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ZAMBIA

First PRSP Implementation Progress Report

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MINISTRY OF FINANCE AND NATIONAL PLANNING

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ACRONYMS

ABB	Activity Based Budget
ACC	Anti-Corruption Commission
ACHPR	African Charter on Human and People's rights
ADB	Africa Development Bank
ARV	Anti Retro viral
APAS	Annual Performance Appraisal System
BOZ	Bank of Zambia
CBNRM	Community Based National Resource Management
CBOH	Central Board of Health
CBOs	Community Based Organizations
CBZ	Coffee Board of Zambia
CEMP	Community Environment Management Programme
CEDAW	Convention on the Elimination of all Forms of Discrimination Against Women
CCS	Commitment Control System
CDT	Cotton Development Trust
CFS	Crop Forecasting Survey
CSO	Central Statistics Office
CTGA	Central Tobacco Growers Association
DACO	District Agricultural Coordinators
DDCC	District Development Coordinating Committees
DSA	Debt Sustainability Analysis
D-WASHE	District Water, Sanitation, Health and Education
EBZ	Export Board of Zambia
EPZ	Export Processing Zone
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GER	Gross Emolument Ratio
GIDD	Gender In Development Division
GRZ	Government of the Republic of Zambia
HIPC	Highly Indebted Poor Country
ICT	Information and Communication Technology
IEC	Information, Education and Communication
IFMIS	Integrated financial Management Information Systems
ITN	Insecticide Treated Net
IMF	International Monetary Fund
KCM	Konkola Copper mines
KTZ	Kafue Textiles of Zambia
LCMS	Living Condition Monitoring survey
MACO	Ministry of Agriculture and Cooperatives
MLGH	Ministry of Local Government and Housing
MCDSS	Ministry of Community Development and Social Services
MCTI	Ministry of Commerce, Trade and Industry
MDGs	Millennium Development Goals
MoFNP	Ministry of Finance and National Planning
MMMD	Ministry of Mines and Mineral Development
MPSA	Ministries, Provinces and Spending Agency
MSDP	Mining Sector Diversification Programme
MSME	Micro Small and Medium Enterprises

MTEF	Medium Term Expenditure Framework
NCZ	Nitrogen Chemicals of Zambia
NEDT	National Economic Diversification Task force
NPRAP	National Poverty Reduction Action Plan
NPRSF	National Poverty Reduction Strategy Framework
NRDC	Natural Resource Development College
NSSN	National Social Safety Net
NWASCO	National Water Supply and Sanitation Council
PACO	Provincial Agricultural Coordinators
PAM	Programme Against Malnutrition
PDCC	Provincial Development Coordinating Committees
PEMFAR	Public Expenditure Management and Financial Accounting Reforms
PHS	Post Harvest Survey
PRGF	Poverty Reduction Growth Facility
PRPs	Poverty Reduction Programmes/projects
PRSP	Poverty Reduction Strategy Paper
PSCAP	Public Service Capacity Building Programme
PSMD	Public Service Management Division
PSRP	Public service Reform Programme
PUSH	Peri Urban Self Help
PWAS	Public Welfare Assistance
RAMCOZ	Roan Antelope Mining Cooperation of Zambia
RDA	Road Development agency
RDCs	Recurrent Departmental Charges
RFA	Road Fund Agency
RIF	Rural Investment Fund
RWSS	Rural Water Supply and Sanitation
ROADSIP	Road Sector Investment Programme
RTSA	Road Transport and Safety Agency
SADC	Southern African Development Community
SAGs	Sector Advisory Groups
SEDB	Small Enterprise Development Board
SYSMIN	Small Scale Mining
STI	Sexually Transmitted Infections
TAZARA	Tanzania-Zambia Railways Authority
TB	Tuberculosis
TBZ	Tobacco Board of Zambia
TDCF	Tourism Development Credit Facility
TEVET	Technical Education Vocation and Entrepreneur Training
TNDP	Transitional National Development Plan
UFFA	Urban Food for Assets
UTH	University Teaching Hospital
VCT	Voluntary Counseling and Testing
WRAP	Water Resource Action Programme
WSS	Water Supply and Sanitation
ZCCM	Zambia Consolidated Copper Mines
ZDHS	Zambia Demographic Health survey
ZESCO	Zambia Electricity Supply Corporation
ZRL	Zambia Railways Limited

Executive Summary

In July 2002, the Zambian Government officially launched its first Poverty Reduction Strategy Paper (PRSP) for the period 2002 – 2004. The PRSP has the overriding objective of attaining sustained and high economic growth, improving access and quality in the provision of social and public services (especially education, health and water and sanitation), and mainstreaming the cross cutting issues of HIV/AIDS, gender and the environment. The strategy correctly recognises that little can be achieved to reduce poverty unless measures are taken to revive Zambia's economy. Diversifying the economy is considered key to reviving the economy with agriculture and tourism, particularly given priority. Attaining macroeconomic stability, improving supportive infrastructure and good governance are also given priority in attaining high growth envisaged in the PRSP. The purpose of this report, therefore, is to account for the first one and half years of PRSP implementation in four strategic areas vis a vis economic and social sectors, governance and cross cutting issues.

Although improvements have been recorded in the last two years, Zambia's macroeconomic environment still remains unbalanced, largely due to slippages in fiscal policy, especially in 2003. In 2002, a domestic deficit of 4.1 percent of GDP was recorded, which was higher than the programmed target of 3 percent. In 2003, the domestic fiscal deficit is estimated at over 5 percent of GDP against the target of 1.55 percent. The persistent higher deficits have been financed largely through borrowing, which reached 2.3 percent of GDP in 2002 and 4.6 percent of GDP in 2003. This high level of domestic borrowing by Government contributed to a less than expected decline in inflation and interest rates. Inflation declined from 26.7 percent in 2002 to 17.2 percent in 2003 while nominal lending interest rates are in excess of 35 percent. This situation has obviously been holding back attainment of a stronger real GDP growth that is necessary for poverty reduction.

Real GDP growth averaged 3.7 percent in the last two years, which was below the PRSP average target of 4 percent for the period 2002-2003 and much lower than the desired growth rates of at least 8 percent envisaged under the Millennium Development Goals (MDG's). The high borrowing levels also resulted in a mounting public debt, further increasing the fiscal burden in terms of servicing the debt and thereby, affecting government's ability to increase spending on priority growth and Poverty Reducing Programmes. Even with the high levels of domestic borrowing by government, funding to PRSP programmes was below expectation. This situation is mainly attributed to the delays to undertake fiscal adjustment and the necessary reforms required to contain non-priority expenditures in line with the PRSP strategy.

In 2002, priority Poverty Reduction Programmes (PRP's) expenditures were allocated K450 billion (K210 billion from donors and K240 billion from Government) representing 2.2 percent of GDP. However, by end December, only K110 billion was disbursed by Government. In 2003, the budget allocation for PRP's was K410 billion (280 billion from Government and K130 billion from donors). As at November 2003, K212 billion was disbursed by Government. It should be noted however that within the PRSP, there are other programmes of a growth enhancing and service delivery nature such as roads of which funding was also falling behind.

A serious consequence of the fiscal slippages in 2003, especially with regard to salary and wage overrun and domestic borrowing, was that Zambia could not conclude a new Poverty Reduction and Growth Facility (PRGF) programme with the International Monetary Fund (IMF) in 2003. This also led to a delay in reaching the Completion Point under the Enhanced Heavily Indebted Poor Countries (HIPC) Initiative in 2003 and thus Zambia missed out in accessing the bulk of relief estimated at US $3.8 billion. The lack of a programme with the IMF also led to the withholding of budget support by the donor community, further affecting budget execution including spending on PRP's.

The Government however, made steady progress in implementing the other triggers for reaching the HIPC Completion Point. These include the stepping up of measures to combat HIV/AIDS, raising the starting compensation of teachers in rural areas above the poverty line, implementing and scaling up of the roll back action plan for malaria. The Commercialisation of Zambia Electricity Supply Corporation (ZESCO) was ahead of schedule while negotiations with the preferred bidder for the sale of 49 percent shares in the Zambia National Commercial Bank (ZNBC) was in progress. Other structural reforms include the designing of the Integrated Financial Management Information System (IFMIS) and the development of the Medium Term Expenditure Framework (MTEF).

Externally, Zambia's terms of trade continued to weaken, deteriorating by 8 percent in 2002 and a further 2 percent in 2003. The price of metals, Zambia's principal exports fell in 2002 before picking up in 2003. The value of merchandise exports, however, increased from US $884 million in 2001 to US $916 million in 2002 and US $1.1 billion in 2003. This was mainly on account of an increase in non-traditional exports. These increased from US $294 million in 2001 to US $357 million in 2002 and US $407 million in 2003. The improvements in the general business environment including maintenance of a competitive exchange rate have provided an impetus to the growth in non-metal exports and the diversification strategy.

PRSP Implementation Status

Agriculture is a key sector in Zambia's poverty reduction efforts, since most of the poor are predominantly in agriculture and also because of the presence of a large resource endowment and conditions suited for agriculture development. The strategy for agriculture is two pronged: (i) ensuring food security and (ii) diversifying agriculture production through promotion of both large-scale and small-scale producers (under out-grower schemes as well as opening up farm blocks).

Government budgetary allocation to the agriculture sector in nominal terms was raised from K104 billion in 2001 to K119.2 billion in 2003. A number of interventions were implemented in close partnership with other key players in agricultural development. In the area of promoting food security, the major programme undertaken was the Fertilizer Support Programme (FSP). The FSP is a three-year programme, which started in 2001 and provides subsidized fertilizer to viable but small-scale farmers who in the last few years had their income bases eroded by the effects of the recurring droughts. A total of K81.2 billion has been spent on this programme with a total of 120,000 farm families benefiting.

Together with improved weather conditions in 2003, this programme contributed to the increase in food production in the 2002/2003 season and overall improvements in the food security position of the country.

In the area of promoting small scale and commercial farming, the major programmes undertaken were support towards out-growers schemes, rural infrastructure investment programme and animal production and health programme. However, programme implementation was constrained by irregular and insufficient release of financial resources and therefore not much progress was made.

For the out-grower schemes, government supported small-scale farmers by working with various large private sector enterprises. The major crops supported were tobacco, cotton, fresh vegetables and coffee. For cotton, 4,222 farmers were supported while under paprika 3,030 were supported. The financial support and technical assistance was provided through Agro companies. With regards to commercial farming, the major intervention was the identification of farming blocks. To this effect, three farm blocks, namely Nasanga/Munte, Kalumwange and Luena were identified with a total hectarage of 300,000 ha. It is expected that in 2004, there will be infrastructure development on these farms.

Not much progress was made in the mining sector with regard to programme implementation. Although the Gemstone Exchange was planned to be established, only a committee to carry out a study was established.

Similarly, the Plant Hire Scheme, which was to be created, is yet to be put in place. However, the Mining Sector Diversification Programme (MSDP) under the SYSMIN fund from the European Union took off. But effective implementation was plagued by stringent loan conditions and administrative bottlenecks. As such, only one mining company accessed part of the €16.5 million meant for the credit facility. The stringent conditions attached to the disbursement of funds for credit resulted in the low utilization of funds under this facility.

In the energy sector, much of the focus and activity was concentrated on rehabilitating the current generation, transmission and distribution infrastructure so as to improve on reliability and efficiency of supply. This programme known as the Power Rehabilitation Programme, has recorded satisfactory progress. The rehabilitation of the transmission component both on the Copperbelt and Southern region was completed in 2003 while for the generation component at Kafue Gorge civil works were expected to be completed by the end of 2003. Other works involved the replacement of generators at Kafue Gorge, Kariba North Bank and Victoria Falls, where more than 40 percent progress was recorded and the works are expected to be completed by 2005. In contrast, little progress was made under the Rural Electrification Programme. This was due to poor funding.

In tourism, the programme was mainly directed towards the development of infrastructure in Livingstone as the premier tourist destination in Zambia and creating linkages with other tourist development areas or zones, tourism promotion and marketing and facilitation of tourism financing through a Tourism Development Credit Facility (TDCF). In this regard, a total of 15 kilometres of roads in the Mosi-oa-tunya national park were rehabilitated. However, the road network in the Livingstone area continued to be in a deplorable state, despite the status of the city as the Tourist Capital. The rehabilitation of the Livingstone Museum also commenced in 2002. Similarly, the rehabilitation of the Livingstone International Airport runaway and terminal buildings was completed, allowing for increased traffic and tourist arrivals. Aircraft movements increased from 1,517 in 2001 to 2,874 in 2003. Similarly, the number of passengers passing through the airport increased from 35,246 in 2001 to 63,861 in 2003.

The rehabilitation of airstrips and airports in other towns also progressed well. The rehabilitation of Lusaka International Airport was undertaken. The rehabilitation works were also extended to communication equipment. In this first phase, the works involved upgrading and resurfacing of the runway and taxiways which have since been completed. In the second phase, which is still on going, the works include renovation of the terminal building and installation of elevators.

The Tourism Development Credit Facility (TDCF) was created and a total of K5 billion was disbursed to the fund in early 2003. However, no disbursements to eligible beneficiaries had been as the modalities for disbursements were still being worked out.

In industry, the focus in the last one and half years has been on three programmes, namely: investment, trade and export promotion, and MSMEs development/rural industrialization. The total funds disbursed to PRPs in 2002 were K2 billion of which K1.2 billion was for export promotion. The Export Processing Zones Act was passed in 2002 and the Export Processing Zones Authority was established in 2003 to promote investment in the EPZ's. By June 2003, K850 million was released for the Export Processing Zones promotional activities. However, in the same year, processing of applications was suspended to allow for a complete review of the potential revenue loss arising from possible abuse of the incentive.

Government, with the support from the co-operating partners continued implementing the Road Sector Investment Programme (ROADSIP) phase one. The ROADSIP is a sector wide approach to the development of the road sector, which was started in 1997. ROADSIP is financed by donors, government and the Road Fund (for periodic maintenance).

Significant progress has been made under ROADSIP to improve the condition of the paved road network. The condition of the paved road network totalling 6,476 Kilometre, has improved tremendously. For instance in 1995, 20 percent or only 1,295.2 Kilometre was in good condition and over 3,000 Kilometre or 51 percent was in deplorable condition. However, by 2002, about 60 percent was in good condition and only 19 per cent in poor condition. However, not much progress has been made on the remaining 27,000 Kilometre of unpaved road network, which includes feeder roads and the paved road network within the urban centres.

During the period under review, disbursements from Government were poor thereby affecting the progress on roads entirely funded by Government. Out of the budgeted K150.9 billion for roads in 2002, only K99 billion was released while in 2003, K 118 billion or 64.8 percent of the budgeted K182 billion was released. Most of these resources went towards rehabilitation of feeder roads and routine and periodic maintenance.

Under the education sector, the focus of interventions in the last two years were aimed at increasing access to basic, high and tertiary education as well as improving the quality and relevance of the education provided at these levels. Reducing disparities in education provision by promoting gender equality was another key intervention.

Remarkable progress has been made in meeting these sector objectives, especially at basic school level. In the period 2002-2003, a total of 106 Basic schools were constructed, bringing the cumulative total of basic schools to 4,662 by 2003. The Government also introduced the free primary education policy in February 2002, which saw all user fees abolished for grades 1-7 and uniforms were no longer compulsory. In 2001, total basic education enrolment was 1.8 million pupils, which increased to about 2 million in 2003. Thus in 2003, the Gross Basic School Enrolment Rate (GER) was 79 percent compared to 71 percent in 2002 and 75 percent in 2002. Enrolment between 2002 and 2003 increased by 7 percent per annum, exceeding the annual target of 2 percent. A total of 1,987 classrooms and 1,374 teachers houses were constructed surpassing the target of 1,123 classrooms and 828 teacher's houses.

In addition, the enrolment, at high school level, increased by 5 percent from 168,538 in 2001 to 210,061 in 2003. The number of high schools also increased to 353 in 2003 from 335 in 2002. The provision of school materials such as books has also improved. Similarly, there were improvements in reading and writing levels of children in schools in Grade 1. The reading levels improved from 34 percent in 1999 to 64 percent in 2003. In addition, between 2001 and 2003, the mean mathematics score increased from 36 percent to 39 percent, while the mean English score increased from 33 percent to 35 percent.

However, while the recent gains in learning achievements and enrolments are encouraging, there is concern that these gains are at risk because of the teacher employment crisis. The number of basic school teachers which had increased to 40,488 in 2002 from 37,793 in 2001, fell back to 38,891 in 2003. There were about 9,000 teaching vacancies, mostly in rural areas in 2003. This situation was largely attributed to budgetary constraints.

Zambia's health situation remains precarious. Maternal Mortality Rate (MMR), which was estimated to be 649/100,000 in the period between 1990 and 1996 rose to 729/100,000 in 2000. This could be attributed to poor accessibility to basic health care facilities, the high malaria incidence and the HIV/AIDS pandemic The Under 5 Mortality Rate also showed a rising trend. In 1990, the rate was 151 and increased to 162 in 2000. The Infant Mortality Rate (IMR) however is showing signs of improvements according to census data. This declined from 123 per 1000 live births in 1990 to 110 per 1000 live births in 2000. The ZDHS for 2001/2002 surveys also shows a similar trend with the IMR reducing to 95 in 2000 compared to 107.7 in 1996.

In 2002 and 2003, most of the health sector interventions were directed at the provision of health care package, the Integrated Malaria Control Programmes and the construction of additional health facilities. In addition, the rehabilitation of existing health facilities was undertaken. In terms of rehabilitation of provincial and district hospitals, K5.2 billion was disbursed for this exercise against an allocation of K19 billion to all provinces. Given the low level of funding, against the allocation, progress was slow.

In terms of drug supply, a total of K13.2 billion was used for the purchase of drugs in 2002. The drugs procured include TB, STI and anti malaria drugs. Each rural health centre received, on a monthly basis, about 1,025 drug kits, meeting an annual requirement of 12,300 for rural health centres. In 2003 a total of K12 billion were used to purchase essential health drugs, which included Anti-retroviral drugs. This, however, will only cater for 6,600 patients against the target of 10,000 patients in the phased approached programme, which is intended to run in selected health facilities. Further, a total of K3.5 billion was used for the provision of Basic Health Care Package. This was used for purchase of drugs in the hospitals, which included TB second line drugs. Further, part of the funds was used to buy Anti-Trypanosomal drugs in response to the request from the Copperbelt and Northern Provinces where trypanosomal cases were reported.

Malaria is the major cause of morbidity and mortality (about 50,000 deaths per year) in Zambia. Thus, under the PRSP, combating of this disease is one of the major interventions. This is being done under the Integrated Malaria Control Programme (Rollback Malaria Programme). In this regard, between 2002 and 2003, a total of K500 million was spent on ITN's, from government resources, to supplement those from donors. A total of 82,349 ITN's were distributed by Government in addition to what the other stakeholders are doing. The incidence of Malaria though still continues to be high and is increasing. The incidence rate per thousand population rose from 387 in 2002 to 428 in 2003. This will require that malaria roll back interventions be scaled up. Zambia's proposal to the Global Fund on scaling up malaria control and management was approved in 2003 for funding and these efforts are therefore expected to be stepped up in the coming year.

The main social safety net programmes continued to be in the Public Welfare Assistance Scheme (PWAS), the Peri Urban Self Help (PUSH) and the Food Security Pack programme. The programmes cover all the districts in the country and involved over 50,000 poor and vulnerable persons who were targeted to benefit from the fund transfers for use as school fees and other requisites, repatriation for stranded persons, health-exemption fees as well as purchase of food rations.

In 2001, the redesigned programme under PWAS that ensures exclusion and inclusion was piloted in nine districts. In 2002, the programme was extended to 27 districts and continued it's redesigning in order to ensure that exclusion and inclusion problems were removed. PWAS has remained with only 14 districts to extend nationwide and complete it's redesigning. In 2002, PWAS received K300 million for Health, Education and other social support.

The Food Security Pack programme is implemented on behalf of Government through a Non-Government Organisation called the Programme Against Malnutrition (PAM). The programme's main objective is to improve agriculture productivity and household food security among the targeted vulnerable but viable farmers. This programme is in form of a grant.

In early 2002, Government made a policy pronouncement of "Zero Tolerance on Corruption", and as a result, the National Movement Against Corruption (NAMAC) was launched. NAMAC is an alliance of strategic partnerships from government, civil society organisations and the private sector. In order to effectively implement the policy of Zero Tolerance, the Anti-Corruption Commission (ACC) was being strengthened. Funding to the Commission was increased thereby enabling the Commission to effectively carry out its functions. Further, new offices and staff houses were constructed in three provinces that previously had no ACC representation. These are North-western, Luapula and Western Provinces. In 2002, Government initiated the process of investigating former political leaders as well as senior public officers suspected to have plundered national resources. Several assets have in this regard been forfeited to the state while a number of high profile cases are currently being prosecuted in the courts of law.

Government in 2003 initiated the Constitutional Review Process aimed at removing serious conflicts and inconsistencies contained in the Constitution. Along with the Constitutional Review Process, government is also developing a legal and judicial framework with clear laws and an enhanced independent Judiciary which will further support the promotion of constitutionalism and the rule of law and respect for human rights. Additionally, government began the process of Electoral Reform. To this effect, an Act of Parliament was passed to mandate continuous voter registration.

In the area of economic governance, government sped up reforms in public expenditure management and financial accounting so as to improve accountability, transparency and management of public resources. Such reforms included the designing of the IFMIS, development of the MTEF and implementation of the Commitment Control System (CCS).

As for combating the HIV/AIDS pandemic, there has been an intensification of the collaborative effort across the whole spectrum of society. This involved the pulling together of all efforts and resources in order to combat the pandemic. The government in December 2002 enacted the National HIV/AIDS/STI/TB Council and Secretariat to coordinate and support the development, monitoring and evaluation of the multi-sectoral national response for the prevention and combating of the spread of HIV/AIDS, STI and TB. Within the context of the multi-sector response, implementation of these interventions across society has been scaled up.

Some encouraging results of these efforts are being observed as evidenced by an increase in the Voluntary Counselling and Testing Centres, the provision of TB preventive therapy, provision of ARV's in public hospitals, and the expansion of Community Home Based Care. Similarly, recent data from the Zambia Demographic Health Survey 2001/2002 report shows that the majority of Zambians are now aware of how the HIV/AIDS is transmitted and how it can be avoided. The same report also indicates that the prevalence rate among the adult population is estimated at 16 per cent indicating a reduction from the previous year.

However, monitoring and evaluation systems are still highly fragmented as the HIV/AIDS interventions are being implemented across a wide spectrum of society and by many stakeholders. It is important to strengthen data management capacities and improve co-ordination among stakeholders. This has been identified as an area requiring support.

The overall coordination as well as the monitoring and evaluation of the PRSP rests with the Ministry of Finance and National Planning with the participation and support of all stakeholders. A Poverty Monitoring and Analysis Framework (PMA) was designed to provide timely information to policy makers on what really works towards the reduction of poverty. The PMA is supposed to be a national monitoring and evaluation system for both the PRSP interventions and the Transitional National Development Plan (TNDP) in particular and any other development plans in general.

The first one and half years of PRSP implementation brought with it important lessons. Firstly, the extreme pressures placed on the budget by extra budgetary expenditures adversely affected the execution of some poverty reducing programmes . To the extent that fiscal adjustment and the necessary reforms were also delayed so as to curb on non-priority expenditures, funding to PRSP programmes was adversely affected. Part of the reason is that the implementation of the PRSP, in the Zambian case, preceded the development of the Medium Term Expenditure Framework (MTEF). This development may have resulted in poor releases due to the lack of specific targeting of the budget towards Poverty Reduction Programs. The fiscal adjustment as well as the introduction of the MTEF, Activity Based Budget, is expected to address some of these concerns. Fiscal adjustment and the necessary reforms to reduce or limit the size of government non -priority operations are especially critical and will require to be accelerated.

Secondly, the listing of some PRSP programmes as PRP's affected overall PRSP monitoring. The Report focused mainly on programmes classified as PRP' s in the yellow book, ignoring those that have direct poverty reducing effort but classified under other lines like capital expenditure or grants. It is important that the future progress reports should focus not only on programmes classified as PRP' s, but also include all poverty reducing programmes by Government and Cooperating partners. With the introduction of Activity Based Budgeting under the MTEF, this is expected to be addressed.

Thirdly, baseline data for most interventions was absent making analysis, especially comparison of inputs and outcomes very difficult. Not only was baseline data missing, but also getting overall information from line ministries was problematic and this is reflected in the gaps in some sectors. The inputs from the line ministries into this progress report, in most, cases were poor, indicating that there is either inadequate capacity in these ministries to conduct such analysis or there is absence of information and management reporting systems. There is need therefore, to build capacity in sector ministries.

Fourthly, getting information on donor-funded programmes from the line ministries and donors was problematic. The PRSP is supposed to be a framework through which donor aid is channelled to Zambia. There is need to develop a framework for improved information capture between MOFNP, the donors and sector ministries.

Fifthly, even though financing was a problem, in some cases where disbursements was effected, there were some absorption problems. The money remained in the banks, unutilized for long periods of time, depriving other programs and projects that may have had the capacity to efficiently utilize it. The reasons for this lack of absorption are many and vary from program to program and from district to district. Common among them, however, is the lack of information regarding timing of disbursements, inadequate provision of capital equipment to facilitate implementation of infrastructure works and long and complicated tender procedures.

Finally, although implementation was slow in the last two years, the PRSP strategy is still valid and remains an important point of reference between Government, the civil society and the donors. Addressing the shortcomings discussed above, could very much improve on the implementation rate of the PRSP. Some of the corrective measures have been initiated and will require to be accelerated.