known as the *Oasis Forum*. The Oasis Forum was instrumental in opposing the campaign for President Frederick Chiluba to run for a third term of office. According to some observers at the Oasis Forum²⁷ one of the strong reasons advanced for protecting the constitution by rejecting the third term was the damage that might be done to the PRSP and the HIPC processes if such manipulation by the president were allowed.

²² The Citizens Convention Report, Civil Society Action Committee on the Constitution, 1996

²³ Civil Society organizations proposed to the Government that the Constituent Assembly should be attended by MPs, representatives of political parties, chiefs, churches, religious organizations, labor and business associations, NGOs and professional organizations.

²⁴ These kind of proposals were e.g. the extension of Human rights to include women's and children's rights; the right to peaceful assembly without prior authority, the right to freedom of information; the parliament to be empowered to scrutinize Executive action and the work of quasi-government agencies.

²⁵ Afronet, Position Paper Series, January/February 2002

²⁶ The Oasis Forum comprised the Law Association of Zambia, the Zambia Episcopal Conference, the Evangelical Fellowship of Zambia, and the Non-Governmental Organizations Coordinating Committee

²⁷ E.g. Pete Henriot, JCTR.

Donor Conditionalities and Civil Society Participation

Another important element in the history on policy dialogue on poverty in Zambia during the 1990s is the increased space for civil society created by donor conditionalities on participation and consultation.

National Poverty Reduction Action Plan (NPRAP)

One of the first World Bank sponsored programs during the 1990s, which involved some consultations with the civil society was the Public Sector Reform Program, (PSRP), which was launched in 1993.

The first major national initiative undertaken to reduce poverty during the 1990s, which included input from the civil society, was the National Poverty Reduction Action Plan (NPRAP). The NPRAP was initiated in 1996 by the Government of Zambia with assistance from the United Nations Development Program (UNDP). The plan was aimed at finding lasting solutions to the high poverty levels that have emerged especially in the past decade of SAP.

In coming up with the NPRAP Government engaged consultants who made “nation- wide” consultations based on the first draft that they (consultants) had come up with. CSO’s involvement and participation in this exercise was however very limited. They were merely consulted. The first draft of NPRAP, though comprehensive, was criticized by government, IMF and World Bank as not being feasible because the cost estimate was way beyond national means. However, after careful revisions many stakeholders believed that when properly implemented, the NPRAP was indeed going to lead to poverty reduction.²⁸

The NPRAP stands as a good example where government consulted the wider society on matters of national policy, but were the commitment to this effort seems to have been relatively weak, maybe due to the fact that it was a condition by some donors. What went on during the NPRAP can at best be described as consultation as opposed to participation. Government e.g. tended to give out documents on the day of the consultation or a day before thereby making it difficult for the civil society to make meaningful contribution.

The 2000 Consultative Group Meeting of Donors

Compared to the NPRAP process the impact and involvement of the civil society was more substantial during the 2000 Consultative Group Meeting of Donors, which for the first time was held in Lusaka.

²⁸ Noteworthy is that at the time of initiating the Poverty Reduction Strategy Paper, PRSP, on June 30, 2000 and indeed on several other occasions, the government assured stakeholders that the NPRAP was going to be the basis of the PRSP. To the contrary, the NPRAP never got distributed anywhere. It just went into cold storage. The main document distributed to all working groups of the PRSP and other stakeholders was the Interim PRSP whose content emanated from the 2000 Letter of Intent between the Zambian government and the IMF.

On 2nd June, 2000 the civil society with the leadership of JCTR wrote a letter to minister of MoFED (Ministry of Finance and Economic Development) on behalf of Jubilee 2000 requesting that civil society be permitted to participate in the “Consultative Group” (CG) meeting to be held in July 2000. Further, JCTR requested the minister to invite Jubilee 2000 – Zambia to accompany the Government delegation to the Abidjan meeting on PRSP the following week, and also to facilitate a meeting in the near future of representatives of civil society to plan strategies for participation in the PRSP process.

These requests were granted and civil society was allowed to attend the CG meeting in July 2000. The economic issues were central in the CG meeting, with focus on topics such as energy, infrastructure, investment, capital markets, tourism and agriculture. But at the urging of the civil society, the questions of poverty reduction took a prominent role in the discussions. In addition, a special session was devoted to HIV/AIDS, with strong requests to partners to support government and civil society efforts for prevention and care. Debt relief was also a concern. The participation of civil society was a high point in the three-day meeting. There was a wide participation of civil society, and the various groups – NGOs, churches, trade unions, women’s groups, student groups, etc – responded with highly competent presentations in the areas of democracy and governance, external debt, gender, poverty reduction, HIV/AIDS and disability issues.

PRSP and the Emergence of the Civil Society for Poverty Reduction

The advent of the PRSP, however, took this process of increased civil society and government consultation even further.

From the start of the PRSP-process civil society was invited to send representatives to the various PRSP working groups of the government, which it set up in July 2000. In October 2000 JCTR/CSPR organized a workshop for members of civil society with the aim of discussing civil society expectations about the PRSP-process. The workshop had quite a broad representation and many of the participants came from NGOs that had taken part in the CG meeting also. One of the outcomes of this workshop was the emergence of a coalition called the Civil Society for Poverty Reduction (CSPR).

The October 2000 deliberations showed that the expectations of the civil society reflected quite much the same civil society priorities, which were on the forefront during the 1990s, and discussed earlier in this chapter:

“-PRSP should be a development document. It should be a true development guiding paper for the whole country and not be used by government as document to solicit funds from donors.

-Departure of PRSP from SAP. Given the poor performance of the country under SAP, civil society demands that PRSP should remarkably depart from SAPs and take a different route. Pro-poor policies must at all costs be encouraged. Anything less than this will lead to PRSPs not being easily accepted by civil society

-Civil society also expects that through Governance Working Group Government will put in place transparent and accountable mechanism for monitoring government budgetary disbursement.

-Civil society also expects that in the same spirit participation by all stakeholders and to meaningfully come up with a "home grown" PRSP there is need to include civil society on all consultative levels. Civil society organizations should be included on the technical committee to draw up the final PRSP

*-Attempts to politicize the PRSP process should not be tolerated, as they are counterproductive. There is greater need for political will in the whole process."*²⁹

The goal of the CSPR has been to widen participation and ensure that the civil society input in the PRSP constituted of organizations and groups of diverse backgrounds and in diverse locations and that they meaningfully participate in the design, formulation and implementation of the PRSP. CSPR have not only coordinated the civil society inputs in the PRSP-working groups, but it has also produced its own poverty reduction document.

On 18 July 2001, Civil Society launched the report entitled 'A PRSP for Zambia: A Civil Society Perspective'. The idea of preparing this report was not to have a document parallel to the one that the government was preparing. The idea was to make known to both the Government and to the public at large what civil society considers to be its main concerns relating to poverty reduction and to enable it to provide a consistent input into the government document.

Member organizations of the Steering Committee of the CSPR

<p><i>Trade unions, private and professional institutions:</i></p>	<p>AMIZ, Association for Micro-Financing Institutions of Zambia CSUZ/ZCTU, Civil Servants Union of Zambia/Zambia Conference of Trade Unions EAZ, Economics Association of Zambia ZACCI, Zambia Association of Chambers of Commerce and Industry</p>
<p><i>NGOs (advocacy and civic education)</i></p>	<p><i>Human Rights</i> AFRONET, Inter-African Network for Human Rights and Development SAHRINGON, Southern African Human Rights NGO Network (Regional)</p> <p><i>Church-based</i> CCJP, Catholic Commission for Justice and Peace</p>

	<p>JCTR, Jesuit Centre for Theological Reflection</p> <p><i>Youth</i> OYV, Operation Young Vote YALON, Youth Advocacy and Lobby Organisations</p> <p><i>Gender issues</i> WFC, Women For Change ZARD, Zambia Association for Research and Development NGOCC, Non-Governmental Organisation Co-ordinating Committee Zambia Alliance for Women FAWEZA, Forum For African Women Educationalists</p> <p><i>Land issue</i> National Land Alliance (NGO-network)</p>
<p><i>NGOs (advocacy, civil education and service delivery)</i></p>	<p><i>HIV/AIDS</i> KARA Counselling Steadfast Action</p> <p><i>Malnutrition and Food Security</i> PAM, Programme Against Malnutrition</p> <p><i>Others</i> OXFAM Zambia (International Development NGO) ZCSD, Zambia Council for Social Development (NGO umbrella)</p>

The above matrix show that the CSPR-network consists of very different type of organizations with various focus and missions. The organizations are however mostly urban based and only a few have nationwide constituencies or coverage. Organizations with broad coverage in Zambia include e.g. CSUZ/ZCTU and CCJP. PAM and NGOCC have also broad links and partnerships with organisations in the various provinces of Zambia. Another interesting element of the network is that it does not only consist of Zambian NGOs, but also of international NGOs (OXFAM) and regional NGOs as SAHRINGON and AFRONET.

CSPR has operated as a relatively loose network without any constitution or letter of understanding. It has thus been open to all interested NGOs in Zambia. CSPR activities have been donor funded, mostly by UNDP, GTZ and OXFAM.

CHAPTER 3

PRS-Process in Zambia

In July 2000, the Government started the PRS Process by setting up eight thematic working groups: Macroeconomic, Agriculture, Mining, Health, Education, Industry, Tourism and Manufacturing came up with zero drafts for the PRSP. Each working group comprised members from all interest groups including Government, business, academic, church, NGOs, professional associations and donors. In addition to the working groups and their reports, the process leading up to the final PRSP document has consisted of consensus – building workshops for all stakeholders, consultative meetings in all the provinces of Zambia, drafting and technical committees. The first draft of the PRSP document was submitted for discussion at a national forum held from 16 – 18 October, 2001.

CSPR also formed consultative working groups on the following themes: Macroeconomic, Agriculture, Food and Security, Environment, Tourism, Industry, Employment and Sustainable Livelihoods, Mining, Health, HIV/AIDS, Education, Child and Youth, Governance and Gender. These consultative groups were formed to come up with thematic civil society positions as an input to the Government working groups. The consultative groups produced thematic documents which were published in the CSPR document in July, 2001. This document was the CSPRs main input to the Government PRSP-process. The CSPR document was discussed during a national PRSP workshop organised by the civil society at 9 – 11 October, 2001.

The Consultative Process in the PRSP

The Government PRSP was prepared after extensive consultations involving cabinet, the legislature, other government bodies, the private sector, academic, NGOs, donors and the provinces.

The first set of activities undertaken in preparing the PRSP was to hold awareness seminars with the first being for senior government officials (i.e. heads of departments and above) including provincial administrators. An awareness seminar for Government was considered necessary out of experience with previous programs that indicates that even within Government, sharing of information and understanding of programs is not always adequate. Awareness seminars were also held for Ministers and senior parliamentarians. A seminar was held for general stakeholders at, which agreement was reached on how to advance the preparation of the PRSP.

The stakeholders seminars agreed to establish the above mentioned eight working groups to work on various issues relating to poverty and the PRSP. Civil society, however, had wanted a slightly different composition in the working groups, which would include cross-cutting issues. Over a period of nearly six months, the PRSP working groups devised plans on how to reduce poverty from various sectoral perspectives. In parallel, specialised institutions made presentations to the working groups on important cross cutting issues such as

HIV/AIDS, roads, water, etc. They also initiated draft papers to be included in the PRSP on those topics and these were shared with other stakeholders at general seminars for all working groups.

Further consultations for the PRSP came from the review of literature on poverty in Zambia. In particular, much research work was conducted in areas such as children deprivation, female deprivation, HIV/AIDS and its effects, etc. on top of this, a lot of participatory research work in Zambia was done in consulting communities regarding the meaning of poverty, its causes and what they see to be the appropriate solutions to combat it. The results of the studies were taken into account.

An additional method of participation was to engage the rural areas. In each province 10 delegates from districts in that province comprising the administrative districts head, a few sector experts like agriculture, health, education, a representative of traditional leaders, NGOs and church convened at the provincial headquarters in a PRSP consultative conference. In the provincial conferences participants were encouraged to discuss poverty reduction at different levels including its meaning, its causes, what outsiders could do to reduce it. The participants were then exposed to the ideas that were developed in the working groups and finally they had the opportunity to reflect on the priorities they had discussed after considering the submissions from the Lusaka working groups.

The Government team that prepared the PRSP worked closely with civil society members. Civil society were members of the PRSP working groups and they participated in the provincial consultations. On top of this, they held their own consultative meetings as alluded to earlier, on various themes and their recommendations and concerns on these were presented to government.

PRSP in Zambia³⁰

Zambia's first PRSP has identified three broad themes for interventions: the economic, the social theme and the critical cross cutting issues. The PRSP outlines the following specific issues:

- that since poverty is wide spread in Zambia (covering about 80 percent of the population), poverty reduction measures will primarily have a general focus of uplifting the country since it is not possible to target the entire country. This, however, does not preclude targeting in specific circumstances such as the core poor, orphans and other vulnerable groups;
- that because Zambia is dangerously dependent on aid, poverty levels could rise sharply if donors withheld or reduced it as has happened sometimes. The 2001 fiscal budget expected more than 50 percent of its resources from aid. It follows that the country needs capacity to generate its own resources and be free of the dangerous high rate of dependency;

³⁰ Poverty Reduction Strategy Paper, First Draft Ministry of Finance and Economic Development, September, 2001

- that not all aspects of poverty can be resolving by income generation alone because deprivation goes beyond money. Reducing deprivation includes having a voice, having access to key services such as education, health and transport. It also includes others like security, being in a safe environment, having good governance and paying attention to the concerns of particular groups like females, the youth, the vulnerable and many others;
- that to achieve poverty reduction targets set for 2015, a GDP growth rate of between 6 to 8 percent is required on an annual basis over the intervening period but the projected growth rates of 5 percent, 5 percent and 5.5 percent for 2001, 2002 and 2003 respectively may be too modest; for the following reasons:
 - i) institutional and structural reforms like better pay better accountability and improved financial management in the public sector need to be accomplished. Related to this is the needed expenses to revamp local government so that it can deliver. Also the Government budget cannot overnight be oriented towards supporting growth and poverty reduction before an orderly disengagement out of existing commitments occur. This challenge is a long-term issue.
 - ii) these reforms carry a significant financial cost and a heavy administrative burden in the short term, and their full benefits are likely to be felt only after two to three years of implementation. The efforts will initially compete with the capital and social expenditures that is needed to attack poverty.
 - iii) many of the proposed interventions in the key growth sectors, such as tourism, mining, industry and agriculture related to infrastructure development require time before they fully contribute to increased growth.

Many of the measures proposed in the PRSP are to be effected through the Government budget. As such the principal responsibility of Government will be:

- to ensure that the budget presented to Parliament reflects the priorities enunciated in the PRSP;
- that the budget is implemented in accordance with the approved estimates of revenues and expenditures;
- to improve the level and effectiveness of the debate in the house the government should provide concise summaries/pamphlets that outline the key aims of the proposed legislation to be introduced as well as some sense of its bearing on poverty reduction where relevant and practical. These pamphlets should be distributed to all members of Parliament prior to the relevant debates.
- in order to facilitate this process the PRSP document proposes a publication of a green

paper (or pre-budget report) by the Government, which allows its medium term fiscal projections to be adequately discussed by Parliament and civil society at large. This is expected to be done on annual basis and prior to the presentation of the budget and it is envisaged that this report would be introduced in 2003.

With respect to the civil society the PRSP document observes that “although there is general unanimity of purpose in the broad concerns pursued by civil society organizations, particularly the NGOs (e.g. better education, health facilities, enhancing the rights of citizens and the encouragement of civil duty, social and economic exclusion), these objectives are currently pursued in a fragmented manner. According to the PRSP document this has not only reduced the effectiveness of the civil society, but also militated against the effective capacity building within civil society organisations themselves”³¹. The document proposes the following:

- civil society organisations commit themselves to working together through an appropriate umbrella organisation;
- technical support should be given to umbrella civil society organisations such as the CSPR, which should in fact be established as a permanent forum for civil society to address poverty reduction issues. Such support should focus on building the technical capacity and organisational structures for civil society to effectively monitor and debate the implementation of the PRSP;
- civil society should complement the role of the legislature in monitoring whether Government, including at the local level, is doing what it has promised to do;

The PRSP document expects Zambia’s cooperating partners to adopt the document as the framework for cooperating with Zambia, with multilateral and bilateral partners focusing on specified areas of interest. In this regard:

- cooperating partners must formally sign on the PRSP once it is adopted by the Boards of IMF and World Bank as the overall framework for their assistance to Zambia;
- cooperating partners should commit themselves to better coordination so that their resources assist Zambia to pull in one agreed direction and in a balanced way where no one sector is overly supported while others are not;
- the conditionality attached to the release of pledged support must be simplified and be clearly spelt out and understood.

³¹ Government PRSP Draft Document, 2001

CHAPTER 4

The Survey Method

Methodology

In the first stage a survey was undertaken as per terms of reference i.e. to assess and evaluate the PRS-process in Zambia. In particular, to identify whether the PRSP-process has strengthened consensus among the civil society on national poverty reduction goals and strategies, and whether the views of the civil society have been reflected in the PRSP document. The study essentially, looks at and assesses how the civil society has taken part in the PRSP-process, what kind of civil society organizations have participated, how the civil society assesses its impact and influence in the PRSP-process vis-à-vis other stakeholders. Further the report looks at the implementation mechanisms of the PRS, the role of the civil society actors in implementing the PRS. The report also looks at the question on whether there is political commitment, within the Government, donors and the civil society to implement the PRS.

One approach to this stage of the study was through a questionnaire and the other through analysis of collected documents from various institutions and government ministries. Four sets of questionnaires were prepared: one targeting beneficiaries (communities) in the rural and peri-urban areas; the second, for the civil society; the third, for government officers; and, the fourth for donors.

Two types of Questionnaires were administered to a sample of those who attended civil society PRSP Forum meetings in four poorer provinces and those who attended a civil society forum in Lusaka on one hand, and, those delegates who attended Government PRSP consultations in all provinces and those who attended the National Forum in Lusaka (from all provinces) on the other hand. 46 respondents representing CSOs completed the questionnaire and from the Government 20 completed the questionnaires out of 50 Questionnaires distributed (many Parliamentarians and Cabinet ministers did not respond).

A sample of 350 beneficiaries were interviewed in rural areas such as Choma and Sinazongwe Districts in Southern Province; Solwezi in North-western Province; Lundazi and Chipata in Eastern Province; Chibombo District in Central Province and Chongwe rural (villages) in Lusaka Province; Peri-urban areas included Chongwe township and villages within a radius of 30 kilometers from Lusaka. In the rural areas, for instance, in Chongwe interviews included a village headman and his people. A total of 5 out of 8 representing donors responded.

Although the number of people interviewed in this survey is not very large, it nevertheless represented a significant and wide spectrum of the targeted key and cross section of the society.

Findings in the first stage

The results and analysis of the results are broken into various issues as questions were asked.

Extent to which the PRSP-process has strengthened consensus among the civil society, Government and the beneficiaries on national poverty reduction goals and strategies;

Responses from the civil society:

Very High	40%
High	40%
Fair	20%
Low	0%
Very Low	0%

The majority of respondents interviewed (80 percent) agreed that the PRSP-process greatly strengthened the consensus among civil society organizations (CSOs), government and beneficiaries on national poverty reduction goals and strategies. This signifies unity of purpose and understanding of goals and strategies by civil society. The involvement of the civil society in the PRSP-process is a pre-requisite to its success and a key to its ownership by the people.

The reasons for the agreement were varied but included the following:

- civil society has formed a network exclusively for poverty reduction. But there is scope to include more CSOs in the network and for improved interaction among them and other stakeholders. At present, the number of CSOs is around 20. The CSPR aims at increasing the number to 100;
- most of the civil society contributions have been adopted in the Government PRSP document;
- civil society has for the first time coherently, collectively and positively addressed an important national issue by forming a network to put in place a ‘Poverty Reduction Strategy Paper for Zambia – a Civil Society Perspective’, which is a great effort to the contribution to poverty reduction;
- a forum was set-up in which 20 NGO’s met to freely discuss/debate critical issues on PRSP. They further participated in the national forum where they discussed PRSP issues freely;
- consultation within civil society has helped to strengthen consensus on national poverty reduction goals and strategies.

However, some respondents felt that the leaving out of the majority of the poor communities

in the rural areas has not provided total ownership of PRSP by the people. These should be brought on board as well. Consensus is only feasible in the urban areas where information on PRSP reaches easily. Further, some respondents observed that not all the civil society groups have participated in the PRSP process. It is possible that some of these may have not yet understood the importance of the program. They suggest that sensitization and awareness campaigns be made in the rural areas to those who may be ignorant about PRSP.

Responses from Government:³²

Very High	26%
High	50%
Fair	24%
Low	0%
Very Low	0%

A large number of respondents interviewed (76 percent) agreed that the PRSP – process greatly strengthened the CSO’s, Government and beneficiaries on national poverty reduction goals and strategies. The reasons given were as follows:

- all important players (Government, civil society, traditional rulers) participated;
- the meeting gave an opportunity to exchange ideas and shaping direction of the PRSP process and output;
- a communication forum was created;
- first time a bottom-up approach on issues was established;
- consultations were adequate at this level and must be better at strategic planning as well.

The negative aspects from the government included the following:

- civil society receives very little information on PRSP and yet rural areas are most poor. The most effective link with rural areas on poverty reduction is civil society and thus therefore, should receive adequate information on PRSP to share with them;
- a need for more community participants;
- approach tended to focus on effects of poverty rather than causes of poverty;
- only a few members of civil society were invited.

³² Responses from Government in this study refer to Government Officers who responded to the questionnaires. They did not indicate the names of ministries they represented.

Whether civil society is organized and responsive to the PRSP process?

Responses from civil society:

Yes	80%
No	20%

Responses were overwhelmingly ‘yes’ (80 percent). Unanimity in this response does also indicate significant level at which PRSP concept has been understood and embraced by the civil society. Further, it shows that government recognized the presence and usefulness of CSOs in the PRSP process. Civil society have been organized for the first time on national poverty issues and have contributed effectively to the PRSP-process.

Whether government is organized and responsive to the PRSP process?

Responses from Government:

Yes	81%
No	19%

81 percent believe that Government is organized and responsive to the PRSP process. Reasons given for the positive response were as follows: -

- Government has been open to suggestions from civil society and greatly incorporated their views in the PRSP document; thus Government has not shielded away from involving civil society in the PRSP-process;
- Government consulted widely from citizens/civil society in the country on the PRSP-process.

However, some respondents had negative responses which were incoherently written. For instance, some felt many issues have been left out in the PRSP document without specifically mentioning the nature of the issues which have been left out.

Some of these negative responses were: -

- many issues have been left out in the PRSP draft (kinds of issues were not spelt out);
- Government can only be responsible and organized if it is committed to PRSP process;
- there is little consideration of people’s views. There are too many professionals from Government involved in PRSP Process. Need to involve the beneficiaries as well;

- need political commitment and good governance from Government. Government has no responsibility for implementation and monitoring.

Assessment of civil society’s effectiveness in the PRSP Process

Responses from Government:

Very effective	35
Effective	45
Fair	20
Low	-
Very low	-

Effectiveness of civil society was considered high (80 percent) by government. The civil society was considered as coherent, organized and focused.

Assessment of Government effectiveness in the PRSP Process

Responses from civil society:

Very High	5%
High	39%
Fair	34%
Low	18%
Very low	3%

The statistics above appear to show that government effectiveness is weak from the civil society’s point of view. And the reasons given for the (45 percent) weakness are as follows:

- Government did not do a good job of stakeholder identification;
- Government should have involved beneficiaries at the grass roots;
- effectiveness will only be determined at the implementation stage especially with the stiff donor conditionalities;

- because of Government’s weakness, it should be closely monitored in the implementation of PRSP.

Although the score was poor on Government, it is considered that Government has done its best to make the PRSP broad-based in terms of various stakeholders consultations. It has interacted with the civil society well, given its own parameters and constraints. Other positive areas include Government formation of a committee to work on PRSP whose draft document has since been produced and discussed at a national forum from 16– 18 October, 2001 at which CSOs were invited to make their contributions to the PRSP-process. In this regard, Government was considered as moving in time and according to plan. It has provided a dialogue on PRSP-process.

A few gave positive responses to the enquiry and some of these were:

- there was dialogue;
- Government is moving in time and according to the plan.

Participation of the CSOs in the PRSP Process and whether their views have been reflected in the Government PRSP document?

Responses from civil society:

Very High	30%
High	50%
Fair	10%
Low	5.5%
Very low	4.5%

CSOs have fully participated in the PRSP Process and the majority of their views have been reflected in the Government PRSP document (The number 90 percent was mentioned by many). Hence their participation is considered as positively participatory. They are now organized and have embraced effectively the process. Supporting responses include the following:

- that civil society came up with its own PRSP document and the majority of the civil society’s views and proposals have been incorporated in the Government PRSP document, meaning many of their social concerns critical to poverty reduction have been considered by Government;
- that their concerns which involve cross cutting issues such as HIV/AIDS, health, education, gender and environment were also included;

- the concerns on governance issues were also included.

How participatory are the CSOs in the PRSP process?

Responses from Government:

Very High	50%
High	20%
Fair	15%
Low	10%
Very low	5%

Responses were good (70 percent). A recognition by Government of the high involvement of civil society in the PRSP process.

Reasons given for this encouraging assessment were as follows: -

- CSOs are highly involved and participatory;
- they give credence to PRSP meetings;
- they have brought important issues on poverty reduction which pro-government supporters would have shyed to bring them up;
- under difficult circumstances (i.e. in terms of resources), their participation is good.

However, the following negative aspects were mentioned:

- CSOs need to be more cohesive. They need to bring on board others of their lot;
- they need to build on capacities (this was not elaborated)

Characteristics of those who participated in the PRSP consultations in provinces?

Responses from civil society regarding the CSPR consultations:

CSOs with regional grassroots branches were involved and consultations were held with the poor hailing from some of the poorest districts in Zambia (i.e. Eastern, Luapula, Western and North-western Provinces). The participants were clear, articulate and capable; were varied and of cross representation and very committed as evidenced by the amount of effort put in the PRSP document.

Responses from Government regarding the Government PRSP consultations: -

Those that attended the Government PRSP consultations in all provinces were described as

experienced, good and active (76 percent). Majority of participants were civil servants and educated. They felt that the majority of the poor (true beneficiaries) in provinces were left out. They also felt that the PRSP document is too technical for the uneducated.

Success and attendance at the provincial meetings?

Responses from Government regarding Government consultations:

Very successful	11.7%
Successful	65.7%
Fair	22.36%
Poor	0
Very poor	0

77 percent said they were successful and 22 percent said they were fair

The following were the reasons given:

- they were fairly well attended;
- they were overwhelming;
- all the concerned parties were represented. However, it was felt that the main beneficiaries, the community in those provinces (headmen and their subjects) were left out. It was said that there were more of civil servants (government officers) – the educated people.

Responses from civil society regarding civil society consultations:

Very successful	29%
Successful	63%
Fairly successful	8%
Unsuccessful	0%

In the case of civil society, 92 percent of the respondents (29% very high and 63% high) felt the meeting and attendance was high. Only 8 percent said it was low. This means that the majority of those invited to attend the meeting had opportunity to share views on PRSP process. The significant reason for success from the civil society point of view was the involvement of their grassroots branches and holding of consultations with the poor hailing from some of the poorest districts in Zambia. CS also had interpreters at the meetings. Negative reasons given were very few and insignificant. They constituted a small percentage:

- there was no indication of any input or consultation from ordinary community members;
- most participants were educated and illiterate people felt unable to contribute.

Extent to which civil society organizations have been active in the PRSP consultations

Responses from civil society:

Extremely well	40%
Well	50%
Fair	10%
Poor	0
Very poor	0

Responses were varied and mixed – from extremely well to fairly well. The Civil Society for Poverty Reduction (CSPR) has done extremely well. It initially started with the group of half a dozen NGOs under the aegis of the JCTR. Subsequently, the group expanded after NGOs were informed of the formation of the CSPR. These include NGOs involved in human rights, gender, economic, private sector development, etc. The civil society in general is considered well organized, capable, and articulate with poverty reduction issues. However, some members do not have the capacity to effectively contribute to ideas. Civil society has limited financial resources and consequently are constrained to reach the majority of the people in the rural areas or even to conduct civic research and awareness campaigns extensively. This however excludes JCTR and CCJP, OXFAM, PAM who are significantly involved in research work and community based programs.

Perception on Government’s performance on the PRSP in Zambia?

The table below gives the perception of civil society respondents on what they consider or rate Government’s performance on the PRSP in Zambia

Respondents perception on Government's performance

Area of Performance	Very good	Good	Fair	Poor	Very poor	Total
Involvement of stakeholders	17%	46%	27%	10%	0	100
Sharing of information	16%	45%	29%	8%	2%	100
Consultations	18%	32%	32%	16%	2%	100
Communication and Coordination	16%	16%	51%	11%	6%	100

From the table above, the following appear to be significant:

- Government has so far done well in involving other stakeholders;
- it has also done well in sharing of information with other stakeholders;
- in consultation, Government has yet to improve its effort to consult others;
- Government appears weak in communication and coordination.

Involvement of the beneficiaries at the Government Provincial Meetings

Responses from Government officers:

Respondents were not completely unanimous. They think that beneficiaries were not very involved. At the Government organized provincial meetings 13 percent of respondents said beneficiaries were very involved, 36 percent said they were involved, 31 percent said they were fairly involved and 19 percent said they were poorly involved.

These are not encouraging responses. Their explanation were:

- 25 percent said there was involvement of beneficiaries for the first time. The less representation could have been for the fact that target communities were only represented through their leadership which was adequate at this level. The few who attended made a major impact on deliberations. However, it would have been more preferable if the real beneficiaries had also attended. Further, it could have been more effectively done

through smaller working groups;

- Very few said that this category of people (real beneficiaries) were ignored;

It should be noted that PRSP has recently been introduced in Zambia. It is therefore too early to assume that it should have or will reach the majority of people in Zambia, particularly the rural majority.

Assessment of the civil society’s impact and influence in the PRSP process vis-à-vis other stakeholders.

Responses from civil society:

Very high	35%
High	50%
Fair	15%
Poor	0%
Very poor	0%

The response was high (85 percent), meaning that their impact and influence are effective. The major reasons given were:

- civil society has interacted with Government through the various working groups; donors who have funded the CSRP activities; media through grassroots interaction
- civil society had strong representation at their own forum and the National PRSP Forum. The majority of their views or contributions were adopted on the Government PRSP document. Thus, civil society greatly supplemented Government efforts. The gaps that civil society identified in the PRSP preparation were similar to those identified by Government.

Assessment of the impact and influence of the civil society in the PRSP process

The following were responses from the Government:

Very good	30%
Good	42%
Fair	20%
Poor	8%
Very poor	-

CSOs input and influence have been considered good by the Government (72 percent). They have great influence in the PRSP, especially on the issue of good governance. They provide

a different perspective from the Government one (different perspective was not explained). They have been able to bring the whole secretariat on board and because their coverage is higher, they have larger impact.

However, some negative responses were noticed. For instance, while the civil society’s influence is vast, their impact on overall program is minimal, as PRSP is basically a Government and donor driven product.

Opinions on donor involvement

Responses from government:

Very High	17.6%
High	52.9%
Fair	23.5%
Low	5.8%
Very Low	0%

The majority of responses were positive from the Government. More than 70 percent of the respondents said donors were interested in the PRSP. However, 24 percent of the respondents said donor’s response was weak and 6 percent said it was poor. Explaining their negative responses, this group said “donors are not here for our interest. To show their presence, donors need to commit serious resources for the implementation of PRSP”.

Civil society’s response:

Very High	18%
High	62%
Fair	20%
Low	0%
Very low	0%

The majority of responses from the civil society were positive. About 80 percent of the respondents said donors were interested in the PRSP.

Some donors, notably UNDP, DFID, GTZ and UNICEF have eagerly funded and promoted civil society’s participation on the PRSP process. “They are supportive, generous, active and encouraging”, they said.

Fears, concerns and expectations on PRSP

Responses from the civil society:

Fears and concerns:

These were many but the major ones were:-

- enough resources may not be there to implement even a minimum agenda.³³ According to Ministry of Finance and Economic Development (MOFED) domestic resources for the period 2002 –2004 will be insufficient by themselves to cover all ongoing and newly identified programs that have arisen as priorities from the PRSP Process. Thus, these PRSP priority programs and projects can only be financed by:
 - i) re-orienting the structure of existing public expenditure so that it better focuses on key objectives of reducing poverty on achieving broad based economic growth;
 - ii) working with cooperating partners to ensure that donor inflows are also unambiguously refocused on the same objectives and/or;
 - iii) increasing the level of savings realized from reducing Zambia's foreign debt service obligations through arrangements like HIPC, which can then be devoted to PRSP priority areas.

In the same way that domestic resources are committed most of the external resources are also already committed to programs;

- PRSP may not be a reality in the national budget. Funds may not be adequate. Therefore, prioritization in the budget to capture even the serious concerns may not be done;
- lack of political will and commitment which may override economic prudence;
- new Government may not adopt the PRSP in their agenda;
- donor conditionalities may be a hindrance;
- needs of agriculture have been overlooked and yet it is a major sector on poverty reduction;

³³ Some CSPP representatives contacted the Government on this issue through the Budget Office of MoFED and PRSP Coordinator who assured that government was committed to PRSP Process. According to the Government very little of poverty activities were slotted in the 2001 budget, but some larger poverty activities will be included in the 2002 budget under HIPC relief funds

- private sector involvement has not been adequately addressed;
- there is no mention of community schools in education;
- PRSP-process appears to be too academic;
- lack of good governance.

65 percent of respondents consider issues in the three first bullet points above as critical concerns and fears. These demand serious attention.

Responses from Government:

Fears and concerns

In some cases these were more or less similar with those of the civil society. However, the major ones were as follows:

- insignificant involvement of the beneficiaries;
- PRSP process appears to be academic;
- resources may not be available for implementation. Already 2001 budget does not reflect the requirements for implementing PRSP;
- PRSP may be another white elephant;
- lack of political will.

Expectations or hopes – civil society:

- Better allocation and prioritization of resources to reduce poverty;
- hoping that PRSP succeeds and stakeholders get committed to it;
- hope for success of PRSP especially in agriculture;
- expect rural and urban communities to benefit;
- looking forward to introduction of socio-economic planning as key to national development;
- Should see results in PRSP output in the next 3 years.

Expectations or hopes – Government:

- very hopeful PRSP will succeed;
- if funding is available, expect the urban and rural community to benefit;
- PRSP will succeed especially in agriculture;
- expect good PRSP output in the next 3 years;
- expect PRSP to reduce poverty;
- looking forward to social-economic planning which is key to development.

Other comments on the PRSP Process by civil society and Government.

Respondents were asked to give additional or other comments on the PRSP process.

Responses from civil society:

- the PRSP should not in effect turn out to be a disguised form of SAP. No other program should take precedence over or override the PRSP. There has to be a strict monitoring of the PRSP process by a broad-based committee that includes civil society representatives to ensure that resources are not diverted or misutilized;
- political will and commitment by Government are most essential for success of PRSP;
- PRSP should be owned by the people of Zambia. Consequently, civil society should be fully involved in the PRSP process and participate in its implementation and monitoring;
- the PRSP process has not yet really shown it is a bottom-up concept. It should not be center driven but rather provincial-district driven.

Responses from Government:

- it would have been helpful if there was a provincial PRSP document which could have highlighted key areas of concerns which might not have been captured or made prominent in the PRSP document;
- create a planning unit under the Ministry of Finance and Economic Development; commitment by Government is essential for success. There should be no political interference in the course of PRSP implementation;
- implementing institutions should be strengthened if implementation is to be realized;
- if funding is limited, priority should be given to other critical provincial impoverished areas excluding Lusaka and the Copperbelt;

- Government should start building capacities through training civil society's technical capacity to bring them to the same level as civil servants;
- there has been no other public actions such as rallies, public demonstrations etc, used by civil society to enhance public awareness of PRSP process;
- pressure should be put on Government to effectively implement the PRSP to improve hope for success;
- more work is needed to make the PRSP document more solid and a reflection of national aspirations. Hope the contributions made at the civil society forum and national forum will be taken into account;
- the PRSP document should not be partisan;
- civil society should be fully involved and participate in PRSP implementation. Pressure should be put on Government to effectively implement PRSP.

Opinion of Beneficiaries on PRSP

The respondents were selected at random from Central, Eastern, Lusaka, North-western and Southern Provinces and specifically focused on those in Chibombo and Chongwe in Central and Lusaka Provinces respectively; Lundazi and Chipata in Eastern Province; Solwezi and Kasempa in North-western Province and from Choma and Sinazongwe in Southern Province. Further, students from the University of Zambia, Evelyn Hone College and the Fairview Hotel were also randomly interviewed. Responses from these areas were as illustrated below:

Students

63 percent of the students have heard about PRSP and 37 percent said they knew nothing about PRSP. The above two groups are further broken down as follows:-

47 percent of the respondents said they heard about PRSP from the media (T.V, Radio); 18 percent from friends and relations; 6 percent through the Economic Association of Zambia and 29 percent said they have never heard about it. All students interviewed said they did not attend any consultative meetings on PRSP organized by Government Officials in 2001 or even the workshop or forum organized by civil society in May and October 2001. (Some students who are members of civil society organisations attended these meetings). Interestingly, all students wished they could be informed about PRSP in detail. (The interviewers had the opportunity to explain to them briefly about PRSP concept)

For those students that had an idea about PRSP, had the following to say about it:

- PRSP is another one of the programs the politicians like to discuss in expensive hotels;

- PRSP is a program to alleviate poverty;
- PRSP aims at reducing beggars who are a result of poverty;
- PRSP should have a wide support to benefit the poor;
- PRSP is about targeting objectives that will help reduce poverty.

From the above responses, it would appear students in Lusaka have heard about PRSP, but have not had the opportunity of being addressed in an organized manner and at one place.

On the level of poverty, most of the students (74%) believe it is very high, 21% said it is high and 5% said it is fair. About 95 percent of the students said hunger is very high and the following were their reasons:

- people cannot afford the basics of life such as food, shelter, clothing, education and drugs (24%);
- high unemployment as a result income levels are low (24%);
- there is no production in the economy (12%);
- some people have only one meal a day (6%);
- in some areas, especially compounds, people live in abject poverty, poor sanitation, low incomes and high unemployment (6%);
- too many beggars in the streets, even children (18%);

Asked what measures have been made to reduce poverty in their area, 35 percent of the students said no measures have been taken to reduce poverty and 18 percent said they did not know. However, 16 percent said some measures have been taken but only by NGOs who give loans to women to help them start businesses or organizing food for work (PUSH).

Asked how they think they and their community can be involved in the PRSP Process, their responses were mixed and varied. They suggested among others, that communities should be educated on the importance of agriculture so that they can at least grow their own food (18%); involve communities fully in PRSP (35%); channel resources to the communities through NGOs and Government ministries (6%) and Government programs should be inclusive of the needs of the poor who are really poor (6%). From the above, it would appear 71 percent of the students are aware of the activities that may help reduce poverty for the poor.

On their expectations, 47 percent said poverty will be reduced; others expected that there will be an increase in production and consequently increase in employment and income will also increase; higher standard of living; more children in schools; poverty to reduce by half on the next 5 years and, if PRSP is properly implemented, it can do wonders.

In conclusion, the students agreed that PRSP is a good program. It should be implemented effectively (50%). It should involve everyone including young people (18%). It should target the poor and not the rich who may take advantage of the PRSP funding at the expense of the poor. It should make the poor be directly involved. Poverty reduction is Government responsibility and it should make it its top priority to make it work. They are hoping PRSP will not be another failure like SAP.

Beneficiaries in the Provinces

Summary of interviews for Beneficiaries in Chongwe, Chibombo, Kasempa, Solwezi, Lundazi, Chipata, Choma and Sinazongwe Districts

In each of these places, particularly in Lundazi, Sinazongwe and Solwezi between 40 to 80 people were interviewed. Most of the respondents had never heard of the PRSP and the few who had heard it, they heard it from the media, i.e. radio and press. Only one respondent had heard it from people in Lusaka when he was living in Mutendere. None of the respondents had ever attended any of the Provincial meetings and none from the Government had been to teach/consult them on the PRSP.

All the respondents were of the view that poverty was very high in their communities and was on the increase. Poverty to them meant hunger as there is no food. Most families were surviving on one meal a day eaten at 16:00 hours. In some instances, people were surviving on mangoes to stay alive. In Chibombo and Sinazongwe, the respondents, said the situation was worse for those living in the interior and away from the main road as it was difficult to sell their produce. They said they had 6 months of plenty and 6 months of hunger each year. In Chongwe, they had a further problem of water supply except for Sinazongwe (Munyanti and Maamba Camps) in Southern Province and Solwezi in North-western Provinces. They have to travel long distances to collect water (6 Km) and the water is dirty and needs to be boiled. Because of the water problem, it is difficult to grow house-hold gardens to supplement their diet. One respondent described life as very tough (see Box 1)

Box 1

We are very poor and suffering. Poverty is destructive. It degrades. You lose humanity. You are left helpless. It confuses. It is painful. It is tough. We eat one meal a day at 16:00 hours. Our clothes and our blankets are torn. Look at our water. It is very dirty. What can we do. We got it 6 kilometers away. Look at these children. They are hungry, yet they have to go to school. On average, we spent K10,000 on 1 tin of maize for 5 days for a total of 7 people. There is no help in sight. See how dirty and weak we are

The village headman Susu in Chongwe rural spent 2.50 maize bags per month. He said on

average some of his subjects buy 4 bags (25Kg) per household of 13 people per month. All the respondents said no measures had been taken by Government to reduce poverty in their areas. In Susu Village in Chongwe, they had an agricultural extension officer who worked with people from JICA and who advised them to form a co-operative but they needed K500,000 to start it. In order to feed their families and make a little money, some of the respondents in Solwezi and Sinazongwe did some piece work either making blocks or crushing stones or making honey for sale. In Chibombo, the Christian Children's Fund (CCF) has been assisting by paying for registered children's education and providing children with clothes.

Most of the respondents felt that a more practical approach was needed to reduce poverty in their areas. Government should provide assistance – like facilities, ploughs, oxen, seed, fertilizer, donkeys/cattle. When these are in place then hunger is reduced and one can develop. The Government should also assist the villagers prospect for water. There must also be sufficient drugs in clinics. The situation now is that the clinics are far and there are no drugs. Malaria is prevalent and people are dying because of no treatment (sickness comes from poverty). Schools must also be affordable so that children can get educated³⁴.

There has been negligence of the people at the grassroot and, because of poverty, they have been reduced to beggars and have lost their respect. As one respondent put in Chongwe ... “how can we be poor when we have all mental faculties working and we are physically fit. There is land and resources. The problem is, we must be assisted in order to develop”.

Responses From Donors

Eight donors were contacted for their views on PRSP Process in Zambia. Questionnaires were submitted to them. Out of the five responses received, IMF and World Bank advised that since they would be considering the PRSP document when submitted to them, they would not commit themselves at this point in time. However, out of the donors contacted the following answers were received.

What are your views about the PRSP in Zambia?

- the PRSP Process in Zambia has been consultative, participatory and country-led. All the key stakeholders have been involved in the process. Through active participation of the Civil Society for Poverty Reduction (CSPR), civil society organizations have been able to make valuable contributions to the process. Collaboration among the cooperating partners has been very satisfactory. However, the involvement of the political authorities from both the ruling and opposition parties has been less than satisfactory. Furthermore, finalization of the PRSP has been delayed by political factors such as the third term debate and election campaigns, which have diverted the attention of the highest political authorities;

³⁴ Again in Muniyati and Maamba Camps in Sinazongwe Clinics are close to the communities except for shortfall of drugs. Schools are close to these communities

- the process may not have had the grass-roots participants, but it is a cumulation of many different groups, including CSOs. It still needs lighter editing, coordination and steering forward;
- the beginning was chaotic. There was no proper organization and coordination especially at the initial thematic stage. Government appears to have slowly picked up recently.

What is your role in PRSP in Zambia? – Direct:

- UNDP in collaboration with the World Bank has provided policy advice on both the interim and full PRSP. In addition, through effective teamwork and constructive partnerships, UNDP and the World Bank have played a leading role to help mobilize the resources needed for the formulation of the PRSP. UNPD support has been directed towards: capacity building in the Ministry of Finance and Economic Development, consultative process, which included a number of sensitization workshops, the eight working groups through technical support; facilitating the sharing of experiences from other countries; and support to effective and meaningful participation by civil society. In addition, UNPD will provide support to advocacy/national dialogue through the media to facilitate promotion of people’s awareness and involvement in the process; data collection and analysis through participatory poverty assessments and household surveys.

Why? UNDP has vast international experience in poverty issues and participatory processes and it also provided support to the Zambian Government to formulate the National Poverty Reduction Action Plan. As such, Government approached UNDP to assist in the preparation of the PRSP;

- we would be interested in funding the civil society training;
- advisory in the education working group.

What would you say about Government’s and Central Statistical Office (CSO) performance?

- the government of Zambia has done a good job to ensure that the PRSP process is consultative, participatory and country-led. All the relevant line ministries, provincial stakeholders and civil society organizations have been actively involved in the process. However, the involvement of parliament, opposition political parties and the technical directorate of the Ministry of Finance and Economic Development at key meetings could have been better. Further, the Government has not been proactive in ensuring the provision of timely and useful data for the PRSP exercise. The Central Statistical Office could have performed much better if they had provided more recent data on poverty and other social indicators in the health and education sectors. As it is, the PRSP has been developed based on poverty data for 1998 and other social indicators for as far back as 1996;
- the degree of political commitment is variable, but technically it is a reasonable

performance. It is the implementation and follow-up that will be critical;

- Government is in full command. They organized working groups. Civil society is very involved in the PRSP Process. They are more accessible to communities in rural areas;
- the CSO could have provided much more recent poverty and social indicators.

What are your future expectations, hopes and fears?

- we hope the Zambian Government will manage to mobilize sufficient financial resources for implementation and that there will be adequate capacity for implementation, monitoring and evaluation. We also hope that the change of Government after elections if any, will not have negative implications on the PRSP process;
- some sectors have already developed Strategic Plans based on PRSP, and are pro-active but others are weak and will need strong guidance, monitoring and evaluation;
- our concern is that the “urban area” may grab a big chunk of PRSP funding to be used in study tours, workshops and even for civil service salaries and allowances. Funds from debt relief may not be used to reduce poverty and may not even enter into a budget. We are further concerned if there will be proper monitoring of the implementation of the approved budget. We hope that the budgeted funds for poverty reduction will be used for budgeting activities to reduce poverty, i.e. for direct intervention in poverty reduction and not for administration.

What do you say from the funding point of view of the PRSP?

- financing of the preparatory phase of the PRSP process was satisfactory as a number of donors willingly financed the various activities of the process. UNDP in collaboration with World Bank played an active role in mobilizing resources for the preparatory process. Hence, a comprehensive budget of about \$1.2 million was developed, out of which UNDP contributed US \$400,000. UNDP also mobilized additional resources from its Headquarters for civil society involvement in the process;
- Government allocation to the social services must be increased. Huge dependency on donors can be offset by better prioritization;
- we are starting a new project in Southern Province next year. The project is called “The GTZ ASIP support project Southern Province”. The purpose of the project is to ensure that Extension, Natural Resources Management, Rural Development Fund, and input/output supply, marketing services are utilized by small-scale farmers in the area. Although this project will not be directly linked to PRSP, it will act as a catalyst to PRSP-process.

To what extent do you think coordination of PRSP in Zambia is being done?

- the Zambian Government hired a national consultant to lead the process, which was very well coordinated. He managed to involve all the relevant line ministries, with the exception of the technical directorates of the Ministry of Finance who were not fully involved in the process as evidenced by their absence at most of the key meetings;
- quite effectively – but the weakest area has been the editing/compilation of the document – needs greater liaison with the different working group;
- PRSP document is not properly coordinated. Technical scale is missing.

How do you assess the impact and influence of the civil society in the PRSP process?

- civil society has actively participated in Zambia's PRSP through the network of the Civil Society for Poverty Reduction (CSPR), which comprises members from trade unions, business associations, academia, the church, women's organizations, youth organizations and other NGO's. Through active involvement by the CSPR the draft PRSP reflects the poverty concerns of the poor. One of the important outcomes that has resulted from the role of various civil society organizations in the PRSP process in Zambia is the successful collaboration between these organizations, which has been achieved and that a number African countries have expressed interest in the Zambian experience and wish to emulate.
- we have been favorably impressed with the civil society.
- civil society has been given chance to express their views in an organized way, which they have done under the leadership of JCTR.
- civil society is very proactive on the PRSP Process. But Government has been faced by IMF to start PRSP. On their own they would not have. Government lacks initiative.

How do you assess Government approach to PRSP?

- good: The government has made tremendous efforts to involve all the major stakeholders in the process.

Any other comments on the PRSP Process?

- there will need to be a specific high level task force charged with ensuring implementation across the sectors, along with monitoring and evaluation. This should include civil society. All sector ministries will need to develop realistic strategic plans and medium term frameworks (5 years) to implement the PRSP practically;
- to await Government's action on the PRSP document, the implementation of budgeted

poverty focused items and monitoring of same.

Other Areas of Investigations

Capacity of the Civil Society to Participate in the Budget Preparation, Implementation and Monitoring

Interviews were conducted with some senior members of the CSPR to determine whether their membership had the capacity or were knowledgeable in national planning and budget preparation. Very few indicated they were knowledgeable. This was important since PRSP process is a long-term program and may result into Medium Term Expenditure Financing (METF) in place of cash budgeting. Government will reintroduce long term planning to incorporate the ideals of PRSP³⁵. This aspect of the study will be covered under Chapter 6

Civil Society Relationship with Parliament

In the past, civil society's level of involvement with Parliament on policy issues, especially on poverty reduction was weak. Presently, CCJP is working on a Parliamentary Liaison Program to sensitize civil society on the machinations of Parliament. This program is modeled after the South African Parliamentary Liaison Office. The Zambia program does research and also liaises with the appropriate Parliamentary Committees.

The CSPR has not yet formulated Strategies on how they are going to work with Parliament. It was further mentioned that Parliamentarians were not at present keen to attend civil society meetings. (The research team for this study had submitted questionnaires to the members of Parliament who were present at the National PRSP Forum in October 2001, but they did not respond).

In the First draft of the Government Poverty Reduction Strategy Paper the civil society is expected to complement the role of the legislature in monitoring the activities of the Government in its management of the PRSP Process. Government does not elaborate how the implementation process will be undertaken. It will be necessary that Government spells out this modality.

Financial Resources

Civil society has limited funds, consequently they cannot organise many activities, even to market themselves. They cannot depend on Parliament or the media at present either to publicize themselves. The press, especially, the state owned media have not worked closely with the civil society. They tend to separate civil society from Government on PRSP instead of completing them. It is necessary to educate the media that the PRSP is an important

³⁵ Government in its draft PRSP document has spelt out its concerns regarding the PRSP Strategy as elaborated on page 26 section (iv) of this study in which, two fundamental issues have been raised, namely (I) that government budget cannot overnight be oriented towards supporting growth and poverty reduction before an orderly disengagement out of existing commitments occur and, (ii) that full benefits can only be felt after 2 to 3 years of implementation, both meaning there should be orderly planning in the system.

political issue and should be embraced by any government in power. Civil society will need the cooperation of the media to assist bring the community on board. Effectiveness of the civil society hinges on funding. Therefore, due to limited funding, penetration in the rural areas has been limited.

Conclusions

The above is not to imply that there are no bones of contention between the Government and civil society. Civil society has bemoaned its lack of representation at higher levels of the government's PRSP process. It is not yet convinced about the genuineness of the government's political commitment to the implementation of the PRSP. It is also skeptical whether it will be assigned a meaningful role in the implementation and monitoring stages of the PRSP.

Both Government and civil society are worried about the lack of financial capacity to implement even a minimum set of programs during the first phase of the PRSP. Some preliminary computations show that the country may be able to garner only about 45 percent of the estimated financial requirements for PRSP amounting to nearly ZK 4 billion³⁶. Overseas development assistance may be prioritized towards other regions of the world that the donor governments may perceive as having more pressing needs for humanitarian assistance. The actual aid for countries like Zambia, in such circumstances, could turn out to be even less.

However, the encouraging results of the first stage of the study are that:

- the PRSP process has strengthened consensus among the civil society organizations;
- Government is organized and responsive to the PRSP process;
- civil society impact and influence in the PRSP process was high;
- donors involvement was encouraging and supportive;
- the views of the civil society were highly reflected in the PRSP document;
- participants who attended the provincial consultative meeting were articulate, clear, active and of cross representation. The meetings were successful and well attended.

The above aspects are an indication of the potential success of the acceptance of the PRSP between Government and civil society. The negative points below will require urgent attention:

- Government performance on stakeholders involvement and sharing of information were above average, but did not do well in consultations, communication and coordination

³⁶ Professor V. Seshamani, Poverty Analysis 2001 (not published)

- Government effectiveness has yet to improve
- involvement of majority of rural community is still far off. These have been left out and have no knowledge about PRSP. Although PRSP has just been introduced, these need to be brought on board for purpose of ownership and bottom-up planning system to succeed.

Civil society's concerns and expectations include the following:

- concerns included possible lack of resources to implement the agenda, lack of political will and commitment; PRSP could be another SAP.
- concern that funds that may be saved from HIPC maybe misused by people at the top and will not reach the poor;
- donor conditionalities may be a hindrance. Their expectations are better prioritization and allocation of resources to reduce poverty; hoping that PRSP succeeds and stakeholders get committed to it. There are, however, other serious concerns relating to civil society being not allowed by GRZ to participate in the budget design and preparation. If Government does not allow CSOs to participate in budget design and preparation, then PRSP becomes hollow because it will be difficult for CS to monitor the budget preparation and implementation without them being involved in the budgeting process. If that happened then the PRSP will not be owned by the community.

In order for CSOs to be at par with their counterparts in the civil service on budget design preparation, implementation, and monitoring, the CSOs capacity need improving through training and exposure.

Government may increasingly find it difficult to source funds for poverty reduction from its own internal resources in order to cope up with HIPC conditionalities in respect to usage of debt relief funds from HIPC savings because of poor economy. Hence, civil society's continued advocacy for cancellation of Zambia's total debt.

Overall, it is not possible to indicate at this stage whether the PRSP document has factored all the concerns of the civil society in the PRSP document until the final document has been endorsed by IMF and World Bank.

Meanwhile, civil society should not relent on their civic actions for poverty reduction and active participation in PRSP Process to achieve that objective.

Government should have a political will and commitment to PRSP Process and its implementation to save the poor from total dehumanization.

Way Forward

- civil society should immediately prioritize urgent and critical poverty reduction activities

that may benefit from HIPC savings. Government has publicized in the media (beginning 2/12/2001) receipts and disbursements of HIPC resources, giving sources of these funds and areas of disbursement. It is important that utilization of these funds are tracked. For instance, will the allocation of balance of funds in various ministries include civil society's critical prioritized activities, or are the balance of funds allocated to various items broken down in the media critical areas according to civil society's prioritization?

- civil society should select a competent team from its membership including the secretariat to be part of the Budget Task Force;
- civil society should arrange for the training of their key membership on capacity building, particularly in the development of financial analysis skills in order to match up with their civil servants counterparts. CCJP can assist in this area. Funds for this purpose may be obtained from donors. UNDP are willing to assist as they have done before;
- civil society should begin to mount awareness campaigns through the media and other publicity fora e.g. meetings with communities in the rural areas, etc.
- that as part of civil society campaigns on poverty reduction, civil society should bring Members of Parliament (MPs) on board. Since MPs represent their rural and urban constituencies, they are in the position to know the seriousness and consequences of poverty. This will also facilitate to bring communities on board.
- civil society should not relent on their campaign for debt cancellation by all donors. Savings from HIPC relief may not be adequate for poverty reduction. Zambia's capacity, at present, to generate adequate funds internally necessary for poverty reduction is still very weak and will continue to be in that position for sometime.

CHAPTER 5

The 2002 National Budget and the PRSP

Introduction

In Chapter 5, we analyze the National Budget for 2002 in order to determine whether the PRSP activities are reflected in it and whether there is a change from the previous budgets from a poverty reduction point of view. This analysis will also look at how the positions of the civil society is reflected in the 2002 budget.

At the time of writing, the final PRSP document was awaiting approval by the Cabinet. In the circumstances, it is not possible to indicate at this stage whether the PRSP final document has factored all the concerns of the civil society. As a matter of fact, the 2002 budget has been released before the PRSP final document has been completed. In this case, the analysis of the 2002 budget will be done on the basis of the draft PRSP document.

It is important to note that the draft PRSP document was prepared with the understanding that the PRSP was a medium-term program meaning that the results of its implementation will only be felt in 2003 and thereafter.

It is also important to note that the year 2001 ended with the holding of Presidential, Parliamentary and Local Government elections which ushered in a new Government taking over on 2nd January, 2002, with the essence of the “New Deal”. With this in view, certain actions which were slow to implement under the previous Government such as, improvement in governance, accountability and transparency; putting effective measures to reduce corruption and focusing on priority areas to reduce poverty, may perhaps now be attended to - *just a hope!*

At the preparation of the draft PRSP document, both the civil society and Government considered the following as major concerns:

- employment and sustainability livelihoods;
- environmental issues;
- gender;
- agriculture and food security;
- role of mining sector in poverty reduction;
- tourism;
- health and HIV/AIDS;
- education, child and youth;
- governance issues and poverty reduction;
- macro-economic frame-work

Serious concerns were expressed by civil society about economic mismanagement and corruption in 2001. In addition, the Auditor General’s Reports and the press made numerous allegation of misuse of resources by Government. The culprits were not punished.

There was the case of misuse of HIPC resources funds during 2001. The budget provision for HIPC programs during the year was K352.0 billion. By the end of December, 2001 a total amount of K186 billion or 52.4% was released. The lower than budgeted releases were largely attributed to expenditure pressures on the national budget due to other national commitments (OP. Cit p.27, the 2001 National Budget).

According to the 2002 budget, Government proposes to spend a total of K5,676.8 billion which is 35.5 percent of GDP. Of this amount, K3,429.7 billion or 60.4 percent will be internally financed. The remaining K2,247.1 billion or 39.6 percent will be externally financed. This is a reversal of last year’s budget projection in which 60 percent of total expenditure was externally financed and 40 percent was internally funded. Zambia is expected to conclude HIPC Initiative agreements in June 2002 with the Paris Club Creditors and Multilateral financial institutions, including the International Bank for Reconstruction and Development (IBRD) and the European Investment Bank (EIB). The purpose of this is to ensure that the Government reaches the completion point in 2003 under the HIPC Initiative, at which point Zambia’s major creditors are expected to cancel a large part of the

debt stock which totaled US\$7.3 billion at the end of 2001. This debt has increased by 15.9 percent from US\$6.3 in 2000.

Under HIPC Initiative, Zambia is expected to use the savings under this Initiative towards poverty reduction. This seems to be reflected in the 2002 budget in which Government has increased the proportion of the domestic budget allocated to economic and social sectors from 43.5 percent in 2001 to 46.5 percent in the 2002 budget-an insignificant increase of 6.9 percent.

In an essence, Government has targeted to spend a total of K450 billion to finance what is termed, new or enhanced activity in priority poverty reduction programs. It is understood that these have been identified in close liaison with stakeholders (including civil society!). This may be understood from the point that the majority of civil society views were incorporated in the draft PRSP document. But the Government had refused 'quietly' to include the Civil Society representatives to join their counterpart civil servants in the preparation of the 2002 Budget because they were considered as 'outsiders'.³⁷

According to the 2002 Budget, Government will allow 'others' to monitor the use of HIPC Initiative resources. An annual report will be prepared on the use of these resources for public information and discussion for the purpose of accountability and transparency. In the draft PRSP, it was suggested a committee comprising Government Officers and representatives of the civil society would monitor the implementation of the budget.

Analysis

The budget on the surface appears to be impressive though elusive – not knowing the level of capacity available, the criterion to be used and the existence of the will to implement it. The focus is on use of own resources (about 60 percent) but how these resources will effectively be exploited and mobilized can only be evaluated at the implementation stage.

The quantity and quality of activities in the 2002 budget and the size of funds allocated to reducing poverty will have *little impact at all on poverty reduction this year*³⁸. The current level of poverty is just too high for the amount of money that has been allocated to create an impact. As a matter of fact, most likely these funds will come from HIPC savings that have been made so far.

Government has recently confirmed that the planned three year National Transitional Development Plan (NTDP) will be based on the PRSP and sectoral programs. This is what the Minister of Finance said on 25th March 2002, "The emphasis of the NTDP will focus on poverty reduction and therefore the poverty reduction strategy and other sectoral investment programs will form the basis for this development program" (Times of Zambia, 26 March, 2002).

³⁷ Government, in the PRSP document consider civil society as not part of government establishment and therefore can not participate in the preparation of the 2002 budget

³⁸ Researcher's own emphasis

Below we examine various PRS Programs that Government has budgeted this year and, what we think their shortcomings are in achieving the overall poverty reduction.

Agriculture

Government has considered agriculture as a prime engine for achieving broad-based economic growth and poverty reduction. Hence, the cover of the Budget speech has been labeled with the following catchy theme: “*Food Security Trough Production and Job Creation*”.

In the draft PRSP document the stated overall objective was to promote a self-sustaining export-led agricultural sector which ensures increased household income and food security. Under this overall objective, agricultural GDP is expected to grow by a minimum of 10 percent from 2004 onwards.

Under the overall objective five immediate objectives were stated as follows:

- objective 1 - to generate income and employment through increased agricultural production and productivity. This objective is expected to produce the following outputs:
 - i) increase in gainful employment (target is 2004); and
 - ii) increase in number of out-grower schemes (target is 2004)
- objective 2 - to enhance the sector’s contribution to the national balance of payments. The outputs expected are as follows:
 - i) increase number of exported commodities (target is 2007);
 - ii) increase in agricultural export destinations (target is 2007); and
 - iii) strict adherence to high quality and standards (target is 2004);
- objective 3 - to contribute to sustainable industrial development by providing locally agro-based raw materials. The following outputs are expected from this objective:
 - i) enhance utilization capacity of current industries (target year is 2007)
 - ii) more agro-based firms constructed (target is year 2007); and
 - iii) enhanced production of cash crops (target is year 2010)
- objective 4 – to ensure national and household food security through dependable annual production of adequate supplies of basic foodstuffs at competitive prices. Two outputs are expected:
 - i) adequate food supply at household level (target is year 2007);
 - ii) ireduced malnutrition cases (target is year 2007)
- objective 5 - to ensure that the existing agricultural resources base is maintained and improved upon. Here there are 5 expected outputs:
 - i) increase in cultivated area under conservative area farming to increase by 15% by 2019;
 - ii) increase in crop rotation by 2007;

- iii) increase in contour ridging increase by 15 percent by 2007
- iv) increase in given measuring by 10 percent by 2010
- v) increase in water harnessing by small holder farmers by 30 percent by 2007;

It should be noted that all the above immediate objectives are medium-and-long-term objectives. According to the draft PRSP, it is expected that these will be included in the new government national plan.

Based on these objectives Government was expected to come up with several key steps to boost agricultural sector including the following PRSP interventions:

- land development and support services;
- infrastructure development;
- agribusiness promotion and training;
- finance and development;
- technology development and dissemination;
- food security and diversification.

Thus, agriculture, and rightly so, is now being considered a potential replacement of mining in this year's budget as a major foreign exchange earner for the Zambian economy, and as a vehicle to generate employment opportunities, household security and overall economic growth to reduce poverty in the country stated.

Although the draft PRSP document was done during the previous regime, the 'New Deal' Government has also considered agriculture a priority but not all suggested poverty reduction activities have been prioritized in the budget. In the budget, agricultural priority areas have been targeted, to include, agricultural research, seed control and certification, animal production, irrigation and land use, marketing and trade, fisheries research, agricultural extension and farm mechanization. Total allocation of these amounts to K41.68 billion accounting for 35.67 percent of total expenditure See Table 2 below:

Table 2 Ministry of Agriculture & Cooperative - Poverty Reduction Programs

	Department	Item	Year 2002 (K' billion Estimate)
a)	Agricultural Research (rural development)	Soils and Crop Research	2.000
b)	Seed Control and Certification Institute (rural development)	Seed multiplication	1.185
c)	Animal production and health	i) animal disease control ii) livestock production	6.000 5.000
d)	Irrigation and Land use planning	I) water & sanitation – Advocacy for Land Demarcation ii) Rural Development – Irrigation Development iii) Resettlement Programs – Construction of earth Dams	0.500 2.000 1.000
e)	Marketing Trade	Rural Investment Fund	6.000
f)	Fisheries Research	Rural Development – Fisheries Development	2.000
g)	Agriculture Extension	Rural Development – Out-grower schemes for Copperbelt, Lusaka	15.000

		and Southern Provinces	
h)	Farm and Mechanization	Rural Development – Animal Draught Power	1.000
		Sub Total	41.685 billion =====

Head Total K116.877 billion
=====

Agriculture as % of total = 35.67%

Source: Estimates of Revenue and Expenditure for the year 1st January, 2002 to 31st December, 2002
(Yellow)

Previously, agriculture performed disappointingly, resulting in a severe deterioration of the country’s food security position and which has negatively impacted on the population never experienced before. Table 3 below gives the levels of production and consumption of maize and price levels for the years 2000 and 2001.

Table 3 Production and Consumption of Maize and Price Levels

Activity	2000	2001
Production of Maize (metric tonnes)	873972	801888
Consumption of Maize (metric tonnes)	1.3 M	1.4 M
Average price of Maize (per 50 Kg bag)	K18,456	K25,624

Table 3 above shows that while maize production reduced by 8.25 percent in 2001, consumption increased by 7.69 percent and price increased by 38.84 percent during the same period. It is now predicted that shortage of maize in the year 2002 will be worse than 2001 due largely to poor rains. Severe drought is being predicted even in 2002. With this scenario in view, it is not possible for agriculture to produce any meaningful results as being hoped for under the following government measures this year:

- reduction on over-dependence on rainfall by constructing dams to facilitate irrigation;
- enhancement of food security in light of impending maize shortfalls by contracting large scale farmers to enhance maize production through irrigation;
- providing appropriate technologies and requisite resources including access to affordable draught power and associated equipment to small-scale farmers with a view to improving efficiency and productivity to enhance food security;
- instituting appropriate measures to control animal disease in areas with high potential for livestock production with a view to turning Zambia into an exporter of livestock;
- establishing a Crop Marketing Authority (CMA) through an Act of Parliament to address agriculture marketing problems not adequately addressed by FRA in the past, and phasing out Food Reserve Agency (FRA);
- introducing additional fiscal measures to reduce production costs and thereby make Zambia's agriculture competitive regionally and internationally. It is expected that in this way, Government will assist farmers to access inputs at affordable prices;
- increasing exports of agricultural products through Government support to out-grower schemes for exportable high-value cash crops.

For this purpose, government has increased agriculture expenditure from K88 billion in 2001 to K231 billion in 2002, an increase of 162,5 percent or about 2.6 times. Specific agricultural projects and activities to be funded are as follows:-

- A total of K100 billion has been provided to supply 80 000 metric tonnes of fertilizer for the 2002/2003;
- K500 billion has been provided as a subsidy on fertilizer to targeted small-scale but commercially viable-farmers. Ministries of Finance and National Planning, Agriculture and Cooperatives and Community Development and Social Services will work out the modalities;
- K10 billion for input packs for small-scale farmers has been provided as a grant to vulnerable-but-productive small-scale farmers;
- K20 billion has been provided to revive Nitrogen Chemicals of Zambia (NCZ) as a way of providing affordable agriculture inputs for farmers in the medium term;
- out-grower schemes have been allocated K15 billion for improved input supply, extension services and marketing involving small-scale farmers working along large commercial farmers growing cash crops, such as paprika, cotton, coffee and tobacco;

- K25 billion has been allocated for demarcation of land into farm plots to encourage large scale commercial farming;
- livestock production and crop yield, irrigation and fish stock have been allocated K21.9 billion
- the Rural Investment Fund for improvement of infrastructure in resettlement schemes have been allocated K6 billion and K4.0 billion respectively;
- feeder roads have been allocated K27.8 billion and K1.5 billion has been allocated to canals;
- rural electrification will receive K5 billion in addition to the K10 billion to be raised through excise duty on electricity;
- K161.8 billion will be spent on trunk roads, bridges and pontoons;
- K48 billion has been provided to facilitate importation of food to meet expected shortfalls in maize supply. This will enhance national food security;
- K2 billion has been allocated to the establishment of the Crop Marketing Authority (CMA) which will be buyer of last resort especially in the outlying areas and to maintain a national strategic food reserve.

The above provisions are mere plans and “words”. The real matter is implementation. The major complaints advanced by most farmers over the years can be summarized as follows:-

- high prices of fuel;
- high prices on untimely supply of fertilizer;
- high electricity tariffs;
- lack of adequate marketing arrangements.

The complaints mainly impinge on production costs which tend to make agricultural produce uncompetitive. The reduction in excise duty from 60 percent to 30 percent on diesel and the reduction in excise duty on electricity from 7 percent to 5 percent can not cushion production costs.

Although K50 billion subsidy is being offered to small-scale farmers or that Nitrogen Chemicals of Zambia (NCZ) is anticipated to be resuscitated, it will not make fertilizer readily available and at affordable prices to farmers.

Government has promised that lack of marketing arrangements and strategic food reserve will be addressed by the establishment of Crop Marketing Authority (CMA), but this will

depend on the capacity to implement and funds being available. Zambia had this kind of approach before but it failed.

Thus government programs may appear impressive, positive results/outputs will however, depend on resolving some of the existing fundamental problems at the Ministry of Agriculture and Cooperatives:

- disbursements from the domestic budget have been poor. Domestic budget disbursements only averaged 66.5 percent of the budgeted amount between 1996 and 1999. There is little transparency and predictability in the way that resources are allocated between sectors.
- disbursements from donor budgets have also been low. No proper records on donor funds are held. All reviews on this aspect have been unable to present a clear picture. Some of the constraints leading to this result from an inadequate harmonization between donors' and Government planning and budget cycles and the lack acceptance of the concept of basket funding that is central to the then MAFF's financial system. This is due to the weak Financial Management Unit (FMU). Under the reporting mechanics under FMU, it is still difficult to obtain clear data on funds disbursed and on activities on which those funds have been spent. The Provincial Agricultural Coordinators (PACOs) and the District Agricultural Coordinators (DACOs) make quarterly reports, but these reports are not related to funds disbursements. And further, although a management of service delivery has been decentralized and disbursements from the Ministry of Agriculture and Cooperatives (MAC) FMU are now being made directly to districts and provinces, there are still, however, some serious defects in the decentralized disbursement system under FMU. The FMU is characterized by uncertainties on the amounts released rendering little confidence in the system. For instance, when the consultant was visiting some districts earlier in the study, he was informed by district staff that unrealistic amounts of as low as K5,000 for a district have been made by FMU. Releases are not accompanied by breakdown for the use of funds. The provinces and districts are also not warned of the impending releases. This limits their planning frame and readiness to absorb funds when received.
- little money trickles to the lower levels (district) because most funds received are used at the Ministry's headquarters (about 66.9 percent of the domestic budget disbursement for the period 1996 – 1999). There was little change even in 2001. This does not ensure effectiveness and has little farmer focus. The Consultant's field investigations again during last year's travel in the districts revealed that very low levels of funds were being disbursed to the districts much of which went to settle salaries, bills, allowances, rent for staff accommodation, cars, etc. There is little money for planned activities as only about 10 percent of what is budgeted for is finally disbursed. This has worried about basket funding arrangement because it lacks proper coordination by the ministry. The current system does not support basket funding because it is still "Ministry Compartmentalized". Basket Funding should culminate in a basket at the district level where all ministries would be able to draw from the same source to solve a priority problem at that level. Basket at the top and fragmented at the bottom makes the concept inappropriate and

subject to misapplication with possible advantages for very few. In a nutshell, the Ministry lacks a decentralization policy.

In addition to the above, it is not possible to increase production of maize this year by contracting commercial farmers to produce the crop during the dry season by irrigation for the following reasons:

- during the dry season some major commercial farmers produce exportable crops such as wheat, and may not be persuaded to switch to maize for local consumption;
- maize does not grow well during the cold season in Zambia i.e. germination and maturity period are normally longer than during the rain season;
- that even if production was done in October before the rain season, maturity will only occur after five months, i.e. in February of each year. Thus, in order to harvest earlier, maize has to be cut and dried.
- drying maize and producing it under irrigation would be costly indeed, i.e. cost of power equipment, water, labor will be very high which may render the price of maize produced during the dry season too costly for local consumption. The poor would not afford to purchase this maize.

It was necessary to elaborate some weaknesses in the Ministry of Agriculture and Cooperatives as has been done above, because Government has put a lot of hope on agriculture this year to provide food security and employment. And that, as will be noted from section most of the activities focused at poverty reduction in the budget are in the districts where poverty is high. But the current system is weak at disbursement of total funds approved to districts. Further, producing maize crop during the dry season would be too expensive to the poor.

Education

In the draft PRSP document the Government recognize, as civil society also has, that poverty in the education sector manifests in several ways including the following: low enrolments, low progression, high drop-out rates and low performance; poor attendance because children are engaged in income generating activities, tending sick family members and long distances to school; poor learning environments and lack of opportunities for appropriate skills training; malnourished learners who are unable to achieve their full learning potential; demotivated and ill-qualified teachers especially in rural areas; high illiteracy levels; ill health among teachers, pupils and others in the education system; lack of motivation for parents to send their children to school; and wide gender gaps because of choices parents have to make on who goes to school.

Further, the draft PRSP document points out that in Zambia, the education system is characterized by inadequate places at all levels due to a wide range of factors such as cost, insufficient number of teachers and tuition materials, particularly in rural areas.

On the basis of the above, the following overall objective has been considered in the PRSP document: “To provide relevant, equitable, efficient and quality education for all”. The following are considered immediate objectives:

- objective 1 – increase access to education by 30 percent enrolment at primary, by 50 percent in secondary and by 50 percent at tertiary level all by the year 2004. Expected outputs are as follows:-
 - i) increase number of education facilities;
 - ii) increase participation of vulnerable groups; and
 - iii) increase number of education providers
- objective 2 – to improve quality of education at all levels by 2004 with the following outputs;
 - i) increase percentage of attainment of basic mastery skills at all levels by 2004;
 - ii) increased availability of learning materials;
 - iii) relevant curriculum (revised) by 2004;
 - iv) well trained teachers/lecturers by 20 percent by 2004.
- objective 3 – increase functional literacy to 85 percent by 2004 with the following outputs:-
 - i) increased number of literacy students to at least 85 percent of capacity;
 - ii) increased number of functional literacy providers by 2004; and
 - iii) increased functional literacy rates for women increased enrolment by 30 percent by 2004
- objective 4 – to reduce all gender disparities in the education sector by 2004 with the following outputs:
 - i) increase girl education by 2004;
 - ii) increased number of girl/females taking up technical subjects/fields;
 - iii) equity in accessing education by 2004;
 - iv) vulnerable persons given equal opportunity to enroll for education by 2004;
 - v) establish bursary scheme for females

Not all these objectives have been factored in the 2002 budget because majority of them are of a medium-term nature. Thus, although free education up-to grade 7 and rehabilitation of existing universities have been promised adequate funding for these ventures are questionable.

Allocation to education and training has been raised to K505 billion from K338 billion in 2001, an increase of 33 percent. Under poverty reduction programs K5 billion has been allocated for bursaries for basic school students from vulnerable households. There will be free education up-to grade 7. In addition, K12 million has been allocated towards public welfare assistance schemes to assist vulnerable people to have access to these services, and

K334 billion to Basic Education Social Sector Investment Program (BESSIP).

K33.5 billion has been allocated to rehabilitate universities, colleges, schools and hospital in order to improve environment.

The breakdown of these funds according to each institution will be important to assist monitoring usage of these funds. A further K53.8 billion has been allocated to the two universities for grants and bursaries. As part of an effort to retain teachers and health personal in rural areas K38.0 billion has been allocated for construction of housing for teachers and health personnel in these areas. This is to encourage retention of key staff in rural schools and health centers so that rural communities can also have access to basic health and education services (see Table 4 below giving the breakdown of allocation from the yellow book).

Table 4 Ministry of Education - Poverty Reduction Programs

	<u>Department</u>	Item	Year 2002 (K' billion Estimate)
	Sundry Services	Education – Bursaries Basic Schools	5.000
	Lusaka Province	Colleges & Universities – Rehabilitation of Primary School Teachers Colleges	3.300
		Sub Total	8.300

While some of measures aimed at improving the literacy level in the country will now be available to some of those who could not previously afford them, the issue is whether funds will be available to rehabilitate the dilapidated schools especially in the rural areas.

Most furniture and teaching materials, and conditions for the serving teachers are deplorable. Although the cost sharing was introduced in 1995, it has had no significant impact on the quality at basic education. The New Deal can only succeed if the donors will comply with the Government resource requirements. And donors will comply only if the government in the first place will comply with their conditions. Most funding for improved schools infrastructure is expected to come from donors.

Health

The draft PRSP document has observed that while the structures for community participation in decision making have been established at neighborhood health centers and district level neighborhood health centers (ITCS), those have weakness which need to be addressed. These include lack of Hospital Policy, outdated and absolute legislation, cost sharing and fees, distance to health facilities and lack of transport, problems of access for underserved groups, poor physical infrastructure and equipment, participation and empowerment, resource allocation and the performance of the health system in general.

The introduction of user fees in 1993 coincided with a significant decrease in the utilization of health services. Under-five clinic reductions showed a more marked drop in new attenders than re-attenders. Most alarming was that attendances for Sexually Transmitted Diseases (STD) treatment dropped by 76 percent.

With regard to legislation a number of acts are not current with the needs of today especially with the developments that have taken place in the sector. There is therefore an urgent need to review legislation so as to improve service delivery.

The draft PRSP documents has developed the following objectives:

- *overall objective* – to improve the health status of all people in Zambia especially the poor. Life expectancy to increase from current 37 years to 50 years by the year 2020
- *immediate objectives:*
 - objective 1* - to increase the life expectancy of the population with the following outputs:
 - i) reduced infant mortality rates;
 - ii) reduced under 5 mortality rates; and
 - iii) increased life expectancy at birth.
 - objective 2* – to achieve equity in access to health opportunities with the following outputs:
 - i) increased number of rural households within 5 KM of a healthy facility by 2004;
 - ii) increased number of health workers per 1000 people by 2004; and
 - iii) increased number of cots and beds per 1000 people by 2004
 - objective 3* – to create environments which support health with the following output:
 - i) increased percentage of rural and peri-urban populations with access to safe sanitation by 2004.
 - objective 4* - to encourage lifestyles which support health with the following outputs:
 - i) increase percentage of the population practicing safe sex;
 - ii) reduced road traffic accidents by 10 percent by 2004
 - objective 5* - to provide assured quality health services with the following output:

- i) increased number of health facilities in the following manner:
- ii) to have 200 health facilities rehabilitation by 2004; and
- iii) to construct 160 new health facilities (health posts) by 2004

Very little will be done this year as most suggestions are of a long term nature. Only twelve hospitals and ten district hospitals will be rehabilitated as shown in Table 5. While K18 billion has been allocated for development of houses for medical staff in the rural areas, this is expected to be funded by donors which may not be guaranteed. Allocation of K25 billion to HIV/AIDS is also expected to be funded by donors. Again donors are expected to fund capital expenditure amounting to K403.329 billion. With the current fluid political situation one would not pin high hopes on total donor funding.

Allocation to health has been raised to K314 billion from K199 billion in 2001. Within this sector K50 billion has been allocated for essential drugs of which K12.5 billion is for drugs to fight HIV/AIDS. A further K5 billion has been provided to support the Roll- Back Malaria campaign.

Breakdown of the allocation is given in Table 5 which shows that health accounted for about 5.3 percent of the Head Total allocation – very little indeed!

Table 5 Ministry of Health - Poverty Reduction Programs

Headquarters <u>Department</u>	Health –	
	i) Roll-Back Malaria Program	5.000
	ii) Rehabilitation of Ndola Central Hospital	1.000
	iii) Rehabilitation of Arthur Davison Hospital	1.000
	iv) Rehabilitation of Chainama Hospital	1.000
	v) Rehabilitation of University Teaching Hospital	1.000
	vi) Completion of Lewanika General Hospital	0.600
	vii) Rehabilitation of Kitwe General Hospital	0.600
viii) Rehabilitation of Livingstone General	0.600	

Headquarters (cont.)	Hospital ix) Rehabilitation of Chipata General Hospital	0.600
	x) Completion of Solwezi General Hospital	0.600
	xi) Completion of Mansa General Hospital	0.600
	xii) Completion of Kasama General Hospital	0.600
	xiii) Rehabilitation of District Hospitals Lusaka Province	0.800
	xiv) Rehabilitation of District Hospitals Copperbelt Province	0.800
	xv) Rehabilitation of District Hospitals Northern Province	0.800
	xvi) Rehabilitation of District Hospitals Eastern Province	0.800
	xvii) Rehabilitation of District Hospitals in Western Province	0.800
	xviii) Rehabilitation of District Hospitals Luapula Province	0.800
	xix) Rehabilitation of District Hospitals Southern Province	0.800
	xx) Rehabilitation of District Hospitals Central Province	0.800
	xxi) Rehabilitation of District Hospitals North-western Province	0.800
	xxii) Rehabilitation of District Hospitals Kabwe General Province	0.600

Headquarters	HIV/AIDS – HIV/AIDS Secretariat	1.000
	Housing Development for Medical Staff	<u>18.000</u>
	Total Poverty Reduction Program	40.00 =====
Capital Expenditure	Projects (several) to be funded by grants from donors	K403.329 billion =====

Head Total = 757.339 billion

PRP = $\frac{40}{757}$ = 5.3%
Head Total

Environment/Portable Water

Under the Poverty Reduction Programs K13.3 billion has been allocated to improve the water supply for rural and peri-urban areas as well as prisons. With the level of drought that is imminent this year, the amount allocated would be very low to cover vast areas that are and will be affected in Zambia.

Retrenchment

K80 billion has been provided for retrenchment packages to clear most of the outstanding payments. The total outstanding amount as at 31 December 2001, is K118.8 billion for 12,317 workers, meaning a balance of K38.8 billion has yet to be paid because of shortage of funds. For a long time retrenched civil servants have not been paid. Some have since died. The misery this class of employees is undergoing is traumatic and agonizing.

Office of the President

Poverty Reduction activities under the Office of the President are spread throughout provinces but poverty reduction focused (see Appendix 1). Because of their spread and amounts being small, monitoring can be elusive. Settlement schemes require large funding to develop infrastructure in order to make them attractive for settlement by retrenched/retirees and youth who want to settle on land. Further, credit facilities should be

made available to them.

Ministry of Lands

Again poverty reduction activities are spread and difficult to monitor because while they are under the Ministry of Lands, they fall under different ministries. Land should be made available to women and youths in the rural areas. In the draft PRSP document, it was observed that land was not easily available to this group. See Appendix 2 for breakdown of allocations.

Tourism

Concern was expressed in the draft PRSP document on existence of various constraints in the Tourism sector which include among others the following major ones which have not been adequately addressed:

- underdeveloped transport and telecommunications facilities with lack of all weather roads within the parks, hampering year round access. This, it has been observed contributes to Zambia being a high cost destination;
- lack of world-class investment to assist the country be marketed through their global channels as well as act as role models to local investors in terms of handling international tourists;
- local investors have problems to access medium to long-term finance;
- lack of international standard health facilities, drugs and a system to inform tourists of health requirements before their arrival in Zambia. This has a negative impact.

The following objectives were stated:

- overall objective – to enhance the tourist sector’s contribution to economic growth and poverty reduction through:
 - i) a rise in foreign exchange earnings by 10 percent;
 - ii) an increase in tourism sector’s value added by 10 percent in the PRSP cycle;
 - iii) increase in number of people employed in the tourist sector by 15 percent per annum;
- immediate objective 1 – to develop infrastructure in tourism areas by:
 - i) upgrading distance of access roads (1294 KM);
 - ii) upgrading distance of national park roads (1167 KM);
 - iii) upgrading telecommunications infrastructure
 - iv) increasing tourist arrivals by 12 percent

- immediate objective 2 – to promote investment in the tourist sector to:-
 - i) increase number of tourist centres set up;
 - ii) create employment from 11,892 to 15,000 by 2004
 - iii) create increased number of lodges, rest/guest houses

- immediate objective 3 – to improve the conservation and management of wildlife and other resources in the National Parks and Game Management Areas by 30 percent by 2004 through:-
 - i) a decline in wildlife and other resources in National Parks and Game Management is reversed by 30 percent improvement in resource policing, monitoring and research by 2003;
 - ii) attaining a sustainable utilization of wildlife and other resources in the National Park and Game Management Areas;
 - iii) securing and enhancing flow of benefits from the wild life and other resources in National Parks and Game Management Area among the communities living in the wildlife estate;

- immediate objective 4 – to diversify the tourism portfolio to exploit niche markets by:
 - i) increasing the tourist arrivals by 12 percent by 2004
 - ii) increasing expenditure on marketing from US\$2 million per annum

- immediate objective 5 – to encourage private sector participation in training of personnel by increasing the number of skilled personnel in the tourism industry.

The tourism sector requires significant capital to set up lodges and marketing, improvement in road and airport infrastructure to facilitate the development of tourism across the country. The budget only allocates K162 billion to road rehabilitation in 2002, compared with K121 billion in 2001. This is inadequate. More allocation should be made when it is expected that the medium-term plan would have been implemented.

At the current level of budget allocation, high employment levels, foreign exchange earnings would not be achieved. Besides, little will be done on development of roads infrastructure this year because of lack of adequate funding.

The anticipated extension of the zero rating of services to other tourist areas, other than Livingstone, has not been granted in the budget creating an unfair competition with other tourist centers in Zambia in attracting tourists to those areas and increased employment.

Table 6 Ministry of Tourism - Poverty Reduction Programs

	Item	Year 2002 (Estimates K' billion)
Headquarters	I) Rural Development – Mosi-O-tunya National Park access Road ii) Urban Infrastructure- National Master Development Plan – Livingstone Tourism Development Project	1.000 0.200 <u>6.900</u>
	PRP Total	8.1

Private SectorMining

The intended Anglo American Corporation's decision not to proceed with further investment in Konkola Copper Mines (KCM) has posed a serious threat to the Zambian mining sector and the economy in particular. Copper production has dropped and employment is likely to reduce adversely accordingly. The Government has put up a task force which is examining options for resolving the problems at KCM. If the task force is to recommend a cash injection, measures to raise the required funds will be presented to Parliament at a later stage.

Government believes that solution to problems such as the one facing KCM and other such mining enterprises lie with the private sector themselves. Hence interest shown in KCM by other mining giants of the world. Therefore, the focus of Government will be in providing the necessary support for the private sector to play its expected role effectively.

In the light of uncertainties in the mining sector, Government will be taking measures to diversify the economy in general (especially) in agriculture and mining activities in particular

within the shortest possible time. Meanwhile, it is expected that income from mining will continue to be at minimum level for some time because of increased production costs.

Concessions to the mining industry

In order to equalize the taxation of the mining sector, Government proposed the following to other mining companies who are involved in copper and cobalt production other than KCM and MCM:

- reduction in corporate tax from 35 percent to 25 percent;
- reduction in Mineral Royalty Tax from 2 percent to 0.6 percent on the gross mineral revenues produced in mining areas;
- no payment of Withholding tax on dividends, interest payments, royalties and management fees to shareholders or their affiliates and leaders to the affected mining companies

The above measures are intended to reduce mining costs and attract investment in mining sector. Improved mining production will increase employment and the purchasing power of the people.

At the time of the privatization of the major assets of ZCCM, Government undertook to meet ZCCM's external and domestic obligations. Government has so far paid K499 billion to ZCCM trade creditors against an initial claim of K653.7 billion. In this year's Budget, owing to revenue constraints, Government has only provided K50 billion for ZCCM trade creditors

Manufacturing

No changes have been provided in the budget on incentives or charges to the manufacturing sector. A reduction of excise duty on diesel, electricity and clear beer together with a VAT rebate on certain items will not help the manufacturing industries to reduce their manufacturing costs in order to be competitive in the region.

Construction

The value added in the construction sector grew by 11.5 percent in 2001 compared to 6.5 percent in 2000. This was mainly on account of increased activity in the area of infrastructure development, such as housing, building, major roads, rural road works, feeder roads on going construction at Chirundu Border Post.

Government has increased the level of domestically financed capital spending on construction to an allocation of K298 billion from K277 billion in 2001.

The reduction of excise duty on diesel from 60 percent to 30 percent may result in reduced cost of construction and this reduced cost will be passed on to the final consumer.

Growth in the sector continues to be hampered by:

- large institutional investors investing less in construction and channeling their revenues elsewhere to maximize their returns;
- inflow of cheap labor from countries who are awarded most of the construction jobs such as road construction, building construction and rehabilitation projects thereby not only maintaining the quality and standards, but also depriving employment to Zambians;
- the announced pull out of Anglo American Corporation from KCM threatening the growth of the construction industry as contracts awarded to contractors, if any, are likely to be cancelled.

Transport

The overall theme of the budget, to generate a significant recovery in agriculture may have a direct positive impact on the transport sector through increased sales volumes of maize and other crops.

The supply of 80,000 metric tonnes of fertilizer committed to in the budget may assist transport requirements. The Government's commitment to maintaining KCM as a going concern reduces the risk of the transport sector suffering a major reduction in revenue.

The increased spending on road and canal infrastructure, representing a total of K190 billion may assist the sector in the coming year. Further, the reduction in the excise duty on diesel has been reduced from 60 percent to 30 percent may reduce the costs of the transport companies and should therefore benefit the consumers as well. Majority of the poor people in Zambia depend on buses and minibuses for transport. At present this mode of transport is unaffordable to many. But whether the poor will benefit from this reduction has yet to be seen.

The 5 percent excise duty on importation of certain classes of vehicles will however impact adversely on prices of those vehicles.

Energy

According to the Budget Speech, Government would direct resources into construction of dams to facilitate irrigation to reduce shortfalls in crop production and enhance food security. This will require the usage of electricity and petroleum products. The Government has therefore proposed to reduce excise duties from 7 percent to 5 percent and 60 percent to 45 percent on electricity and diesel respectively.

Outside of the budget speech, the Government has directed the Zambia Privatization Agency

(ZPA) to find a private company to run ZESCO for a period of Ten (10) years with the privatization of the company to be decided at the end of the contract. This move is aimed at commercializing, the generation and distribution of power.

Monetary and Financial Sector

In line with the overall budget theme, the impact of this year's budget on this sector is aimed at providing incentives to financial institutions which will take on agriculture lending. The main incentive being provided for in this budget is the reduction of the statutory reserve ratio for commercial banks' lending to the agriculture sector, currently at 15 percent of the bank's demand deposits to the public, the benefit of which should be passed on to the farmers through the reduction in lending rates.

In order to stimulate growth in the economy and make borrowing affordable to the production sectors, the Bank of Zambia (BOZ) will explore ways of reducing interest rates. However, the lending for capital borrowing has not been specifically addressed in the budget. The earlier this is done the better. Farmers use plants, machinery and equipment in their operations and would wish to know if there will be any reduction in interest rate for this type of capital.

The supervision of the financial sector will be enhanced to include supervision of the micro-finance sector by developing and strengthening the on-site and off-site supervision. It is expected that the micro-finance sector will grow over a period to bridge the gap left after the closure of the Cooperative Bank and Lima Bank.

However, the problem is not micro-finance sector growth. The problem is beyond this thinking. Non availability of credit to small-scale farmers and small-scale industries is the issue at achieving poverty reduction. At present this issue has not been addressed. Borrowing at the minimum cost to the poor has yet to be achieved.

Other Areas of Concern

Direct Taxes Toward Poverty Reduction

- Pay As You Earn (PAYE). The graduated rates of 10 percent and 20 percent have been removed and the flat rate of 30 percent has been maintained after exempting K1,800,000 per annum or K150,000 per month. Thus individual Tax Rates will be as follows:

	2002	2001
• First K600,000 at	-	10%
• Next K600,000 at	-	20%

• K1,800,000 exempt	-	-
• Balance at	30%	30%

- the maximum rate for an individual on agricultural income is 15%;
- Withholding tax on interest income for individuals will continue to be taxed at 25%. This will also constitute the final tax payable. Withholding tax on interest on Government bonds will be 15% and will be the final tax;
- terminal benefits will continue to be taxed at 10% and the exempt amount is increased to K5 million.
- Terminal benefits on medical grounds will not be taxed.

The removal of graduated rates of 10 percent and 20 percent and their substitution by the maintenance of a flat rate of 30 percent after exempting K1,800,000 per annum or K150,000 per month does not help the poor at all. With the depreciation of the Kwacha getting worse earnings per month is grossly too low. The incremental amount of 2.49 percent from last years K1,440,000 per annum is not worthy the poor. The exemption should have been raised to K300,000 per month or 3,600,000 per annum to capture a large number of the poor people. The cost of living has increased astronomically. According to the JCTR basic needs basket estimates, the cost of living in Lusaka Urban for a family of six-taking into account costs for food such as mealie meal, beans, dry fish, meat including non-food essentials such as housing, charcoal, electricity, water was at K823,510 at the close of February, 2002. This was down by K5,740 from the January 2002 figure of K829,250. It can be observed from this figure that the proposed K150,000 tax exemption in this years budget falls far below meeting basic needs. This amount hardly meets even half of the monthly expenses for food estimated at K324,510. Rather than punish the poor unnecessarily, Government should move quickly with broadening the tax base.

Disability allowance

It is pleasing to note that the budget has increased the disability allowances for companies employing handicapped employees from K240,000 in 2001 to K500,000 per annum per employee in 2002 – increase of 108.3 percent.

VAT on Mosquito Nets

Mosquito nets are useful in rural areas because they protect users from mosquito bites. Therefore, the exemption from VAT of treated and untreated mosquito nets, insecticides and equipment used in the treatment of mosquito nets should be a welcome decision.

Debt

External debt

External debt increased by about 15.9 percent from US\$6.3 billion in 2000 to US\$7.3 billion at 31 December 2001. This was due to:

- the withholding of US\$770 million expected debt relief by Paris Club Creditors; and; increased external borrowing by the private sector of US\$230 million, mainly by mining companies.

Zambia's external debt has created a serious set back to poverty reduction. Each Zambian owes international financiers an equivalent of US\$730 or equivalent to K3,000,000 per person, about an average annual income earned by many local employees. Hence the frantic efforts by many Zambians to have the total debt cancelled should be supported. The HIPC Initiative savings alone will not solve the problem of poverty in Zambia.

Disbursement and usage of debt relief under HIPC was not satisfactory in 2001. This can be repeated even in 2002. Under the HIPC Initiative Zambia was scheduled to receive debt relief totaling US\$3.8 billion over the next 22 years beginning January 2001, after it reached a decision point in December 2000. 75 percent of the debt relief of the IMF and World Bank was to be provided in the first 3 – 5 years, starting in 2001. Over the period 2001 – 2003 annual debt service payments were projected at US\$160 million per annum. By December 2001, slightly over US\$67 million was released for Zambia under HIPC from International Development Agency, African Development Bank, United Kingdom, and Canada.

On this, the CCJP observed that information on the receipts and disbursements of HIPC resources published for the third quarter left was unsatisfactory. "The disbursement showed that 23 institutions benefitted from the HIPC resources. Nonetheless, it was surprising that by the third quarter, the Office of the President (OP), in all 9 Provinces had received 100 percent disbursements". It was difficult to comprehend the role the OP had in poverty reduction and what criterion was used to disburse the amounts. These amounts would have been allocated to priority areas with potential of reducing poverty, but for instance Ministry of Community Development and Social Services, Health and Youth and Child Development only got 57.5 percent, 20.6 percent and 40.2 percent respectively of projected HIPC returns. To a large extent, disbursements in the third quarter seemed to have been linked to the election campaigns. The timing of these disbursements pointed through that direction.

Domestic Debt

The following are Government Strategies – 2002:

- plans to reduce domestic arrears to Public Service retrenched workers and the Public Service Pension Fund (PSPF) will be stepped up. But with little success in the past this will be another area to watch;

- in order to reduce the stock of domestic debt and interest costs to the Treasury, Government will scale down its borrowing, particularly through treasury bills and bonds, over the medium-term. Bonds will be less attractive this year because they now attract interest rate according to the 2002 budget;
- to avoid arrears arising from contracts on roads and other capital projects, contracts for construction will not be signed without adequate provision in the budget;
- Government have provided K500 billion to meet interest payment on domestic debt.

Governance, Accountability, Transparency and Corruption

The draft PRSP document has made an observation that one important contributor to poverty, from the governance perspective, is the inconsistent linkage between policies and implementation of programs and there are many evidences: The constitution, the International treaties and conventions, which are expected to provide for the policy framework for this are not succeeding. The current constitution has been manipulated by the Government because it gives absolute power to the Executive. Similarly, Zambia has produced the National Capacity-Building Program for Good Governance but according to the author it has major shortcomings which include:

- lack of political will to implement the National Capacity-Building program for Good Governance;
- little regular and wide consultation between Government and it's citizens to promote and protect the law;
- political interference, lack of transparency and accountability ;
- little dialogue between Government and civil society;
- public funds not used judiciously in the following areas:
 - i) budgeting process which does not allow for broader participation giving citizens no choice in the budgeting issues;
 - ii) absence of good co-ordination amongst government policies programs and budget with the attendant problem of lack of prioritization;
 - iii) absence of financial management and a system to check abuses as well as lack of political will and public debate against corruption which all lead to misallocation of public funds.

In order to achieve Good Governance the draft PRSP stated the following objective were drawn up.

- overall objective – to promote Good Governance in the management of private and public affairs as a mechanism for poverty reduction by 2002 and entrenchment of its principle by 2025
- immediate objective 1 – to ensure decision making through wider uses of the consultative processes for citizens through:
 - i) well functioning democratic and Local Government by 2004;
 - ii) guaranteed free and fair elections which are corrupt-free and equitable electoral procedures;
 - iii) increased citizens participation, especially women, through access to information and civic education.
- immediate objective 2 – to ensure efficient equitable and transparent management of public resources by
 - i) improving public service delivery;
 - ii) having GRZ quarterly financial reporting to parliament being in place by 2002;
 - iii) having efficient, motivated and dedicated public service whose levels of salaries should be raised by 2004;
 - iv) reduced incidence of abuse of public office.
- immediate objective 3 – to ensure guaranteed justice for all citizens by 2004 to be achieved through:-
 - i) effective and efficient justice delivery so that 80 percent backlog cases are discharged by 2004
 - ii) efficient, effective and equitable law enforcement; and
 - iii) access of information about human and legal rights ensured by increasing access to information between 40 – 50 percent about human and legal rights.

Governance issues raised during the 2001 elections campaigns in the following areas:-

- economic mismanagement and corruption. To show good will and serious in dealing with issues of this kind, all matters of concern not dealt with in the previous Government should be attended to quickly. For instance, the Auditor General's Report and the press raised numerous allegations of corruption and economic mismanagement in 2001;
- accused rigging of elections by Government in office. Matters still in court;
- inconsistency in the publication of information by Government agencies. For instance, the case of the use of HIPC resources during 2001. The Minister in his budget address stated that the HIPC Initiative expenditure amounted to only 52.8 percent of the budgetary provision, reflecting difficulties in finalizing financing arrangements and the need to put in place an appropriate monitoring and accounting mechanism. (see

paragraph 40). But the Economic Report 2001 states: “The Budget provision for HIPC programs during the year was K352.0 billion. By end of December 2001 a total amount of K186 billion or 52.4 percent was released...” The lower than budgeted releases were largely attributed to expenditure pressures on the national budget due to other national commitments “(OP.cit.p 27). Clearly, the explanations for the under-utilization of HIPC resources provided in these two documents published from the same Ministry are not the same. While the Minister’s explanation would seem to suggest that all the resources were not made available for disbursement, the Economic Report 2001 seems to imply that the resources were diverted elsewhere;

- The decision by the Government to recover domestic loans under threat of legal action is commendable, but these loans constitute only a part of a much larger volume of resources that might have been lost through economic mismanagement and corruption.

If there is any grain of truth in the numerous allegations of corruption and misuse of resources that are brought out by the Auditor General’s Reports and other sources, then the resources lost for development in this way could be even greater than the resources spent on external debt servicing.

In the Budget, poverty activities have been sprinkled in the following institutions and are grossly little:

- Anti-corruption
- Judiciary
- Human Rights Commission
- Ministry of Legal Affairs
- Ministry of Home Affairs

The recent Presidential, Parliamentary and Local Government elections showed that Good Governance, Corruption, Accountability, Transparency and Human Rights are still very far from being perfected. There is still absence of political will and commitment from Government to act decisively. Checks and balances between the three arms of Government are not observed to ensure accountability and transparency.

Civil Society Views in the 2002 Budget

Expenditure allocations towards poverty reduction activities, which do reflect the views of the civil society are sprinkled in ministries and other government institutions in the budget. These include among others agriculture and food security, health and HIV/AIDS, education, employment and sustainability livelihoods, governance issues, tourism etc. According to our view, these allocations are not sufficient to adequately reduce the level of poverty in the country this year. For instance, agriculture which is considered as the prime engine for achieving broad based economic growth and poverty reduction, will have enormous huddles to achieve its targets in 2002. The sector has been affected by drought. In other ways, targeted food security levels may not be achieved this year. The country is expected to

import about 300,000 metric tonnes of maize during the year³⁹.

Further, the administrative machinery is still faulty in the Ministry of Agriculture and Cooperatives. Disbursement from the domestic budget have been poor in 2001. Little money trickled to the district for rural development because most of it was used at Headquarters. There is, thus, little transparency and predictability in the way that resources are allocated between sectors. The employment in the rural areas is enhanced through boosted agricultural activities. In these circumstances, we doubt if sufficient food production will be achieved.

In education, civil society expects improvement in level of enrolments, progression with less drop out rates and increased attendance of children in schools. The budget has not adequately provided for improved learning environment; majority of the schools are dilapidated especially in the rural areas. Most funding for improved schools infrastructure is expected to come from donors. Such funds may not easily be available within a short period of eight months left this year. Provision of free education up to grade seven may not be sufficient in itself without proper education environment being in place.

Similarly, civil society have articulated their views well in the provision of good health centers, drugs and education to fight HIV/AIDS etc. Again, as may be noted in the budget allocations, most of these funds are expected from donors.

Some other expectations of the civil society on poverty reduction are sprinkled in other ministries and institutions as shown in Appendix 3. However, allocations may not be adequate. Besides, some of the activities aimed at reducing poverty in these institutions have narrowly been defined to reach the levels required. For instance, in the Office of the President, Ministry of Lands, Public Service Management Division, Anti Corruption Judiciary etc, as appearing in Appendixes 1, 2 and 3, allocations are not only inadequate but are not well spread. Civil Society had further expected a higher exemption in the pay as you earn rate. K1.8 million is far below to meet the basic needs of the poor as discussed in page In addition, the increase in external debt by 15.9 percent from US\$6.3 billion in 2000 to US\$7.3 billion in 2001 remains a thorny issue in the country. Government has not addressed this matter convincingly. The view of the civil society is to write off this debt. This is the only way that poverty levels may be reduced.

This campaign remains very high on the civil society's agenda on poverty reduction.

Measures taken on improvement in governance, accountability, transparency and corruption fall far below the expectation of the Civil Society. We believe that very little emphasis and actions have been done to reduce the impact of these evils on the Zambian society.

In general, in our view, in the light of the above, we may only expect increased number and highly valued poverty reduction activities in 2003 and onwards as will be determined in the Mid-term and long-term national social and economic plans.

³⁹ Food Reserve Agency, estimates, 2002

Conclusion

The 2002 Budget though well intended may not succeed to fund all the activities budgeted for during 2002 and be able to implement them because of various limiting factors such as lack of funds and capacity, poor rains and tense political climate – it may take the new Government time to settle down until its relationship with its party has improved and is adequately backed by the opposition.

Donors may not immediately disburse funds to the government until assured the good governance and corruption issues are in place.

Development of own resources to achieve a 60 percent contribution to the budget requirements may not be easy because some of activities in the budget such as production of maize under irrigation during dry season during this year will not succeed. This is a long-term investment requiring sufficient time to do an exhaustive feasibility study.

This year the only high priority given to reduction of poverty is agriculture. But as has already being observed, success in this sector requires great commitment on the part of Government. Besides, a number of projects in this sector are of a long term and whose impact is also of a long-term nature.

PRSP is focused on a medium-term and long term time frame. Therefore, funding for poverty reduction activities this year may have serious limitation. Utilization of savings from HIPC resources may not be sufficient and if available may not be properly channeled to prioritized target areas in the rural areas. Accountability and transparency mechanisms are not in place. Other local resources may not also be adequate to meet the demand for those resources. In short, the 2002 Budget has failed to respond to the priorities of the whole PRSP process.

The poverty reduction activities in the budget have been narrowly described and are not sufficient to have an impact on poverty reduction. Although agriculture sector has been prioritized, its activities will not create jobs this year due to many uncertainties including drought, poor human resource capacities, poor funding and the fact that some activities are not truly focused.

The PRSP document has not been completed yet. The Cabinet has yet to approve it. Serious work to incorporate PRSP will only be in 2003. Notwithstanding this, the PRSP document appears to prohibit civil society from taking part in budget preparation. Page 31 of the first draft dealing with the role of civil society, appears to have not provided room for participation of civil society on budget preparation. The nearest point is where it says, “civil society should complement the role of the legislative in monitoring whether government including the local level is doing what it has promised to do”. Or where it says “Technical support should be given to umbrella civil society organizations such as the C SPR. Such support should focus on building the technical capacity and organizational structures for civil society to effectively monitor and debate the implementation of the PRSP”. No mention of civil society in budget design or preparation is made. A letter was written to the Government

by civil society in 2001 asking the Government to make CS be part of the Budget Task Force so that they can build their capacity in that area. Government has not responded to date. Failure by Government to grant civil society participation in budget design or preparation will render the PRSP toothless. It will not be owned by the community.

Civil society views on Poverty Reduction have not been adequately factored in this year's Budget due to shortage of funds. We expect increased poverty reduction activities in 2003 and onwards as these will need to be planned effectively.

Way Forward

Since the 2002 Budget has been presented and has been discussed in Parliament, civil society should start equipping themselves with necessary financial analysis skills, particularly budgeting skills, so that when they are invited to be part of the budget committees or implementation and monitoring committees, they will be able to handle the situations as their civil servants counterparts. If they did not have sufficient financial skills arrangements could be made to train them.

Not all its membership have the budgeting skills. The few that have that knowledge include Catholic Commission for Justice and Peace. If agreeable, the CCJP could be used as a catalyst for training in the skills or Government could arrange their training in building up the civil society's financial capacity. Civil society should also concentrate on building capacity to monitor implementation of PRSP otherwise it will not succeed.

A detailed study of the contents of the 2002 Budget and of the data in the Yellow Book (Zambia's Estimates of Revenue and Expenditure) for the year 2002 should be done by civil society to acquaint themselves with the detailed poverty data (allocation) by department, ministry, province and district in order to enable them monitor usage of poverty funds in those areas. Civil Society knowledge in these matters should match with that of their government counterparts.

Civil society should also acquaint themselves with the medium-term or long-term plans being prepared by the Ministry of Finance and Planning so that they may start monitoring these plans along the way. They may also request government for their inclusion in the Planning Committee(s).

CHAPTER 6

Overall Observations on the Civil Society and the PRSP process

The purpose of this study has been to analyse the Zambian PRSP-process, and especially the role of the civil society. The role of the civil society in the PRSP process is seen as important because it, according to the definition used in this study, operates as an intermediary between individual citizens and the government. Strong civil society activities and cooperation can thus be seen as an important prerequisite for a strong commitment on the goal of poverty reduction in the broader political system. The study thus fundamentally also analyses what

kind relationship there is between the civil society and the government in terms political dialogue on poverty reduction.

This study shows that the PRSP-process seems to have opened up an increased space for dialogue between civil society actors and representatives of the government of Zambia. These civil society actors, of which most have been active in Zambia during the 1990s on various issues, have increased their cooperation and organised themselves around a coalition on poverty reduction, CSPR. The study thus points out that the PRSP has strengthened the consensus among them and that their impact on the PRSP process has been quite high as well as the impact on the draft PRSP document. The study shows that the government was responsive to the interventions of the civil society.

The study also shows that the PRSP process has had some implications to the priorities of the 2002 Budget, but at the same time it also raises serious doubts about whether it can be implemented in its full. This is because of various limiting factors such as lack of funds and capacity, poor rains and tense political climate.

Donors may not immediately disburse funds to the government until assured of the good governance and corruption issues are in place. Also development of own resources to achieve a 60 percent contribution to the budget requirements is also difficult. The equivalent number for 2001 was only 40 per cent.

Notwithstanding the above mentioned positive developments, there seems still to be serious constrains and future challenges before one can start to talk about the Zambian PRSP process as a real development process for the whole country and not just a paper used to solicit funds from the donors. There are a couple reasons for this:

Firstly, the study results show that the broader segments of the Zambian society have participated very limited to the PRSP process. Thus there is a need for more community participation in future similar policy dialogues.

Secondly, the study gives indications to the fact that the involvement of political parties, and representatives of the Cabinet and the Parliament have not been active in the PRSP process.. One indication of this is the delay of the PRSP document by political factors such as the so called third term debate and the electoral campaigns of 2001.

So far, thus, this study paints a picture of a relatively good PRSP-process between the organised and professional segments of the civil society and the Government ministry officials and donors, who have made the process a condition for debt relief and aid. And interesting is that the survey often points to similarities in the answers by the civil society representatives and the government officials. But on the other hand the study also paints a picture showing that the cornerstones of the political system, the broader segments of the society, especially the rural communities, and the parliament and the political parties, have not been very integrated in the process.

The Poverty Reduction Strategy is a new medium and long term policy process, which has

only started with the drafting of the PRS-paper. Too strong conclusions about its consequences and implications may thus not be drawn at this time. But it is clear that any real national development plan has to emerge as a result of a bottom-up political process and anchored strongly in the political system of Zambia. The key challenge for the PRSP-concept in Zambia is whether it can strengthen and contribute in creating the necessary environment for this. According to the finding of this study two key challenges seem to be important in creating a necessary environment for national development planning.

Firstly the relationship between the civil society and the government should move more strongly from a state of mutual suspicion (see chapter 2) towards a mutually reinforcing political dialogue. The present state of suspicion, which however somewhat seems to have reduced as a consequence of the PRSP process, between these actors is e.g. exemplified by the fact that although the PRSP process is largely seen, in this study, as a good one by the professional civil society there are strong doubts on the political will of the government to implement the PRSP.

This is a challenge that has to grow and develop from the Zambian society, and its various actors, itself. But external donors should in their aid interventions analyse carefully whether their interventions are strengthening the dialogue between the civil society and the government or the opposite. This requires understanding of the political environment of Zambia.

What does the goal of mutually reinforcing dialogue in practice imply? On the one hand this study clearly shows that increased opportunities for the civil society for participation in development policy discussions and budget preparations is one part of achieving this goal. Increased opportunities for more participatory and transparent budget planning and implementation practises seems especially to be of importance. So is also increased focus by the government on implementing the PRSP document. But on the other hand the calls for increased space and room for the civil society in public policy processes should always have the goal to strengthen the capacities of the democratic institutions like the parliament to do their functions, for which they are accountable.

Secondly, the budget analysis in this study shows that the fragile and uncertain resource base clearly puts serious constraints and limits to development planning in Zambia. Thus the reducing of the extremely high dependence on external resources on the one hand as well as making the utilisation of public resources more effective and increasing the internal resource mobilisation on the other hand are very important goals for Zambia.

Without changes and improvements in these both areas the conditions for a broad based development planning process with corresponding policy implementation that leads to actual improvements of the living conditions of the people of Zambia are quite difficult.

Appendix 1 Office of the President Poverty Allocation (billion Kwacha)

Roads Department (Lusaka Province)	Rural Development National feeder Roads Programs	2.000
Forestry Department (Lusaka Province)	Industrial Development Bee keeping	0.300
Department Resettlement (Lusaka Province)	Resettlement Programs B Resettlement Schemes	0.500
Roads Department (Copperbelt Province)	Rural Development B National Feeder Roads Program	2.000
Forestry Department (Copperbelt Province)	Industrial Development Bee keeping	0.300
Department of Resettlement (Copperbelt Province)	Resettlement Programs B Resettlement Schemes	0.500
Roads Department (Central Province)	Rural Development B National Feeder Roads	2.000
Forestry Department (Central Province)	Industrial Development Bee keeping	0.300
Department of Resettlement (Central Province)	Resettlement Programs B Resettlement Schemes	0.500
Roads Department (Northern Province)	National Feeder Roads Program	2.000
Forestry Department (Northern Province)	Industrial Development	0.300
Department of Resettlement (Northern Province)	Resettlement Programs B Resettlement Schemes	0.500
Roads Department (Eastern Province)	Rural Development B National Feeder Roads Program	2.000
Forestry Department (Eastern Province)	Rural Development B Electrification of Chintengo Saw-mills	0.200

Department of Resettlement (Eastern Province)	Resettlement Programs B Resettlement Schemes	0.500
Roads Department (Luapula Province)	Rural Development B National Feeder Roads Program	2.000
Department of Resettlement (Luapula Province)	Resettlement Programs B Resettlement Schemes	0.500
Roads Department (North-western Province)	Rural Development B National Feeder Roads Program	2.000
Department of Resettlement (North-western Province)	Resettlement Programs B Resettlement Schemes	0.500
Headquarters (Southern Province)	Housing Development B Building of Low Cost Houses	0.300
Roads Department (Southern Province)	Rural Development National Feeder Roads Program	2.000
Department of Resettlement (Southern Province)	Industrial Development Resettlement Schemes	<u>0.500</u>
	Sub Total	21.7

Head Total = K916.712 billion $\frac{21.7}{916.6} = \underline{2.37\%}$

Appendix 2 Ministry of Lands Poverty Allocation

Survey Department	Health B ZCCM	0.500
Lands Department	Resettlement Programs B Alienation of Land for Agriculture use	1.000
Ministry of Home Affairs		
<u>Department</u> National Registration	Human Rights & Good Governance B computerization for continuous registration Water and sanitation: i) Police camps water supply ii) Police cells sanitation	0.700 3.000 0.500

	iii) Human Rights and Good Governance Community of policing Water Sanitation iv) Police cells sanitation	0.500 <u>0.300</u>
		6.5
Ministry of Legal Affairs:	Human Rights & Good Governance i) capacity building for good governance ii) Resettlement of customary	1.500 0.250
		1.75
Public Service Management Division		
<u>Department</u> Administration	Social Safety Net B Future Search	<u>1.000</u>
Judiciary		
<u>Department</u> Industrial Relations Court	Human Rights and Good Governance B Industrial Relations Court	<u>0.200</u>
Electoral Commission	Human Rights & Good Governance Computerization for Continuous Registration	<u>0.300</u>
Anti Corruption:		
<u>Department</u> Office of the President	Human Right & Good Governance B Construction of Offices in Mongu, Solwezi and Mansa	<u>1.560</u>
		3.060

Appendix 3 Other Poverty Related Allocations

Ministry of Finance and National Planning Projects (Capex) B Poverty Reduction Programs by Ministry		
<u>Department</u>		
i) Ministry of Finance & National Planning	i) Copperbelt Support	20.000
ii) Ministry of Agriculture and Cooperative	ii) Crop and Fertilizer Credit Revolving Fund	<u>150.000</u>
		170.000
iii) Ministry of Energy and Water Development	i) Rural Water Supply Program Eastern Province	6.086
	ii) Water Resource Action Plan	2.783
	iii) Rural Water Development Plan	<u>5.022</u>
		13.891
iv) Ministry of Local Government and Housing	i) Kitwe Water Supply Rehabilitation	8.522
	ii) Water supply Central Province	7.225
	iii) Lusaka Water Supply Rehabilitation, Project	17.605
	iv) Low Cost Housing Shelter Afrique	<u>7.140</u>
		40.861
v) Ministry of Health	Rural Health Services Project	<u>1.457</u>
vi) Ministry of Agriculture	i) Southern Province	4.202

& Cooperative	Household, Food Security Program ii) Small-holder Enterprise and Marketing Program iii) ASIP/ZAMPIP iv) Small-scale Irrigation v) Small-holder Irrigation & Water Program vi) Animal Husbandry Credit Revolving Fund vii) ZCF	3.990 16.000 5.132 0.805 3.735 <u>2.700</u>
		36.564
vii) Ministry of Finance and National Planning	i) Monitoring implementation of PRP	3.000
Social Safety Net	Capex B Poverty Reduction Program	0.400

Ministry of Energy and Water Development		
Energy Department	Rural Development Rural Electrification Fund	5.000
Water Affairs Department	Rural Development B i) Rehabilitation/ Construction of Earth Dams ii) Rural Water Development for Drought Prone Areas	7.000 <u>3.000</u>
		15.000
<u>Capex</u> Rural Water Development (Eastern Province)		4.000
Ministry of Commerce and Trade Industry		
<u>Department</u>	i) Export Processing Zones ii) Small Industries Development Board	2.000 <u>1.000</u>
		3.000
Ministry of Community and Social		

Services		
<u>Department</u>	i) PUSH ii) PUSH Micro Credit Program	2.000 1.000
Social Welfare Development	iii)Public Welfare Assistance	<u>12.000</u>
		15.000
Ministry of Youth and Child Development		
<u>Department</u>		
i) Youth Affairs Department ii) Child Affairs Department	Youth Development B Youth Development Fund Youth Development B Child Care and Development Program	1.500 <u>1.000</u>
		2.500

Ministry of Local Government and Housing		
<u>Department</u>		
Water Sanitation B General Loans to District Councils	i) Drainage and Sanitary System (Kayama, Chawama, Kuomboka) ii) Africa Housing Fund	1.500 1.000
Infrastructure and Support Services	i) Water and Sanitation - support to Peri-urban Water ii) Urban Infrastructure B Market Rehabilitation and maintenance	3.000 <u>0.462</u>
		5.962

Ministry of Communications & Transport Marine and Inland Waters	Rural Development i) Luapula Province Canals Development Maintenance ii) Western Province Canals Development and	0.500 0.500
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	Maintenance iii) Northern Province Canals Development Maintenance	<u>0.500</u>
		1.500
<u>Ministry of Works and Supply</u>		
<u>Roads Department</u>	Rural Development B i) Macro Katete Road ii) Chirundu Chiawa Road iii) Mumbwa Kaindu Road	3.000 1.774 <u>5.000</u>
		9.744
<u>Ministry of Science & Technology</u> Directorate of Planning & Development	Rural Development i) Control of Tick Resistance to Acaricides in Zambia ii) Development of Goat & Chicken Rearing Techniques iii) Improving Productivity of Dairy Animals iv) Rehabilitation Re- equipping of Research Laboratories (Colleges & Universities) v) Rehabilitation of Evelyn Hone College	0.250 0.243 0.130 1.075 <u>5.000</u>
		6.698

Appendix 4

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Appendix 5

RESPONDENTS INTERVIEWED

A. Civil Society

Name of Institution

- 1 Gossner Mission
2. COSANA
3. Private Sector Development Association
4. Operation Young Vote
5. CSPR B Solwezi Committee

Position of the Interviewee

- Liason Officer
- Policy Component Manager
- Executive Committee Member
- Publicity Officer
- Secretary

6. Zambia Youth Promotions	Executive Director
7. PAM	Acting Director
8. Anonymous	Anonymous
9. National Association for Peasant and Small-scale Farmers	General Secretary
10. Steadfast Action	Executive Co-ordinator
11. CCJP	Programme Co-ordinator (Econom Justice)
12. Anonymous	
13. African Concern (Z Chapter)	Community Liason Officer
14. Anonymous	
15. ZOCS	Mary Furlory
16. ZCSD	Finance & Administration Officer
17. Zambia Federation of Association of Women in Business	Administration Secretary
18. Civil Society for Poverty Reduction	Assistant Co-ordinator
19. CCJP	Economist
20. CCJP	Ms Mulima Akapelwa Kufekisa
21. Jubilee Zambia	Committee Member
22. Zambia Youth Promotions	Deputy Executive Director
23. CCJP B Chipata	Committee Secretary
24. CSPR B ZCTU	District Secretary
25. K. C. C. C. F	Chairperson
26. National Land Alliance	Paralegal Officer
27. Development Education Programme	Programme Co-ordinator
28. Radio Maria	Reporter
29. World Vision Zambia	Correspondence Analyst
30. Jubilee 2000 (Livingstone branch)	Vice Chairperson
31. FAWEZA	Vice Chairperson
32. Zambia Civic Education Association	Paralegal Officer
33. Zambia Civic Education Association	Paralegal Officer
34. Jubilee 2000	Chairperson
35. FODEP (Southern Province)	District Secretary
36. Bwafwano Central Board (Mporokoso)	Member
37. Catholic Commission for Development (Ndola)	Development Co-ordinator
38. Christian Children=s Fund Incorporation	Program Manager (Country)

- 39. Civil Society
- 40. Diocese of Mansa
- 41. Youth Alive Zambia
- 42. World Vision
- 43. JCTR
- 44. University of Zambia
- 45. CSPR
- 46. ZCSD

Chairperson
 Projects Co-ordinator
 Information & Publicity Secretary
 Mr. Nkwilimba
 Father Pete Henriot (Director)
 Prof. Venkash Seshamani
 Mrs. B. P. Mpepo, Co-ordinator
 Mr. Amos Nakalonga

Government

- 1. PRSP Coordinator - Dr. Situmbeko Musokotwane
- 2. Permanent Secretary (Budget, MOFED) - Mr. Borniface Nonde

and 20 anonymous questionnaires

Beneficiaries

Twenty (20) UNZA Students
 Ten (10) Evelyn Hone Students
 Ten (10) Fairview Hotel Students
 Three Hundred & Fifty (350) Beneficiaries in the rural area

Donors

- 1. IMF Dr. Lasdlous Mwansa
- 2. World Bank Mr. Alex Mwanakasale
- 3. UNDP Olubanke King-Akerele (Resident Representative)
- 4. European Union Dr. Jochen Krebs (Head of Delegation of the European Commission)
- 5. DFID Mr. Richard Arden
- 6. GTZ Mr. R. Hoffmann
- 7. Canada CIDA
- 8. USA USAID

Also interviewed: Mr. Fred Mutesa, Department of Development Studies, UNZA