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**Co-operation between
The European Union
and
The Republic of Zambia
Joint Annual Report¹
2006**

Annual report on the implementation of the ACP-EU Conventions and other co-operation activities

¹ Prepared jointly by the NAO and the Head of Delegation on the basis of the Annex 4, Article 5 of the Cotonou Partnership Agreement

LIST OF ABBREVIATIONS:

ABC	African Banking Corporation
ACIS	Advance Cargo Information System
ACP	African, Caribbean, Pacific Group of States
ADB	African Development Bank
AGOA	African Growth and Opportunity Act
AIDS	Acquired Immuned Deficiency Syndrome
ARSO	African Regional Standards Organisation
ARVs	Anti-Retroviral Drugs
ASIP	Agricultural Sector Investment Programme
ASS	African Sub-Saharan zone
ATI	African Trade Insurance
AU	African Union
AWP	Annual Work Plan
BIS	Backbone Information System
BoP	Balance of Payment
BESSIP	Basic Education Sub-Sector Programme
BoZ	Bank of Zambia
BWI	Bretton Woods Institutions
CARITAS	Catholic Health Initiatives
CAFOD	Catholic Fund for Overseas Development
CBoH	Central Board of Health
CDE	Centre for the Development of Enterprise
CLA	Community Livestock Auxiliaries
COMESA	Common Market for Eastern and Southern Africa
CP	Cooperating Partners
CRS	Catholic Relief Service
CSP	Country Support Paper
DANIDA	Danish International Development Authority
DFID	Department for International Development
DNR	Department of National Registration
DRC	Democratic Republic of Congo
EBZ	Export Board of Zambia
EC	European Commission
ECHO	European Commission Humanitarian Aid Office
ECOWAS	Economic Community of West African States
ECZ	Electoral Commission of Zambia
EDF	European Development Fund
EDP	Export Development Programme
EESM	Enhanced Export Support Mechanism
EFF	Export Financing Facility
EIA	Environment Impact Assessment
EIB	European Investment Bank
EIB-FF	European Investment Bank Financing Facility
EBA	Everything But Arms
EAC	East African Community
EFA	Fast Track Initiative
EOM	Election Observation Mission
EPA	Economic Partnership Agreement
ESAF	Enhanced Structural Adjustment Facility
ESIP	Education Sector Investment Programme
EU	European Union
EUOM	European Union Observer Mission

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EUR	EURO
FA	Financing Agreement
FAO	Food and Agriculture Organisation
FODEP	Foundation for Democratic Process
FTA	Free Trade Area
GDP	Gross Domestic Product
GMO	Genetically Modified Organisms
GRZ	Government of the Republic of Zambia
HBC	Home Based Care
HDR	Human Development Report (by UNDP)
HIPC	Heavily Indebted Poor Countries
HIV	Human Immunodeficiency Virus
HOD	Head of Delegation
HOMs	Heads of Mission
ICC	Industrial Credit Company
IFMIS	Integrated Financial Management Information System
IGAD	Intergovernmental Authority on Development
IHSTC	In-House Service Training Centre
IMF	International Monetary Fund
IOC	Indian Ocean Commission
IRCC	Inter-Regional Co-ordinating Committee
IT	Information Technology
JAR	Joint Annual Report
KCM	Konkola Copper Mines
LDC	Least Developed Countries
LSCS	Livestock Services Co-operation Society
LT	Long Term
LWF	Lutheran World Federation
MCDSS	Ministry of Community Development and Social Services
MDG	Millennium Development Goals
ME	Medium Enterprises
MMD	Movement for Multiparty Democracy
MoE	Ministry of Education
MoFNP	Ministry of Finance and National Development
MoH	Ministry of Health
MoU	Memorandum of Understanding
MP	Member of Parliament
MPP	Micro-Project Programme
MPU	Micro-Project Unit
MSDP	Mining Sector Diversification Programme
MSF	Medecins Sans Frontieres
MTE	Medium Term Expenditure
MTEF	Medium Term Expenditure Framework
MTFF	Medium Term Financial Framework
MTR	Mid Term Review
NAO	National Authorising Officer
NEPAD	New Partnership for African Development
NGO	Non-Governmental Organisation
NGOCC	Non-Governmental Organisations Co-ordinating Committee
NIP	National Indicative Programme
NSA	Non-State Actors
NTB	Non-Tariff Barriers
NTEs	Non-Traditional Exports
NRDC	Natural Resources Development College
OAU	Organisation of African Unity
PA	Producer Associations
PAF	Performance Assessment Framework
PE	Personal Emoluments

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PEMFAR	Public Expenditure Management And Financial Accountability Review
PEMS	Public Financial Management System
PMU	Project Management Unit
PPF	Pre-Production Facility
PPP	Purchasing Power Parity
PRBS	Poverty Reduction Budget Support
PRGF	Poverty Reduction and Growth Facility
PRSP	Poverty Reduction Strategy Paper
PSCAP	Public Service Capacity Building Project
PSDP	Private Sector Development Programme
PSRP	Public Sector Reform Programme
PWAS	Public Welfare Assistance Scheme
RIFF	Regional Integration Facilitation Forum
RIP	Regional Indicative Programme
ROADSIP	Road Sector Investment Programme
RTTCP	Regional Tsetse and Trypanosomiasis Control Programme
SADC	Southern African Development Community
SAF	Structural Adjustment Facility
SAG	Sector Advisory Group
SAP	Structural Adjustment Programme
SEEDCO	Seed Company
SIP	Sector Investment Programme
SME	Small and Medium-sized Enterprises
SPA	Strategic Partnership with Africa
SQMT	Standardisation, Quality, Metrology and Testing
STD	Sexually Transmitted Diseases
TA	Technical Assistance
TAZ	Tobacco Association of Zambia
TB	Tuberculosis
TCF	Technical Cooperation Facility
TDP	TEVET Development Programme
TESF	Trade and Enterprise Support Facility
TEVET	Technical Education, Vocational and Entrepreneurship Training
UK	United Kingdom
UNCTAD	United Nations Conference on Trade and Development
UN	United Nations
UNDP	United Nations Development Programme
UNHCR	United Nations High Commission for Refugees
UNICEF	United Nations Children's Fund
UPND	United Party for National Development
USA	United States of America
USD	United States Dollar
WFP	World Food Programme
WHO	World Health Organisation
WTO	World Trade Organisation
ZMK	Zambian Kwacha
ZAHVAC	Zambian Association of High Value Crops
ZAMRAIL	Zambia Railways
ZANACO	Zambia National Commercial Bank
ZAWA	Zambia Wildlife Authority
ZCCM	Zambia Consolidated Copper Mines
ZCGA	Zambia Coffee Growers Association
ZECAB	Zambian Education Capacity Building
ZEGA	Zambia Export Growers Association
ZESCO	Zambia Electricity Supply Corporation
ZMM-GT	Zambia-Malawi-Mozambique Growth Triangle
ZNBTS	Zambia National Blood Transfusion Service
ZNCB	Zambian National Commercial Bank

1. Update of the political, economic, social and environmental situation

1.1. Update on the political situation

The 2006 tripartite elections were widely considered as free and fair and a major improvement from the previous ones in 2001. About 71.4 % of eligible citizens registered as voters. Voter turn out was high (70.8 %). The polls were watched by several international observers (including EU –the largest number-, SADC and the Commonwealth) who praised the peaceful conduct of the vote. The EU EOM considered that elections were generally well-administered by the Electoral Commission of Zambia and marked by increased transparency, in spite of problems noticed in the electoral legal/administrative framework and concerns over an uneven playing field for candidates and parties (use of public media, as well as campaign spending).

The Government started the constitutional and electoral reform processes in 2003. The final reports of the Constitution Review Commission (CRC) and the Electoral Reform Technical Committee were presented in 2005. A review of the Electoral Act before the September 2006 elections introduced some limited modifications. The most significant changes in the electoral system recommended by the CRC (such as presidential nomination to be won by at least 50 % plus one of the national vote) would require amendments in the Constitution. The Government has insisted that the legal requirements of the proposed method be adhered to without abbreviation. The opposition parties would have preferred a faster route. Meanwhile, both government and civil society have agreed on a way forward, through the mediation of the Zambia Centre for Interparty Dialogue (ZCID).

President Mwanawasa announced a “zero tolerance” for corruption policy and installed a Task Force on Corruption (TFC) in 2002, with the particular task to investigate the alleged plunder of public resources during the Chiluba presidency. In general, TFC results have so far been limited, and its future is not certain, but resource constraints have also affected the speed at which the state can secure convictions.

However, in 2007, some high profile cases reached conviction or judgement stage, including most recently that of the former president F.T.J. Chiluba (who was found liable in a British court of law on a civil case raised by the Zambian Attorney General). In February 2007 K. Bulaya, who was until 2001 Permanent Secretary in the Ministry of Health, was convicted for an AIDS drugs fraud, sentenced to five years with hard labour and his assets were seized. (After spending several months in jail, he has recently been released again on bail, pending the outcome of the appeals process.) Co-operating partners have formally commended the Government for this progress.

A National Anti Corruption Policy has been drafted and submitted to Cabinet Office for approval, after a consultative process among the stakeholders. Ratifications of relevant anti-corruption conventions have been made (with the exception of the UN convention against corruption) and their domestication will contribute to updating the relevant legislation. The 2004 national baseline survey on corruption will be updated in 2007. Working with the Millenium Challenge Corporation of the USA, Zambia is implementing several institutionally based anticorruption reforms under the MCA Threshold Programme. The pilot institutions have been the Ministry of Lands, ZRA, and Immigration.

1.2. Update on the economic situation

Rapid expansions in mining and construction and a recovery in agricultural production boosted real GDP growth to an estimated 6 percent in 2006. Aided by stable food prices, annual average inflation was halved in 2006 to 9.1 percent. However, inflation picked up in the early months of 2007 (to 12.4 percent in April 2007) due to higher food and oil prices, and the pass-through effect of the depreciation of the kwacha on non-food prices. By June 2007, inflation again assumed a downward trend falling to 11.1 percent on account of a decline in food prices. This trend is expected to continue as more of the crop harvest has come on the market while the pass through effects of a strengthening Kwacha could also have a downward effect on inflation. Increases in world energy prices though pose a major challenge to inflation control. The kwacha depreciated against the USD by 21% in 2006, reversing part of the appreciation from 2005, however the kwacha has recovered by several percent during the first half of 2007.

Performance under the PRGF programme was broadly satisfactory despite some slippages, which the authorities have addressed. Specifically, the ceiling on NDF was not met in June and December 2006, which contributed to the delay of the fifth PRGF review. The Fifth and Sixth Reviews have since then been completed in June 2007, allowing Zambia to access \$ 33 million from the programme.

In January 2007, the Government has finalised and officially launched the 5th National Development Plan (FNDP) as a medium term planning instrument intended to focus Government's policy and financial programming for the period 2006-2010. The theme of the FNDP is "Broad Based Wealth and Job Creation through Citizenry Participation and Technological Advancement". Its focus will be 1) pro-poor growth oriented sectors that create employment and income opportunities of the poor, including in particular rural development, agriculture and manufacturing, and 2) provision of accessible quality social services (education, health, social protection) and well maintained economic and social infrastructure. The structural reform agenda of the FNDP 2006-2010 will focus on (i) improving the business and investment climate (*Private Sector Development Programme*); (ii) providing for the delivery of basic services (*Public Service Reform Programme*); (iii) strengthening expenditure and financial accountability systems (*Public Expenditure Management and Financial Accountability Programme*); and (iv) developing the financial system (*Financial Sector Development Plan*).

Growth under the FNDP accelerated scenario is expected to average 7 percent per annum during the period 2006-2010, compared to 4.6 percent for the previous period 2000-2005. In line with the strategic focus on strengthening rural development so as to achieve broad-based wealth and job creation, the higher economic growth is envisaged to be driven from a stronger performance of agriculture and agro-related manufacturing. Tourism is also expected to register stronger growth, reflecting large recent private investments and marketing efforts. Although FNDP does not focus on achieving pro-poor growth through mining and construction, these two sectors will continue to be important for maintaining high overall growth in the country and in terms of foreign exchange earnings. In addition, more investments in the energy sector are required to add capacity to the existing energy sources, especially in the light of a looming power shortfall in the region by 2008.

Nevertheless, Zambia remains vulnerable to external shocks: droughts, increase in international oil prices, reduction in international copper prices, etc. that could perturb the expected growth. More attention should be devoted to improving the competitiveness of the economy, strengthening the investment climate and promote diversification. The investment and business climate should be enhanced through the implementation of the *Private Sector Development (PSD) Programme* and the *Financial Sector Development Plan (FSDP)*. Other priority policy measures will include supporting trade logistics and facilitation, strengthening transport infrastructure, and further reforming policies that

create a de-facto anti-export bias, including corruption. The Government recognises that accelerating growth and diversification in agriculture will also require adequate policy instruments and concerted allocation of resources.

The implementation of the FNDP could also be affected by the general weak capacities across the public service, including in the area of budget planning and execution. Efficient implementation of reforms under the *Public Expenditure Management and Financial Accountability (PEMFA)* programme and capacity building efforts, linked in particular to the *Public Service Reform (PSM) Programme*, are imperative to address such constraints.

Besides, fiscal space needs to be created to increase poverty reducing spending, e.g to develop infrastructure, and to support other FNDP priority programs. The Government intends to broaden the tax base, to improve revenue collection and restrain non-priority spending. Revenues are expected to rebound to more than 18 percent of GDP, reflecting higher collections from the mining sector (including fiscal reforms) and improved tax administration.

1.3. Update on the social situation

Education

The net enrolment ratio for the entire basic cycle (grades 1 to 9) rose from 64.9% in 2001 to 95.7% in 2006. The gender gap also narrowed: the completion rate at grade 7 for girls was 55.8% in 2001 and 79.4% in 2006. However, this expansion has affected quality, as it was not accompanied by a net increase in the number of teachers (the Pupil/Teacher ratio for grades 1-9 worsened, from 46.5 in 2001 to 51.3 in 2006). In 2007, though, MoE received funding to recruit 10,000 teachers, whose impact will be measured in the coming years. The need to match the effort on access with improved quality seems to be confronted with major problems in scaling up infrastructure, procurement of educational materials, curriculum development and human resources management (eg double shifts and high pupil/teacher ratios are more common in lower basic than in upper basic classes). Educational materials are insufficient, under-utilised, and often not pertinent; school nutrition / feeding programmes are very limited and support to orphans, vulnerable children and incapacitated households is scarce and poorly managed.

HIV/AIDS

National HIV/AIDS prevalence rates for Zambia are expected to have stabilised at around 16% for the general adult population aged 15-49 years. Prevalence rates are higher for women than men, but there should have been a certain reduction in younger age groups. The MDG target for HIV/AIDS is 'to have halted by 2015, and began to reverse the spread of HIV/AIDS'. Generally Zambia is on track and is likely to reach this target by 2015, although high risk sexual behaviour is still prevalent in most parts of Zambia, with a response that has placed a lot of emphasis on cure (a success story with 90,000 people under free ART² by early 2007), but also on the scaling up of VCT³ and PMTCT⁴ services. In spite of that, Zambia is likely to continue having to bear a heavy burden from HIV/AIDS morbidity and mortality throughout the coming years, with significant sustainability issues (dependency from vertical disease-specific international programmes).

2 Anti Retroviral Therapy

3 Voluntary Counselling and Testing

4 Prevention of mother-to-child transmission

Health

The vision of the Health reform ‘to provide Zambians with equity of access to cost effective, quality health care as close to the family as possible’ continues to be faced with challenges. These arise primarily from a high disease burden and insufficient resources, compounded further by other, general determinants of the health status, such as the high levels of poverty.

The top three most prevalent diseases are malaria, respiratory infections, and diarrhoeal diseases. The malaria incidence and case fatality in 2005 was 373 per 1,000 population, and 49 per 1000 hospital admissions respectively. The TB notification rates have increased from about 100 per 100,000 in 1984 to about 500 per 100,000 in 2005. The TB cure rate has continued to increase, from 67% in 2003 to 75.5% in 2005. The coverage of the fully immunised children under the age of 1 increased from 80% in 2004, to 82% in 2005, and 91% in 2006*.

The Government of Zambia abolished user fees on 1 April 2006 for people living in rural areas (however, health facilities within a radius of 25 kilometres of the cities and municipalities continue to charge user fees). The impact of the removal of user fees is currently being reviewed. However; anecdotal evidence and preliminary reports have shown an increase in the utilisation of health services as expected, but the appropriateness of the patient visits was an issue compounded by the problem of poor staffing levels at the health facilities.

Improving maternal health and prevention of maternal and neonatal deaths is a key component of integrated reproductive health and critical in achieving the Millennium Development Goal of improving maternal health. The proportion of institutional deliveries (based on the number of deliveries assisted by midwives, nurses, doctors, clinical officers and trained Traditional Birth Attendants), has remained stagnant at 43 percent over the last couple of years. This may be largely attributed to low staffing levels in health facilities and lack of delivery facilities in many health centres. Some significant progress has been made in family planning, safe motherhood, and prevention of mother to child transmission of HIV.

The retention of health workers continues to be a serious problem with an annual attrition rate of 9.8% for doctors. The sector is facing a critical shortage of skilled manpower triggered by mass exodus of doctors, nurses and other paramedical staff to other countries in search of better working conditions. The physician to population ratio for instance, has declined dramatically over the past few decades, from 1:10,000 in 1975 to 1:19,000 today, far below the WHO recommended minimum standard of 1:10,000. The shortage of qualified health workers is particularly serious in the most remote regions of the country, registering annual attrition rates of more than 20 percent for doctors. The Ministry of Health formulated and presented in October 2005, the Human Resources for Health Strategic Plan (2006-2010), which is currently being implemented. The main objective of the Plan is improving the human resources situation through increased supply of health workers and implementation packages.

Poverty

Despite the overall good performance of the economy in recent years, the mentioned structure of GDP growth (concentrated in capital-intensive sectors) has not translated into significant declines in poverty. The number of people living in absolute poverty remains high in Zambia. According to the Living Conditions Monitoring Survey (LCMS) IV of 2004, 68 percent of the population fell below the national poverty line. This is a slight decline from 73 percent in 1998. The level of poverty also remains high, although it has slightly declined since 1998. At the national level, the poverty gap dropped to 36

percent from 40 percent in 1998⁵. Extreme poverty also fell from 58 percent in 1998 to 53 percent in 2004⁶. The declining poverty was driven primarily by rising per capita consumption amongst the poorest non-farm households. This represents a deviation from the experiences of 1991-1998, during which time non-farm poverty rose rapidly.

Changes in poverty levels during 1998-2004 were evenly distributed across rural and urban areas. The incidence of poverty in the rural areas fell from 83 percent in 1998 to 78 percent in 2004, while poverty in urban areas declined from 56 percent to 53 percent. While the rural incidence of extreme poverty fell from 71 percent in 1998 to 65 percent in 2004, the incidence of extreme poverty in urban areas only declined from 36 percent to 34 percent.

Income is very unevenly distributed in Zambia. According to the LCMS IV, the Gini coefficient for Zambia was 0.55 in 2004, which is among the highest levels of income disparities in Sub-Saharan Africa. This level of inequality can easily distort the effects of economic growth, especially during the earlier stages of sustained economic growth.

HDI

The UNDP-Human Development Report 2006 places Zambia in position 165 out of 177 countries according to their Human Development Index (HDI) in 2004. The index of Zambia stood at 0.407 and represented a lower level than the average index of the Sub-Saharan African zone (0.472). The positive development recorded for some social indicators was not sufficient for Zambia to significantly improve its HDI rank. In fact, Zambia's HDI has only slightly increased since 2000 (0.389). The GDP per capita, as a very broad measure of poverty, was USD943 in Zambia (in PPP) in 2004, which is less than half of the GDP per capita average in the Sub-Saharan African zone (PPP USD1,946) for the same year.

Refugees

Over the past few decades, Zambia has been hosting refugees from almost all neighbouring countries, with the exception of Tanzania, and currently accommodates approximately 120,253 refugees, thus being the largest refugee hosting country in Southern Africa. Of this figure, 61,015 refugees are from DR Congo, out of which some 20,000 are targeted for ECHO assistance to return to their home country in 2007. This number covers mainly camp-based refugees, while re-registration and verification of the spontaneously resettled caseload will be done at a later date in the course of the year.

During the last four years IOM Zambia, with ECHO support (9th EDF B envelope-Zambia) has provided assistance to some 74,000 Angolan refugees from Zambia, for repatriation to various destinations in Angola.

MDGs

According to the "Zambia Millennium Development Goals Status Report 2005" (UN-GRZ), five MDG targets can be met by 2015. These are: halving poverty and hunger, ensuring that boys and girls alike complete a full course of primary schooling, eliminating gender disparity in primary and secondary schools, and reversing and halting the spread of HIV/AIDS. In addition, three more targets – reducing child mortality by one-third, halting and reversing the spread of malaria and other major diseases, and halving the proportion of people living without access to safe drinking water and sanitation – may possibly be achieved by 2015. However, reducing maternal mortality, integrating principles of

⁵ That implies that the incomes of the poor population are on average 64 % of the poverty line

⁶ Extreme poverty is measured by taking a lower poverty line that reflects the minimum requirements of food spending and excludes some of the items included in the national 'basic' poverty line.

sustainable development into country policies and programmes, and the reversal of loss of environmental resources will not be met, if the current trend prevails. It should be obvious that the formulation and implementation of the 5th National Development Plan 2006-2010 (FNDP) should assume the achievement of MDG targets as an essential priority and prioritise allocations for that purpose.

1.4. Update on the environmental situation

Project developers and investors were informed in January 2006 by the Environmental Council of Zambia (ECZ) that under the Environmental Protection and Pollution Control Act an Environmental Impact Assessment (EIA) must be carried out before a project is undertaken and that no project activities shall be commenced before the project developer is issued with an authorizing Decision Letter by the ECZ.

The most controversial environmental issues in 2006 were related to mining activities and the construction of resort facilities in the Mosi-Oa-Tunya Park which surrounds the Victoria Falls. In November 2006, the entire Chingola district was faced with a water supply crisis following the pollution of the Kafue River by a spillage of mining effluents from the KCM plant. Operation of the open pit mine had to be shut after acid from the mining site leaked into the River. ECZ complained of poor corporate social responsibility by KCM and other mining companies in their environmental management. The Mosi-Oa-Tunya Park investment project, that would have turned 220 ha of a very sensitive wildlife area into a golf estate, two hotels and over 450 villas, was opposed by different local and national stakeholders. Finally, ECZ approved only part of the project, by just allowing the investor to construct two hotels on a less ecologically sensitive area of the Park, and rejecting the construction of the golf course and villas at the same site.

2. Overview of past and ongoing co-operation

2.1 Main financial decisions and financing agreements in 2006

- Financing Agreement (FA) corresponding to the 9th EDF project Support to Agricultural Diversification & Food Security in Western and North Western Zambia (€ 15 million) was signed by Government in March 2006.
- The 9th EDF contribution to PEMFA (€ 13 million) was decided and committed in December 2005 and the FA has been signed in March 2006.
- A € 3 million Rider No.1 to the 8th EDF Urban Markets Development Programme was approved on 16 June 2006.
- The Financing Agreement for the 9th EDF Road Rehabilitation Project 'Zimba-Livingstone' (€ 15 million) was signed by the Government on 7th July 2006.
- The Rider No.1 (€ 20 million) to the sector budget support programme 'Periodic Maintenance of Trunk, Main and District Roads to include rehabilitation interventions on rural unpaved roads passed the EDF Committee in Nov 06 and was decided by the Commission on 20 December 2006, increasing the sector budget support for road transport from € 70 to € 90 million. The interventions under the Rider 1 will particularly focus on the rural poor through the provision of basic access and enhanced social & economic activities in areas with a high agricultural potential. In targeted areas, it will also provide synergies with the 9th EDF food security-agriculture diversification project.
- The Financing Proposal on the new Poverty Reduction Budget Support 2 (PRBS 2) of €62 million was approved by the EDF Committee on 23 November, and the Commission decision

was taken on 1 December.

- The Financing Agreement for 9th EDF support to the Economic and Technical Co-operation Department at Ministry of Finance and National Planning was signed by Government on 20 September 2006. The NAO operations fall under this Department and are supported through this facility. The amount is 1.7 M € for three years.
- The Financing Agreement for sector budget support for the Human Resources for Health Strategic Plan (retention of health staff to counter brain drain), was signed by the Commission on 7 December 2006. The amount is 10 M€ for two years.
- Under the Water Facility, 1st Call for Proposals, a Contribution Agreement with the Red Cross was signed of an amount of 1,842 M €.

Three contribution agreements with UN agencies were finalised and implemented in 2006 (using TCF I resources): one with the UNDP, for € 400,000, contributed to a multi-donors Trust Fund created to support the Electoral Commission of Zambia (Elections 2006). The second with UNFPA, also amounting to € 400,000, is a key input in the Zambia Demographic Health Survey. Lastly, a € 200,000 funding was channelled to ILO for a study on the situation of Child Trafficking in Zambia.

2.2. Focal sectors (and macroeconomic support)

2.2.1. Transport infrastructure

A Sector Policy Support Programme (SPSP, € 70 million) has been in a pilot application since 2005 in support of ROADSIP II with the specific intention of supporting public expenditures in road rehabilitation and maintenance. The programme contains three budget support annual variable tranches and a capacity building component through technical assistance to the 3 new public agencies in the road sector (NRFA, RDA and RTSA.). The Axle Load Control is another component supported by the programme. The performance indicators are taken from ROADSIP II and include (i) network performance (rehabilitation and maintenance of both paved and unpaved roads), (ii) implementation of institutional reforms and (iii) sector financing and audits. A new specific component for rural roads (Rider 1, € 20 million) will be incorporated from 2007 to 2009, increasing the number of annual tranches from 3 to 5. The necessity to particularly focus on the rehabilitation of unpaved rural roads is derived from the need to meet basic access criteria for the rural poor concerning unpaved rural roads with an agricultural potential.

The first and second tranche (2005 and 2006) amounting to some ZMK 221 billion (€ 46,4 million) was utilised as follows:

- ZMK 209 billion for periodic maintenance interventions of about 3,900 km of trunk, main and district roads under 11 Output Performance Based Contracts (OPRC) for unpaved roads and four conventional contracts (two for paved and two for unpaved roads). EDF support to periodic maintenance covers about 13% of the Core Road Network. The success of this support is clearly mirrored in the results of the 2006 Road Condition survey which shows an immense improvement of the unpaved core road network from 22% to 44% of roads in good condition by the end of the year 2006.
- ZMK 12 billion is used to support the 2004-2008 axle load control programme which shows a satisfactory trend concerning construction of computerised weighbridges at strategic locations, combined with enforcement of new axle load legislation.

The Rider 2 to the SPSP Roads will increase the ceiling of the FA by other additional € 6 million (allowing a 2008 potential tranche of € 8 million, after an internal reallocation for € 2 million) from

resources allocated to Zambia arising from the 9th EDF End Term Review. A Mid-Term Evaluation of the SPSP programme is foreseen in the 2nd semester 2007 to be carried out by an independent consultant. The lessons learnt from the Mid-Term Review will guide the preparation of the 10th EDF programming for the road sub-sector with regard to a continuation of sector budget support as financing modality.

A technical audit on a sample of roads will start in May 07 after the rainy season including audit of the procurement procedure (transparency), physical works (value for money) and payments. The civil works supported under the 1st and 2nd tranches mainly started by middle of the year 2006. Concerning social-economic poverty impact assessment, the first net benefit monitoring support focusing on baseline figures will be submitted in due course from the Road Development Agency comprising baseline info, Origin Destination Survey results, and District Profiling.

Apart from this, the 9th EDF infrastructure programme was increased by including the funding of the Zimba – Livingstone road project (€ 15 million, FA signed in July 2006). This road remains the only section of the entire corridor connecting Zambia with Tanzania at Nakonde and with Zimbabwe at Victoria Falls which is still in poor condition.

2.2.2. Capacity building

PFM

PFM reforms in Zambia are driven by the Public Expenditure Management and Financial Accountability (PEMFA) programme, which, together with Right-Sizing and Pay Reform and Decentralization, is one of the three pillars of the GRZ Public Service Reform Programme (PSRP), aiming at improving the quality of public service delivery. The PEMFA programme was officially launched in June 2005, and it is a comprehensive five-year programme covering 12 components spanning budget planning, budget execution and control (also through an Integrated Financial Management System – IFMIS), transparency and accountability. The evolution of PFM reforms and their assessment is therefore closely linked (though not exclusively) to progress under PEMFA. The 9th EDF contribution to PEMFA (€ 13 million, apart from € 2.5 million from the PRBS 1 already disbursed by end 2005) was decided and committed in December 2005 and the FA was signed in March 2006 (first disbursement —€ 1.5 million— under this FA has been in May 2007) .

Overall, the year 2006, and especially the first half, has not been too productive for PFM reforms in Zambia. Most of the explanations are connected to a slow start of the PEMFA programme, which at least in the early phases suffered from organisational and operational shortcomings. In the second half of the year however the Government realised that ownership and commitment to the programme had been diluted since its start, and took a number of decisions to this effect. As a result, progress picked up as of July 2006. The main highlights include the loading of the cash flow framework (introduced in 2005), which was completed in all Provinces by August 2006, and the conclusion of the tender procedure for IFMIS (contract of around \$24 million signed in November 2006). The IFMIS pilot phase should therefore now go ahead, in eight MPSAs instead of only six as planned. Moreover, a Budget Execution Working Group, established in the context of the Poverty Reduction Budget Support (PRBS), made up of CPs and Government officials, established a new format for the regular budget execution reports of the Accountant General. The new reports, available on-line on a quarterly basis, provide more accurate information on budget execution, and notably on expenditure, which is calculated taking into account the net position of the spending agencies with the banking system. To enhance treasury and cash management and start moving towards establishing a treasury single account, the Ministry of Finance will create a Treasury Department and is consolidating in 2007 government accounts in commercial

banks into a small number of accounts at the Bank of Zambia. Further, during the implementation phase of the IFMIS pilot, the authorities will enhance the existing financial management system.

Looking ahead, CPs obtained that progress in 2007 and beyond be based on a more concrete Performance Assessment Framework, measuring progress on reforms in a more structured manner, by introducing clearly measurable and verifiable milestones that each component has to achieve by the end of each year (linked to relevant PEFA indicators). Such Framework has been finalised jointly, and it already allows deeper dialogue on concrete progress with reforms.

It is therefore expected that 2007 will be an important year for PFM reforms in Zambia, and CPs have expressed their clear expectation to the Government that dialogue will be centred around concrete outcomes rather than inputs. In addition, a Mid-Term Review will be carried out during the second semester 2007, for assessing progress and reconsidering/prioritising some components.

Private sector

The activities of the €15 million project on Capacity Building for Private Sector Development started in September 2006 with the arrival of the Long Term Technical Assistance team. The project (implementation until 2009) is focused on the meso level, i.e. on the policies and regulatory framework in which the private sector operates, after considering recommendations from the evaluations of the previous 8th EDF projects in this sector (including the multi-country evaluation, December 2005). The project is based in the Department of Domestic Trade in MCTI and will provide support to the Department of Trade and Department of Industries in charge of Small and Medium Enterprises. Support will also be provided to statutory bodies such as the Export Board of Zambia, Zambia Investment Centre, Zambia Bureau of Standards, and Zambia Competition Commission. Some of these statutory bodies have recently merged into the Zambia Development Agency (ZDA) which will centralise the functions of export promotion, support to investors and delivery of regulatory statutory services. FDI issues will henceforth be governed by the Zambia Development Agency Act, which has replaced the Investment Act. The ZDA Act marks a departure from its predecessor's more liberal stance, introducing compulsory licensing and screening of new investors, restricting the scope for incentives and making it more difficult to employ foreign workers and obtain land. This act does not distinguish between treatment for domestic and foreign investors but it introduces new investment regulations.

Civil Society and Private Sector intermediary organizations will benefit through two specific grant facilities under the 9th EDF Capacity Building for Private Sector Development programme.

The Export Development Programme II and the Mining Sector Diversification Programme, both funded under the 8th EDF are arriving at their last phases. A main objective for 2007 is to prepare an exit strategy that will ensure the sustainability and further replication of the results and a smooth hand over to the Government.

Agriculture

At the mid-term review of the CSP/NIP it was decided to transfer € 15 million from the B-envelope to the A-envelope in favour of a new 9th EDF food security/agriculture project. It was agreed to integrate this new support under the existing focal sectors of capacity building and support to non-state actors. The implementation of this project started in 2006 and will cover the period 2006-2010. It contains 2 main components: 1) technical support to the definition of a coordinated national food security strategy, and 2) pilot integrated plans to implement that strategy, promoting *small-holders* agriculture production,

diversification, marketing and local-value addition in 2 provinces of the country (Western and North-Western), with involvement of public extension services, NSAs, and the private sector.

The €1.97 million 9th EDF “Promotion of Conservation Farming and Crop Diversity for Increased Rural Household Food Security” implemented by the Conservation Farming Unit, under the umbrella of the Zambia National Farmers Union (ZNFU) is coming to an end by December 2007. The main objective is to support rural farmers in the Central, Southern and Eastern provinces in the use of conservation farming techniques to improve their yields and income (crop rotation, minimum tillage, minimal fertiliser input). The activities in 2007 are focused on evaluation of the results and hand-over of assets to government looking for the continuity of the activities.

The agriculture sector is now incorporated into the new performance assessment framework for budget support agreed with the government, with indicators related to both budget execution and outputs/outcomes in the sector. So far, the main instruments of the sector agriculture policy, in particular in terms of public expenditure, have been input subsidies (mainly the FSP, Fertiliser Support Programme) and public intervention in the maize market through the Food Reserve Agency (FRA). There is a strong case for a policy change and the phasing out of these instruments, but the FNDP agriculture chapter remains uncertain about these issues and very imprecise on alternative policy instruments to increase resource allocation for productive investments in agriculture. These fundamental problems must be addressed at the level of both sector policy dialogue and budget support dialogue. With respect to food security, on the basis of a proposal by FAO and taking into account the objectives of the 9th EDF agriculture project, the government created in 2006 an ad hoc Task Force with the purpose of developing a cross-sectoral strategic framework and monitoring matrix for food security within the context of the FNDP.

NAO support

The support to the NAO was radically revised since February 2004: a smaller team of consultants started work within the Ministry of Finance premises and within the Economic and Technical Cooperation (ETC) Department. Thus, the degree of Government ownership has been significantly increased. However the Ministry of Finance failed to second counterparts for all members of the team, as initially agreed upon. Moreover, with growing responsibilities for the ETC Department, the TAs to the NAO have found themselves increasingly involved in non-traditional NAO tasks, such as the support to the joint Poverty Reduction Budget Support (PRBS) operation, as well as donor harmonisation processes. The new support project 2006-2009 (€ 1.75 million) takes into account the developments in the role and functions of the NAO support mentioned above, acknowledging, however, that the ETC Department would currently be incapable of adequately assisting the NAO in the fulfilment of his obligations under the terms of the Cotonou Agreement. There is therefore the need for external support until the expected measures to reorganise and reinforce ETC, as well as other MFNP services, can intervene under the Public Service Management (PSM) reform and in the broader context of the JASZ process.

2.2.3. Macroeconomic support

The 9th EDF Poverty Reduction Budget Support operation (PRBS 1 2004-2006, € 117 million) aimed at supporting the implementation of the Poverty Reduction Strategy Paper 2002-2004, whilst contributing to improved macroeconomic stability and focusing on Public Finance Management (PFM) reform. To mitigate the perceived (fiduciary) risk associated with a low starting point on PFM, the programme was based on a very large variable component (over 90% of total), with 60% linked to PFM indicators. Performance under the PRBS 1 shows that this approach was effective in providing an appropriate

incentive mechanism, with the amounts disbursed generally increasing for successive tranches. This reflected continued respect of eligibility conditions and progress on PFM. The capacity building component of the PRBS 1 (€ 7 million) is being used to enhance civil society involvement in budget monitoring, as well as to support the information and monitoring systems in education and health that are crucial to assess performance in these social areas.

The PRBS 1 also fostered dialogue between line ministries (especially Health and Education) and the Ministry of Finance and National Planning (MFNP) on inter-sectoral allocations and budgeting and planning processes. Further, the EC operation has been instrumental in providing sufficient confidence to other donors for their own budget support operations, which started in 2005. As a result of this greater donor involvement, a Memorandum of Understanding (MoU) on PRBS was signed in April 2005, including by the EC. The MoU explicitly foresees that the EC will gradually adjust its budget support operations in order to be consistent with the spirit and provisions of the MoU (including a common Performance Assessment Framework, PAF). This will start already under the 9th EDF PRBS 2 (€ 62 million, 2007-2008) approved end 2006, and will continue under the 10th EDF budget support.

The 6th tranche (Public Financial Management and PRSP indicators) of the PRBS 1 was assessed in June 2006. The Delegation assessment finalised in July proposed a disbursement of € 35.2 million out of the € 44 million, to which HQ agreed. The funds were released in late August 2006.

Lessons learnt from the PRBS 1 and recommendations from the 9th EDF country-strategy evaluation point to the following issues: (i) the need to ensure that a regular monitoring and updated targeting of outcome indicators is in place under the national annual reporting system (initially not the case under the PRSP); (ii) the need to ensure an appropriate selection of indicators, especially on social sectors (under PRBS 1 a rider to the Financing Agreement was necessary in 2005 in order to remove non-available indicators on HIV/AIDS); (iii) the need to support the Government in managing the macroeconomic impact of large donor inflows, e.g. by ensuring enhanced predictability (PRBS 1 disbursements mostly took place *in-year*). The recent FNDP recognises that under the previous PRSP, aid management was weak despite better than expected aid inflows. This reflects problems of planning, coordination and monitoring systems within government. These are being addressed through a new Aid Policy and Strategy that has been approved by the Cabinet.

2.3. Projects and programmes outside focal sectors

Health

In 2005 the development of the Health Human Resources Strategic Plan (approved in December 2005), led to the identification of a 9th EDF sector budget support (€ 10 million) operation specifically labeled to finance the Human Resources plan in support of human resources retention. It is expected that the first disbursement of this support (Financial Agreement signed in February 2007) will take place by mid-2007. The intervention consists of sector budget support that complements the Poverty Reduction Budget Support operation, with a focus on activities aimed at improving the retention of health workers in the most deprived and remote settings. The rationale for the complementarity of Sector Budget Support and General Budget Support was widely discussed in the course of the past two years.

The latest development in the health sector dialogue, with specific reference to the issue of Human Resources can be summarised as follows:

- Following the dissolution of Central Board of Health and restructuring of the Ministry of Health between 2005 and 2006, a new Ministry of Health establishment was approved by Cabinet, increasing the original 23,000 to about 50,000. However, the financing of this establishment is still under debate, not only linked to public health funding but also to issues related to overall wage bill sustainability. There has never been, though, a freeze imposed by the IMF on recruitment of health workers, and a prioritisation within government should allow a scaling up of the payroll, if allocations to MoH allow. For 2007, MoH plans to recruit 1,900 health workers.
- The Ministry of Health and co-operating partners, in the context of sector dialogue mechanisms, have strengthened the Human Resources Technical working group with the recruitment of a long term Technical Assistant (funded by SIDA).
- The Joint Annual Review of the Health Sector, conducted in March 2007 had Human Resources as one of its three themes, and it once more allowed to focus field level analysis as well as the policy debate on this issue, keeping it very much on top of the sector agenda.

As part of the Poverty Reduction Budget Support the Commission had also launched an assessment of the Health Management Information System (HMIS) and an action plan was prepared which is currently being implemented, with funding amounting to € 3.3 million.

An additional contribution has been made towards the implementation of the 2006 Zambia Demographic and Health Survey, which is conducted every 4 years. This support (€ 0.4 million) is channeled through a contribution agreement with the United Nations Population Fund (UNFPA).

Education

In 2006, the Ministry of Education continued implementing the Education Strategic Plan 2003-2007. A MTR of the Plan took place in 2006, and the Ministry worked on a National Implementation Framework for the NDP period 2006-2010, taking the Education chapter of the National Development Plan as strategic document. The MTR's conclusion is that the policies are right, but implementation insufficient, mostly because of "little sense of accountability throughout the system".

The current pool funding mechanism, supported also through a 10 M€ 9th EDF programme will probably come to an end in 2007, or will be considerably downsized under the next NIF/NDP period, because several Co-operating partners, including the EC, will most likely move to general budget support (Norway, Netherlands, UK). Only Ireland and possibly Denmark are likely to maintain a pool funding support in place. The need to preserve a strong sector dialogue in spite of this shift of funding modalities remains a very high priority for all the current education donors.

In 2006 the Commission decided to jointly fund with Norway a limited Public Expenditure Tracking Survey that was carried out in early 2007, with the purpose of identifying and correcting weaknesses in resource allocation planning, and administrative inefficiencies leading to leakages undermining funding at service delivery level. This is part of a constant effort the Delegation has placed in following up PFM issues at sector level.

Similarly to the support of the HMIS, and in the context of strengthening the poverty reduction monitoring (now under the FNDP), the Commission continued supporting the Education Management Information System (EMIS), in complementarity with USAID funding. The EC funding is focused on upgrading IT facilities, training, data quality control, promoting data utilisation and inclusion of Community Schools in this system which already provides data with a remarkable level of disaggregation, through a powerful database interface available on CD-ROM. This support amounts to € 1 million. The definition and assessment of output/outcome indicators for the Performance Assessment

Framework of the joint PRBS is having a significant impact for quality monitoring in education and has led to improvements in discussions over definition of core indicators and strategic targets.

2.4. Utilisation of resources for NSAs

A mapping study of the NSAs in Zambia was carried out end of 2005. On the basis of the mapping study, a 9th EDF project (€ 5 million) to support NSA capacities was formulated in 2006. The Financing Proposal for a Civil Society Capacity Building Programme was submitted in September and approved by the QSG on 18th October 2006. The programme addresses the weaknesses identified in the mapping study in order to improve the capacity of civil society representatives to fulfil their role to the full, both in terms of policy dialogue and advocacy, and service delivery. The improvement of the political and legal framework in which non-state actors are operating and the establishment of mechanisms, which ensure the inclusion of civil society organisations in reviews and evaluations of EC programming, and their inclusion in areas of EC involvement such as budget support and political dialogue, are also considered in the programme.

In parallel, a specific small project has started in 2006 (funded under the PRBS 1, to be continued under the PRBS 2), supporting the involvement of civil society organizations in the monitoring and assessment of the national budget process and impact of budget support on poverty reduction from a grassroots perspective. A contract financed under PRBS 1 was concluded in 2006 with CSPR (Civil Society for Poverty Reduction), the umbrella network of NSA in Zambia, to assess the effectiveness of budget support as the key financing tool for poverty reduction strategies from a civil society perspective and to enhance the capacity of civil society to engage in discussions and decisions around pro-poor development and the national budget.

2.5. Utilisation of B Envelope

€11.49 million were drawn under the FLEX window and used for additional budget support in 2004. The main focus of humanitarian assistance (with an allocation of 7% of the overall portfolio) in 2005 was the ECHO-funded repatriation of Angolan refugees (€ 5.5 million). Disappointingly, much fewer Angolan refugees than planned for by IOM decided to return, in particular in 2005. After the partial 2005 harvest failure, ECHO carried out a mission in early 2006 to assess the situation in the most affected areas. The remaining ECHO budget of € 2.2 million under the B-envelope was allocated in 2006 and has funded different emergency food related projects with NGOs and other organisations.

2.6. Other instruments

2.6.1 Budget lines

Food security

- Annual Work Programme 2005 (€ 2 million): Three contracts were concluded under this Annual Work Programme focusing on food aid and food security for HIV/AIDS patients and their families.

- Annual Work Programme 2006: The annual identification sheet was sent on 15th August 2005. An allocation of € 2 million was confirmed. The call for proposals has been launched in the first semester of 2007.

NGO Co-financing

- Annual Work Programme 2005: The three contracts for a total amount of € 2.3 million corresponding to the call for proposals have been signed.

Microfinance Framework Programme

4 Proposals were received in January 2006 for Delegation's opinion. None of the proposals has been selected for being awarded a grant.

Aid for poverty-related diseases

One contract for a total amount of € 5.0 million over 60 months corresponding to the AWP 2006 has been signed with CARE International Germany. The Delegation intends to follow very close this project as it represents the major EC funded direct intervention in the HIV/AIDS sector in Zambia.

Tropical Forests Budget Line

One proposal for a total amount of € 0.7 million corresponding to the AWP 2006 has been selected. The contract has been signed with the beneficiary beginning of 2007.

2.6.2 Water and Energy Facilities

Under the Water Facility 1st call for proposals, 4 out of 7 proposals submitted were selected for EC co-funding in the magnitude of € 10.3 million. One Contribution Agreement with the International Federation of the Red Cross/Red Crescent Societies (€ 1.84 million EC co-financing) and a grant contract with an NGO in the magnitude of € 360,000 were concluded by end 2006. Two quite complex Financing Agreements amounting to some € 9 million have been under preparation in 2006 for conclusion by the end of 2007 at the latest (sunset clause). Under the 2nd Water Facility Call for proposals, 5 concept notes were received of which 4 were selected for detailed evaluation. 2 NGO projects have been finally approved for a total amount of some € 3.7 million for conclusion within 2007,

Under the Energy Facility, 5 concept notes were received for evaluation of which 5 reached the detailed evaluation phase. 2 projects (submitted by the WB and the Rural Electrification Authority and one NGO) have been finally approved with a third one being on the reserve list (NGO). Conclusion of the projects must be by the end of 2007 (sunset clause)

2.6.3. EU Sugar reform accompanying actions for ACP countries

A study was commissioned in October 2005 to assess the impact of the EU sugar reforms on the Zambian sugar sector and to propose strategies for limiting their possible negative effects. This adopted strategic plan for sugar is compatible with the Government of Zambia's National Development Plan (FNDP 2006-2010) and will be the framework for EU assistance. The sugar-related EU multi-annual support strategy, as well as the first project under the 2006 budget (€ 0.56 million), were submitted and approved in 2006. This assistance proposal has identified six key areas for intervention: 1) Expansion of Sugar Production through Outgrower Schemes, 2) Diversification Strategy: Ethanol Production for Fuel Blending, 3) Diversification Strategy: Ethanol Production for Gel Fuel, 4) Improvement of the Road and Railway Transport Network and Services, 5) Development of a National Sugar Trade Policy, and 6) Co-generation of Electricity. Linkages are possible with planned projects or sector support under the 10th EDF Zambia CSP-NIP (transport sector and agriculture sector); commercial or concessionary loan financing are being explored from different sources, including the European Investment Bank.

The intervention logic proposed for this Multi-annual Indicative Programme 2007-2010 (MIP, € 6 million) intends to achieve an increase in the contribution of the sugar sector to Zambia's socio-economic development in line with the objectives of the EC response strategy. The Purpose of the associated interventions is the expansion of sugar production (mainly through outgrower schemes) and of the export volume of sugar products. An ancillary but important objective is a significant increase in permanent employment in the sugar sector.

2.6.4. Centre for the Development of Enterprise and ESSIP

Support to private sector will be complemented through the activities of CDE (Centre for the Development of Enterprise) and EU-SADC Investment Promotion Programme (ESIPP). Currently CDE is supporting five individual enterprises in Zambia, mainly in the sectors of agriculture and gemstones with a total contribution of about € 60,000 to finance start-up assistance and technical studies. In November ESSIP organised in Lusaka "Mines 2006", a conference on mining sector in SADC region having as a main objective to match owners of multi-commodity mining projects with potential investors

2.6.5. The European Investment Bank

As of May 2006 EIB's active portfolio (not reimbursed) in Zambia included 34 loan and three equity operations for a total amount of €428 million, including the EDF Special Loans of €143m and the 8th EDF €16.5m Loan Facility under the Mining Sector Diversification Programme. From this a total of €90 million was signed under the Investment Facility composed of two major loans (€34 for Kansanshi and €48 million for Mopani) in the copper sector and one loan (€ 7.6 million) in the power sector (ZESCO). The remaining active portfolio was signed under the various Lomé conventions and financed from risk capital.

With regards to the Bank's active portfolio it has committed its funds to a range of sectors, namely 33% to the small and medium sized enterprises through its various global loan lines, 32% to the mining sector, 29% to the energy sector and 6% to private industry projects.

The Bank's focus was and is threefold: support of private sector small and medium sized companies including agriculture and small scale mining mainly through its credit lines it presently holds with eight intermediary banks and one micro finance institution; about € 80 million were contributed through this channel up to now and a further line of € 50 million is presently under appraisal to meet the economy's needs. The routing through the intermediary banks permits the identification of interesting projects and close monitoring. Two bigger industrial non-mining projects were signed directly (Gamma Pharmaceuticals, € 3 million, and Swarp Spinning Mills, € 13 million) under Lomé, which were not very successful due to bad circumstances and management. However, there is room for new projects in the Agricultural and Tourism sector, which promise to be more lucrative given the country's present situation.

The second pillar constitutes the support of commercially-run public sector projects, like the power sector where EIB was involved under Lomé (the contracts were signed with the Zambian Government) in the rehabilitation of the Victoria Falls Power Station (€ 20.5m) and in the ZESCO Kariba North Power Station (€ 20m). EIB has also part-financed the respective power rehabilitation study (€ 175,000). In December 2005 the EIB has signed € 7.6m under the Investment Facility directly with ZESCO, taking into consideration its commercialisation progress made and to be further made. In addition EIB has signed two loans with the Government for the rehabilitation of the Tazama pipeline (€ 13 and 18m).

The third pillar supports Zambia's traditional main sector: mining. As mentioned above, finance was provided in this sector for € 82m from the Investment Facility and € 21m from Lomé funds (€ 14m for the expansion of the Bwana Mkubwa processing plant and € 7m for the Lumwana Copper project feasibility study). The Bwana Mkubwa loan was meanwhile reimbursed and the Lumwana study loan (which EIB would have written off if the outcome of the study had been negative) has led to a major copper project also financed by EIB(€ 80 m).. A new loan (€ 32 m) has also been agreed in 2007 for the development of the Munali nickel sulphide mine .

3. Assessment of performance indicators

It is proposed to base the overall assessment of progress under the Joint Annual Report on the set of indicators used in the Poverty Reduction Budget Support (PRBS) programme. The PRBS Review is based on a new Performance Assessment Framework (PAF) 2006-2008, to be used by all the PRBS cooperating partners, hence ensuring greater harmonisation among donors.

The starting point for the PAF was the set of FNDP indicators presented in June 2006. Given the need to keep it manageable, the PAF only looks at a sub-set of sectors, chosen for their strategic nature. The new PAF therefore includes 33 indicators, covering the areas of public sector reform, macroeconomic management, wealth creation and social equity. Overall, progress achieved under the PAF points out at a score of 70% (annex 2). Compared to 2005 (scored at 85%), this is a less satisfactory performance. The main reasons ascribed to it by the Government include the revenue shortfalls in early 2006 deriving from the steep appreciation of the kwacha, as well as extra expenditures incurred to facilitate the general elections that took place on 28 September.

4. Donor coordination and harmonisation

- A plan for the division of labour (sectors) between cooperating partners has been agreed in 2006, based on the FNDP 2006-2010 framework. At the same time, the terms of reference for lead and active cooperating partners in each sector have been prepared. The EC Delegation has assumed the position of lead-cooperating partner for macroeconomic/budget support and for the transport sector, as well as for food security under the agriculture sector and for mining under the private sector, while it will remain an active donor, with responsibilities in the context of the specific sector dialogues, in a number of other sectors (health, education, agriculture, private sector, governance...). Moreover, the Delegation assumed (with Germany and the UNDP) the responsibility of the WHIP coordination from mid-2006.
- The JASZ(Joint Assistance Strategy for Zambia) document has been completed and signed (May 2007), after the official launching of the FNDP. The JASZ is the adequate instrument to progress towards further coordination and harmonisation, in line with the requirements of the Cotonou Agreement. The EU joint programming is fully compatible with this wider JASZ agreement. Coordination between EU partners must be coherent with this wider agreement⁷ .

⁷ The cooperation scene in Zambia coincides with the one considered in Point 48 of the Conclusions of the GAERC of 11th April 2006 on Financing for Development and Aid Effectiveness that states that the Joint EU Programming process should be “flexible, gradual and open, building upon existing analyses, processes and arrangements and, to the maximum extent possible include donor-wide participation. Whenever the development of common strategies is already under way, such as Joint Assistance Strategies or similar processes, joint programming should complement, strengthen, and whenever possible be part of these existing processes, in order to avoid unnecessary parallel processes”.

- Co-ordination between cooperating partners and government is also increasing in significance in specific areas like public finance management and reform (PEMFA), budget support and macroeconomic issues (PRBS group), social sectors, roads, agriculture/food security....

5. Dialogue in country with the national authorities and NSAs

In the most recent period, policy dialogue with national authorities focussed on conditions for progress in budget support (PRBS group process), the situation in priority sectors (social sectors, HIV/AIDS, agriculture/food security, infrastructure, private sector/PSD), and analysing the first period of implementation of the donor-supported programme for public finance management reform (PEMFA). Moreover, the GRZ FNDP 2006-2010 and the JASZ was the basis for discussions of the new 10th EDF support programme (2008-2013) and the related programming exercise. The Delegation also played an important role in facilitating dissemination and discussion with national authorities of the final report of the EU EOM, after the 2006 Elections.

The NAO-Delegation working relationship continues to improve while the issue of resources available for NAO functions is still a great concern, particularly due to the absence of national counterparts to work with the technical support team and the general problem of resources at ETC-MFNP. This has been particularly problematic in the preparation of the 10th EDF CSP/NIP and related processes (Governance Profile). Concerning project and programme implementation, problems are arising from long approval procedures of local purchase orders, particularly related to infrastructure projects, thus providing a case for contractors claiming extension of time with associated additional costs. The absence of NAO representatives at important project/programme decision-making events does also adversely affect project implementation. However, the progress in the harmonisation of donors in Zambia, associated with a broad shift towards GBS may lead to a renewed attention, within MFNP, to issues of aid coordination and the related capacity problems.

The programming phase of the 10th EDF has also included a process of consultation with civil society representatives and NSAs. A number of meetings were organized in 2006 and beginning 2007 to discuss the main 10th EDF programming documents, including the Governance Profile. Moreover, Non-State Actors have also been consulted for the planning and implementation of a number of projects involving their participation. Some NSA representatives are also members of the steering committees of EDF funded projects.

6. Conclusions

- After the 2006 elections, both constitutional and additional electoral reform processes are under way in Zambia and when implemented will increase confidence of the public towards democratic structures. However, some issues (timing for the Constitutional review, adoption through a Constituent Assembly, extent and nature of the electoral reforms) need further national dialogue. Progress is noted under the anti-corruption policy, in relation to former President Chiluba's liability in the Government civil suit and to other recent high profile cases (Ministry of Lands, Ministry of Health), as well as in terms of legal framework.
- Real GDP is projected to grow by 6-7 percent a year through 2010 (FNDP). Major investments are expected in the mining sector. Adjusted policies and instruments to support agricultural production, including public infrastructure investments, should stimulate more pro-poor growth in this sector. The economy nevertheless remains vulnerable to shocks in the terms of trade and variations in rainfall patterns. More attention should be devoted to improving the competitiveness of the

economy, strengthening the investment climate and promote diversification. The investment and business climate should be enhanced through the implementation of the *Private Sector Development (PSD) Programme and the Financial Sector Development Plan (FSDP)*. Fiscal space needs to be created (including from mining sector fiscal reforms) to increase poverty reducing spending, develop infrastructure, and support other priority FNDP programs.

- According to the “Zambia Millennium Development Goals Status Report 2005” (UN-GRZ), five MDG targets can be met by 2015. These are: halving poverty and hunger, ensuring that boys and girls alike complete a full course of primary schooling, eliminating gender disparity in primary and secondary schools, and reversing and halting the spread of HIV/AIDS. In addition, three more targets – reducing child mortality by one-third, halting and reversing the spread of malaria and other major diseases, and halving the proportion of people living without access to safe drinking water and sanitation – may possibly be achieved by 2015. However, reducing maternal mortality, integrating principles of sustainable development into country policies and programmes, and the reversal of loss of environmental resources will not be met, if the current trend prevails. It should be obvious that the implementation of the FNDP should assume the achievement of MDG targets as an essential objective and prioritise allocations for that purpose.
- The Joint Assistance Strategy for Zambia (JASZ) has been completed and signed (May 2007). The purpose of the JASZ is to focus and organise development assistance provided by cooperating partners to support the implementation of Zambia's national development goals as they will be defined in the FNDP 2006-2010. This is in line with the Paris Declaration 2005 to which Zambia and its cooperating partners are signatory. The JASZ is foreseen to harmonise and align the many individual country strategies that cooperating partners in Zambia are currently using. The JASZ is the adequate instrument to progress towards further coordination and harmonisation following the requirements of the Cotonou Agreement and the EU development strategy. The EU joint programming can be fully compatible with this wider JASZ agreement.
- Apart from starting the preparation of 10th EDF operations (Identification Sheets for GBS, Road SPSP, Health Sector direct support, and Governance), the EC Delegation activities in 2007 will focus on :
 - ⇒ **General budget support** progress (PRBS reviews, PAF and 9th EDF PRBS 2 tranches), in particular disbursement of the 1st fixed tranche of €20 million (request sent to headquarters at the end of May), final assessment of the variable component (€30 million), to be disbursed partly in 2007 (up to €10 million) and partly in 2008 (up to €20 million); technical changes to the Financing Agreement signed end March 2007 will also be submitted to headquarters. As a Chair of the PRBS group, the EC Delegation will also be responsible for the revision and update of the PAF, coordination and follow-up of the joint reviews, and coordination of the SPA (Strategic Partnership for Africa) survey on budget support.
 - ⇒ **Budget support** implementation in the **road sector**. A preliminary assessment of sector performance seems to justify a 100% release of the third tranche (2007) of € 21.4 million, including € 4.5 million for rural road rehabilitation. The required reporting from the sector agencies is expected to be submitted in the 2nd quarter 2007 for subsequent detailed assessment by the NAO/EC Delegation.

The Rider 2 to the 9th EDF SPSP Roads will increase the ceiling of the FA by other additional € 6 million (allowing a 2008 potential tranche of € 8 million, after also internal reallocation for € 2 million) from resources allocated to Zambia arising from the 9th EDF End Term Review. A Mid-Term Evaluation of the SPSP programme is foreseen in the 3rd/4th semester 2007 to be carried out by an independent consultant. The lessons learnt from the Mid-Term Revue will guide the preparation of the 10th EDF programming for the road sub-sector with regard to a continuation of sector budget support as financing modality.

⇒ **Budget support** implementation in the **health sector**. It is expected that the first disbursement of this support (9th EDF Financial Agreement signed in February 2007) will take place by mid-2007. The intervention consists of sector budget support that complements the Poverty Reduction Budget Support operation, with a focus on activities aimed at improving the retention of health workers in the most deprived and remote setting.

⇒ Finalising or starting the implementation of 8th and 9th EDF **project-aid operations in the infrastructure sector**: rehabilitation of two National Airports (final phase), rehabilitation of Urban Markets in three major cities (final phase 2007-2008), rehabilitation of the Zimba–Livingstone road under the 9th EDF project, likely to start by end of 2007 (works and supervision contracts).

⇒ 9th EDF support to **PEMFA**. Progress in 2007 and beyond must be based on a more concrete performance assessment framework, measuring progress on reforms in a more structured manner, by introducing clearly measurable and verifiable milestones that each component has to achieve by the end of each year (linked to relevant PEFA indicators). Such Framework has been finalised jointly, and it already allows deeper dialogue on concrete progress with reforms. In addition, a Mid-Term Review will be carried out during the second semester 2007, for assessing progress and reconsidering/prioritising some components.

⇒ Implementation of the 9th EDF Capacity Building for **Private Sector** Development programme. The project is based in the Department of Domestic Trade in MCTI and is providing support to the Department of Trade and Department of Industries in charge of Small and Medium Enterprises. Support will be also provided to statutory bodies such as the Export Board of Zambia, Zambia Investment Centre, Zambia Bureau of Standards, and Zambia Competition Commission. Some of these statutory bodies have recently merged into the Zambia Development Agency (ZDA) which will centralise the functions of export promotion, support to investors and delivery of regulatory statutory services. Civil Society and Private Sector intermediary organizations will benefit through two specific grant facilities.

The Export Development Programme II and the Mining Sector Diversification Programme, both funded under the 8th EDF are arriving at their last phases. A main objective for 2007 is to prepare an exit strategy that will ensure the sustainability and further replication of the results and a smoothly hand over to the Government.

⇒ Continuing or finalising activities of the 9th EDF **Food security/agriculture** projects, and starting the implementation of the EU support to the **Sugar sector**:

- Under the 9th EDF “Promotion of conservation farming and crop diversity” (end operational implementation: December), the activities in 2007 are focused on evaluation of the results and hand-over of assets to government looking for the continuity of the activities.

- Under the 9th EDF “Food security/agriculture diversification in Western and North-Western provinces” *component 1*, the national strategic framework and monitoring matrix for food security is already developed and the Food Security Task Force shall on this basis review the FNDP implementation as it relates to achievement of the established objectives, also providing guidance for resolving specific cross-sectoral implementation issues as they arise. Under *component 2*, initial activities (through food security local plans, including improved crop varieties and livestock breeds, training and support to producers’ organisations) must be implemented in the 2 mentioned provinces in close coordination with public extension services (PACOs and DACOs). *Component 3* (involvement of NSAs in the just mentioned food security activities) must be prepared through a first call for proposals. The call for proposals under the Food Security budget line (€ 2 million from the 2006 budget) is already launched targeting the same two provinces.
 - Under the sugar-related EU support strategy, implementation of the first project (€ 0.56 million from the 2006 budget) and preparation of activities of the MIP 2007-2010 (€ 6 million) in the following areas: 1) *expansion of sugar production as a means to contribute to poverty alleviation in rural areas*, through an expansion of out-grower schemes, either via existing structures or by encouraging new projects; 2) *improvement of the competitiveness of Zambia’s sugar products* reducing transport costs for the sugar industry by identifying optimum corridors and targeted support to reduce transaction costs; 3) *diversification of sugar production*, adding value, developing new products and optimising costs in the industry.
- ⇒ Preparing the implementation of the 9th EDF **support to NSA** (€ 5 million), once the Financing Agreement is signed and including the recruitment of the TA
- ⇒ Finalisation (Grants with NGOs, Financing Agreements with public bodies, Administration Agreement with WB) before the 9th EDF sunset clause and follow-up of the different projects (for a total amount of more than € 34 million) approved under the **Water Facility** (6 projects in total from the 2 call for proposals) and **Energy Facility** (2 projects + 1 project on reserve).
- The Zambia 9th EDF NIP **A envelope** funds, including the € 6 million from the ETR, will be totally absorbed after committing the 3 proposals currently under approval: Rider 2 to the SPSP Roads (€ 6 million), Rider 2 to the Urban Markets project (€ 1.7 million) and TCF 2 (€ 3.5 million). The 9th EDF NIP **B-Envelope** amount reserved for emergency response to refugees and other humanitarian crises was reduced to € 7.77 million after the MTR, of which € 7.7 million has been spent from 2004 to 2006 for the repatriation of Angolan refugees and to respond to the partial food crisis in 2005. New humanitarian operations in 2007 (repatriation of Congolese refugees and response to the floods) must be funded through funds managed by ECHO.

3. ANNEXES

General Annexes:

- 1 - Country at a glance, including key macro-economic and MDG indicators (update

of 10th EDF CSP annex)

2 - Performance Assessment Framework

Annexes with a retrospective character. Financial situation for:

3- 9th EDF (grants) and any previous EDFs

4- Regional projects

5- EIB projects

6- Use of budgetary support / counterpart funds

7- Budget lines (NB: please use the EAMRs financial tables and CRIS project sheets)

Table 1. Macroeconomic indicators

	2000	2001	2002	2003	2004	2005	2006	2007	
Basic data									
1	Population (in 1000)	10.7	10.9	10.2	10.3	11.5	11.7	11.9	12.1
	- annual change in %	2	1.9	1.8	1.7	1.6	1.6	1.6	1.6
2a	Nominal GDP (in billion Kwacha)	10,072	13,133	16,260	20,479	25,916	32,450	39,299	44,142
2b	Nominal GDP per capita (in €)	327.6	372.7	391.2	405.6	389.1	467.9	758.7	655.9
2c	- annual change in %		12.1%	4.7%	3.5%	-4.2%	16.8%	38.3%	-15.7%
3	Real GDP (annual change in %)	3.6	4.9	3.3	5.1	5.4	5	6	6
4	Gross fixed capital formation (in % of GDP)	18.6	20	17.5	25.6	24.3	23	23.5	25
International transactions									
5	Exports of goods and services (in % of GDP)	27%	28%	28%	26%	36%	36%	32%	35%
	- of which the most important: Metals (copper) (in % of GDP)	15%	16%	15%	14%	24%	24%	24%	26%
6	Trade balance (in % of GDP)	-14%	-16%	-13%	-11%	-2%	-3%	2%	-3%
7	Current account balance (in % of GDP)	-19%	-21%	-17%	-15%	-10%	-10%	-8%	-11%
8	Net inflows of foreign direct investment (in % of GDP)	4%	2%	5%	7%	7%	6%	4%	5%
9	External debt (NPV, in % of GDP)	76	78.7	55.1	44.4	28.2	23	4	5
10	Service of external debt (in % of exports of goods and non-factor services)	15.9	13.4	11.4	14.6	18.3	6.7	2.1	2
11	Foreign exchange reserves (in months of imports of goods and non-factor services)	1	0.8	2.1	1.3	1.2	1.6	1.7	2

Government

12	Revenues (in % of GDP)	25.1	25	26.3	24.9	23.7	23	42.3	21.3
	- of which: grants (in % of GDP)	5.7	5.8	8.3	6.9	5.5	5.6	25.5	3.8
13	Expenditure (in % of GDP)	30.9	32.2	31.3	31	26.7	25.8	23.5	23.4
	- of which: capital expenditure (in % of GDP)	10	11.9	11.8	11.4	8.7	7	4.8	5.7
14a	Deficit (in % of GDP) including grants	-7	-8.1	-6.3	-6.6	-1.7	-2.6	18.6	-2
14b	Deficit (in % of GDP) excluding grants	-12.7	-13.8	-14.6	-13.5	-7.2	-8.3	-6.9	-5.9
15	Debt (in % of GDP)	139.2	135.9	142.5	131.8	104.6	46.4	20.1	18.9
	- of which: external (in % of total public debt)	54.6	57.9	38.7	33.7	27.0	49.6	19.9	26.5

Other

16	Consumer price inflation (annual average change in %)	26.1	21.4	22.2	21.4	18	18.3	9.2	8.6
17	Interest rate (for money, annual rate in %)					30.9	28.2		
18	Exchange rate (annual average of national currency per 1 €)	2873.4	3231.4	4074.5	4902.4	5791.6	5935.6	4363.2	5580.0
19	Unemployment (in % of labour force, ILO definition)				16				
20	Employment in agriculture (in % of total employment)				72				

Table 2. Progress on selected MDG indicators

Indicator	1990	2000	2004	2005	2006	2010: FNDP targets	2013	2015: MDG targets
1. Proportion of people living in extreme poverty [1]	58%	46%	53%	-	-		-	29%
2. Prevalence of underweight children (under-five years of age)	40%		53% (2003)	23%		13%		-
3. Under-five mortality rate (per 1000)	191	168						63
4. Net enrolment ratio in primary education	80%	76%	78%	95%		97%		100%
5. Primary Completion Rate	64%	73%	82%	81%		90%		100%
6. Ratio of girls to boys in:								
- primary education	0.98	0.98	0.95	0.95		0.98		1
- secondary education	0.92	0.9	0.84	0.83				1
- tertiary education			0.63					
7. Proportion of births attended by skilled medical personnel	51% (1992)	45%	43%	43.5%		50%		
8. Proportion of one-year-old children immunised against measles	77%	84%						-
9. HIV prevalence among 15- to 24-year-old pregnant women			21%					
10. Proportion of population with sustainable access to an improved water source	50%	53%		67%		80%		75%

[1] Extreme poverty is measured by taking a lower poverty line that reflects the minimum requirements of food spending and excludes some of the items included in the national 'basic' poverty line.

Source: UNDP MDG Report 2005, MoFNP Report on PRBS, UNAIDS 2006 Report, Zero draft of the FNDP (June 2006).



**MINISTRY OF FINANCE AND NATIONAL PLANNING (Planning and Economic
Management Division - PEMD)**

**Report on Progress under the
Performance Assessment Framework
for the Period 2006 – 2008
for the Joint Assessment of the
Poverty Reduction Budget Support
at the June 2007 Joint Annual Review**

(3rd Draft, 21st June 2007 Version 3.2)

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1. Introduction

In line with its aspirations in the Aid Policy and Paris Declaration, Zambia's preferred mode of aid delivery is General Budget Support. In this regard, a number of Cooperating Partners have indicated their willingness to provide funds in this manner, which culminated in the development and signing of a Memorandum of Understanding (MoU) for Poverty Reduction Budget Support (PRBS). At present nine cooperating partners have signed up to this MoU, namely the European Commission, DFID, Germany, Norway, Sweden, Finland, the Netherlands, the World Bank, and the African Development Bank while a number of other partners have expressed their interest to join in the short and medium term.

A framework has since been developed for assessing performance under the PRBS MoU referred to as the "Performance Assessment Framework" (the PAF). It provides the basis for discussions over the effectiveness of PRBS on a bi-annual basis.

The PAF 2006-8 was developed after detailed consultations between the Ministry of Finance and National Planning (MoFNP) and Poverty Reduction Budget Support cooperating partners and representatives from the various sector ministries/institutions. The ministries also engaged in a further series of consultations, through the Sector Advisory Groups (SAGs) in their selection of the indicators and areas for inclusion in the PAF.

At present, there are 33 indicators and milestones included in the PAF covering four broad areas – Public Sector Reform, Macroeconomic Management, Wealth Creation and Social Equity (see Table 1), 30 of these will be used to assess progress for 2006. The choice of these four broad areas is in line Fifth National Development Plan (FNDP) theme and strategic focus. The theme of the FNDP is broad based wealth and job creation through citizenry participation and technological advancement while the strategic focus is economic infrastructural and human resources development. Further, the indicators in the PAF are a subset of the monitoring and evaluation framework of the FNDP and are therefore fully consistent with the Key Performance Indicators of the FNDP.

Table 1: Overview of Indicators and Targets for PAF 2006-8

Sectors	Number of Indicators
Public Sector Reform	8
Public Service Management	4
Public Finance Management	4 (+1)
Macroeconomic Management	7
Macroeconomic Indicators	3
Financial Sector Development	2
Public Service Pension Fund	2
Wealth Creation	9
Agriculture	3
Infrastructure	4
Industry, Commerce and Private Sector Development	2
Social Equity	9
Health	4
Education	3
HIV/Aids	2
Total	33 (+1)

Under each broad heading there are a number of sub headings, for which indicators or milestones have been presented. For each of the milestones a baseline figure for the year 2005 has been included, as well as targets for the years 2006, 2007 and 2008. The targets for the later years may be revised based on the performance in the current year. These will be included in the PAF 2007-09 that will be finalised after the June review and presented to the October 2007 review meeting of the PRBS.

This is the first report on performance produced under the PAF, which has replaced the interim arrangement, on which reports in 2006 were made. It is organised as follows: section 2 provides an overview of the findings; section 3 provides an analysis of the findings based on the four broad areas; section 4 presents the Government's conclusions. The following annexes are also provided:

- Annex I: Performance indicators for 2006 in matrix form
- Annex II: Commitments and disbursements under the MoU for the PRBS
- Annex III: Releases by Head 2006
- Annex IV: Reported and calculated expenditure against releases in 2006 by head
- Annex V: Overview of education indicators, by district (in Maps)
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- Annex VII: Overview of health indicators, by district (in Maps)
- Annex VIII: Overview of health indicators, by district
- Annex IX: Variance calculation for expenditure in 2006
- Annex X: Indicator by indicator assessment of the PAF

2. Overview of Findings

The overall performance against the indicators and targets included in the PAF for 2006 shows a slight downward trend, consistent with the serious budgetary constraints faced in 2006. During the year, the targets for 19 of 30 indicators were fully achieved, and substantial progress was observed on a further four, while seven indicator targets showed no achievement at all (see Table 2). This is the equivalent of a score of 21 out of 30 (or in percentage terms 70.0 per cent), lower than the score of 85 per cent achieved in 2005. However, it is not possible to make a direct comparison as the indicators used for making the assessment are different, and in all cases the targets, and therefore the expected level of performance, were set at a higher standard.

In terms of the broad areas looked at, most progress appears to have been made under the umbrella of wealth creation, followed by social equity, which was brought down by a somewhat disappointing performance in education and the ability to target improvements in certain under performing districts. This was followed by the area of macroeconomic management, affected negatively by issues connected to the Public Service Pension Fund (PSPF) and the clearance of arrears, as well as the Government Domestic Borrowing as a proportion of GDP. The most disappointing area was that of Public Sector Reforms, where most targets were only partially met or not at all met, of particular concern were releases to MPSAs on a timely basis and the clearance of domestic arrears. This is a specific area that will require closer attention if performance for 2007 is to improve.

Table 2: Overview of Performance under the PAF 2006

Sector	Targets fully Achieved	Targets partially achieved	Targets not achieved	Score (%)
Public Service Management	1	1	0	75.0
Public Finance Management	1	1		37.5
Macroeconomic Indicators	2	1	0	66.7
Financial Sector Development	0	1	1	100.0
Public Service Pension Fund				25.0
Agriculture	3	2	0	100.0
Infrastructure	2	0	0	62.5
Industry, Commerce, PSD				100.0
Health	3	2	0	75.0
Education	2	0	0	66.7
HIV/Aids				100.0
Total	19	4	7	70.0

With view to the particular budgetary challenges Government faced in 2006, the achievements against the PAF targets reported here, though disappointing after the good performance in earlier years, as recorded in the iPAF, are perhaps in line, or slightly ahead of, expectations for the year.

One general finding is that with the expansion of the PAF to include additional areas, some of the indicators and targets set for 2006 were somewhat unrealistic, overambitious, or simply not in line with agreed definitions under the PRGF or various Sector Initiatives. Moving forward, there may be the need to revise some of these indicators as well as some of the targets, especially when the entire PAF for the 2007-2009 will be reviewed.

3. Analysis of Findings in the Four Broad Areas

This section presents the findings in the four broad areas.

3.1 Public Sector Reform

Under the heading of Public Sector Reform, there are two sub sectors, dealing with Public Service Management and Public Finance Management (PFM).

Public Service Management

Of the four indicators included under Public Service Management, three had targets included for 2006. These are the restructuring of provincial and district administration, the adoption of a public service pay policy and a Diagnostic Pay Study. The fourth indicator, referring to the development of service delivery charters for four institutions in the public service did not have a target included for 2006, so will not be included as part of the assessment. The major issues that emerge are the following:

- For the restructuring of provincial and district administration, a comprehensive implementation plan was developed; this is undergoing a review and approval process at present. In the first part of 2007 generic plans and structures for provincial and district administration and local councils have also been developed. This is in line with the target for 2006.
- Consultants have been identified to develop Service Delivery charters for four institutions in the public service, specifically Ministry of Lands, Department of Immigration, Public Service Management Division, and Department of National Registration, Passport and Citizenship. Suggesting the target for end 2007 can be achieved.
- The Diagnostic Pay Study, due to be carried out in December 2006, was not conducted. It will now be merged with the

consultancy to develop the pay policy. This process was further delayed by problems associated with the start of the PSM component of the Public Service Reform Programme (PSRP). The process of identifying the consultants for the work on the pay policy started in early 2007. These amendments to workplans were discussed and agreed with CPs active in the sector. While some progress has been made, this is a fundamental change to the indicator and target, as a result it should be assessed for this year.

- The Payroll Management and Establishment Control (PMEC) system was rolled out to three agencies (Zambia Police, Public Service Management Division and Ministry of Finance and National Planning), as opposed to the five that was the target for the end of 2006. However, since the start of 2007 a further three MPSAs have been connected – Ministry of Works and Supply, Ministry of Home Affairs and Ministry of Agriculture and Cooperatives, bringing the total of MPSAs connected to six. Therefore, the target for 2006 is still being considered as partially achieved.

Public Finance Management

The following assessment is based on the five PFM indicators included in the PAF, rather than being a full assessment of Public Expenditure and Finance Management in Zambia. The major highlights are as follows:

- Unlike in previous years, when the average release was regularly higher, Government in 2006 could only release **87.7** per cent of the total budget approved by Parliament at the start of the year. This is a direct consequence of the revenue shortfall of K359.1 billion, mainly caused by the Kwacha

appreciation and the holding of the tripartite election which required front loading to institutions facilitating elections.

The respective indicator requires that the quarterly releases of 70% of the MPSAs fall within a bandwidth of 95-105%. However, during the calculations for 2006 a number of issues emerged, Personal Emoluments are paid against actual cash books and are 100 per cent met, grant aided institutions are regularly funded based on one twelfth of their annual budget allocations per month and only the remaining part is released against monthly funding requests. Regarding this, when a request for funding in the first quarter is not fully met subsequent demands take account of the shortfall in releases in earlier quarters, meaning that the sum of demands for the year is greater than the budget allocation. The 2006 data on quarterly profile shows that the total amounts profiled by MPSAs in most cases was higher than the amounts appropriated for the year in the budget, thereby making the analysis of funding against profile difficult. This is compounded by the fact the MPSAs are not advised of the funds that will be made available to them in line with projected revenues.

Measures will be put in place by the budget office in MoFNP to review the system to overcome these teething problems associated with the new funding system and ensure that the total profiles match the approved budget provisions and projected revenues.

In the absence of quarterly figures, the year end figures for 2006 revealed that only 14 of 48 expenditure heads had received releases of between 95 and 105 per cent, up slightly on figures from 2005. If the range is increased to between 90 and 110 per cent this increases to 26, the equivalent of 54 per cent. Nevertheless, 14 MPSAs received less than 90 per cent of the budgeted figures, with eight receiving more than 110 per cent of the budgeted amount. These were the Office of the Vice President, Cabinet Office – Office of the President, Police and Prison Service Commission, Zambia Police –

Ministry of Home Affairs, Ministry of Justice, Ministry of Defence, Zambia Security Intelligence Service and Ministry of Agriculture and Cooperatives. As is apparent, these are mainly agencies involved in the facilitation of the tripartite elections.

Of the priority MPSAs identified in the PAF, three received more than their original budget (Ministries of Health, Education and Agriculture and Cooperatives), with only the Ministry of Works and Supply receiving less than 90 per cent of its budget (at 85 per cent). When combined, releases to the eight priority MPSAs was 102.5 per cent, considerably better than the releases for all MPSAs.

Table 3: Releases in % of Budget, 2006, Key Heads

7 Office of the Auditor General	90.49
13 Ministry of Energy and Water Development	91.38
29 Ministry of Local Government and Housing	95.55
37 Ministry of Finance and National Planning	100.83
46 Ministry of Health	108.70
64 Ministry of Works and Supply	84.95
80 Ministry of Education	100.24
89 Ministry of Agriculture and Cooperatives	112.16
<i>Total Specified Heads</i>	<i>102.5</i>
Total (including Head 99)	87.69

The number of MPSAs where calculated expenditure was between 95 and 105 per cent of releases was 34 out of a possible 49, representing a percentage figure of 69.4 per cent. This shows an improvement against a recalculated baseline for 2005 of 55.1 per cent (27 out of 49 heads). While the target for 2006 of 80 per cent has not been reached, it would appear that this has been set at an unrealistically high level. In this regard an assessment of partly met is included to take account of the substantial improvement on the previous year. A number of other points are worth drawing attention to:

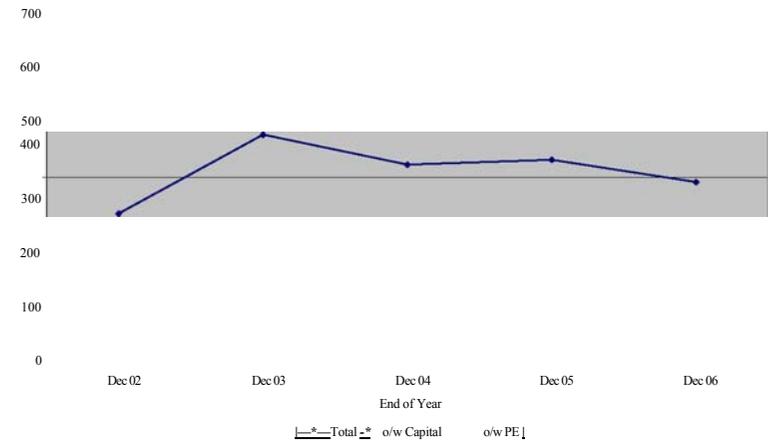
- For all MPSAs calculated expenditure is 97.3 per cent of total funding, similar to the 2005 figure of 98.3 per cent.
- The figures used for the calculations in 2005 and 2006 were from June, the intention to have the data available by the end of March was not met due to hardware problems at the Office of the Accountant General.
- Further 37 heads (or 75.5 per cent) have a reported expenditure of between 95 and 105 per cent of calculated expenditure, a reflection of Government’s ability to account for the money that has been spent. For all MPSAs, reported expenditure is 96.9 per cent of total funding.

There remains scope for improvement in the 2006 figures, including carrying out additional reconciliations for those MPSAs that have not yet retired their outstanding imprest amounts. Earlier presentations of accurate figures will also depend on overcoming the current constraints in processing the data within the Accountant General’s Office, including considerations of late settlements for previous year’s imprests done in the current year, the main factor causing figures of reported against calculated expenditure of over 100%.

Domestic arrears remain a cause for concern, despite having declined in 2006 by 7.7 per cent from K532.8 billion in 2005 to K491.8 billion. While the definition of what constitutes an arrear is the same as that included in the PRGF reviews, the PAF indicator has been designed to focus on total domestic arrears, whereas the PRGF indicator has focused on the clearance of arrears beginning 2002, disaggregated by housing, suppliers of goods and services and pension arrears. This has led to difficulties in terms of the targets set for the years 2006 to 2008, which were taken as being the same for the two indicators, however these are patently unobtainable

and require revision. This target is assessed as not met, with an agreement that new targets for 2007-09 need to be established.

Figure 1 Trend in Domestic Arrears, 2002 - 2006



Source: Accountant General’s Office / Internal Debt Management, Ministry of Finance and National Planning

The Office of the Auditor General (OAG) submitted their report for 2005 to parliament on time (that is, within 12 months of the end of the fiscal year). The actions taken on the previous year’s OAG report, as outlined in the Treasury Minute, have been evaluated by the Office of the Accountant General, and showed all cases have been dealt with, meaning that the target for this indicator was met. However, the number of cases for which the controlling officer have been contacted but no progress had been reported is, however, still too high at 24.6 per cent.

Table 4 State of Issues Raised in 2004 Auditor General's Report

	Government MPSAs		Parastatal Companies		Total	
Dealt with / Remedial Action still in progress	69	34.5%	74	67.9%	143	46.3%
Followed up by the ST and referred back to the AG for verification	65	32.5%	20	18.3%	85	27.5%
Before the Courts of Law	4	2.0%	1	0.9%	5	1.6%
Relevant Controlling Officers were written to, but no progress reported.	62	31.0%	14	12.8%	76	24.6%
No action taken	0	0.0%	0	0.0%	0	0.0%
Total number of issues raised	200	100%	109	100%	309	100%

Source: Accountant General's Office, Ministry of Finance and Planning National

The methodology for this assessment needs to be improved somewhat with a more precise definition, in order to come to an "objectively verifiable" assessment. This can be done for the 2007-9 PAF, taking the calculation from this year as a more comprehensive baseline. The specific definition could be to include recommendations from the Public Accounts Committee (PAC) that were

- Dealt with / remedial action still in process
- Followed up by the ST and referred back to the AG for verification
- Before the Courts of Law

In addition, the OAG is in the process of producing a report on "outstanding issues" which they intend to table with the 2005 report.

- It was agreed that the expenditure variance, defined as the weighted average deviation between expenditure and the original budget using absolute figures, is reported but not considered in the assessment. For 2006, the total figure comes to 15.6 per cent. If Constitutional and Statutory expenditures are excluded, the variance figure is reduced to 9.2 per cent, and if one singles out the eight key MPSAs for the PAF, then the figure is somewhat similar at 10 per cent. This also represents an improvement over the 2005 position when the total variance was 19.9 per cent (see table below).

Table 5: Absolute Value Expenditure Vs Budget, 2006 (ZKw)

	<i>Absolute Value</i>
	<i>Variance</i>
Ministry of Health	117,812,465,685
Ministry of Education	85,404,899,377
Ministry of Energy and Water Development	3,952,007,089
Ministry of Agriculture and Cooperatives	57,402,096,722
Ministry of Works and Supply	20,939,134,246
Ministry of Local Government and Housing	4,540,839,940
Office of the Auditor General	1,909,175,308
Ministry of Finance and National Planning	30,881,967,907
Total Selected	322,842,586,274
<i>Variance Selected</i>	<i>10.0</i>
Total All MPSAs	1,230,527,095,458
<i>Variance All MPSAs</i>	<i>15.6</i>
Total all MPSAs (less Constitutional and Statutory)	597,447,338,651
<i>Variance all MPSAs (less Constit. and Statutory)</i>	<i>9.2</i>

As a means of addressing the various issues raised under the PFM heading and monitoring releases more closely on a quarterly basis government proposes to do the following in 2007.

- (a) Produce a consolidated quarterly allocation profile for all MPSAs based on projected revenues and the requirements of MPSAs for the year against which releases can be checked and

- (b) Reinstitute the Budget Execution Working Group to look at issues around this and produce a quarterly input monitoring report.

3.2 Macroeconomic Management

This sector includes three specific sub-sectors – macroeconomic indicators, financial sector development and indicators related to the Public Service Pension Fund (PSPF).

Macroeconomic Indicators

The underlying principle of the Memorandum of Understanding for Poverty Reduction Budget Support is that Zambia must show a commitment to pursuing sound macroeconomic policies as evidenced by a positive IMF assessment of overall macroeconomic performance. In addition, three specific macroeconomic indicators are included in the PAF (Government domestic borrowing, wage bill, and domestic revenue). The highlights from the assessments are as follows:

- Government domestic borrowing was 2.4 per cent of GDP, which is above the target of 1.6 per cent. However, this is explained by the large amount of carry-over funds from 2005 that were only spent by MPSAs in 2006. These funds were not adjusted for in 2006 (so they do not form part of the financing) but were counted as additional financing. The PAF targets on this indicator therefore need to be aligned with the latest IMF PRGF report, which projected target figures for 2007 and 2008 at 1.6 per cent and 1.2 per cent, respectively.
- Government has managed to keep the Central Government wage bill down and in line with projections. For 2006 this was clearly achieved with K2,833 billion, which is below the agreed target ceiling of K2,967 billion.
- Domestic revenue as a percentage of GDP fell in 2006 from 17.4 per cent in 2005 to 16.8 per cent. However, this is in line

with the PAF targets of the current year. The target has therefore been achieved.

Financial Sector Development

The two indicators included under this sub-sector are; (1) “Facilitation of the creation of a private sector Credit Bureau”, and (2) “Development of a comprehensive rural finance policy and strategy”.

- Following the issuance of a licence to Credit Reference Bureau Africa Limited (CRBAL) in June 2006, the institution was officially launched on 12 January 2007. CRBAL is now in the process of signing service level agreements with banks and financial institutions to govern the sharing and treatment of information.
- The microfinance regulations came into force in January 2006, encouraging MFIs to come under the supervisory ambit of the Bank of Zambia, suggesting the target of having a rural finance policy and strategy by 2007 will be met. The shortlisting of officers for the Project Management Unit of the Rural Finance project has been done and a no objection is being awaited from the IFAD.

Public Service Pension Fund

Two specific indicators on the Public Service Pension Fund (PSPF) were included, dealing with reducing arrears owed to the PSPF. The highlights of the findings are the following:

- The Ministry of Finance released the full budgeted amount of ZK 100 million in 2006 for the clearance of pension arrears. However, the PAF target figure was an allocation of 1.5 per cent of GDP towards the payment of pension arrears. This target is unrealistic and requires correction (it is in excess of even the stock of pension arrears at end 2005). One

suggestion is to have the targets for the allocation towards the clearance of the arrears in the outer years aligned with those in the MTEF in Kwachas. (The original calculation also included funding components to the Pensions Fund other than for arrears). An alternative is to have the indicator read *total value of pension arrears*, in which case new targets have to be developed. It is considered that the release of 100 per cent of the budget allocation for 2006 demonstrated Government's commitment to the clearance of the pension arrears. However, while the target can be assessed as being partly met in definitional terms CPs consider that the reduction in arrears could have been more substantial as part of Government's target of eradicating arrears by 2008. Against this, an assessment of partly met is proposed.

Table 6: Public Service Pension Fund Arrears

	2004	2005	2006	2007
Nominal GDP (K'Billion)	25,997.4	32,648.6	39,299.0	45,821.0
Pension Arrears Allocation	25.9	0.0	100.0	112.0
Grant	35.0	142.0	154.0	154.0
Total Grant	35.0	159.0	254.0	266.0
Total Arrears at 2005		464.0	388.0	
As % of GDP				
<i>Pension Arrears Allocation</i>	<i>0.00%</i>	<i>0.05%</i>	<i>0.25%</i>	<i>0.24%</i>
<i>Grant</i>	<i>0.13%</i>	<i>0.43%</i>	<i>0.39%</i>	<i>0.34%</i>
<i>Total Grant</i>	<i>0.13%</i>	<i>0.49%</i>	<i>0.65%</i>	<i>0.58%</i>
<i>Total PSPF Arrears in 2005 and projections to 2007</i>		<i>1.3%</i>	<i>1.0%</i>	<i>0.8%</i>

Source: Public Service Pension Fund submission to MoFNP.

The second indicator refers to the generation of new arrears to the PSPF for the year in question. The total arrears accumulated represented 31.7 per cent of the expected contributions in the calendar year. While this is a lower figure than the 2005 one (of 37 per cent), it is still considerably

above the proposed target of two per cent. In this case, it is acknowledged that the target for 2006 was not met.

To address these problems, the PSPF has made a number of suggestions including re-opening the PSPF to new entrants, infusing new assets into the fund's portfolio, adjusting the scheme parameters and streamlining collection procedures.

3.3 Wealth Creation

Three sub-sectors were included under wealth creation, specifically agriculture, infrastructure and private sector development. The major highlights, as identified through the PAF, for each of these sectors follows.

Agriculture

The targets for the three agriculture sector indicators have all been met.

- Investment programmes, which were identified as all core agricultural programmes, including salaries to extension workers under the FNDP, were targeted to receive K88 billion in 2006. This target was topped by the K109 billion actually released.
- A total of 70,000 hectares were identified for irrigation infrastructure development, 100,000 hectares of land (in Luena, Kalumwange, Mungu, Solwezi, Mwasempangwe) was identified for development in farm blocks along with 5,000 hectares for ZANAP.
- Although the Agricultural Marketing Act has not yet been adopted, a nationwide consultation process has been carried out in conjunction with the Agricultural Consultative Forum (ACF), and with major representation from districts. The Act is now to be resubmitted to Cabinet for recirculation to Ministries

Infrastructure

Four indicators were included for infrastructure (which is predominantly road construction); two, related to rehabilitation and maintenance of trunk / main / district roads, were met and one on the staffing of the three roads agencies – the Road Development Agency (RDA), Road Traffic Safety Agency (RTSA) and National Road Fund Agency (NRFA) – was partially met. The target for road upgrading was missed. The specific highlights in the sector are as follows:

- In terms of the staffing for the three newly established road agencies, the RDA has 90 per cent of positions filled, and the NRFA is fully staffed. However, due to budgetary constraints, staffing at the Road Transport Safety Agency remained at only 5 per cent at the end of 2006.
- The revenue shortfalls in 2006 also led to severe delays and shortfalls of funding releases for works contracts. In addition, the prioritisation process of roads maintenance and the complicated procurement procedures delayed the contracting process. Despite these, the targets for rehabilitation and maintenance of trunk / main / district roads were achieved.
- The original indicators as agreed at the November 2006 PRBS review for the PAF were (a) Kilometres of road upgraded (b) kilometres of road rehabilitated and (c) kilometres of unpaved roads maintained, with each disaggregated by tourist, primary and district. However, in order to match the PAF indicators more closely with the FNDP and the Roadsip, the use of road classification needs to be adjusted slightly to read (a) *kilometres of trunk / main / district road rehabilitated* and (b) *kilometres of trunk / main / district road maintained*. This would then be disaggregated by (a) paved and (b) unpaved roads. Performance for 2006 is included in the following table:

Table 7 Performance of the Road Sector: Trunk, Main and District, 2006

	Rehabilitated		%	Maintained		%
	Target	Actual		Target	Actual	
Trunk / Main / District Roads						
Paved	238.8	255.6	107.0	4,978.4	7,927.2	159.2
Unpaved	1,246.8	2,693.2	216.0	5,743.2	5,836.7	101.6

Source: Roadsip MIS, Ministry of Works and Supply

From this it is apparent that the targets for road rehabilitation and maintenance can be assessed as fully met.

There is continued concern, however, that performance in the rehabilitation and maintenance of Feeder roads is not achieving the targets set in the Roadsip. (This indicator was not included for the PAF or explicitly in the FNDP).

Table 8 Performance of the Road Sector: Urban and Feeder Roads, 2006

	Rehabilitated		%	Maintained		%
	Target	Actual		Target	Actual	
Urban and Feeder Roads						
Urban	224.9	60.2	26.8	1,320.0	310.6	23.5
Feeder	1,075.1	0.0	0.0	9,003.2	2,361.8	26.2

Source: Roadsip MIS, Ministry of Works and Supply

To this end, it is recommended that the indicator on upgraded (which is a component of the data presented in rehabilitated and maintained) be replaced with an indicator that reads *Unpaved Feeder Roads (a) Rehabilitated (b) Maintained* with targets set for each level of disaggregation. The indicator would specifically focus on Unpaved Feeder Roads because of their importance in improving the access of people in rural areas to, amongst other things, markets and social services.

Private Sector Development

Two indicators and targets for 2006 were included under the heading of Private Sector Development. The major achievements throughout 2006 on this were

- As a 2006 milestone on the way to reduce the time to set up business, the Zambia Development Agency (ZDA) Act had to become operational. It was enacted in 2006 (as Act 11 of the year), and an interim Director General was appointed to run the ZDA. In the meanwhile, also a Board of Directors has been appointed. The auditing of the former independent institutions brought together under the umbrella of the ZDA has been undertaken by Grant Thornton.
- The Citizen's Economic Empowerment (CEE) Bill was passed by Parliament in 2005, subsequently Commissioners have been appointed by His Excellency the President and the Citizen's Economic Empowerment working group has been put in place.
- The CEE communication campaign has started and will run until April 2008.
- The CEE fund will be delayed until 2008. However, the Commission will focus on developing the guidelines and procedures for disbursement of funds.

The main future target for this sector is focussing on the length of time taken to establish a business, which is to be reduced to seven days by 2008 (from 35 days in the baseline year of 2005). An appropriate target for 2006 still needs to be established, and a system to monitor the indicator needs to be developed.

3.4 Social Equity

Three particular sectors were selected to show progress in the field of social equity, namely health (with four indicators and targets), education (with three), and HIV/AIDS (with two).

Health

The four indicators and targets set for the health sector dealt with issues of institutional delivery, child immunisation, utilisation of primary health centres (PHC) facilities and Ministry of Health releases to district level. The performance for the year can be summarised as follows:

- The immunisation of children in the 20 worst performing districts in 2006 was slightly better than in 2005, raising this proportion from 65 per cent to 67 per cent.
- The utilisation rate of PHCs has increased considerably, from 0.48 in the base year to 0.6 in 2006 (against a target of 0.5). This is because of the introduction of two specific policy interventions, specifically the removal of user fees and the distribution of free ARVs.
- However, there was virtually no improvement in terms of the percentage of institutional deliveries (based on the number of deliveries assisted by midwives, nurses, doctors, clinical officers and medically trained Traditional Birth Attendants), with the proportion stagnating at 43 per cent. This was attributed to inadequate health personnel particularly trained midwives, and while efforts are being put in place to address this, through the opening of new colleges and an improved staff establishment being put in place, this will remain a problem for the foreseeable future.
- The Ministry of Health has carried out a detailed assessment of the indicator "releases to district level" taking various potential numerators. With a definition that includes all

expenditure of direct benefits to the districts plus a proportion of all PEs and other RDCs (estimated at 61 per cent), a total of 62 per cent of funds can be said to be released to district level. This is an increase from previous year's amount of 53 per cent (using the same calculation) and above the target of 57 per cent. The calculation of this indicator requires a greater deal of dialogue in future years, particularly in terms of the basis for the calculations and reaching an agreed methodology for the calculations.

Education

The three education indicators refer to Net Enrolment Rates (NER), Completion Rates (specifically targeting Gender Parity) and the Pupil Teacher Ratio, covering issues of access, equity and quality. Performance in the sector in 2006 was average with two of the indicators being met and one not met. This underlines the need for continuous discussion and consultation in the sector to ensure that the gains of recent years are not lost, and issues such as equity are addressed.

- The NER in Grades 1-7 for 2006 stood at 97.3 per cent, with that for girls being slightly above average at 98.2 per cent and for boys at 96.4 per cent (see table below). The target for 2006, however, focused on reducing the number of districts with an NER of below 80 per cent to eight. Initial figures from the ed*assist database suggested this had not been achieved, with nine districts – Mazabuka, Chadiza, Chienge, Katete, Lundazi, Lusaka, Petauke, Nyimba and Shangombo falling below this level.

However further investigations revealed an anomaly for Mazabuka district where the NER of Grade 1-9 was almost three percentage points higher than Grades 1-7. This was investigated by a team from the Ministry of Education who discovered a number of schools had submitted data late and were not captured. When this was included, the NER in Grades 1-7 actually rose to 82.5 per cent. It appears this is related to

the long run problem of non-responding schools, which is a problem across the country, but is more pronounced in Mazabuka.

Table 9: Net Enrolment Rates by Gender, 2006

<i>Grades</i>	<i>Male NER</i>	<i>Female NER</i>	<i>Total NER</i>
1 - 7	96.4	98.2	97.3
1 - 9	95.6	95.7	95.7
1 - 12	91.4	86.0	88.7
10 - 12	25.5	22.2	22.1

Source: Ed*Assist database, Ministry of Education

This means that the indicator has been met in the very strictest sense, however, CPs feel that insufficient attention has been given to putting efforts in place to target these poorly performing districts, and therefore they will continue dialogue with MoE to support targeted actions in those districts.

The completion rate of boys at Grade 9 showed an improvement between 2005 and 2006, up from 46.7 to 47.1 per cent; however, the completion rate for girls decreased slightly, from 39.4 to 39.2, suggesting that the gender differentials have in fact worsened, meaning the target for the indicator in question has not been achieved. The Ministry of Education has proposed that this indicator be replaced with one related to the Gender Parity Index, as assessed by the number of girls in school as a proportion to the number of boys in school in Grades 1-9 for the PAF 2007-9. The targets would be written in a way that also targets the worst performing districts.

The national average Pupil Teacher ratio in the lower basic grades has improved over the past 12 months to a level of 76.5 to 1 (down from the previous level of 80 to 1). To document the improved equity across the country, the number of districts with a PTR of greater than 100 to 1 was to be

tracked. This has gone down from 12 to eight, as targeted. These remaining low performing districts are Chiengi, Chilubi, Isoka, Kaputa, Luwingu, Mporokosa, Mungwi and Nchelenge.

- The difficulties with the NER calculation have unearthed some issues that need to be considered during the coming year, these include
 - The national verification of data entered is not adequate and the whole procedure needs to be improved, with more attention given to districts where there are apparent discrepancies.
 - The change from imputing values for schools where data sheets had not been returned as the response rate approached 100 per cent in 2006 may have had a negative impact on figures in districts with a lower response rate.
 - The population projections for some districts may be wrong. This will have implications for indicators such as NER, and is an area that needs to be considered when developing the National Statistical Development Strategy (NSDS).

During the finalisation of the education section of the assessment, Cooperating Partners expressed the desire that the dialogue in the sector be strengthened specifically to discuss issues such as equity and the allocation of resources to district level. This dialogue needs to include the indicator and target redefinition for the PAF 2007-9 as a matter of urgency, particularly as the data for 2007 has already been collected but before encoding and data analysis is done. In addition, areas for further investigation, such as that identified and undertaken in Mazabuka could be jointly agreed on, within a more regularised structure. This would help to identify issues for research, such as why there appears to be a larger problem with NER in Eastern Province than elsewhere in the county. The Ministry of Education has welcomed this suggestion and has agreed to act on it.

HIV/AIDS

The two indicators identified for the period 2006 to 2008 deal with testing and acceptance of results, and the number of HIV-infected people accessing ARVs.

The overall performance under this sub-sector is positive as both the targets have been met, albeit at an output level. There has been a large increase in the number of people tested for HIV and accepting results, especially due to the roll out of the Prevention of Mother to Child Transmission programme, where all pregnant women are tested. Similarly the number of people accessing ARVs has increased dramatically from a figure of 50,000 in 2005 to slightly under 90,000 in 2006, considerably above the target of 70,000 for the same year.

4. Conclusion

The 2006 Progress Report on the PAF reveals a number of challenges Government faced during the year, and which are still affecting progress in 2007. These mainly include the unexpected shortfall in Government revenue because of the Kwacha appreciation in the first part of the year, as well as the budget constraints related to the expenses for conducting the elections. The first of these underlines the relative vulnerability of a Small Open Economy such as Zambia. These factors contributed to targets being missed and should be borne in mind when an overall assessment of the year is made.

Notwithstanding the mitigating circumstances, during the review Cooperating Partners expressed their particular concern about the need for releases to MPSAs to be in line with budget allocations, not only on a total basis but also on a regular basis as required by MPSAs, throughout the year. Another area of major concern is the continued clearance of domestic arrears and arrears to the PSPF, the targets for which will need to be reformulated. Targets for all of these were at best partly met in 2006 and will have to receive greater attention in future years if the targets are to be achieved.

To address issues of public finance management in particular and monitoring releases more closely on a quarterly basis government proposes to do the following in 2007.

- Produce a consolidated quarterly allocation profile for all MPSAs based on projected revenues and the requirements of MPSAs for the year against which releases can be checked and
- Reconstitute the Budget Execution Working Group to look at issues around this and produce a quarterly input monitoring report.

However, the 2006 assessment has also shown that some of the targets set in the PAF are overly ambitious, if not unrealistic. The most striking example for this is the unrealistic figure of 1.5% of GDP to be used for settling pension arrears. If such an amount had spent on this issue, very

little would have been left for public sector investments and service delivery.

Difficulties of collecting information from sector institutions could be cited as other areas that need further improvements. While this has already been much better than in previous reporting periods, it is still unsatisfactory.

Moving forward, it is acknowledged that improving the overall performance has to remain a Government priority, in order to meet the expectations not only of the Cooperating Partners who are providing budget support, but also of the Zambian taxpayers to whom Government is accountable. To improve the process, Government is developing a way forward for the PAF that would centre on improving communication between

- MoFNP and MPSAs
- MoFNP and Cooperating Partners
- Those operating at Sector Level As well as strengthening the Sector

Advisor Groups with the longer terms aim of strengthening the consultation process around the FNDP.

Further, the sensitisation of Government decision makers, as well as of the interested Zambian public on the PAF are tasks that have to be continued and even intensified in order to make the budget support and the joint assessment of the performance the success that they were expected to become.

In summary, Government is convinced that it would have performed even better and would have continued on its path of constant progress as demonstrated in the previous years, had it not been affected by the revenue shortfalls experienced in 2006. Government is very confident that in 2007, with the major adverse factors being contained, this path of progress can be continued. In line with this, the performance assessment with respect to the 2007 indicator targets is expected to be more favourable.

Annex I: Performance Indicators for 2006 Review

Public Sector Reform

Public Service Management

Indicators / Issue	Required Action	Public Service Reform Milestones for PAF (PAF)				Relationship to NDP	Data Source (Responsible Institutions or Departments)	Assessment, including Comments (Reasons for Variance)	
		2005 (Baseline Value)	2006	2007	2008				
<i>Indicator PSM 1.</i> Restructuring Provincial and District Administration	Restructuring entails developing strategic plans, optimal organisation structures and result oriented job descriptions and specifications. An entity is said to be restructured when Cabinet (Office) approves the new structure and it is reflected on the P MEC system.	Target	Generic strategic plans and organisation structures have been prepared	Comprehensive Implementation Plan Developed	Plans and Structures for Provincial and District Administration adopted	9 Provinces restructured 72 District Administration Offices restructured	The indicator is related to the Rightsizing Program under Central Administration which is Chapter 24 of the NDP Consistent with the Decentralisation Policy's stated aim of Devolution of authority from central ministries to Local Authorities for the districts.	Management Development Division (MDD) in Cabinet Office	Reason for Variance: Not Applicable. Assessment: 2006 target has been achieved. Recommendations for the future: As regards the 2007 target, the generic plans and structures for provincial and district administration, as well as local councils have been developed. The adaptation process of these starts on the 28 th May, in line with the plan. The adoption and approval of the structures are expected before the end of the year.
		Actual		Comprehensive Implementation Plan developed and is under going the review and approval process					

Indicators / Issue	Required Action		Public Service Reform Milestones for PAF (PAF)			Relationship to NDP	Data Source (Responsible Institutions or Departments)	Assessment, including Comments (Reasons for Variance)
			2005 (Baseline Value)	2006	2007			
<i>Indicator PSM 2. Service Delivery Charters institutionalised in the Public Service</i>	Social / service contracts signed between ministries and their clients defining minimum standards, procedures for feedback and measures for addressing shortcomings Adoption = charters signed off by minister of the ministries	Target	No service delivery charters in place and no objective basis for ministry / client interface over service delivery	¹	Service delivery charters developed for four institutions.	Service delivery charters for the four institutions adopted and institutionalised	The indicator is related to the Service Delivery Improvement Program under Central Administration which is Chapter 24 of the NDP The specific indicator included for the NDP is <i>Number of (a) ministries (b) local authorities with a service delivery charter.</i>	Current Status: The identification of consultants to develop four service delivery charters has commenced. The tenders for submission of detailed technical and financial proposals has closed and they were opened on 23 rd March 2007. The proposals are currently being evaluated. Assessment: Because no target was included for 2006, this will not be included in the assessment. Recommendation for the future: By the end of the years four charters would have been developed
		Actual						

No target has been set for 2006 on this indicator, instead a progress report towards the target for 2007 will be requested

Public Service Reform Milestones for PAF (PAF)									
Indicators / Issue	Required Action		2005 (Baseline Value)	2006	2007	2008	Relationship to NDP	Data Source (Responsible Institutions or Departments)	Assessment, including Comments (Reasons for Variance)
<i>Indicator PSM 3.</i> Adoption of public service pay policy	The milestones set under Pay Reform for the three years are self explanatory activities, and can be assessed as to whether they have been completed or not	Target	Remuneration is considered inadequate and inconsistent with performance, meaning the public service is unable to attract and retain essential technical, professional and managerial staff. Nobody receives a performance based salary	Diagnostic pay study conducted: this is an employee survey on performance that compares employee salaries in public and private sector	Pay policy designed and approved	Pay policy implementation commences. Job evaluation conducted.	The NDP indicator included is <i>Proportion of Government Employees whose salaries are described as being "Performance Based"</i> however the first target set for this is 2008, as a number of processes have to be undertaken first	PSMD in cabinet office	Reason for Variance: The consultancy did not take place in December 2006 because of a decision to merge it with the consultancy to develop the pay policy. This was further compounded by delays in the start of the implementation of the PSM component of the PSRP. Assessment: Because of the difficulties with initiating the contracting process and the agreed change in the workplans, this indicator will not be assessed for 2006. Recommendations for the future: It is expected that by the end of the year, the Diagnostic Studies would have been undertaken and the pay policy developed. Targets need to be adjusted to take account of revised work plans.
		Actual		Scheduled for December 2006 – Did not take place yet					
<i>Indicator PSM 4.</i> Payroll Management and Establishment Control	Number of (a) Central Agencies (b) Provinces where PMEC is made operational in a calendar year Within this, operational is defined as <i>Human Resource officers accessing the system from their own offices and stations and no longer have to travel to Cabinet Office to input the data</i>	Target	The PMEC system functions in a central location but has not been rolled out yet to any MPSA	(a) 5 (b) 0	(a) 5 (b) 0 – but infrastructure to roll it out is put in place in three provinces	(a) 3 (b) 3	The indicator is similar to one included in the NDP – <i>Annual number of (a) central agencies and (b) provinces where PMEC is made operational</i> the target is to have this rolled out to all provinces by the end of the FNDP period.	PSMD in Cabinet Office	Reason for Variance: The PMEC system is being rolled out using an interim measure (radio link). The ministries are able to access the PMEC system through their human resource officers. Three MPSAs were connected by the end of 200 and a further three in the first five months of 2007 Assessment: Partly Achieved Recommendations for the future: At present the PMEC system is being rolled out to Kasama in Northern Province. Due to the envisaged changes in IT the original plan of rolling PMEC to the provinces has been changed. Government intends to save a lot of resources by rolling out PMEC through riding on with the Zamtel or Zesco fibre link which is currently being installed.
		Actual		(a) the PMEC system was rolled out to three ministries (b) No provincial roll out					

Public Finance Management

Public Finance Management Indicators for Performance Assessment Framework (PAF)

Indicators / Issue	Definition / Calculations		2005 (Baseline Value)	2006	2007	2008	Relationship to NDP	Data Source (Responsible Institutions or Departments)	Assessment, including Comments (Reasons for Variance)
<i>Indicator PFM 1.</i> Percent of MPSAs whose quarterly budget releases are between 95% and 105% of the budget allocation identified in the quarterly allocation plan	Each MPSA will have a quarterly expenditure allocation plan outlining how the MoFNP will allocate its approved budget on a quarterly basis. The indicator is calculated by the (cumulative) number of MPSAs who received between 95% and 105% of expenditures for each quarter.	Target	25% At December 31 st 2005, 12 heads had received funding of between 95 and 105 % (Report dated 05.06.06)	70%	80%	90%	The two FNDP indicators that are related are % of MPSAs receiving less than 95% of their budget a locations on an annual basis and Budgetary releases for key sectors as a ratio of the a location (a) Health (b) Education (c) Energy (d) Agriculture (e) Infrastructure (f) Water and Sanitation	Comparison of Expenditure Against Release report produced by Accountant General's Office	Reason for Variance: At the start of the year, problems existed with the collection of revenues because of the Kwacha appreciation, hampering funds available for releases to MPSAs. Assessment: Not met – further, there have been difficulties in calculating this, Recommendations for the future: It is not possible at present to provide information on the quarterly allocation plans and requests. A firs attempt at this will be produced by Budget Office, which may be used as a baseline for later years. It is suggested that the target for 2007 remains a year total with an update provided on the quarterly allocations.
		Actual		28.6% At December 31 st 2006, 14 of 48 heads had received allocations of between 95 and 105%					

Public Finance Management Indicators for Performance Assessment Framework (PAF)

Indicators / Issue	Definition / Calculations		2005 (Baseline Value)	2006	2007	2008	Relationship to NDP	Data Source (Responsible Institutions or Departments)	Assessment, including Comments (Reasons for Variance)
<i>Indicator PFM 2.</i> Percent of heads whose calculated expenditure is between 95% and 105% of the total funding	Calculated expenditures are annual expenditures reconciled to annual releases and adjusted for changes in BoZ bank balances	Target	55.1% This represents 27 out of 49 heads at December 2005 as opposed to previous misreported figure of 35 out of 48 heads (Report dated June 12 th 2006)	80%	90%	> 95%	A number of sectors have included independent indicators on <i>proportion of Budget Releases spent</i>	Monthly releases, publications and monthly expenditure reports for Office of the Accountant General	Reason for Variance: The difficulties are predominantly with the calculation of the indicator, because the computerisation system is not suitable for the Accountant General's Office. Assessment: Part Met - there has been significant improvement, however the targets, as set, are too based on an incorrect baseline figure and need to be reformulated for 2007-9 Recommendations for the future: If the data processing and IT capacity of the Accountant General's Office is strengthened, this indicator seems achievable.
		Actual		69.4% 34 out of 49 heads					
<i>Indicator PFM 3.</i> Domestic Arrears at end Period	ZK amount of arrears at the end of the financial year, excluding statutory pension arrears The same definition of arrears will be used as that included in the PRGF	Target	ZK 532.8 billion (original baseline was an estimated amount of ZK 421 bn)	ZK 110 billion	ZK 95 billion	ZK 0	Similar to an FNDP indicator <i>Stock of domestic suppliers debt as % of GDP</i> .	Budget Office (MoFNP), Office of the Accountant General, Controller of Internal Audit, IDM	Reason for Variance: The actual amount for 2005 (Baseline Value) was higher than the estimate. Assessment: Not met. The total debt stock has declined and the floor on the cumulative payment of domestic arrears (PRGF indicator) has been attained, however the rate at which the debt is declining is not adequate to meet target of clearing all arrears by 2008, even if annual targets are too high. Recommendations for the future: Change the indicator to one recording total debt stock Revise the indicator and targets for outer years in line with the PRGF.
		Actual		ZK 491.8 billion					

Public Finance Management Indicators for Performance Assessment Framework (PAF)

Indicators / Issue	Definition / Calculations		2005 (Baseline Value)	2006	2007	2008	Relationship to NDP	Data Source (Responsible Institutions or Departments)	Assessment, including Comments (Reasons for Variance)
<i>Indicator PFM 4.</i> Audit Reports submitted to Legislature and acted upon	Annual audit report to be submitted to parliament within four months of receipt of financial statement, and within 12 months of the end of the fiscal year. The PAC makes comments on these, which are passed by parliament and which then have to be acted upon. Acted upon is defined as having a clear action on the subject undertaken and reported on in the Treasury minutes as received from the Secretary to the Treasury by the PAC.	Target	Since 2002 the Audit report has been submitted to Parliament within the stipulated time.	95% of PAC recommendations on the 2004 report are acted upon	95 % of PAC recommendations of the PAC from the report for 2005 are acted upon	95 % of the recommendations of the PAC from the report for 2006 are acted upon	Included as a KPI in the Governance Chapter	Reports from PAC (Parliament) and Treasury Minutes – MoFNP and Auditor General	Reason for Variance: Not Applicable Assessment: Fully Met. Recommendations for the future: For future years the definition may need to be more specific and perhaps assess only the number of cases where recommendations have been - dealt with and remedial action still in progress - Followed up by the ST and referred back to the auditor general for verification - Before the courts of law The targets will need to be recalculated bearing in mind the more restrictive definition, taken 2006 figures as a baseline.
		Actual		Annual audit report submitted to parliament within 12 months of the end of the fiscal year. Some action indicated on 100% of recommendations, though detailed action identified on 75.4%					
<i>Indicator PFM 5.</i> % Expenditure Variance between original budget and total expenditure (selected sectors)	Expenditure Variance is the summed absolute values from each budget head (administrative classification) as a percentage of the total originally budgeted GRZ expenditure ² .	Target	19.9% (24.6%)					Office of the Accountant General, Budget Office (MoFNP)	Reason for Variance: Not Applicable Assessment: Agreed that this would not be assessed in 2007 Recommendations for the future: The inclusion of targets for this indicator should be considered for future years, based on current performance. Need to be clear what exactly is included in the variance calculation
		Actual		15.6% (10.0%)					

² This indicator has been included to facilitate discussion, however, due to difficulties with calculations it will not be utilised for disbursement purposes. There will however be a full overview provided on efforts to ensure that the data required is made available, covering progress on issues such as the Donor Database.

Macroeconomic Management

Macroeconomic

Macroeconomic Indicators for Performance Assessment Framework (PAF)									
Indicators / Issue	Definition / Calculations/ Required Action		2005 (Baseline Value)	2006	2007	2008	Relationship to NDP	Data Source (Responsible Institutions or Departments)	Assessment, including Comments (Reasons for Variance)
<i>Indicator MAC 1.</i> Government Domestic Borrowing as % of GDP	Central Government's net borrowing from banking and non-banking sectors recorded at cost (face value less discount).	Target	1.9%	< 1.6%	<1.0%	<1.0%	The same indicator has been included as a Key Performance Indicator for the NDP and is also included under the IMF's PRGF assessment	BoZ Economics Department	<p>Reason for Variance: Government domestic borrowing was 2.4 percent of GDP, which is above the target of 1.6 percent This is explained by the large amount of carry-over funds from 2005 which were only spent by the MPSAs in 2006. These funds were not adjusted for in 2006 (so that they do not form part of the financing) but were treated as additional financing in 2006.</p> <p>Assessment: Not Met</p> <p>Recommendations for the future: The PAF targets on this indicator therefore need to be aligned with the latest IMF PRGF report which projected target figures for 2007 and 2008 at 1.6 percent and 1.2 percent, respectively.</p>
		Actual		2.4					

Macroeconomic Indicators for Performance Assessment Framework (PAF)									
Indicators / Issue	Definition / Calculations/ Required Action		2005 (Baseline Value)	2006	2007	2008	Relationship to NDP	Data Source (Responsible Institutions or Departments)	Assessment, including Comments (Reasons for Variance)
<i>Indicator MAC 2.</i> Central Government Wage Bill	For the purposes of the wage bill, the definition of Central Government includes all heads covered in the 2006 Yellow Book. The Central Government's total wage bill will include payments on wages, salaries, allowances, and all other items specified as personal emoluments in the Yellow Book, and any direct or indirect payments of housing allowances to employees.	Target	ZK 2,455 billion	ZK 2,967 billion	TBC	TBC	Included under PRGF	Budget Office	Reason for Variance: Not Applicable. Assessment: Met Recommendations for the future: The projection for 2007 in the latest IMF PRGF review is ZK 3,513 billion. This should be adopted for this year.
		Actual		ZK 2,833 billion					
<i>Indicator MAC 3.</i> Domestic Revenue as a % of GDP	Revenue accruing to the Government, from tax and non-tax sources, expressed as a percentage of GDP.	Target	17.4%	16.8%	17.5%	17.8%	The same indicator has been included as a Key Performance Indicator for the NDP	ZRA / Budget office	Reason for Variance: Not Applicable Assessment: Met Recommendations for the future: The PRGF report predicts figures slightly above those in the PAF of 17.7% for 2007 and 17.9% for 2008. Suggest no real amendment necessary.
		Actual		16.8%					

Financial Sector Development

Financial Sector Development – Milestones for Performance Assessment Framework (PAF)

Indicators / Issue	Definition / Calculations/ Required Action		2005 (Baseline Value)	2006	2007	2008	Relationship to NDP	Data Source (Responsible Institutions or Departments)	Assessment, including Comments (Reasons for Variance)
<i>Milestone FSD 1.</i> Facilitation of the creation of a private sector Credit Reference Bureau	A CRB has been proposed in order to strengthen the credit culture in the country. The CRB will be considered created with introduction of guidelines and drafting of a substantive law by end 2006	Target	Currently, Zambia has no CRB, but is a point for action under the FSDP. In the interim, guidelines have been developed and a licence application has been submitted to BoZ for consideration	Creation of a CRB by end 2006				BoZ	Reason for Variance: Not applicable. Assessment: Fully met.
		Actual		'Following the issuance of a licence to Credit Reference Bureau Africa Limited (CRBAL) in June 2006, the institution was officially launched on 12 January 2007. CRBAL is now in the process of signing service level agreements with banks and financial institutions to govern the sharing and treatment of information.					Recommendations for the future: Not applicable – this indicator should be replaced in PAF 2007/9
<i>Milestone FSD 2.</i> Development of a comprehensive rural finance policy and strategy.	The development of a well functioning micro and rural financing system is required to improve access to financial services, particularly to lower income and rural population.	Target	Draft Micro Finance Institutions (MFI) regulations were reviewed and approved by MoFNP on 30.12.05. Further the drafting of a specific policy and strategy on rural finance has already begun under the Programme Management Unit at the MoFNP		Introduction of a rural finance policy and strategy by 2007			MoFNP / BoZ	Reason for Variance: Not applicable. Assessment: Achieved (on track for reaching the 2007 target). Recommendations for the future: The PMU will spearhead the process of formulating a policy and strategy for Rural Finance. The process of establishing the PMU was delayed due to the change in timeline which followed the pulling out of one of the potential partners of the project.
		Actual		The microfinance regulations came into force in January 2006, encouraging MFIs to come under the supervisory ambit of the BoZ. Short-listing of officers for the Project Management Unit of the Rural Finance project has been done and a no objection is being awaited from the IFAD.					

Public Service Pension Fund

Public Service Pension Fund Milestones for Performance Assessment Framework (PAF)

Indicators / Issue	Definition / Calculations/ Required Action		2005 (Baseline Value)	2006	2007	2008	Relationship to NDP	Data Source (Responsible Institutions or Departments)	Assessment, including Comments (Reasons for Variance)
<i>Indicator PPF 1.</i> Percentage of GDP allocated by Government to paying pension arrears at Public Service Pension Fund	(Total value of Government contribution towards payment of pension arrears / GDP) X 100 (This includes interest)	Target	At present GRZ has arrears of ZK 464 billion, which will be cleared between 2006 and 2008	1.5%	1.5%	1.5%	Government commitment is to have all pension arrears liquidated by 2008. This is consistent with objectives contained in the Macroeconomics Chapter of the NDP. ³	Public Service Pension Fund Budget Office (MoFNP) CSO (for value of GDP)	Reason for Variance: Treasury released the entire allocated amount of ZK 100 billion included in the 2006 Budget. The variance of -1.24 percent is because the original submission with targets as % of GDP was unrealistic. Assessment: In definitional terms the target can be assessed as being partly met, however CPs consider that the reduction in arrears from KK 464 to ZK388 could have been more successful and that the spirit of the indicator has not been met. Part Met. Recommendations for the future: if the indicator remains as one on allocations an actual figure, reflective of the allocations or the total stock of arrears should be included. This could take the form of (a) value of pension arrears or (b) value of allocation to the reduction of pension arrears.
		Actual		0.26%					
<i>Indicator PPF 2.</i> Percentage of pension arrears (in the Public Service Pension Fund) accumulated annually	(Total arrears accumulated in calendar year / total expected contributions in the calendar year) X 100	Target	37%	<2%	<2%	0%	The subject is addressed under the Macroeconomics Chapter of the FNNDP.	Public Service Pension Fund	Reason for Variance: A considerable portion of the value to be paid to the pension fund for 2007 was not made. Assessment: Not met Recommendations for the future: Consider PSPF suggestions on the reopening the PSPF to new entrants, infusing new assets into the fund's portfolio, adjusting the scheme parameters and streamlining collection procedures.
		Actual		31.7%					

This is also consistent with the Memorandum of Economic and Financial Policies (2006) submitted to the IMF

Wealth Creation

Agriculture

Agriculture Indicators and Milestones for Performance Assessment Framework (PAF)

Indicators / Issue	Definition / Calculations/ Required Action		2005 (Baseline Value)	2006	2007	2008	Relationship to NDP	Data Source (Responsible Institutions or Departments)	Assessment, including Comments (Reasons for Variance)
<i>Indicator AGR 1.</i> Allocation to Investment Programmes within the budget of Ministry of Agriculture	Investment programmes are identified as all core agricultural programmes, including salaries to extension workers, as identified under the FNNDP.	Target	ZK 23.3 bn	ZK 88 bn	ZK 226 bn	ZK 193 bn	The total budget is based on figures included in the MTEF, however the proportions for reducing re non-core expenditures comes from the FNNDP budget.	MACO and Budget Office, Ministry of Finance and National Planning	Reason for Variance: Not Applicable Assessment: Target Met Recommendations for the future: The targets should be reconsidered for the outer years in line with the allocations included in the MTEF.
		Actual		ZK 109 bn					
<i>Indicator AGR 2.</i> Number of hectares on selected sites provided with agricultural infrastructure	Total number of hectares of land in selected sites (to be identified by the Ministry of Agriculture) that are provided with connection to the electricity grid, roads and water and irrigation structure.	Target	At present there are 100,000 hectares of land that have been developed for agriculture at Nasanga	Identify infrastructure to be developed	50,000 additional hectares	50,000 additional hectares	This is included as a priority activity in the FNNDP (so is at output level), but is not identified as a KPI.	MACO – Department of Agriculture With input from Ministry of Lands and Ministry of Energy and Water Development	Reason for Variance: Not Applicable Assessment: Target Met Recommendations for the future: The targets should be maintained as planned for the outer years.
		Actual		70,000 hectares identified for irrigation infrastructure development, 100,000 hectares of land each (Luena, Kalumwange, Mungu, Solwezi, Mwasempangwe) farm blocks identified for development and 5000 hectares for ZANAP					

Agriculture Indicators and Milestones for Performance Assessment Framework (PAF)

Indicators / Issue	Definition / Calculations/ Required Action		2005 (Baseline Value)	2006	2007	2008	Relationship to NDP	Data Source (Responsible Institutions or Departments)	Assessment, including Comments (Reasons for Variance)
<i>Indicator AGR 3.</i> Adoption of Agricultural Marketing Act	Indicator deals with reform of Agricultural Marketing System. This is assessed by adoption of the Agricultural marketing Act following the guidelines in the AMDP and AIM plan and implementation of associated actions.	Target	The AMDP and AIM plans have already been developed	Finalising consultation on draft Agricultural Marketing Act	Act submitted and approved by (a) Cabinet and (b) Parliament	Action plans developed, and implementation starts	This is one of the key reforms as identified in the FNNDP and the National Agricultural Policy (NAP)	MACO, Cabinet Office, Ministry of Justice and Parliament.	Reason for Variance: The Consultation process throughout the country took longer than planned. Assessment: Met Recommendations for the future: Targets should remain the same for the outlying years. Act to be resubmitted to Cabinet for recirculation to Ministries – May Position
		Actual		The consultation phase has been completed					

Infrastructure

Infrastructure Indicators for Performance Assessment Framework (PAF)

Indicators / Issue	Definition / Calculations/ Required Action		2005 (Baseline Value)	2006	2007	2008	Relationship to NDP	Data Source (Responsible Institutions or Departments)	Assessment, including Comments (Reasons for Variance)
<i>Indicator INF 1.</i> Three road agencies established (NFRA, RDA, RTSA)	Road agencies are said to be established once the requisite number of staff are in place. This is considered critical to the delivery of services in the road sector.	Target	> 10% (35 out of 373)	80% of the agencies posts filled	100% of the agencies posts filled	100% of the agencies posts filled	As a process indicator it is related to the achievement of further NDP indicators	NRFA / RDA / RTSA	Reason for Variance: Budgetary constraints prevented Government from fully releasing the allocated amounts. Assessment: Partially Met – two of the three agencies have staffing levels in line with the target, and in total, 55 percent of positions have been filled (310 out of 567) Recommendations for the future: The targets for outer years can still be achieved.
		Actual		90% of the positions in the RDA are filled; 100% of the positions in the NRFA are in place; 5% of the positions in RTSA are filled					
<i>Indicator INF 2.</i> Kilometres of road upgraded (a) Tourist (b) Primary (c) District	Kilometres of road upgraded (a) Tourist (b) Primary (c) District Targets are for each year – not cumulative.	Target	(a) 0 (b) 0 (c) 0	(a) 240 (b) 907 (c) 267	(a) 481 (b) 1,814 (c) 584	(a) 601 (b) 2,267 (c) 668	This is consistent with the NDP objective of wealth creation even though the NDP indicators primarily focus on maintenance and rehabilitation	NRFA / RDA / RTSA	Reason for Variance: Fund releases were delayed. Assessment: In total 37 out of 1,354 km of road were upgraded, about 3 percent. Not Met. Recommendations for the future: This indicator needs to be replaced going forward with one on
		Actual		(a) 0 (b) 37 (c) 0					
<i>Indicator INF 3.</i> Kilometres of Trunk / Main / Main / District roads rehabilitated (a) Paved (b) Unpaved ⁴	Kilometres of Trunk / Main / District roads rehabilitated (a) Paved (b) Unpaved To good condition Targets are for each year – not cumulative.	Target	(a) (b)	(a) 238.8 (b) 1,246.8	(a) 80.5 (b) 1,101.4	(a) 119.4 (b) 950.7	The original indicator for rehabilitation had a different level of disaggregation and therefore targets, however, this is too difficult to measure and is not in line with the FNDP or Roadsip. To overcome this the levels of disaggregation have been amended slightly to ensure consistency.	NRFA / RDA / RTSA (Roadsip)	Reason for Variance: The target for 2006 has been exceeded for both paved and unpaved roads. Assessment: Met Recommendations for the future: The targets for outer years should be left the same, with changes only made on the recommendation of the Roadsip steering committee after due deliberation. There may be a necessity to change this if there are changes in the classifications of road
		Actual		(a) 255.6 (b) 2,693.2	(a) (b)	(a) (b)			

⁴ It is important to note that the classification of roads at present is consistent with the roadsip. However, during the Medium Term Review of the Roadsip, the classifications may change slightly, in which case the classifications used in the assessment would also be changed to ensure consistency with the data produced.

Infrastructure Indicators for Performance Assessment Framework (PAF)

Indicators / Issue	Definition / Calculations/ Required Action	2005 (Baseline Value)	2006	2007	2008	Relationship to NDP	Data Source (Responsible Institutions or Departments)	Assessment, including Comments (Reasons for Variance)
								used in the Roadsip
<i>Indicator INF 4.</i> Kilometres of Trunk / Main / District roads Maintained (a) Paved (b) Unpaved	Kilometres of Trunk / Main / District roads Maintained (a) Paved (b) Unpaved in good or fair condition maintained in order not to graduate into fair and poor condition respectively. Targets are for each year – not cumulative.	Target (a) (b)	a) 4,978.4 (b) 5,743.2	(a) 5,136.7 (b) 6,831.9	(a) 5,097.8 (b) 7,776.3	The original indicator for maintenance had a different level of disaggregation and therefore targets, however, this is too difficult to measure and is not in line with the FNDP or Roadsip. To overcome this the levels of disaggregation have been amended slightly to ensure consistency.	NRFA / RDA (Roadsip)	Reason for Variance: In addition to delayed fund releases, the prioritisation process of roads maintenance and the complicated procurement procedures delayed the contracting process. Reason for Variance: The target for 2006 has been exceeded for both paved and unpaved roads. Assessment: Met Recommendations for the future: The targets for outer years should be left the same, with changes only made on the recommendation of the Roadsip steering committee after due deliberation. There may be a necessity to change this if there are changes in the classifications of road used in the Roadsip
<i>Indicator INF 3 (New).</i> Kilometres of Feeder Roads (a) Rehabilitated (b) Maintained		Target	(a) 1,075.1 (b) 9,003.2	(a) 459.8 (b) 10,537.8	(a) (b)	This is in line with the Roadsip, but is not at present included in the FNDP. It would be used to replace the indicator on Upgraded in the PAF for 2007-9	NRFA / RDA (Roadsip)	Reason for Variance: Assessment: Recommendations for the future:
		Actual	(a) 0.0 (b) 2,361.8	(a) (b)	(a) (b)			

Industry, Commerce and Private Sector Development

Industry, Commerce and Private Sector Development Indicators / Milestones for Performance Assessment Framework (PAF)

Indicators / Issue	Definition / Calculations/ Required Action	2005 (Baseline Value)	2006	2007	2008	Relationship to NDP	Data Source (Responsible Institutions or Departments)	Assessment, including Comments (Reasons for Variance)
<i>Indicator PSD 1.</i> Average length of time taken to establish a business	To address imbalances and reduce bureaucratic procedures a one stop shop, Zambia Development Agency (ZDA) will be established. The ZDA will bring together the operations of ZIC, ZPA, ZEPZA, SEDB and EBZ ⁵ The ZDA will be assessed as established when it has <ul style="list-style-type: none"> A new strategic framework incorporating all activities of the ZDA A ZDA institutional framework rationalising the activities conducted by various agencies • Detailed staffing arrangements and plans in place The length of time to start business will be finally defined during the development of the monitoring system for PSD 	<p>Target</p> <p>The MCA quotes the World Bank's <i>Doing Business 2006</i> as saying that the average length of time taken to establish a business is 35 days</p>	<p>ZDA Bill passed by parliament</p> <p>Roadmap on future steps to establish ZDA and implement act developed</p> <p>Working group under PSD develops workplan for removal of barriers</p> <p>Enactment of the Zambia Development Agency (ZDA) Act No 11 of 2006</p> <p>Interim Board appointed to run the affairs of ZDA.</p> <p>Interim Director General appointed to run ZDA</p> <p>Auditing of Former Institutions Under ZDA being undertaken by Grant Thornton</p> <p>The roadmap to implement the act is in place. The working group to develop the workplan for the removal of barriers has been established.</p>		<p>Length of time taken to establish a business should be 7 working days</p>	<p>The indicator suggested in the NDP is <i>Direct Foreign Investment in Manufacturing</i>, the establishment of the ZDA would be a major step towards achieving this.</p>	<p>Ministry of Commerce, Trade and Industry</p>	<p>Reason for Variance: Not applicable.</p> <p>Assessment: The targets for 2006 are fully achieved.</p> <p>Recommendations for the future: A system to monitor and assess, on a regular basis, the length of time take to establish a business needs to be identified. An appropriate target for 2007, possibly with a refinement of the indicator or milestone, still has to be agreed upon.</p>
		<p>Actual</p>						

Indicators is also consistent with proposals under the Millennium Challenge Account.

Industry, Commerce and Private Sector Development Indicators / Milestones for Performance Assessment Framework (PAF)

Indicators / Issue	Definition / Calculations/ Required Action	2005				Data Source (Responsible Institutions or Departments)	Assessment, including Comments (Reasons for Variance)
		2005 (Baseline Value)	2006	2007	2008		
Indicator PSD 2. Develop a National Strategy for citizen's economic empowerment	CEE is a national strategy to empower economically disadvantaged Zambia citizens.			Government to establish Citizen's empowerment commission	Number of businesses owned by Zambian Citizens receiving assistance from the CEE fund /	The indicator suggested in the NDP, this relates to is <i>Value of export earnings coming from non traditional exports in (a) Regional Market, (b) European Market (c) North American market, (d) Other, (e) Total</i>	<p>Reason for Variance: Some of the activities planned for 2006 have been undertaken in the first quarter of 2007, specifically the Citizens Economic Empowerment Communication Campaign.</p> <p>Assessment: The target for 2006 has been completely met at the time of the assessment.</p> <p>Recommendations for the future: Progress in 2007 continues, with the Commissioners sworn in on the 1st May at State House, the same date as the first board meeting. The Citizens Economic Empowerment Fund will be delayed until next year (2008) because the concentration of the commission is to work on the guidelines and procedures for disbursement of funds. The commissioners are currently working on a framework for establishing the Citizens Economic Empowerment Fund.</p>
		Target	Economic Empowerment Authority. Plan for Information campaign in place and being implemented	Government	assistance provided to Zambian Citizens by the CEE fund.		
		Parliament has passed the CEE Bill, awaiting gazetting. Board being established.	Commissioners were appointed in September 2006 by His Excellency the President The Citizens Economic Empowerment Working Group has been put in place.				
		Actual					

Social Equity

Health

Health Sector Development Indicators for Performance Assessment Framework (PAF)

Indicators / Issue	Definition / Calculations/ Required Action		2005 (Baseline Value)	2006	2007	2008	Relationship to NDP	Data Source (Responsible Institutions or Departments)	Assessment, including Comments (Reasons for Variance)
<i>Indicator HEA 1.</i> Percentage of Institutional Deliveries	Number of deliveries assisted by midwives, nurses, doctors, clinical officers or medically trained TBAs ÷ Number of expected deliveries.	Target	43%	45%	47%	50%	This is the same indicator as that suggested for the NDP. Difference is in the fact that the NDP has targets to 2010 – set at 55% (the target for 2011 is 60%)	Report from the revised HMIS	Reason for Variance: The major problem relates to inadequate Human Resources for Health (HRH) and midwives and other workers. Assessment: Not met. Recommendations for the future: The targets for 2007 and 2009 need to be reconsidered bearing in mind the difficulties in showing any improvement on the 2006 targets
		Actual		43%					
<i>Indicator HEA 2.</i> Percentage of fully immunised children under one year of age in 20 worst performing districts	Children under one year of age who are fully immunised ÷ Total children under one year of age	Target	63%	65%	70%	73%	This is the same indicator as that suggested for the NDP. Difference is in the fact that the NDP has targets to 2010 – set at 70% (the target for 2011 is 70%)	HMIS	Reason for Variance: Not Applicable Assessment: Fully Met. Recommendations for the future: Consideration to increasing the targets for 2007 to 2009 needs to be discussed within the SAG. This will be finalised before the October Review.
		Actual		67%					
<i>Indicator HEA 3.</i> Utilisation rate of PHC facilities	Total attendances at PHC facilities ÷ Total population in a year.	Target	0.48	0.5	0.55	0.60	This is the same indicator as that suggested for the NDP. Difference is in the fact that the NDP has targets to 2010 – set at 0.7 and for 2011 of 0.8	HMIS	Reason for Variance: The large increase was due to two specific policy interventions, the removal of user fees and the distribution of free ARVs. Assessment: Fully Met Recommendations for the future: Consideration to a revision of later year targets needs to be made, however it has to be understood that an equivalent jump in later years would not come without a similar major shift in policy
		Actual		0.6					

Health Sector Development Indicators for Performance Assessment Framework (PAF)

Indicators / Issue	Definition / Calculations/ Required Action		2005 (Baseline Value)	2006	2007	2008	Relationship to NDP	Data Source (Responsible Institutions or Departments)	Assessment, including Comments (Reasons for Variance)
<i>Indicator HEA 4.</i> Percentage Ministry of Health releases to district level	Releases by MoH (domestic, non-donor) to district level ÷ Total budget allocation to the MoH	Target	55% (On new basis of calculation, this would be 53%)	57%	59%	60%	This is the same indicator as that suggested for the NDP. Difference is in the fact that the NDP has targets to 2010 – set at 64 % and to 2011 of 65%	MOH and revised HMIS	Reason for Variance: Not applicable Assessment: Fully met. Recommendations for the future: The Ministry of Health has carried out a detailed assessment of the indicator “releases to district level” taking various potential numerators. With a definition that includes all expenditure of direct benefits to the districts plus a proportion of all PEs and other RDCs (estimated at 61 per cent), a total of 62 per cent of funds can be said to be released to district level. The calculation of this indicator requires a greater deal of dialogue in future years, particularly in terms of the basis for the calculations and reaching an agreed methodology for the calculations
		Actual		62%					

Education

Education Indicators for Performance Assessment Framework (PAF)

Indicators / Issue	Definition / Calculations/ Required Action		2005 (Baseline Value)	2006	2007	2008	Relationship to NDP	Data Source (Responsible Institutions or Departments)	Comments (Reasons for Variance)
<i>Indicator EDU 1.</i> Number of districts falling below the threshold of 80 percent Net Enrolment for Grades 1-7	Net Enrolment = Enrolment of the official age group in the assorted grades expressed as a percentage of the corresponding population. Figure is calculated for all districts and the number falling below the agreed cut off point (80 percent) is identified	Target	At time of approval of the PAF, 10 districts were identified as having an NER of less than 80%.	8	6	4	The NDP indicator is the <i>Net Enrolment Rate</i> for the country for (a) grades 1-7, (b) grades 1-9, and (c) grades 1-12. This indicator is consistent with level (a) and takes account of another indicator selected for the NDP <i>District Education Profile</i>	EMIS	Reason for Variance: Not applicable Assessment: Met Recommendations for the future: The fact that this target has been achieved suggests that there is no rationale for adjusting the targets in the outer years at this stage.
		Actual	Subsequent investigations reveal that this was actually nine.	8					
<i>Indicator EDU 2.</i> Ratio of the completion rate of girls over boys at Grade 9.	Completion Rate = Students completing Grade 9 expressed as percentage of school-age population for Grade 9. This is to be calculated separately for boys and girls and a ratio of the two calculated	Target	National Completion rates for boys is 46.8% and for girls is 39.4% at grade 9	46:40	47:44	49:46	The NDP indicators captured under this are <i>Completion Rate</i> and the <i>Gender Parity Index</i> both of which have annual, disaggregated targets.	EMIS	Reason for Variance: It proved to be still difficult to reach out to the girl child in some remote districts, and to convince their parents about the importance of them to finish school. Assessment: Not met Recommendations for the future: While the overall completion rate as well as the one for boys was further improving, the same did not apply for girls. For the future, it is recommended that the <i>Gender Parity Index</i> for grades 1 to 9 be included instead. This had a baseline value in grades 1 – 9 of 0.95 in 2005, with 11 districts below .88. Targets for the number of districts below 0.88 in 2006 to be 9 districts, in 2007, 6 districts and 2008, 3 districts.
		Actual		47.1:39.2					

Education Indicators for Performance Assessment Framework (PAF)									
Indicators / Issue	Definition / Calculations/ Required Action		2005 (Baseline Value)	2006	2007	2008	Relationship to NDP	Data Source (Responsible Institutions or Departments)	Comments (Reasons for Variance)
<i>Indicator EDU 3.</i> Number of districts with a Pupil : Teacher ratio of over 100:1 in the lower basic grades (grades 1-4)	Pupil Teacher Ratio = Average number of students per teacher in the lower basic grades. Basic figure is calculated for all districts, with the number above the threshold of 80:1 being identified. Further refined to 100:1	Target	There are 12 districts with a Pupil : Teacher ratio of over 100:1, for grades 1-4 the current national average PTR is 80 : 1	8	4	2	The NDP indicators this relates to are the <i>District Education Profile</i> to be developed and the <i>Pupil : Teacher ratio</i> which sets targets at each level through the life of the NDP	EMIS	Reason for Variance: Not Applicable Assessment: Achieved – there are eight districts where the pupil teacher ratio is over 100:1 (Chiengi, Chilubi, Isoka, Kaputa, Luwingu, Mporokoso, Mungwi, Nchelenge.). The national average has also improved to 76.5 : 1 Recommendations for the future: The indicator and targets should remain as is for the remaining years.
		Actual		8					

HIV/Aids

HIV / Aids Indicators for Performance Assessment Framework (PAF)

Indicators / Issue	Definition / Calculations/ Required Action		2005 (Baseline Value)	2006	2007	2008	Relationship to NDP	Data Source (Responsible Institutions or Departments)	Assessment, including Comments (Reasons for Variance)
<i>Indicator HIV 1.</i> Number of people tested for HIV and receiving results	Number of people tested for HIV and receiving results Receiving implies having gone through the full cycle of (a) going to centre (b) counselling (c) specimen taken (d) coming back to receive result The targets are cumulative targets.	Target	150,000	170,000	190,000	210,000	This is the same indicator as that suggested for the NDP. Difference is in the fact that the NDP has targets to 2010 and 2011 – set at 250,000	NAC / revised HMIS (National VCT unit)	Reason for Variance: This variance is high as a result of PMTCT roll-out were more females are tested for HIV. Assessment: Target met Recommendations for the future:
		Actual		217,897					
<i>Indicator HIV 2.</i> Number of eligible people accessing ARVs	Number of people with advanced HIV/Aids who receive anti retro viral drugs.	Target	50,000	70,000	90,000	110,000	This is the same indicator as that suggested for the NDP. Difference is in the fact that the NDP has targets to 2010 – set at 160,000 and to 2011, set at 200,000	NAC / revised HMIS	Reason for Variance: Not applicable Assessment: Target met Recommendations for the future: The targets for future years need to be reconsidered in line with the achievement for 2006.
		Actual		89,000					

Annex II: Commitments and Disbursements under PRBS MoU

EXTERNAL FINANCING REPORT

GENERAL BUDGET SUPPORT: 2007 (in US\$ Mns)

DONOR	Total Projected	Actuals			Total Q1	Projected			Total Q2	Projected			Total Q3	Projected		Total Q4	Total Actual 2007
		Jan	Feb	Mar		Apr	May	Jun		Jul	Aug	Sept		Oct	Nov		
Denmark	0.00				0				0				0			0	0
Norway	17.00			4.4	4.4				0				0			0	4.4
Netherlands	11.00				0				0				0			0	0
UK	48.00		23.361	7.6	30.961				0				0			0	30.961
Finland	7.00				0			0			0			0			0
World Bank	10.00				0				0				0			0	0
Sweden	14.00				0		14.3		14.3				0			0	0
EU -o/w	40.00				0			0			0			0			0
General Budget Support	19.36				0				0				0			0	0
Sector BS Roads	15.12				0				0				0			0	0
Sector BS PEMFA	3.20				0				0				0			0	0
Sector BS Health	2.32				0				0				0			0	0
Germany	7.00				0			0			0			0			0
France	0.00				0				0				0			0	0
Japan	0.00				0				0				0			0	0
Italy	0.00				0				0				0			0	0
Canada	0.00				0				0				0			0	0
USAID	0.00				0				0				0			0	0
AfDB	30.00				0				0				0			0	0
TOTAL	184.00				35.36				14.30				0.00			0.00	35.36
Exchange rate																1	3,508.931
Kwacha Equivalent (Billions)																	124.0791
Notes:																	

Annex III: Releases by Head 2006

	Total Budget 2006	Supplementary	Total Provision	Government Portion of Approved Budget Budget	Releases	Releases as % of Original Budget
1 Office of the President - State House	12,025,087,395	1,207,419,459	13,232,506,854	12,025,087,395	12,626,924,276	105.00
2 Office of the Vice President	13,593,373,315	14,033,525,458	27,626,898,773	13,593,373,315	29,812,647,288	219.32
3 National Assembly	122,478,724,449	777,700,644	123,256,425,093	122,478,724,449	120,092,312,211	98.05
5 Electoral Commission	279,210,747,319	0	279,210,747,319	231,399,667,319	235,040,704,538	101.57
6 Public Service Commission - Office of the President	1,404,068,732	0	1,404,068,732	1,404,068,732	1,477,295,640	105.22
7 <i>Office of the Auditor General</i>	16,951,758,074	169,098,752	17,120,856,826	13,920,958,074	12,597,524,342	90.49
8 Cabinet Office - Office of the President	56,181,224,403	9,000,000,000	65,181,224,403	56,181,224,403	64,373,414,579	114.58
9 Teaching Service Commission - Office of the President	1,270,226,332	0	1,270,226,332	1,270,226,332	1,153,681,706	90.82
10 Police and Prison Service Commission - Office of the Pres.	1,238,508,297	0	1,238,508,297	1,238,508,297	1,382,705,128	111.64
11 Zambia Police – Ministry of Home Affairs	224,882,486,463	13,254,638,832	238,137,125,295	224,882,486,463	269,277,705,571	119.74
12 Commission for Investigations - Office of the President	1,544,261,825	0	1,544,261,825	1,544,261,825	1,617,673,787	104.75
13 <i>Ministry of Energy and Water Development</i>	38,233,738,047	1,479,330,625	39,713,068,672	38,233,738,047	34,938,265,641	91.38
14 Ministry of Mines and Mineral Development	13,029,442,836	0	13,029,442,836	13,029,442,836	10,709,866,096	82.20
15 Ministry of Home Affairs	127,658,132,601	0	127,658,132,601	127,658,132,601	133,792,003,037	104.80
17 Ministry of Foreign Affairs	155,595,207,454	6,800,130,911	162,395,338,365	155,595,207,454	149,659,025,204	96.18
18 Judiciary	68,446,370,651	4,188,653,201	72,635,023,852	68,446,370,651	64,803,299,733	94.68
20 Loans and Investments - Local Government and Housing	260,350,304,766	0	260,350,304,766	9,121,964,966	6,905,504,968	75.70
21 Loans and Investments - Finance and National Planning	1,123,951,732,717	112,971,180,351	1,236,922,913,068	508,604,269,749	521,032,503,005	102.44
26 Ministry of Information and Broadcasting Service	24,372,314,802	5,600,000,000	29,972,314,802	24,372,314,802	26,427,540,502	108.43
27 Public Service Management Division	339,699,410,648	2,268,500,000	341,967,910,648	339,699,410,650	280,820,157,848	82.67
29 <i>Ministry of Local Government and Housing</i>	87,389,088,638	0	87,389,088,638	87,389,088,638	83,501,951,888	95.55
31 Ministry of Justice	37,314,521,528	35,877,984,169	73,192,505,697	37,164,521,528	73,381,601,821	197.45
33 Ministry of Commerce Trade and Industry	63,154,171,255	0	63,154,171,255	22,820,837,921	21,481,137,396	94.13
34 Human Rights Commission	5,823,073,153	0	5,823,073,153	5,823,073,153	5,428,890,978	93.23
37 <i>Ministry of Finance and National Planning</i>	882,136,024,066	436,936,341,000	1,319,072,365,066	717,350,598,466	723,300,088,148	100.83
44 Ministry of Labour and Social Security	13,072,464,909	0	13,072,464,909	13,072,464,909	12,490,999,703	95.55
45 Ministry of Community Development and Social Services	63,227,758,835	0	63,227,758,835	63,227,758,835	61,038,907,957	96.54
46 <i>Ministry of Health</i>	1,080,816,841,047	58,647,659,613	1,139,464,500,660	556,997,343,105	605,429,905,195	108.70
51 Ministry of Communication and Transport	44,404,705,587	7,793,000,000	52,197,705,587	44,404,705,587	35,916,617,911	80.88

	Total Budget 2006	Supplementary	Total Provision	Government Portion of Approved Budget Budget	Releases	Releases as % of Original Budget
64 Ministry of Works and Supply	124,458,621,211	0	124,458,621,211	124,458,621,211	105,726,447,139	84.95
65 Ministry of Science, Technology and Vocational Training	94,311,636,657	2,944,148,885	97,255,785,542	37,128,826,655	35,346,552,077	
68 Ministry of Tourism, Environment and Natural Resources	140,304,623,510	8,965,300,000	149,269,923,510	52,523,866,383	40,750,995,862 I	77.59
76 Ministry of Sport, Youth and Child Development	28,708,522,479	1,449,040,697	30,157,563,176	28,708,522,479	26,907,599,472	93.73
77 Ministry of Defence	659,245,483,275	82,406,480,760	741,651,964,035	659,245,483,275	785,430,952,045	119.14
78 Zambia Security Intelligence Services - Office of the Pres.	147,860,442,831	17,117,706,743	164,978,149,574	147,860,442,832	172,353,418,498	116.56
80 Ministry of Education	1,555,842,416,463	10,000,000,000	1,565,842,416,463	1,277,075,924,083	1,280,136,376,041	100.24
85 Ministry of Lands	18,218,803,974	2,340,340,674	20,559,144,648	18,218,803,974	14,586,360,201	80.06
87 Anti Corruption Commission	23,377,273,975	3,516,335,000	26,893,608,975	17,280,493,639	14,252,470,598	82.48
89 Ministry of Agriculture and Cooperatives	611,120,709,755	100,445,361,007	711,566,070,762	400,180,642,356	448,850,985,798	112.16
90 Office of the President - Lusaka Province	18,792,939,317	4,993,585,465	23,786,524,782	18,792,939,317	13,482,836,545	71.74
91 Office of the President - Copperbelt Province	26,201,707,704	920,896,742	27,122,604,446	26,201,707,704	22,443,815,947	85.66
92 Office of the President - Central Province	16,545,362,688	5,245,852,904	21,791,215,592	16,545,362,688	14,848,963,096	89.75
93 Office of the President - Northern Province	22,959,684,634	3,398,098,380	26,357,783,014	22,959,684,634	18,970,077,616	82.62
94 Office of the President - Western Province	19,445,673,065	8,346,240,124	27,791,913,189	19,445,673,065	15,596,235,759	80.20
95 Office of the President - Eastern Province	23,328,894,329	3,099,643,293	26,428,537,622	23,328,894,329	21,668,384,931	92.88
96 Office of the President - Luapula Province	18,708,077,974	3,936,128,502	22,644,206,476	18,708,077,974	16,304,372,649	87.15
97 Office of the President - North Western Province	18,242,944,643	0	18,242,944,643	18,242,944,643	17,628,786,715	96.63
98 Office of the President - Southern Province	24,728,998,265	1,950,000,000	26,678,998,265	24,728,998,265	22,495,615,220	90.97
99 Constitutional and Statutory Expenditure	1,484,720,000,000	-329,837,706,743	1,154,882,293,257	1,438,520,000,000	242,228,735,097	16.84
Total	10,236,578,586,893	642,242,615,448	10,878,821,202,341	7,903,105,740,008	6,930,520,837,403	87.69

Source: Budget Office, May 2007

Annex IV: Reported and Calculated Expenditure against Releases, by Head 2006

	Total Funding	Calculated Expenditure	Reported Expenditure	Calculated Expenditure as % of total funding	Reported Expenditure as % of Calculated Expenditure
1 Office of the President - State House	12,626,924,276	12,624,809,468	12,578,654,895	100.0	99.63
2 Office of the Vice President	29,812,647,288	29,654,320,251	28,430,000,722	99.5	95.87
3 National Assembly	120,196,161,697	120,172,183,737	119,129,483,123	100.0	99.13
5 Electoral Commission	235,040,704,538	234,996,184,009	234,210,821,421	100.0	99.67
6 Public Service Commission - Office of the President	1,477,295,640	1,458,153,286	1,420,558,041	98.7	97.42
7 <i>Office of the Auditor General</i>	16,427,737,093	16,198,950,222	15,830,133,382	98.6	97.72
8 Cabinet Office - Office of the President	64,373,414,579	64,365,871,506	61,949,395,884	100.0	96.25
9 Teaching Service Commission - Office of the President	1,153,681,706	1,153,275,650	1,008,792,569	100.0	87.47
10 Police and Prison Service Commission - Office of the President	1,382,705,128	1,376,388,223	1,343,408,222	99.5	97.60
11 Zambia Police - Ministry of Home Affairs	272,690,652,725	244,431,912,043	241,097,736,452	89.6	98.64
12 Commission for Investigations - Office of the President	1,617,673,787	1,617,673,780	1,544,261,826	100.0	95.46
13 <i>Ministry of Energy and Water Development</i>	34,938,265,641	34,914,889,488	34,281,730,958	99.9	98.19
14 Ministry of Mines and Mineral Development	11,872,463,000	11,861,845,561	12,133,793,944	99.9	102.29
15 Ministry of Home Affairs	113,800,075,743	112,873,569,288	106,424,283,928	99.2	94.29
17 Ministry of Foreign Affairs	160,203,705,209	149,657,650,597	160,202,330,602	93.4	107.05
18 Judiciary	68,366,652,061	64,561,231,356	63,499,481,648	94.4	98.36
20 Loans and Investments - Local Government and Housing	7,736,306,504	7,734,579,920	7,675,332,988	100.0	99.23
21 Loans and Investments - Finance and National Planning	536,242,652,520	533,681,202,631	531,089,071,850	99.5	99.51
26 Ministry of Information and Broadcasting Service	26,427,540,502	27,886,109,921	26,310,068,807	105.5	94.35
27 Public Service Management Division	280,820,157,848	280,732,879,566	280,259,779,065	100.0	99.83
29 <i>Ministry of Local Government and Housing</i>	83,791,591,596	82,657,386,005	82,848,248,698	98.6	100.23
31 Ministry of Justice	63,381,601,821	61,087,140,949	62,947,308,385	96.4	103.05
33 Ministry of Commerce Trade and Industry	21,751,239,243	21,731,269,005	20,941,838,131	99.9	96.37
34 Human Rights Commission	5,428,890,978	5,433,401,216	5,227,586,076	100.1	96.21
37 <i>Ministry of Finance and National Planning</i>	798,881,085,617	771,195,862,015	748,232,566,373	96.5	97.02
44 Ministry of Labour and Social Security	12,579,887,202	12,286,269,435	11,722,189,839	97.7	95.41
45 Ministry of Community Development and Social Services	61,038,907,957	61,038,850,665	59,828,626,902	100.0	98.02

46	Ministry of Health	769,275,118,627	671,461,510,669	674,809,808,790	87.3	100.50
51	Ministry of Communication and Transport	40,334,572,911	51,498,674,909	39,361,515,062	127.7	76.43
64	Ministry of Works and Supply	105,726,447,139	106,467,406,529	103,519,486,965	100.7	97.23
65	Ministry of Science, Technology and Vocational Training	38,290,700,962	37,831,577,819	36,476,564,917	98.8	96.42
68	Ministry of Tourism, Environment and Natural Resources	60,792,586,155	58,375,608,429	56,481,850,322	96.0	96.76
76	Ministry of Sport, Youth and Child Development	26,907,599,472	29,315,733,059	27,666,095,889	108.9	94.37
77	Ministry of Defence	792,355,281,062	757,194,686,440	690,139,929,921	95.6	91.14
78	Zambia Security Intelligence Services - Office of the President	172,353,418,498	161,468,776,153	161,377,226,297	93.7	99.94
80	Ministry of Education	1,476,063,106,170	1,477,905,259,328	1,362,480,823,460	100.1	92.19
85	Ministry of Lands	17,767,034,516	15,062,897,285	16,468,196,869	84.8	109.33
87	Anti Corruption Commission	19,730,672,026	21,804,095,232	22,576,512,659	110.5	103.54
89	Ministry of Agriculture and Cooperatives	465,119,869,377	467,742,856,126	457,582,739,078	100.6	97.83
90	Office of the President - Lusaka Province	19,399,411,881	17,874,924,154	17,201,164,300	92.1	96.23
91	Office of the President - Copperbelt Province	22,443,815,947	22,429,508,190	22,410,590,946	99.9	99.92
92	Office of the President - Central Province	14,848,963,096	17,422,676,453	16,921,488,972	117.3	97.12
93	Office of the President - Northern Province	23,114,651,528	12,856,615,871	19,484,979,313	55.6	151.56
94	Office of the President - Western Province	15,596,235,759	21,084,514,435	19,486,987,768	135.2	92.42
95	Office of the President - Eastern Province	21,668,384,931	22,085,514,516	21,319,113,546	101.9	96.53
96	Office of the President - Luapula Province	16,304,372,649	16,211,998,163	15,835,146,331	99.4	97.68
97	Office of the President - North Western Province	26,740,602,355	19,370,293,525	18,971,228,690	72.4	97.94
98	Office of the President - Southern Province	22,495,615,220	23,315,658,429	21,079,844,387	103.6	90.41
99	Constitutional and Statutory Expenditure	805,440,223,193	805,440,223,193	805,440,243,193	100.0	100.00
	Total	8,016,829,305,373	7,801,604,868,700	7,559,259,022,406	97.3	96.89

Source: Office of the Accountant General *Expenditure by Head as at 31st December, 2006* Report dated June 04, 2007

2005

	Total Funding	Calculated Expenditure	Reported Expenditure	Calculated Expenditure as % of total funding	Reported Expenditure as % of Calculated Expenditure
1 Office of the President - State House	11,988,882,465	11,988,619,550	11,720,018,304	100.0	97.8
2 Office of the Vice President	70,756,487,134	70,755,802,184	68,578,325,949	100.0	96.9
3 National Assembly	79,218,283,717	79,114,434,232	79,227,311,617	99.9	100.1
5 Electoral Commission	152,160,610,113	152,160,609,840	58,309,713,882	100.0	38.3
6 Public Service Commission - Office of the President	1,741,140,364	1,534,857,658	1,538,721,422	88.2	100.3
7 Office of the Auditor General	18,729,853,664	15,690,976,179	15,781,474,883	83.8	100.6
8 Cabinet Office - Office of the President	82,525,843,591	80,967,324,872	74,319,137,674	98.1	91.8
9 Teaching Service Commission - Office of the President	1,417,222,987	1,146,853,462	1,087,117,538	80.9	94.8
10 Police and Prison Service Commission - Office of the President	1,134,480,377	1,074,941,982	1,034,900,381	94.8	96.3
11 Zambia Police - Ministry of Home Affairs	224,773,435,292	180,167,568,670	182,000,655,338	80.2	101.0
12 Commission for Investigations - Office of the President	1,486,431,616	1,486,431,616	1,515,893,620	100.0	102.0
13 Ministry of Energy and Water Development	34,037,634,924	32,547,658,410	31,878,698,474	95.6	97.9
14 Ministry of Mines and Mineral Development	16,408,709,018	12,834,176,349	12,297,572,617	78.2	95.8
15 Ministry of Home Affairs	120,769,602,328	107,308,055,741	97,128,487,917	88.9	90.5
17 Ministry of Foreign Affairs	166,911,989,191	166,910,840,132	159,131,798,748	100.0	95.3
18 Judiciary	64,655,445,809	61,943,857,927	61,612,901,164	95.8	99.5
20 Loans and Investments - Local Government and Housing	6,774,200,463	6,772,604,337	6,483,000,000	100.0	95.7
21 Loans and Investments - Finance and National Planning	349,218,091,467	348,940,649,225	349,361,230,515	99.9	100.1
26 Ministry of Information and Broadcasting Service	14,010,388,458	12,016,630,652	11,218,151,249	85.8	93.4
27 Public Service Management Division	213,129,555,904	212,496,371,536	212,076,049,281	99.7	99.8
29 Ministry of Local Government and Housing	79,466,800,248	78,346,279,543	77,037,044,645	98.6	98.3
31 Ministry of Justice	48,555,832,321	48,552,210,586	47,408,655,262	100.0	97.6
33 Ministry of Commerce Trade and Industry	25,834,314,333	25,536,646,927	24,372,337,056	98.8	95.4
34 Human Rights Commission	4,420,655,877	3,876,729,908	3,824,643,981	87.7	98.7
37 Ministry of Finance and National Planning	530,599,305,452	773,329,717,796	1,021,061,476,276	145.7	132.0
44 Ministry of Labour and Social Security	9,457,009,838	9,368,122,339	8,927,581,796	99.1	95.3
45 Ministry of Community Development and Social Services	66,859,074,416	66,857,212,216	64,741,841,671	100.0	96.8
46 Ministry of Health	452,541,760,828	444,504,775,008	444,546,861,758	98.2	100.0
51 Ministry of Communication and Transport	31,200,128,836	31,651,016,003	30,504,947,567	101.4	96.4
64 Ministry of Works and Supply	294,381,906,746	292,519,385,057	297,779,182,356	99.4	101.8
65 Ministry of Science, Technology and Vocational Training	30,633,472,067	27,688,378,909	27,951,350,324	90.4	100.9

68	Ministry of Tourism, Environmnet and Natural Resources	52,815,092,674	50,967,323,022	51,910,645,334	96.5	101.9
76	Ministry of Sport, Youth and Child Development	25,670,882,887	23,173,158,428	22,722,624,648	90.3	98.1
77	Ministry of Defence	711,364,977,995	626,796,252,189	625,790,993,933	88.1	99.8
78	Zambia Security Intelligence Services - Office of the President	148,000,179,100	141,870,420,004	141,063,129,013	95.9	99.4
80	Ministry of Education	1,016,061,121,718	864,540,263,215	867,370,464,048	85.1	100.3
85	Ministry of Lands	14,551,043,715	16,708,211,353	14,958,287,440	114.8	89.5
87	Anti Corruption Commission	23,855,748,900	16,098,078,475	16,820,621,108	67.5	104.5
89	Ministry of Agriculture and Cooperatives	340,405,523,484	335,139,322,854	332,494,688,645	98.5	99.2
90	Office of the President - Lusaka Province	18,696,907,498	14,724,007,763	13,820,214,076	78.8	93.9
91	Office of the President - Copperbelt Province	21,084,234,796	21,084,234,794	20,469,093,356	100.0	97.1
92	Office of the President - Central Province	16,819,807,294	15,250,317,935	15,393,782,825	90.7	100.9
93	Office of the President - Northern Province	16,371,261,142	12,681,050,927	12,147,982,165	77.5	95.8
94	Office of the President - Western Province	18,399,210,084	15,030,346,283	14,343,953,198	81.7	95.4
95	Office of the President - Eastern Province	17,288,272,091	17,287,922,091	17,326,506,569	100.0	100.2
96	Office of the President - Luapula Province	18,519,960,821	13,399,862,950	13,392,806,998	72.4	99.9
97	Office of the President - North Western Province	16,412,886,847	13,332,103,913	12,477,574,094	81.2	93.6
98	Office of the President - Southern Province	20,027,484,216	19,164,970,048	15,442,055,647	95.7	80.6
99	Constitutional and Statutory Expenditure	1,506,159,880,893	1,506,159,880,893	1,466,839,369,212	100.0	97.4
		7,208,303,025,999	7,083,497,465,983	7,159,241,875,574	98.3	101.1

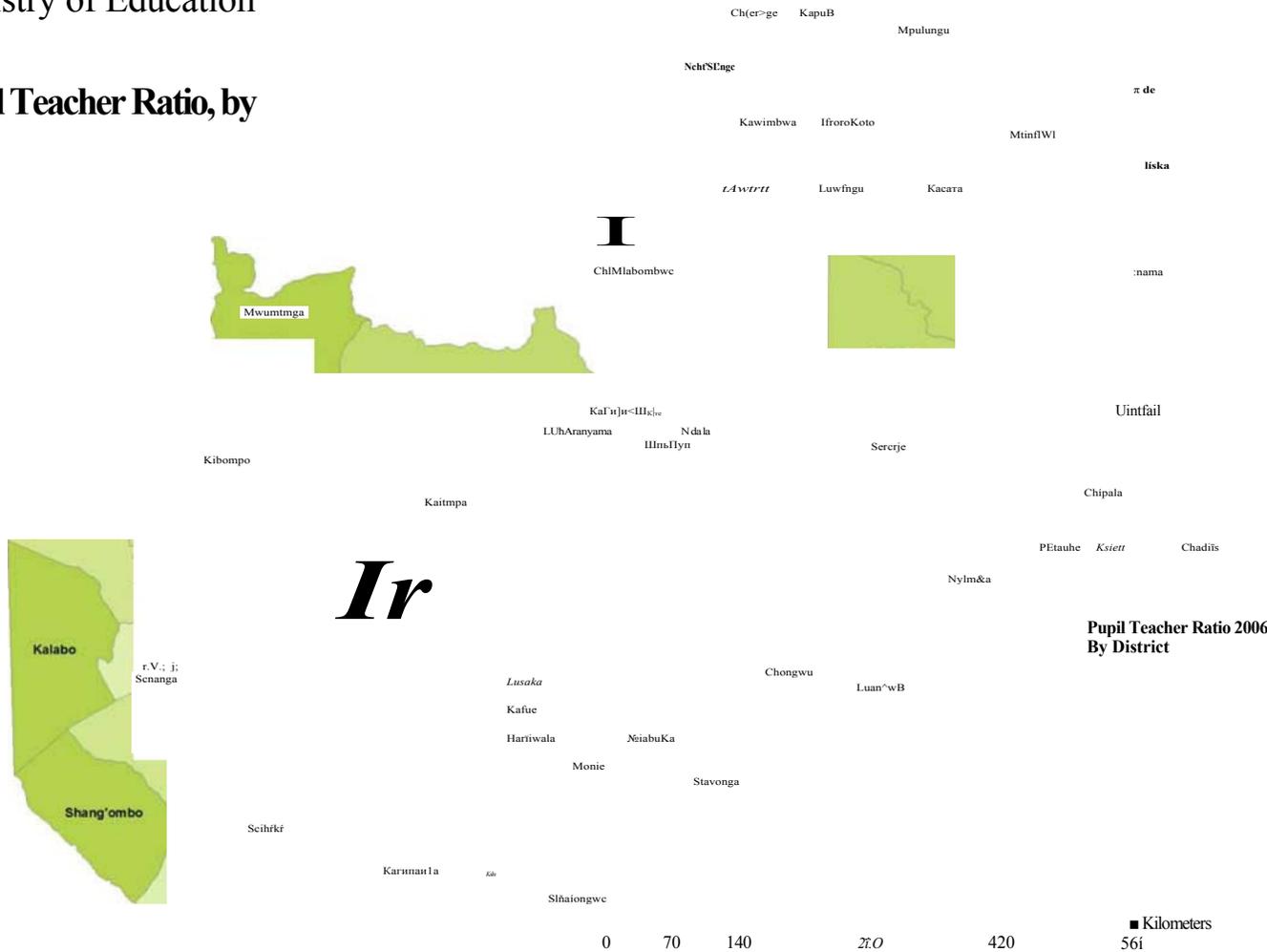
Source: Office of the Accountant General *Expenditure by Head as at 31st December, 2006* Report dated June 22, 2006

Annex V: Education Indicators by District (in Maps)



REPUBLIC OF ZAMBIA
Ministry of Education

Pupil Teacher Ratio, by district



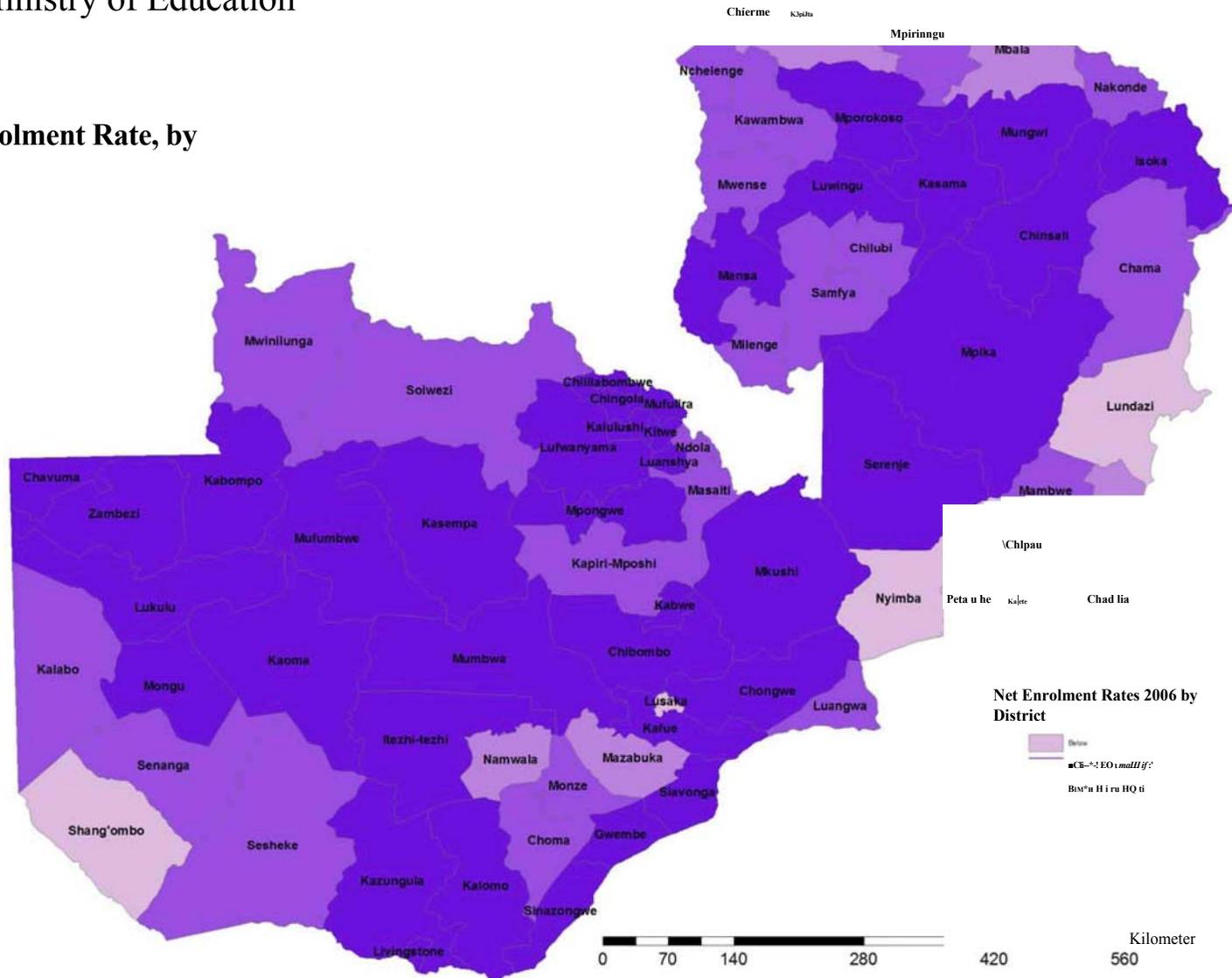
13 produced by Dr. Dinafonk of the Ministry of Education
Ministry of Education: UK/10/0/2007



REPUBLIC OF ZAMBIA
Ministry of Education



Net Enrolment Rate, by



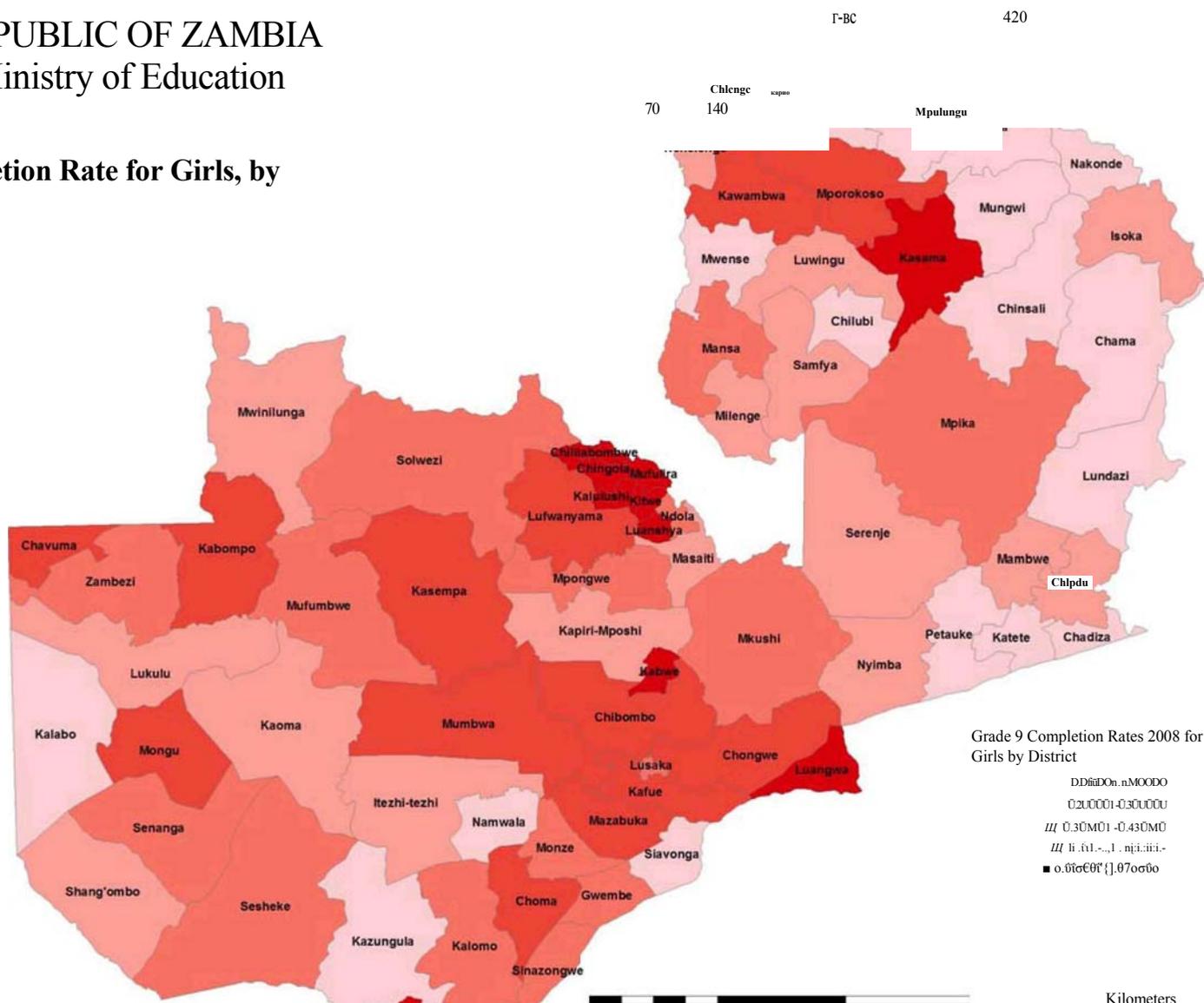
Map produced by the Directorate of Planning and Information
(c) 2007 Ministry of Education
Source: MOE Database 2006



REPUBLIC OF ZAMBIA
Ministry of Education

Completion Rate for Girls, by

Map produced by Education Statistics Unit
Ministry of Education
SDU:UQU/UB



Annex VI: Education Indicators, by district

	NER Grades 1-7 Total	Pupil Teacher Ratio in Lower Basic (Grades 1-4)	Ratio of the Completion rate of Boys over Girls at Grade 9
57 Kaputa	87.8	127.6	3.83
30 Chadiza	61.1	81.5	1.36
29 Chama	94.3	83.2	3.03
51 Chavuma	118.1	67.3	1.31
14 Chibombo	106.0	87.7	1.00
38 Chiengi	79.3	106.0	2.03
27 Chililabomb.	111.7	65.2	1.13
58 Chilubi	91.4	123.5	2.24
19 Chingóla	128.0	72.0	1.06
55 Chinsali	106.7	95.9	1.52
28 Chipata	89.6	75.5	1.06
4 Choma	96.3	78.5	1.16
45 Chongwe	107.5	69.1	1.22
10 Gwembe	114.9	77.5	1.48
56 Isoka	118.9	105.1	1.36
8 Itezhi tezhi	122.4	86.3	1.87
48 Kabompo	105.9	70.4	1.44
12 Kabwe	104.7	48.3	1.05
46 Kafue	122.0	89.3	1.30
69 Kalabo	97.4	93.9	1.76
3 Kalomo	108.0	98.6	1.32
20 Kalulushi	140.5	61.0	1.29
67 Kaoma	103.1	87.5	1.29
13 Kapiri Mposhi	99.1	87.3	1.14
54 Kasama	103.3	83.5	1.08
49 Kasempa	109.8	71.0	1.22
31 Katete	62.3	86.9	1.11
37 Kawambwa	96.5	74.2	1.15
1 Kazungula	128.8	80.0	1.76
21 Kitwe	116.4	69.9	1.08
2 Livingstone	116.6	50.1	1.09
44 Luangwa	93.7	73.6	0.89
22 Luanshya	106.7	58.1	1.06
23 Lufwanyama	159.9	80.6	1.18
68 Lukulu	109.9	76.8	1.77
32 Lundazi	70.2	92.1	1.81
43 Lusaka	77.5	58.2	1.07
59 Luwingu	127.5	105.9	1.79
33 Mambwe	92.7	72.5	1.30
36 Mansa	103.4	78.4	1.40
24 Masa iti	90.6	75.3	1.43
5 Mazabuka	79.1	74.5	1.29
60 Mbala	89.8	96.0	1.42
39 Milenge	97.1	91.8	1.12
15 Mkushi	104.3	71.3	1.41
66 Mongu	111.0	65.0	1.07
6 Monza	93.5	59.8	1.27
61 Mpika	128.7	80.9	1.02
25 Mpong we	115.8	98.8	0.85
62 Mporokoso	119.9	100.4	1.48
63 Mpulungu	94.9	96.4	2.10
26 Mufulira	105.1	49.6	0.91

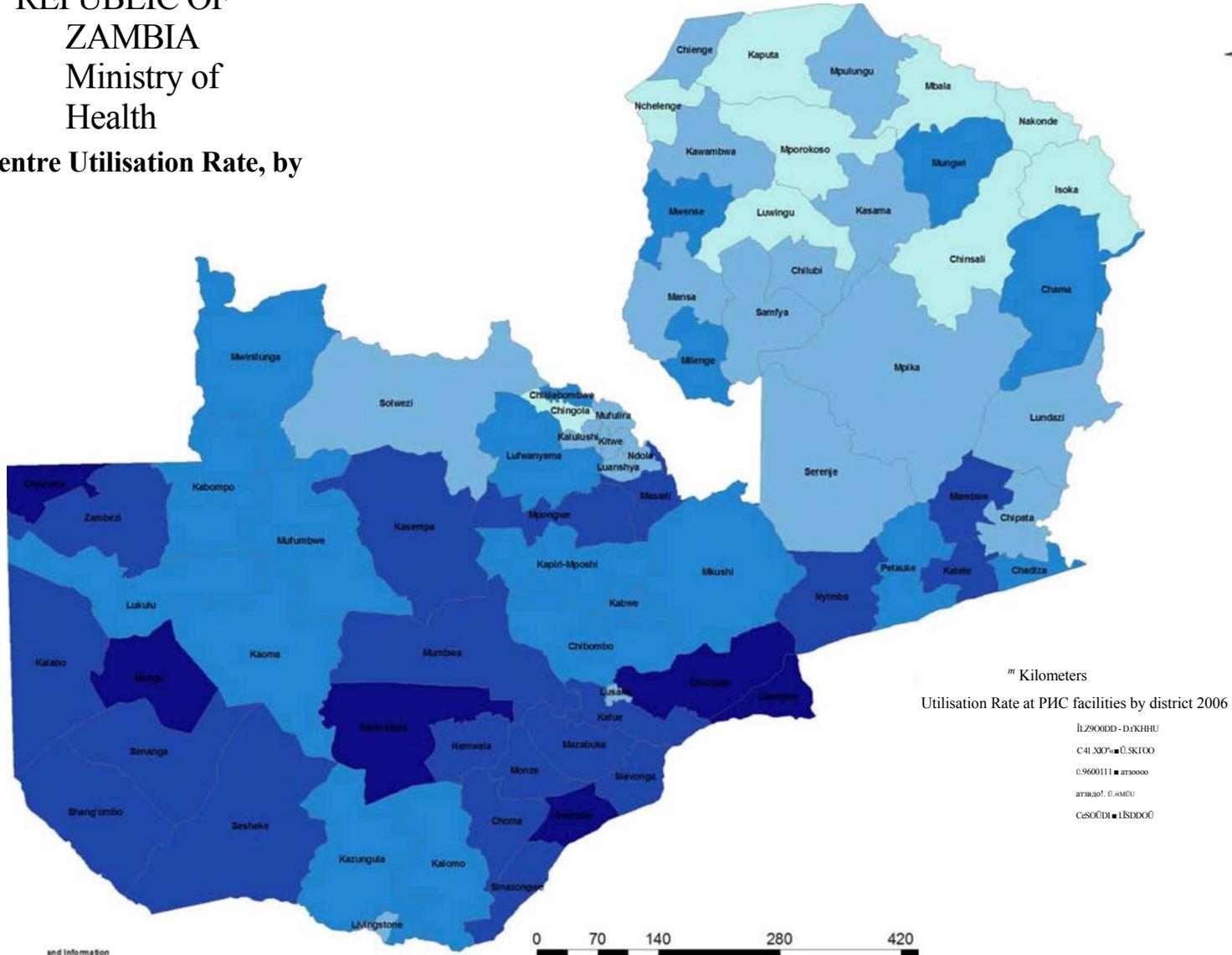
53 Mufumbwe	103.5	67.8	1.45
16 Mumbwa	118.9	80.3	1.13
64 Mungwi	101.1	107.0	1.79
40 Mwense	94.2	88.2	1.63
50 Mwinilunga	90.5	96.8	1.86
65 Nakonde	95.3	71.4	0.93
7 Namwala	85.1	85.8	1.47
41 Nchelenge	96.5	111.1	1.53
18 Ndola	96.7	66.8	1.18
34 Nyimba	77.7	82.4	1.37
35 Peta uke	57.5	83.4	1.36
42 Samfya	94.4	88.4	1.35
70 Senanga	94.0	70.1	1.14
17 Serenje	101.2	82.3	1.31
71 Seseke	96.1	67.1	1.22
72 Shangombo	77.2	91.9	1.18
9 Siavonga	102.5	88.5	1.81
11 Sinazongwe	108.1	89.5	1.23
47 Solwezi	97.6	84.2	1.22
52 Zambezi	110.0	73.8	1.67
Total	97.3	76.5	1.20



REPUBLIC OF
ZAMBIA
Ministry of
Health

Health Centre Utilisation Rate, by

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REPUBLIC OF ZAMBIA
Ministry of Health



Percentage of Institutional Deliveries, by district



institutional deliveries by district, 2006

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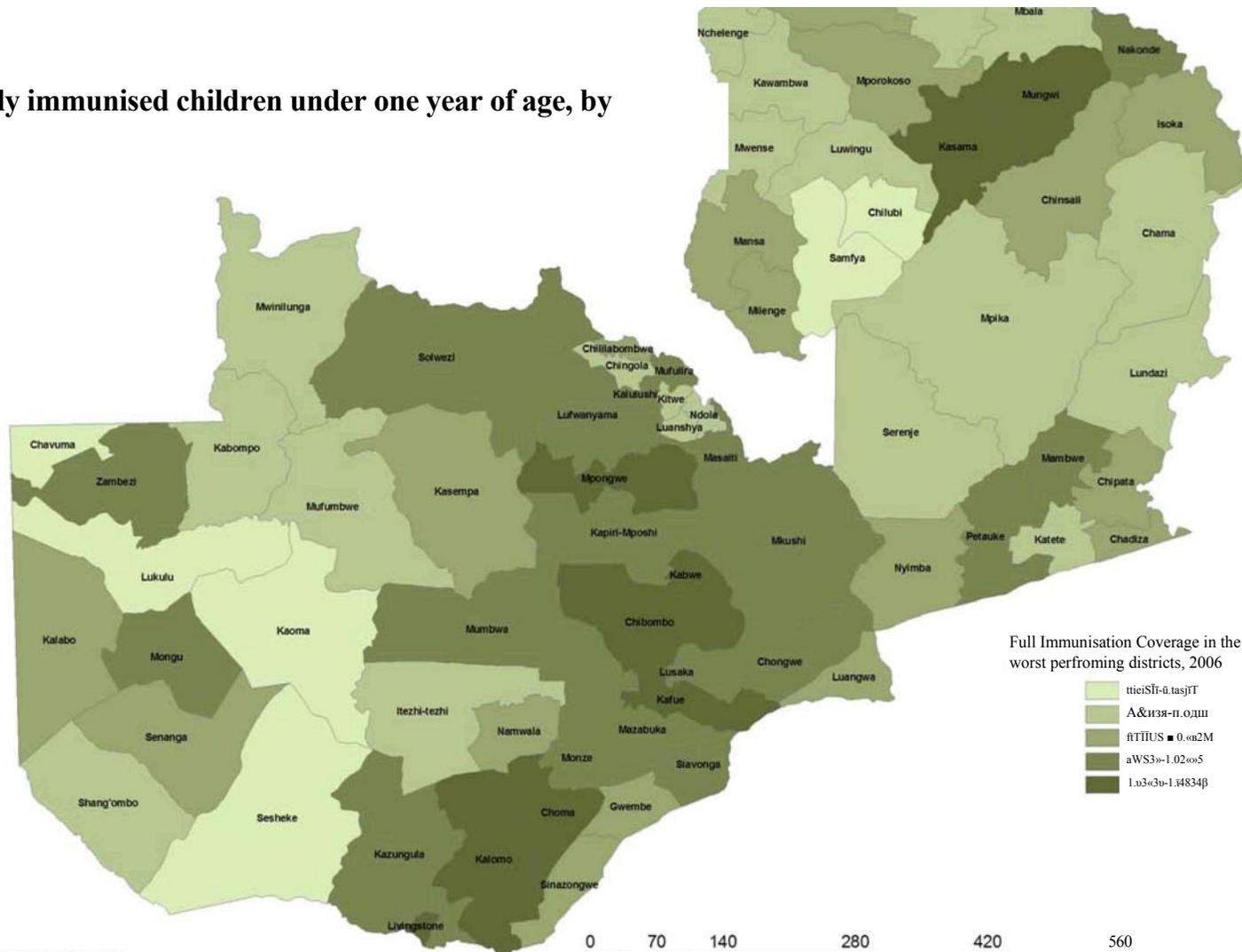
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REPUBLIC OF ZAMBIA
Ministry of Health



% of fully immunised children under one year of age, by District



560
5 Kilometers

Map produced by the Directorate of Planning and Information
(c) 2007 Ministry of Education
for Ministry of Health
Source: Health Management Information System (HMIS) 2006

Annex VIII: Health Indicators, by District

Institutional deliveries by district, 2006			Utilisation Rate at PHC facilities by district, 2006			Full Immunisation Cov. in the 20 worst performing districts, 2006		
No.	District	Coverage	No.	District	Utilisation Rate	No.	District	Coverage
1	Kabwe Urban	87%	1	Chavuma	1.25	1	Samfya	48%
2	Kasempa	82%	2	Luangwa	1.19	2	Kaoma	49%
3	Chavuma	75%	3	Itezhi-tezhi	1.11	3	Chavuma	57%
4	Lusaka Urban	73%	4	Gwembe	1.11	4	Sesheke	58%
5	Livingstone	64%	5	Mongu	1.11	5	Chilubi	58%
6	Ki twe	64%	6	Chongwe	1.07	6	Lukulu	63%
7	Mpongwe	62%	7	Kafue	0.95	7	Mbala	66%
8	Katete	58%	8	Monze	0.90	8	Luanshya	68%
9	Mongu	58%	9	Sesheke	0.90	9	Luwingu	69%
10	Ndola	56%	10	Katete	0.89	10	Katete	69%
11	Chingóla	55%	11	Shangombo	0.89	11	Kitwe	70%
12	Mwinilunga	53%	12	Nyi mba	0.88	12	Ndola	70%
13	Kala bo	49%	13	Siavonga	0.86	13	Mufurila	70%
14	Mufumbwe	46%	14	Kalabo	0.85	14	Chama	70%
15	Kalulushi	46%	15	Kasempa	0.84	15	Chiengi	71%
16	Nchelenge	46%	16	Senanga	0.83	16	Chingóla	72%
17	Mufurila	45%	17	Namwala	0.83	17	Kabompo	73%
18	Siavonga	44%	18	Mpongwe	0.83	18	Mpika	74%
19	Mansa	44%	19	Zambezi	0.82	19	Mwense	75%
20	Kabompo	44%	20	Mazabuka	0.80	20	Mwinilunga	75%
21	Lukulu	43%	21	Sinazongwe	0.80	21	Kawambwa	75%
22	Solwezi	43%	22	Masa iti	0.79	22	Itezhi-tezhi	76%
23	Luanshya	43%	23	Mumbwa	0.78	23	Shangombo	76%
24	Chililabombwe	41%	24	Choma	0.76	24	Serenje	76%
25	Zambezi	41%	25	Mambwe	0.76	25	Lundazi	79%
26	Chipata	40%	26	Chama	0.73	26	Nchelenge	79%
27	Choma	40%	27	Kazungula	0.73	27	Mpulungu	79%
28	Kaoma	39%	28	Kabompo	0.72	28	Milenge	82%
29	Mazabuka	39%	29	Petauke	0.70	29	Senanga	83%
30	Mambwe	38%	30	Milenge	0.69	30	Chililabombwe	84%
31	Kasama	37%	31	Mkushi	0.68	31	Namwala	84%
32	Luangwa	36%	32	Kaoma	0.68	32	Sinazongwe	84%
33	Mungwi	36%	33	Mufurila	0.67	33	Isoka	85%
34	Mbala	36%	34	Mungwi	0.65	34	Chinsali	85%
35	Mwense	36%	35	Kabwe Urban	0.65	35	Kalabo	85%
36	Monze	35%	36	Chadiza	0.63	36	Chipata	85%
37	Chinsali	34%	37	Lufwanyama	0.61	37	Nyi mba	86%
38	Kalomo	34%	38	Chililabombwe	0.61	38	Mansa	87%
39	Mkushi	34%	39	Lukulu	0.60	39	Kaputa	87%
40	Kawambwa	33%	40	Mwinilunga	0.59	40	Mporokoso	88%
41	Mpulungu	33%	41	Kapirimposhi	0.59	41	Kasempa	88%
42	Shangombo	33%	42	Kalomo	0.58	42	Luangwa	89%
43	Kafue	32%	43	Mwense	0.57	43	Gwembe	89%
44	Isoka	32%	44	Chibombo	0.56	44	Chadiza	91%
45	Chama	32%	45	Luanshya	0.55	45	Chongwe	92%
46	Kapirimposhi	31%	46	Lundazi	0.54	46	Mufumbwe	92%
47	Serenje	31%	47	Kawambwa	0.52	47	Mkushi	93%
48	Mporokoso	31%	48	Lusaka Urban	0.50	48	Mazabuka	94%
49	Petauke	31%	49	Mansa	0.49	49	Masa iti	94%
50	Sesheke	31%	50	Mpika	0.48	50	Siavonga	95%
51	Senanga	30%	51	Chiengi	0.48	51	Mongu	95%
52	Sinazongwe	30%	52	Chipata	0.48	52	Petauke	95%
53	Mumbwa	30%	53	Kalulushi	0.47	53	Monze	96%
54	Chiengi	30%	54	Ndola	0.46	54	Lusaka Urban	96%
55	Kaputa	30%	55	Livingstone	0.45	55	Kalulushi	97%
56	Mpika	30%	56	Serenje	0.45	56	Lufwanyama	98%
57	Lundazi	29%	57	Mufumbwe	0.45	57	Solwezi	98%
58	Luwingu	27%	58	Mpulungu	0.45	58	Zambezi	100%
59	Chibombo	26%	59	Kitwe	0.45	59	Nakonde	100%
60	Lufwanyama	25%	60	Kasama	0.44	60	Mambwe	101%
61	Itezhi-tezhi	25%	61	Samfya	0.43	61	Mumbwa	102%
62	Nakonde	24%	62	Solwezi	0.43	62	Kapirimposhi	102%

63	Samfya	24%	63	Chilubi	0.43	63	Kazungula	103%
64	Masaiti	24%	64	Chingola	0.41	64	Chibombo	105%
65	Gwembe	23%	65	Isoka	0.40	65	Choma	105%
66	Chongwe	22%	66	Mbala	0.38	66	Mungwi	110%
67	Chilubi	20%	67	Nchelenge	0.37	67	Kabwe Urban	110%
68	Kazungula	20%	68	Kaputa	0.37	68	Kalomo	112%
69	Nyimba	19%	69	Mporokoso	0.35	69	Kasama	113%
70	Chadiza	19%	70	Chinsali	0.34	70	Livingstone	115%
71	Namwala	18%	71	Luwingu	0.33	71	Mpongwe	121%
72	Milenge	14%	72	Nakonde	0.29	72	Kafue	125%
	Zambia	43%		Zambia	0.61		Zambia	87%

Annex IX: Variance Calculation for Expenditure 2006

	GRZ Budget	Reported Expenditures	Absolute Value (Variance)
Office of the President - State House	12,025,087,395	12,578,654,895	553,567,500
Office of the Vice President	13,593,373,315	28,430,000,722	14,836,627,407
National Assembly	122,478,724,449	119,129,483,123	3,349,241,326
Electoral Commission	231,399,667,319	234,210,821,421	2,811,154,102
Public Service Commission - Office of the President	1,404,068,732	1,420,558,041	16,489,309
Office of the Auditor General	13,920,958,074	15,830,133,382	1,909,175,308
Cabinet Office - Office of the President	56,181,224,403	61,949,395,884	5,768,171,481
Teaching Service Commission - Office of the President	1,270,226,332	1,008,792,569	261,433,763
Police and Prison Service Commission - Office of the President	1,238,508,297	1,343,408,222	104,899,925
Zambia Police - Ministry of Home Affairs	224,882,486,463	241,097,736,452	16,215,249,989
Commission for Investigations - Office of the President	1,544,261,825	1,544,261,826	1
Ministry of Energy and Water Development	38,233,738,047	34,281,730,958	3,952,007,089
Ministry of Mines and Mineral Development	13,029,442,836	12,133,793,944	895,648,892
Ministry of Home Affairs	127,658,132,601	106,424,283,928	21,233,848,673
Ministry of Foreign Affairs	155,595,207,454	160,202,330,602	4,607,123,148
Judiciary	68,446,370,651	63,499,481,648	4,946,889,003
Loans and Investments - Local Government and Housing	9,121,964,966	7,675,332,988	1,446,631,978
Loans and Investments - Finance and National Planning	508,604,269,749	531,089,071,850	22,484,802,101
Ministry of Information and Broadcasting Service	24,372,314,802	26,310,068,807	1,937,754,005
Public Service Management Division	339,699,410,650	280,259,779,065	59,439,631,585
Ministry of Local Government and Housing	87,389,088,638	82,848,248,698	4,540,839,940
Ministry of Justice	37,164,521,528	62,947,308,385	25,782,786,857
Ministry of Commerce Trade and Industry	22,820,837,921	20,941,838,131	1,878,999,790
Human Rights Commission	5,823,073,153	5,227,586,076	595,487,077
Ministry of Finance and National Planning	717,350,598,466	748,232,566,373	30,881,967,907
Ministry of Labour and Social Security	13,072,464,909	11,722,189,839	1,350,275,070
Ministry of Community Development and Social Services	63,227,758,835	59,828,626,902	3,399,131,933
Ministry of Health	556,997,343,105	674,809,808,790	117,812,465,685
Ministry of Communication and Transport	44,404,705,587	39,361,515,062	5,043,190,525
Ministry of Works and Supply	124,458,621,211	103,519,486,965	20,939,134,246
Ministry of Science, Technology and Vocational Training	37,128,826,655	36,476,564,917	652,261,738
Ministry of Tourism, Environment and Natural Resources	52,523,866,383	56,481,850,322	3,957,983,939
Ministry of Sport, Youth and Child Development	28,708,522,479	27,666,095,889	1,042,426,590
Ministry of Defence	659,245,483,275	690,139,929,921	30,894,446,646
Zambia Security Intelligence Services - Office of the President	147,860,442,832	161,377,226,297	13,516,783,465
Ministry of Education	1,277,075,924,083	1,362,480,823,460	85,404,899,377
Ministry of Lands	18,218,803,974	16,468,196,869	1,750,607,105
Anti Corruption Commission	17,280,493,639	22,576,512,659	5,296,019,020
Ministry of Agriculture and Cooperatives	400,180,642,356	457,582,739,078	57,402,096,722
Office of the President - Lusaka Province	18,792,939,317	17,201,164,300	1,591,775,017
Office of the President - Copperbelt Province	26,201,707,704	22,410,590,946	3,791,116,758
Office of the President - Central Province	16,545,362,688	16,921,488,972	376,126,284
Office of the President - Northern Province	22,959,684,634	19,484,979,313	3,474,705,321
Office of the President - Western Province	19,445,673,065	19,486,987,768	41,314,703
Office of the President - Eastern Province	23,328,894,329	21,319,113,546	2,009,780,783
Office of the President - Luapula Province	18,708,077,974	15,835,146,331	2,872,931,643
Office of the President - North Western Province	18,242,944,643	18,971,228,690	728,284,047
Office of the President - Southern Province	24,728,998,265	21,079,844,387	3,649,153,878
Constitutional and Statutory Expenditure	1,438,520,000,000	805,440,243,193	633,079,756,807
	7,903,105,740,008	7,559,259,022,406	1,230,527,095,458

Source: Office of the Accountant General *Expenditure by Head as at 31st December, 2006* Report dated 4th June, 2007

Variance Total

53

15.6

Annex X: Indicator by Indicator Assessment of the PAF

Indicator	Status	Score
PSM1 Restructuring Provincial and District Administration	Full	1.0
PSM2 Service Delivery Charters Institutionalised in the Public Service	--	--
PSM3 Adoption of Public Service Pay Policy		
PSM4 Payroll management and establishment control	Part	0.5
PFM 1 % MPSAs whose quarterly budget releases are between 95% and 105% of the budget allocation identified in the quarterly allocation plan	No	0.0
PFM 2 % of heads whose calculated expenditure is between 95% and 105% of the total funding	Part	0.5
PFM 3 Domestic Arrears at end Period	No	
PFM 4 Audit Reports submitted to Legislature and acted upon	Full	1.0
PFM 5 % Expenditure Variance between original budget and total expenditure	--	--
MAC 1 Government Domestic Borrowing as % of GDP	No	0.0
MAC 2 Central Government Wage Bill MAC 3 Domestic Revenue as a % of GDP	Full	1.0
FSD 1 Facilitation of the creation of a private sector Credit Reference Bureau FSD 2 Development of a comprehensive rural finance policy and strategy.	Full	1.0
	--	--
PPF 1 % GDP allocated by Government to pension arrears at Public Service Pension Fund PPF 2 % of pension arrears (in the Public Service Pension Fund) accumulated annually	Part	0.5
	No	0.0
AGR 1 Allocation to Investment Programmes within the budget of Ministry of Agriculture AGR 2 Number of hectares on selected sites provided with agricultural infrastructure AGR 3 Adoption of Agricultural Marketing Act	Full	1.0
	Full	1.0
	Full	1.0
INF 1 Three road agencies established (NFRA, RDA, RTSA)	Part	0.5
INF 2 Kilometres of road upgraded	No	0.0
INF 3 Kilometres of road rehabilitated	Full	1.0
INF 4 Kilometres of unpaved roads maintained	Full	1.0

PSD 1 Average length of time taken to establish a business	Full	1.0
PSD 2 Develop a National Strategy for citizen's economic empowerment	Full	1.0
HEA 1 Percentage of Institutional Deliveries	No	0.0
HEA 2 % of fully immunised children under one year of age in 20 worst performing districts	Full	1.0
HEA 3 Utilisation rate of PHC facilities	Full	1.0
HEA 4 Percentage Ministry of Health releases to district level	Full	1.0
EDU 1 No of districts falling below the threshold of 80 percent Net Enrolment for Grades 1-7	Full	1.0
EDU 2 Ratio of the completion rate of girls over boys at Grade 9.	No	0.0
EDU 3 Number of districts with a Pupil : Teacher ratio of over 100:1 in the lower basic grades	Full	1.0
HIV 1 Number of people tested for HIV and receiving results HIV 2	Full	1.0
Number of eligible people accessing ARVs	Full	1.0
Total Score	30	21 70.0%

				SIT° 30th JUNE 2007			2nd SEMESTER 2007				1st SEMESTER 2008				2nd SEMESTER 2008				TOTAL															
YEAR of GLOB Commit	ACCOUNTING NUMBER of GLOBAL commit.	N° IC	TITLE GLOBAL COMMITMENT	END date of implementation	GLOBAL COMMIT.	INDIVIDUAL COMMIT.	RAC	GC DEC OM MITT to the project (-)	NEW GLO BAL CO MMIT	RISK	PAY MENTS	Risk LOW	Risk MEDIUM	Risk HIGH	GC DEC OM MITT to the project (-)	NEW GLO BAL CO MMIT	RISK	PAY MENTS	Risk LOW	Risk MEDIUM	Risk HIGH	GC DEC OM MITT to the project (-)	NEW GLO BAL CO MMIT	RISK	PAY MENTS	Risk LOW	Risk MEDIUM	Risk HIGH	TOTAL New IC	Pay ment s/ New IC	COM MENT S on GLOB AL COM MITMENT			
																																AMO UNT ONG OIN G INDIV. COM MIT.	PAY MENTS ON OIN G INDIV. COM MIT.	RAP
TOTAL RAC & New IC					467.887.874	377.932.051	89.955.823	-23.550	53.603.827						0	27.922.800							0	9.400.000										
TOTAL RAP, DECOMMITMENT & PAYMENTS					279.275.390	170.161.279	109.114.111	-397.463	-16.469		64.872.225	25.482.508	38.692.929	69.67.88	0	0			37.473.724	5.684.274	31.177.620	61.1.830	0	0		33.045.525	2.852.912	30.192.640	0					
1994	7ACP ZA24	0	SOCIAL SECTOR SUPPORT PROGRAMME (+ ECU 1050000 ON 8ZA010)	199 912 31	11.944.461	11.944.461	0																											
1994	7ACP ZA24	22	(HP8) CMMU (NOW WRSU) 60 BOREHOLES + ADD. 1-2-3-4	199 712 12	25.575	25.207	368																											
1994	7ACP ZA24		Total Individual Commitment		25.575	25.207	368																											
1994	7ACP ZA45	0	RETURN + REINTEGR. OF QUALIFIED AFRICAN NATIONALS, PHASE III	199 912 31	269.569	269.569	0																											
1994	7ACP ZA45	1	OIM VOIR 7 RPR 287 (PHASE III EXTENDED TO 31.12.99)		269.569	269.569	0																											
1994	7ACP ZA45		Total Individual Commitment		269.569	269.569	0																											
1994	7ACP ZA54	0	PRIVATE & COOPERATIVE LIVESTOCK SERVICE NETWORK DEV.PROGRAMM	199 810 31	1.547.767	1.547.767	0																											
1994	7ACP ZA54	10	WP/CE NO 5 FROM 01/07/00 TO 30/06/01; ZMK 144.520.000	200 112 31	21.710	21.710	0																											
1994	7ACP ZA54	12	VETERINARY PRIVATISATION TRUST FUND; ZMK 142.969.242.	200 012 31	96.005	96.005	0																											
1994	7ACP ZA54		Total Individual		117.715	117.715	0																											

				SIT° 30th JUNE 2007			2nd SEMESTER 2007			1st SEMESTER 2008			2nd SEMESTER 2008			TOTAL		
1995	7ACP ZA61	0	DEVELOPMENT OF SUSTAINABLE WILDLIFE MANAGEMENT	4.361.970	4.361.970	0												0
1995	7ACP ZA61	22	WP/ICE 1.1.-30.6.99 + ADD. 1 AND ADD. 2 EXTENS. TO 16.7.99	20000930	133.366	133.366	0											0
1995	7ACP ZA61	24	WP/ICE 01/2000 29/08/00 TO 31/12/00; ZMK 950.409.298.00	20001231	167.499	167.499	0											0
1995	7ACP ZA61	26	WP/ICE BRIDGING SUPPORT; ZMK 1.264.422.966.00	20030531	249.351	249.351	0											0
1995	7ACP ZA61		Total Individual Commitment		550.216	550.216	0											0
1995	7ACP ZA73	0	MICROPROJECTS PROGRAMME (PHASE III)		2.361.122	2.352.993	8.129											8.129
1995	7ACP ZA73	1	18 PROJ./AUG. 1996 + 32 PROJ./NOV. 96	20000930	2.334	2.334	0											0
1995	7ACP ZA73		Total Individual Commitment		2.334	2.334	0											0
1996	7ACP ZA88	0	ZAMBIA TOURISM DEVEL. PROGR./FO UNDAT. PHASE (+8ZA029/30 0000)	20010630	1.352.428	1.349.051	3.377											3.377
1996	7ACP ZA88	7	AWP/ICE 1997/98 WILSON + REV. + ADD./SEE COMM.4 FOR TA CONTR.	19981217	94.463	94.463	0											0
1996	7ACP ZA88	9	PREL. WP/ICE PROJ. START-UP ACTIV./TA TRANSTEC + ADD. 1 + 2	19980430	12.847	12.847	0											0
1996	7ACP ZA88	15	WP/ICE NO 1/2000; ZMK 129.714.705.00; ZAMBIA TOURISM COUNCIL	20010630	36.125	36.125	0											0
1996	7ACP ZA88		Total Individual Commitment		143.435	143.435	0											0
1996	7ACP ZA89	0	ECON. MANAGEM. + PLANNING SUPP. PROGR. (+ 8ZA022 + 8ZA034)	20001231	1.363.768	1.363.768	0											0
1996	7ACP ZA89	3	CSO AWP/ICE NO. 1 (1.6.-	19990131	7.734	7.734	0											0

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1996	7ACP ZA89	4	30.11.98 + 2 MONTHS) NAO'S OFFICE WP/ICE 1: 1.7.98- 30.6.99- 30.9.99 (WP 2: COMM. 8)	199 909 30	103. 981	103. 981	0											0
1996	7ACP ZA89	5	WP/ICE 2 + ADD. 1 1.10.98- 30.9.99 (WP/ICE 3: 8ZA022/01)	199 909 30	75.4 29	75.4 29	0											0
1996	7ACP ZA89	6	CSO AW/ICE NO. 2 (15.7.99- 14.2.-14.4.- 30.6.- 31.12.2000)	200 012 31	17.8 97	17.8 97	0											0
1996	7ACP ZA89	8	NAO'S OFFICE AW/ICE 2: 1.10.99- 31.3.2000 (WP/ICE 1: 7ZA0894)	200 003 31	64.2 21	64.2 21	0											0
1996	7ACP ZA89	9	WP/ICE 14- 30.9.2000 / BAU'S OFFICE	200 009 30	14.4 92	14.4 92	0											0
1996	7ACP ZA89	10	WP/ICE NO 1 TA TO NAO 14/09 TO 10/11/00; ZMK 14,000,000.0 0	200 102 28	7.95 3	7.95 3	0											0
1996	7ACP ZA89	Total Individual Commitme nt			291. 706	291. 706	0											0
1998	8ACP ZA3	0	PRIVATE SECTOR DEVELOPME NT PROGRAMM E	200 410 31	6.05 0.69 5	6.03 5.04 7	15.6 48											15.6 48
1998	8ACP ZA3	7	1ST WP/ICE 25/10/00 TO 24/09/01 APEX CREDIT LINE TO SME (WIND	200 110 24	277. 568	277. 568	0											0
1998	8ACP ZA3	10	2ND WP/ICE 25/09/01 TO 24/09/02 APEX WINDOW 2; EUR 1,000,000.	200 410 31	972. 444	972. 444	0											0
1998	8ACP ZA3	12	WP/ICE NO 1 FIP COMPONEN T; ZAMBIA INVESTMEN T CENTRE	200 403 31	170. 000	170. 000	0											0
1998	8ACP ZA3	13	WP/ICE NO 4 WINDOWS 1 & 4; JAN THRO OCT 2003	200 312 31	276. 008	276. 008	0											0
1998	8ACP ZA3	14	FIFTH WP/ICE: 01/01/2004 TO 31/10/2004; ZMK 1,742,721.76 0.00	200 410 31	200. 148	200. 148	0											0
1998	8ACP ZA3	15	CDE/PSDP- WINDOWS3 ANNUAL WP AND COST ESTIMATE	200 410 31	390. 000	390. 000	0											0

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			NR.4															
19 98	8ACP ZA3	18	PWC, RAU/8 ACP ZA 3-12/06; AUDIT OF FOREIGN INVST. PROMOTION	200 511 02	3.80 0	3.45 3	347											347
19 98	8ACP ZA3	Total Individual Commitment			1.73 4.83 2	1.73 4.48 5	347											347
19 98	8ACP ZA12	0	MICROPROJECTS PROGRAMME I	200 001 31	7.37 1.39 3	7.37 1.39 3	0											0
19 98	8ACP ZA12	5	36 NEW PROJECTS (LOT 3 - JANUARY 1999)	200 007 31	1.29 5.95 5	1.29 5.95 5	0											0
19 98	8ACP ZA12	6	27 NEW PROJECTS (LOT 4 - APRIL 1999)	200 007 31	1.04 9.35 9	1.04 9.35 9	0											0
19 98	8ACP ZA12	7	17 NEW PROJECTS (LOT 5 - AUGUST 1999)	200 010 06	812. 336	812. 336	0											0
19 98	8ACP ZA12	10	LOT 6 - 29 PROJECTS - MARCH 2000	200 102 28	1.27 4.00 5	1.27 4.00 5	0											0
19 98	8ACP ZA12	Total Individual Commitment			4.43 1.65 5	4.43 1.65 5	0											0
19 99	8ACP ZA22	0	ECONOMIC MGMT AND PLANNING SUPPORT PROGR. (+7ZA089+8Z A034)	200 012 31	207. 000	206. 387	613											613
19 99	8ACP ZA22	1	WP/CE 3 TA TO MIN.FIN.+EC. DEV. (WP/CE 1 + 2: 7ZA089/2 + 5)	200 003 31	75.0 10	75.0 10	0											0
19 99	8ACP ZA22	2	WP/CE 3 NAO'S OFFICE 1.4.- 31.12.2000 (PREVIOUS: 7ZA089/6)	200 012 31	112. 894	112. 894	0											0
19 99	8ACP ZA22	Total Individual Commitment			187. 904	187. 904	0											0
19 99	8ACP ZA28	0	EXPORT DEVELOPMENT PROGRAMME II (EDP I: 7ZA013/1000 0000.00)	200 712 31	6.50 0.00 0	6.29 1.91 6	208. 084											208. 084
19 99	8ACP ZA28	3	TDI GROUP LTD; TAZAM/028/02; ZMK 2.222.279.94 1.00	200 712 12	596. 113	493. 552	102. 561											102. 561
19 99	8ACP ZA28	16	WP NO 1; EXPORT FINANCE FACILITY; 01/0/03 TO 01/01/07; EUR	200 505 31	2.00 0.00 0	2.00 0.00 0	0											0
19 99	8ACP ZA28	25	PROVISION OF TA TO EBZ SC/ZAM/O25/04	200 505 31	35.2 00	23.6 70	11.5 30											11.5 30

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			31/12/04; ZMK 5,769,329.87 5.00															
20 00	8ACP ZA45	11	SECOND AUDIT OF P.E. 3 - FIDELITY CONSULTAN CY SERVICES	200 708 14	4.60 0	0	4.60 0										4.60 0	
20 00	8ACP ZA45	Total Individual Commitme nt			1.44 2.82 7	1.43 8.22 7	4.60 0										4.60 0	
20 02	8ACP ZA55	0	REHABILITA TION OF LIVINGSTON E AND LUSAKA AIRPORTS	201 009 30	11.2 50.0 00	11.2 50.0 00	0										0	
20 02	8ACP ZA55	7	ZULU BURROW LTD. ZMK 828 MILLION; SUPERV LSK AIRPORT.	200 512 31	161. 928	155. 188	6.73 9	6.73 9	6.73 9	6.73 9							0	
20 02	8ACP ZA55	8	SARROCH GRANULATI SRU/GM INTNL. JOINT VENTURE (REHABILITA TION)	200 510 31	2.65 4.13 9	2.59 0.95 1	63.1 89	63.1 89	63.1 89	63.1 89							0	
20 02	8ACP ZA55	12	RAMBOLL, ASS. ZULU BURROW; SC/ZAM/011/ 05, SUPERVISIO N OF	200 704 30	484. 693	171. 131	313. 562	313. 562	313. 562	313. 562							0	
20 02	8ACP ZA55	13	RAUBEX - PART 1 OF WC/ZAM/019 /05 (9 ACP ZA 10 1)	200 701 16	6.63 7.40 0	5.65 5.23 7	982. 163	982. 163	982. 163	982. 163							0	
20 02	8ACP ZA55	Total Individual Commitme nt			9.93 8.16 0	8.57 2.50 8	1.36 5.65 3										1.36 5.65 3	
20 02	8ACP ZA59	0	URBAN MARKETS DEVELOPME NT PROGRAMM E	200 906 09	16.5 00.0 00	13.7 25.1 33	2.77 4.86 7										2.17 2.86 7	
20 02	8ACP ZA59	1	TECNICA Y PROYECTO S. S.A.; SW/ZAM/025/ 03; ZMK 7,320,135.81 0.	200 611 29	1.31 6.35 6	924. 054	392. 301	260. 665	260. 665	131. 636	131. 636						0	
20 02	8ACP ZA59	2	ARCADIS BMB MANAG. CONSULT.7. 190,727,417. 5 ZMK;SC/ZAM /022/04	200 803 25	1.21 8.00 0	661. 576	556. 424	123. 600	123. 600	216. 412	216. 412			216. 412	216. 412		0	
20 02	8ACP ZA59	4	PE 2; 01/02- 31/01/07; URBAN MKTS DEVPT. PROG.	200 701 31	538. 000	282. 933	255. 067	255. 067	255. 067								0	
20 02	8ACP ZA59	6	TURNER	200 703 31	1.36 8.00 0	665. 830	702. 170	501. 550	501. 550	200. 620	200. 620						0	
20 02	8ACP ZA59	7	SOWETO LOT1; WC/ZAM/032 /05; ZMK 25,398,000.0	200 706 30	4.86 1.00 0	2.78 3.93 4	2.07 7.06 6	2.07 7.06 6	2.07 7.06 6								0	

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			00													
20 02	8ACP ZA59	8	MATTY: W/CZAM/031 /05; ZMK 13.699.052.8 54	200 703 31	2.92 7.00 0	1.37 9.99 9	1.54 7.00 1		1.54 7.00 1				0			
20 02	8ACP ZA59	9	MET-WELD FABRICATIO N OF W/CZAM/033 /05	200 703 31	1.28 6.00 0	592 195	693. 805		693. 805				0			
20 02	8ACP ZA59	10	AUDIT OF PE NO 1 BY FIDELITY CONSULTAN CY	200 705 19	4.80 0	4.11 0	690	-690					0			
20 02	8ACP ZA59	13	RAU/8ACP ZA 59-4/14 - THEWO & CO	200 711 27	3.80 2		3.80 2		3.80 2				0			
20 02	8ACP ZA59	14	PE No. 3					337. 000	112. 000		168. 700	168. 700	56.3 00	56.3 00	337.0 00	337. 000
20 02	8ACP ZA59	15	AUDIT SERVICES - PE 3					5.00 0					5.00 0	5.00 0	5.000 0	5.00 0
20 02	8ACP ZA59	16	PE No. 4					200. 000					200. 000	200. 000	200.0 00	200. 000
20 02	8ACP ZA59	17	MTR - Exit Strategy - Services					60.0 00	36.0 00		24.0 00	24.0 00			60.00 0	60.0 00
20 02	8ACP ZA59		Total Individual Commitment		13.5 22.9 58	7.29 4.63 2	6.22 8.32 6								6.22 8.32 6	
20 03	9ACP ZA3	0	CAPACITY BUILDING IN DPT OF ECONOMIC AND TECHN. COOPERATION.	200 806 30	747. 700	743. 638	4.06 2	-4.06 2								0
20 03	9ACP ZA3	3	MAIMBO - MANAGEMEN T EXPERT TO NAO OF EDF MIN.FIN&NA T.PLAN.	200 606 30	135. 200	121. 713	13.4 87	-1.17 1								12.3 16
20 03	9ACP ZA3		Total Individual Commitment		135. 200	121. 713	13.4 87									13.4 87
20 03	9ACP ZA5	0	POVERTY REDUCTION BUDGET SUPPORT PROGRAMME 2003-2006 (PRBS01)	201 012 31	108. 200. 000	108. 164. 979	35.0 21									35.0 21
20 03	9ACP ZA5	1	Ministry of finance prbs 2004-2006	200 612 31	103. 700. 000	103. 700. 000	0									0
20 03	9ACP ZA5	3	MULEYA HAKAYUWA	200 812 31	118. 000	49.4 22	68.5 78		20.0 00	20.0 00		20.0 00	20. 000			28.5 78
20 03	9ACP ZA5	4	HMS-PRBS P.E. NO.1	200 611 30	119. 664	119. 780	-116									#VA LUE 1
20 03	9ACP ZA5	5	START-UP PE-EMIS, 15/05 - 15/11/2006	200 611 15	190. 026	190. 026	0									0
20 03	9ACP ZA5	7	NEEDS ASSESSMENT & PLAN FOR HMS (2006/129766 IBF INT.)	200 709 04	107. 780	64.6 68	43.1 12		43.1 12							0

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20 03	9ACP ZA5	8	HMIS DATABASE (ECORYS NEDERLAND BV 2006/129758)	200 709 13	146.369	78.8 22	67.5 47			67.5 47	67.5 47						0
20 03	9ACP ZA5	9	EMIS-PRBS PE NO. 2. 10/06-11/07	200 711 21	830.000	213.212	616.788			616.788							0
20 03	9ACP ZA5	10	HMIS-PRBS PE NO. 2. 22/12/06-21/05/08	200 806 21	2.79 9.00 0	611.830	2.18 7.17 0			611.830	611.830		611.830		61 1.8 30		963.510
20 03	9ACP ZA5	Total Individual Commitment			108.010.839	105.027.760	2.98 3.07 9										2.98 3.07 9
20 03	9ACP ZA8	0	FEASIBILITY STUDY "REHABILITATION AND MAINTENANCE OF FEEDER	200 712 31	600.000	488.708	111.292										127.761
20 03	9ACP ZA8	1	WSP INTL MANAGEMENT-FEASIBILITY STUDY & DESIGN FOR A FEEDER	200 602 22	488.708	423.369	65.3 39		16.4 69	48.8 70	48.8 70						0
20 03	9ACP ZA8	Total Individual Commitment			488.708	423.369	65.3 39										65.3 39
20 04	9ACP ZA7	0	SUPPORT TO THE EDUCATION STRATEGIC PLAN	201 012 31	10.0 00.00	9.19 3.34 1	806.659										806.659
20 04	9ACP ZA7	1	EDUCATION SECTOR PLAN; DESIGNATED 2004	200 412 31	2.30 0.00 0	2.19 6.28 0	103.720										103.720
20 04	9ACP ZA7	5	3RD TRANCHE/1ST DISBURSEMENT TO SESP - DESIGNATED 2006	200 611 08	2.57 3.00 0	2.46 3.04 7	109.953		- 109.953								0
20 04	9ACP ZA7	6	4TH/1ST TRANCHE DISBURSEMENT - DESIGNATED 2007	200 711 23	1.42 9.00 0		1.42 9.00 0										1.42 9.00 0
20 04	9ACP ZA7	Total Individual Commitment			6.30 2.00 0	4.65 9.32 7	1.64 2.67 3										1.64 2.67 3
20 04	9ACP ZA9	0	TECHNICAL COOPERATION FACILITY	201 010 31	2.85 0.00 0	2.70 8.75 7	141.243										141.243
20 04	9ACP ZA9	17	SUPPORT TO 2006 ZAMBIA DEMOGRAPHIC & HEALTH SURVEY (ZDHS)	200 708 31	400.000	320.000	80.0 00			80.0 00							0
20 04	9ACP ZA9	18	CONTRIBUTION AGREEMENT (ILO) CHILD TRAFFICKING STUDY	200 608 31	200.000	190.000	10.0 00		- 10.0 00								0
20 04	9ACP ZA9	20	FAO- CONTRIBUTION /TCF 9/05/2006	200 707 31	175.000	140.000	35.0 00										35.0 00
20 04	9ACP ZA9	21	FAO- SUPPORT	200 702	125.000	100.000	25.0 00										25.0 00

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			TO AD HOC TASK FORCE	04											
20 04	9ACP ZA9	23	STEM - VCR SC/ZAM/010/06	200 609 17	28.8 00	25.8 63	2.93 7							2.93 7	
20 04	9ACP ZA9	28	ASCO ZAMBIA LTD SC/ZAM/011/06	200 611 15	5.85 0	5.05 0	800		800	800				0	
20 04	9ACP ZA9	32	GERTJAN VAN STAM	200 607 10	5.20 0	3.71 2	1.48 8							0	
20 04	9ACP ZA9	33	CAPACITY BUILDING IN ETC DEPT MFNP- BRIDGE P.E	200 608 31	104. 000	86.6 69	17.3 31							0	
20 04	9ACP ZA9	34	THEWEO & COMPANY AUDIT OF PE 2 - 9 ACP ZA 003		5.70 0	4.09 5	1.60 6							-1	!!ALA RME!!
20 04	9ACP ZA9	35	CSPR SC/ZAM/013/06	200 712 31	190. 000	39.5 46	150. 454							150. 454	
20 04	9ACP ZA9	38	ER/9 ACP ZA 3-9/14 - EXTENTION OF IMPLEMENT ATION	200 704 08	1.60 8	1.45 1	157							0	
20 04	9ACP ZA9	40	ER/9 ACP ZA 901 (PRICEWATE RHOUSE)	200 708 05	105. 000	0	105. 000							105. 000	
20 04	9ACP ZA9	41	ECORYS - SUPPORT DEV. OF CURRICULA R & MONITOR PRE- SERVICE &	200 810 29	120. 046	72.0 28	48.0 18		48.0 18	48.0 18				0	
20 04	9ACP ZA9	42	SC/ZAM/008/07 - ADAM POPE/WHYD AH CONSULTIN G LTD	200 707 15	4.95 0	0	4.95 0							4.95 0	
20 04	9ACP ZA9	Total Individual Commitment			1.47 1.15 4	988. 413	482. 741							482. 741	
20 04	9ACP ZA10	0	AUGMENTA TION DE PLAFOND PROJET 8 ACP ZA 55	201 009 30	2.20 0.00 0	2.01 7.10 7	182. 893							182. 893	
20 04	9ACP ZA10	1	RAUBEX - PART 2 OF WC/ZAM/019 /05 (8 ACP ZA 55)	200 701 16	1.60 0.00 0	0	1.60 0.00 0		1.60 0.00 0	1.60 0.00 0				0	
20 04	9ACP ZA10	2	PART 2 OF ADDENDUM 2 TO SC/ZAM/011/05	200 704 30	61.7 00	0	61.7 00		61.7 00	61.7 00				0	
20 04	9ACP ZA10	3	2007/137989 - HYDROPLAN INGENIEURS GMBH	200 712 03	38.4 17	0	38.4 17		38.4 17	38.4 17				0	
20 04	9ACP ZA10	4	SC/ZAM/009/07 - RAMBOLL IN ASSOCIATIO N WITH ZULU BURROW LTD	200 709 06	137. 387	0	137. 387		137. 387	137. 387				0	
20 04	9ACP ZA10	5	MASTER PLAN STUDY - HYDRATEC	200 712 04	179. 603	0	179. 603		179. 603	179. 603				0	

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2004	9ACP ZA10	6	SA (2007/140511) ZULU BURROW LTD: SUPERV LSK AIRPORT.				13.901	13.901	13.901							13.901	13.901	
2004	9ACP ZA10		Total Individual Commitment	2.017	7.100	2.017											2.017	7.107
2004	9ACP ZA11	0	PROMOTION OF CONSERVATION FARMING AND CROP DIVERSITY	1.970	1.625.274	344.726												0
2004	9ACP ZA11	1	CONSERVATION FARMING UNIT: SCZAM/006/05 - PROMOTION OF MGT.	318.000	231.480	86.520												86.520
2004	9ACP ZA11	3	PE NO. 1: OKT 2005 TO SEP 2006	729.400	659.518	69.882												69.882
2004	9ACP ZA11	13	AUDIT OF P.E 1 BY THEWO & COMPANY	5.500	0	5.500												5.500
2004	9ACP ZA11	14	Training and Visibility Material				300.000	200.000	200.000			100.000	100.000					300.000
2004	9ACP ZA11	15	Final Evaluation				44.726					44.726	44.726					44.726
2004	9ACP ZA11		Total Individual Commitment	1.052.900	890.998	161.902												161.902
2004	9ACP ZA13	0	PERIODIC MAINTENANCE OF TRUNK MAIN AND DISTRICT ROADS	90.000	50.596.14	39.440.386												2.268.986
2004	9ACP ZA13	1	ROUGHTON INTERNL TA /ZAM/014/05- TA TO THE NRFA & RDA IN ZAM	3.104.150	1.231.974	1.872.175		462.000	462.000			462.000	462.000		395.000	395.000		553.175
2004	9ACP ZA13	6	ROUGHTON: SC/ZAM/002/06: EUR 761.200	762.020	284.739	477.281		85.500	85.500			85.500	85.500					220.781
2004	9ACP ZA13	8	SUPPLY & DELIVERY OF OFFICE FURNITURE - MF/ZAM/004/06	7.200	6.322	878		878	878									0
2004	9ACP ZA13	10	HYDRATEC SA - AUDIT OF ROAD PROJECTS UNDER BUDGET SUPPORT	103.905	58.773	45.132		45.132	45.132									0
2004	9ACP ZA13	11	Variable 3rd tranche				25.400	25.400	25.400									25.400
2004	9ACP ZA13	12	PE No. 1, RRP				30.000	30.000	30.000									30.000
2004	9ACP ZA13	13	PE No. 2, RRP							490.000	122.500	122.500	122.500	122.500				490.000
2004	9ACP ZA13	14	Financial Audit PE 1							2.800	2.800	2.800	2.800					2.800
2004	9ACP ZA13	15	Mid Term Review				200.000	120.000	120.000			80.000	80.000					200.000

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20 04	9ACP ZA13	16	Technical Audit II										150.000	150.000	150.000	150.000	150.000	
20 04	9ACP ZA13	17	Fixed 4th Tranche part II						2.000.000	2.000.000	2.000.000						2.000.000	2.000.000
20 04	9ACP ZA13	18	Variable 4th Tranche										8.500.000	8.500.000	8.500.000	8.500.000	8.500.000	
20 04	9ACP ZA13	19	Project under Budget Support (Rider 2)					40.000	40.000	40.000							40.000	40.000
20 04	9ACP ZA13	20	Supply & Delivery of Office Equipment (IT)					30.000	30.000	30.000							30.000	30.000
20 04	9ACP ZA13	21	Supply & Delivery of Office FURNITURE - RDA					18.600	18.600	18.600							18.600	18.600
20 04	9ACP ZA13	22	Supply of IT Equipment & Traffic Counters (3Lots)					310.000	186.000	186.000		124.000	124.000				310.000	310.000
20 04	9ACP ZA13		Total Individual Commitment				3.975	1.588	2.397									2.397
20 05	9ACP ZA14	0	CAPACITY BUILDING FOR PRIVATE SECTOR DEVELOPMENT	201 112 31	15.000	4.199	10.800											4.600
20 05	9ACP ZA14	1	CAPACITY BUILDING FOR PRIVATE SECTOR DEVELOPMENT	200 611 30	398.000	321.686	76.314											76.314
20 05	9ACP ZA14	2	PMTC (Z) LTD TAZAM/007/06	201 007 09	2.141.980	431.873	1.710.107											1.710.107
20 05	9ACP ZA14	4	MF/ZAM/016/06 SOUTHERN CROSS MOTORS	200 611 15	122.620	122.620	0											0
20 05	9ACP ZA14	5	PROGRAMME ESTIMATE NO 1 - CBPSD	200 711 30	1.383.000	329.772	1.053.228											1.053.228
20 05	9ACP ZA14	6	MF/ZAM/024/06 (SOLARDO SLR)	200 907 15	71.640	64.476	7.164											7.164
20 05	9ACP ZA14	7	MF/ZAM/001/07 - CFAO ZAMBIA LTD	200 704 30	36.479	0	36.479											36.479
20 05	9ACP ZA14	8	MF/ZAM/023/06- DOCUPRINT SOLUTIONS	200 706 25	46.212	0	46.212											46.212
20 05	9ACP ZA14	9	Equipment for Zambia Bureau of Standards						3.000.000	300.000	300.000		2.000.000	500.000	1.500.000		3.000.000	2.300.000
20 05	9ACP ZA14	10	Call for Proposals Private Sector Intermediary Organisations					1.200.000		400.000	400.000						1.200.000	400.000
20 05	9ACP ZA14	11	PE No 2					1.000.000		200.000	200.000		300.000	300.000			1.000.000	500.000
20 05	9ACP ZA14	12	PE No 3					1.000.000									1.000.000	0

				SIT° 30th JUNE 2007			2nd SEMESTER 2007				1st SEMESTER 2008				2nd SEMESTER 2008				TOTAL	
2005	9ACP ZA14	Total Individual Commitment		4.19 9.93 1	1.27 0.42 6	2.92 9.50 5													2.92 9.50 5	
2005	9ACP ZA17	0	SUPPORT TO AGRICULTURAL DIVERSIFICATION AND FOOD SECURITY IN	201 312 31	15.00 00.00	4.47 5.65 6	10.5 24.3 44												3.52 4.34 4	
2005	9ACP ZA17	1	GFA CONSULTING GROUP - TECHNICAL ASSISTANCE TO MACO	201 006 30	1.54 8.00 0	438. 308	1.10 9.69 2												1.10 9.69 2	
2005	9ACP ZA17	2	START UP PROGRAMM ESTIMATE		155. 000	121. 603	33.3 97												33.3 97	
2005	9ACP ZA17	3	MF/ZAM/018/06 - SUPPLY & DELIVERY OF MOTOR VEHICLES - CFAO	200 611 30	63.4 50	57.1 05	6.34 5												6.34 5	
2005	9ACP ZA17	4	SUPPLY, DELIVERY & INSTALLATION OF LAPTOPS TO MACO	200 612 05	6.06 2	5.45 5	606												606	
2005	9ACP ZA17	5	SUPPLY, DELIVERY & INSTALLATION OF LAPTOPS & ANTI VIRUS	200 612 31	7.36 4	7.36 4	0												0	
2005	9ACP ZA17	6	PROGRAMM ESTIMATE NO 1	200 712 30	1.98 9.00 0	95.7 24	1.98 3.27 6												1.98 3.27 6	
2005	9ACP ZA17	7	FIDELITY CONSULTANCY SERVICES - AUDIT FOR START UP PE	200 705 22	2.80 0	0	2.80 0												2.80 0	
2005	9ACP ZA17	8	MF/ZAM/002/07- CFAO	200 705 25	14.7 90	0	14.7 90												14.7 90	
2005	9ACP ZA17	9	SUPPLY & DELIVERY OF 8x4x4 LANDROVER DEFENDER 110 VEHICLES	200 707 31	291. 360	174. 816	116. 544												116. 544	
2005	9ACP ZA17	10	MF/ZAM/004/07 - CFAO	200 711 17	197. 830	0	197. 830												197. 830	
2005	9ACP ZA17	11	FAO CONTRIBUTION AGREEMENT	200 712 13	200. 000	0	200. 000												200. 000	
2005	9ACP ZA17	12	Call for Proposals 3rd Component					5.00 0.00 0				2.25 0.00 0	1.5 00. 000	750. 000					2.25 0.00 0	5.000. 000
2005	9ACP ZA17	13	PE No 2					2.00 0.00 0				400. 00 0			1.00 0.00 0	1.0 00. 000			1.40 0.00 0	2.000. 000
2005	9ACP ZA17	Total Individual Commitment		4.47 5.65 6	900. 374	3.57 5.28 1													3.57 5.28 1	
2005	9ACP ZA18	0	EC SUPPORT TO THE PUBLIC EXPENDITURE MANAGEMENT (PEMFA)	201 212 31	13.0 00.0 00	13.0 00.0 00	0												0	

					SIT° 30th JUNE 2007			2nd SEMESTER 2007			1st SEMESTER 2008			2nd SEMESTER 2008			TOTAL		
20 05	9ACP ZA18	1	PEMFA - BUDGET SUPPORT TRANCHE DISURSEMENTS	201 111 06	13.000,00	1.500,00	11.500,00				5.500,00	5.500,00						6.000,00	
20 05	9ACP ZA18	Total Individual Commitment			13.000,00	1.500,00	11.500,00											11.500,00	
20 06	9ACP ZA20	0	CAPACITY BUILDING WITHIN DEPARTMENT OF ECONOMIC AND TECHNICAL	201 112 31	1.700,00	1.019,98	680,020											680,020	
20 06	9ACP ZA20	1	SC/ZAM/021/06 - DR THOMAS KRIMMEL	200 810 01	272,980	81,502	191,478						66,000	66,000				125,478	
20 06	9ACP ZA20	2	PE NO.1 CAPACITY BUILDING IN ETC DEPT MFNP	200 804 08	747,000	326,276	420,724						185,840	185,840				234,884	
20 06	9ACP ZA20	Total Individual Commitment			1.019,980	407,778	612,202											612,202	
20 06	9ACP ZA21	0	REHABILITATION OF THE ZIMBABWE-LIVINGSTON ROAD	201 212 31	15,000,00	0	15,000,00											1,475,400	
20 06	9ACP ZA21	1	Supervision Services					894,600	220,000	220,000			264,000	264,000		264,000	264,000	894,600	748,000
20 06	9ACP ZA21	2	Civil Works								126,300	2,000	2,000	4,209,00	4,209,00			12,630,000	6,209,00
xxx x	xxxxx xxx	xxx	Ligne de séparation EG / GC separated row																
20 06	9ACP ZA23	0	URBAN MARKETS INCREASE TO THE INITIAL FINANCIAL CEILING	200 906 09	3,000,00	0	3,000,00											0	
20 06	9ACP ZA23	1	TURNER ; WC/ZAM/034/05					60,000	60,000	60,000								60,000	60,000
20 06	9ACP ZA23	2	SOWETO LOT1; WC/ZAM/032/05					310,000	310,000	310,000								310,000	310,000
20 06	9ACP ZA23	3	MATTY; WC/ZAM/031/05					200,000	200,000	200,000								200,000	200,000
20 06	9ACP ZA23	4	MET-WELD FABRICATION WC/ZAM/033/05					80,000	80,000	80,000								80,000	80,000
20 06	9ACP ZA23	5	CONSTRUCTION OF 2 MKTS IN NDOLA					2,350,000	705,000	705,000			1,645,000	1,645,000				2,350,000	2,350,000
xxx x	xxxxx xxx	xxx	Ligne de séparation EG / GC separated row																
20 06	9ACP ZA24	0	POVERTY REDUCTION BUDGET SUPPORT FOR THE FISCAL YEARS 2007	201 112 31	62,000,00	60,000,00	2,000,00											2,000,00	

				SIT° 30th JUNE 2007			2nd SEMESTER 2007			1st SEMESTER 2008			2nd SEMESTER 2008			TOTAL		
2006	9ACP ZA24	1	PRBS 02 - MACRO ECONOMIC BUDGET SUPPORT	20090605	60.0000	0	60.0000	20.0000	20.0000	7.1000	7.1000	14.2000	14.2000	18.7000	18.7000			
2006	9ACP ZA24	Total Individual Commitment			60.0000	0	60.0000							60.0000	60.0000			
2006	9ACP ZA25	0	RETENTION OF HUMAN RESOURCES FOR HEALTH	20110630	10.0000	10.0000	0											
2006	9ACP ZA25	1	RETENTION OF HUMAN RESOURCES FOR HEALTH SECTOR	20081231	10.0000	0	10.0000	5.0000	5.0000	5.0000	5.0000			0	0			
2006	Rider Project	2												0	0			
2006	Rider Project	3												0	0			
2006	Rider Project	4												0	0			
2006	Rider Project	5												0	0			
2006	Rider Project	6	NEW INDIVIDUAL...											0	0			
xxx	xxxx	xxx	Ligne de séparation EG / GC separated row															
2e SEM 2007	Project	0	PROGRAMME FOR INSTITUTIONAL DEVELOPMENT OF NSAs (9 ACP ZA 26 & 27)				5.0000							5.0000				
2e SEM 2007	Project	1	Contract Long Term TA				720.0000			50.0000	50.0000		50.0000	50.0000	720.0000	100.0000		
2e SEM 2007	Project	2	START UP PROGRAMME ESTIMATE						50.0000				50.0000	50.0000	50.0000	50.0000		
2e SEM 2007	Project	3	PE No 1									750.0000	150.0000	150.0000	750.0000	150.0000		
2e SEM 2007	Rider Project	4	Urban Markets Development Programme - Addendum No. 2				1.7000							1.7000	0			
2e SEM 2007	Rider Project	5	TURNER: WC/ZAM/034 /05				100.0000	100.0000	100.0000	100.0000	100.0000			200.0000	200.0000			
2e SEM 2007	Rider Project	6	SOWETO LOT1: WC/ZAM/032 /05				400.0000	400.0000	400.0000	250.0000	250.0000	250.0000		650.0000	650.0000			
2e SEM 2007	Rider Project	7	MATTY: WC/ZAM/031 /05				300.0000	300.0000	300.0000	300.0000	300.0000	300.0000		600.0000	600.0000			

				SIT° 30th JUNE 2007	2nd SEMESTER 2007			1st SEMESTER 2008			2nd SEMESTER 2008			TOTAL		
2e SE M 20 07	Rider Project	8	MET-WELD FABRICATIO N WC/ZAM/033 /05		150.000	150.000	150.000	100.000	100.000	100.000				250.000	250.000	
2e SE M 20 07	Rider Project	9	CONSTRUC TION OF 2 MKTS IN NDOLA					600.000	600.000	600.000				600.000	600.000	
2e SE M 20 07	Rider SPSP	10	Periodic maintenance of Trunk, Main and District Roads		6.000									6.000	0	
2e SE M 20 07	Rider SPSP	11	Fixed 4th Tranche part I					6.000	6.000	6.000				6.000	6.000	
2e SE M 20 07		12	TCF II		3.500									3.500	0	
2e SE M 20 07		13	SPSP Formulation EDF 10					200.000	200.000	200.000				200.000	200.000	
2e SE M 20 07		14	Great East Road Formulation Study					1.200	250.000	250.000		800.000	800.000	1.200	1.050	
xxx x	xxxxx xxx	xxx	Ligne de séparation EG / GC separated row													
															#	#

RIDER 2nd SEM 2007 -2008										
ZAMBIA										
Accounting Nbr of EG	Title	End date	Category of rider	Amount Ceiling Increase (+) or Decrease (-)	Extension End Date	Budgetary Reallocation	Modification DTA	Forecast SEMESTER sent to HQ	Motives	Comments
9ACP MLI20	This is an example	11/11/2007	Rider Project	10.000.000	x		x	1erSEM 2008	Closure	
9 ACP ZA 13	Periodic Maintenance of Trunk, Main and District Roads	31/12/2013	Rider SPSP BS	6.000.000		x	x	2eSEM 2007	ETR conclusion	other (to explain in comments)
9 ACP ZA 29	Urban Markets Development Programme	31/03/2010	Rider Project	1.700.000	x	x	x	2eSEM 2007	other (to explain in comments)	other (to explain in comments)

		ZAMBIA																
PAYMENTS																		
		FORECAST 2nd SEMESTER 2007						FORECASTS 2008										
SUMMARY of	Realised 1st SEM	2nd SEM	LOW	MEDIUM	HIGH	Target 100% L+50 %M	TARGET of the YEAR	1st SEMESTER	LOW	MEDIUM	HIGH	Target 100%L +50% M	2nd SEMESTER	LOW	MEDIUM	HIGH	Target 100% L+50 %M	TARGET ANNUAL
PAYMENTS on ONGOING INDIV. COMMIT.		35.72 0.724	24.43 4.007	10.58 9.929	696.7 88	29.72 8.972		19.327 .998	915.54 8	17.800 .620	611.83 0	9.815.8 58	15.148. 752	762.9 12	14.38 5.840	0	7.955. 832	17.77 1.690
PAYMENTS on NEW INDIV. COMMIT. on ongoing GC		28.20 1.501	1.048. 501	27.15 3.000	0	14.62 5.001		10.295 .726	3.318. 726	6.977. 000	0	6.807.2 26	16.846. 800	1.840. 000	15.00 6.800	0	9.343. 400	16.15 0.626
PAYMENTS on NEW GLOBAL COMMIT.		950.0 00	0	950.0 00	0	475.0 00		7.850. 000	1.450. 000	6.400. 000	0	4.650.0 00	1.050.0 00	250.0 00	800.0 00	0	650.00 0	5.300. 000
TOTAL FORECAST PAYMENTS	12.03 4.514	64.87 2.225	25.48 2.508	38.69 2.929	696.7 88	44.82 8.973	56.863 .486	37.473 .724	5.684. 274	31.177 .620	611.83 0	21.273. 084	33.045. 552	2.852. 912	30.19 2.640	0	17.949 .232	39.22 2.316
NEW INDIVIDUAL COMMITMENTS																		
		FORECAST 2nd SEMESTER 2007						FORECASTS 2008										
SUMMARY of	Realised 1st SEM	2nd SEM	LOW	MEDIUM	HIGH	Target 100% L+50 %M	TARGET of the YEAR	1st SEMESTER	LOW	MEDIUM	HIGH	Target 100%L +50% M	2nd SEMESTER	LOW	MEDIUM	HIGH	Target 100% L+50 %M	TARGET ANNUAL

NEW INDIVIDUAL on ONGOING GLOBAL COMMIT.		40.73 3.827	1.514. 439	39.21 9.388	0	21.12 4.133		19.122 .800	6.164. 046	12.958 .754	0	12.643. 423	8.650.0 00	944.7 49	7.705. 251	0	4.797. 375	17.44 0.798
NEW INDIVIDUAL on NEW GLOBAL COMMIT.		12.87 0.000	0	12.87 0.000	0	6.435. 000		8.800. 000	1.625. 478	7.174. 522	0	5.212.7 39	750.00 0	178.5 71	571.4 29	0	464.28 6	5.677. 025
TOTAL INDIVIDUAL COMMITMENTS	78.19 4.873	53.60 3.827	1.514. 439	52.08 9.388	0	27.55 9.133	105.75 4.007	27.922 .800	7.789. 524	20.133 .276	0	17.856. 162	9.400.0 00	1.123. 321	8.276. 679	0	5.261. 660	23.11 7.822

NEW GLOBAL COMMITMENTS

SUMMARY of	Realised 1st SEM	FORECAST 2nd SEMESTER 2007						FORECASTS 2008											
		2nd SEM	LOW	MEDIUM	HIGH	Target	TARGET of the YEAR	1st SEMESTER	LOW	MEDIUM	HIGH	Target 100%L+50%M	2nd SEMESTER	LOW	MEDIUM	HIGH	Target 100%L+50%M	TARGET ANNEE	
TOTAL NEW GLOBAL COMMITMENTS	0	5.000. 000					5.000. 000	5.000. 000	0	0	0	0	0	0	0	0	0	0	0

RIDERS

DECOMMITMENTS

	Amount	Nbr		
Ceiling increase riders	7.700. 000	2	DECOMMITMENT 2007 to the project	- 421.01 3
Ceiling decrease riders	0	0	DECOMMITMENT 2008 to the project	0
Extension Date		1		

Budgetary reallocation		2											
Modification DTA		2											
Total number of projects		2											
GLOBAL COMMITMENTS ON AVAILABLE 9th EDF ALLOCATIONS UNTIL END 2007													
SUMMARY of		AMO UNT											
CUMULATED TOTAL GLOBAL COMMITMENTS on 30/06/2007		370.9 25.34 0											
TOTAL NEW GLOBAL COMMITMENTS FORSEEN in 2nd SEM 2007		5.000. 000											
TOTAL GLOBAL COMMITMENTS		375.9 25.34 0											
SUMMARY of													
COUNTRY ENVELOPE A & B AT 31-12-2006 after ETR		388.57 7.687											
USE OF AVAILABLE RESSOURCES in %		97%											
EDF COUNTRY RESSOURCES THAT COULD BE LOST		12.652 .347											

9th EDF RIP for ESA -
commitment and payments
schedules

	Accounting number	9th EDF ESA - RIP Budget (1)	Global Financ Commit 2004	Global Financ Commit 2005	2004 individual commitments (2)	2005 commitments	2006 commitments	2007 - commitments	Total individual commitments	2004 payments	2005 payments	2006 payments	2007 payments	Total payments
PROJECTS 9th EDF ESA RIP														
I. Economic Integration														
1.1 Regional econ integr support programme		30.000.000	30.000.000		0	30.000.000	0	0	30.000.000	0	1.000.000	4.000.000	5.000.000	10.000.000
1.2 ESA region trade negotiations facility	9.ACP.RSA.008	1.950.000	1.950.000	0	1.550.000	400.000	0	0	1.950.000	1.272.675	650.000	0	0	1.922.675
1.3 trade liberalisation budgetary adjustment facility		80.000.000	0	80.000.000	0	80.000.000	0	0	80.000.000	0	0	40.000.000	40.000.000	80.000.000
1.4 private sector (3)														
subtotal		111.950.000	31.950.000	80.000.000	1.550.000	110.400.000	0	0	111.950.000	1.272.675	1.650.000	44.000.000	45.000.000	91.922.675
as % of ESA RIP allocation		50	14	36	1	50	0	0	50	1	1	20	20	41
II. Natural Resources														
2.1 AMESD African Monit of Env for Sust Dev		5.000.000	0	5.000.000	0	0	2.500.000	1.000.000	3.500.000	0	0	500.000	700.000	1.200.000
2.2 Coastal and marine resources		18.000.000	0	18.000.000	0	3.000.000	3.500.000	4.500.000	11.000.000	0	0	1.200.000	3.000.000	4.200.000
2.3 Tuna Tagging	9.ACP.RSA.006	9.700.000	9.700.000	0	8.407.500	0	0	0	8.407.500	0	3.200.000	2.400.000	2.400.000	8.000.000
	(+9.ACP.RSA.005)													0
2.4 Food security		10.000.000	0	10.000.000	0	1	1	1	3	0	1	1	1	3
2.5 ECOFAC		5.000.000	0	5.000.000	0	500.000	1.000.000	2.000.000	3.500.000	0	100.000	500.000	1.000.000	1.600.000
2.6 IGAD Livestock Policy Initiative		5.800.000	0	5.800.000	0	1	1	1	3	0	1	1	1	3
2.7 HYCOS		4.900.000	0	4.900.000	0	1	1	1	3	0	1	1	1	3
2.8 Lake Victoria Invasive Weeds (3)														
2.9 Lake Tanganyika Basin Authority (3)														
subtotal		58.400.000	9.700.000	48.700.000	8.407.500	3.500.003	7.000.003	7.500.003	26.407.509	0	3.300.003	4.600.003	7.100.003	15.000.009
as % of ESA RIP allocation		26	4	22	4	2	3	3	12	0	1	2	3	7

III. Transport and Communications														
3.1 Transport and Comm. Strategy and Priority Inv. Plan		4.000.000	0	4.000.000	0	1	1	0	2	0	1	1	1	3
3.2 ICT support programme	9.ACP.RSA.016	21.000.000	21.000.000	0	0	9.000.000	0	1	2	0	1	1	1	3
3.4 Road projects in EA and Horn of Africa and Rwanda	part of 015	5.000.000	0	5.000.000	0	0	5.000.000	0	5.000.000	0	0	2.000.000	3.000.000	5.000.000
	+ part of 013	5.000.000	5.000.000	0	0	1	1	1	3	0	1	1	1	3
	+ part of 018	2.300.000	2.300.000	0	0	0	0	0	0	0	1	1	1	3
subtotal		37.300.000	28.300.000	9.000.000	0	9.000.002	5.000.003	2	14.000.007	0	4	2.000.004	3.000.004	5.000.012
as % of ESA RIP allocation		17	13	4	0	4	2	0	6	0	0	1	1	2
IV. Non focal sectors														
4.1 Support to IRCC secretariat	9.ACP.RSA.003	9.700.000	9.700.000	0	4.044.133	2.000.000	2.000.000	1.655.867	9.700.000	1.082.723	2.000.000	2.000.000	2.000.000	7.082.723
4.2 Conflict prevention management and resolution		10.000.000	0	10.000.000	0	0	1	1	2	0	0	1	1	2
4.3 Local government capacity building (3)														
subtotal		19.700.000	9.700.000	10.000.000	4.044.133	2.000.000	2.000.001	1.655.868	9.700.002	1.082.723	2.000.000	2.000.001	2.000.001	7.082.725
as % of ESA RIP allocation		9	4	4	2	1	1	1	4	0	1	1	1	3
Total Projects under ESA RIP		227.350.000	79.650.000	147.700.000	14.001.633	124.900.005	14.000.007	9.155.873	162.057.518	2.355.398	6.950.007	52.600.008	57.100.008	119.005.421
% of EDF 9 allocation (223 mio Euro)		102	36	66	6	56	6	4	73	1	3	24	26	53
total of initial alloc and transfers from EDF 7 and 8	302.271.395,00													
initial alloc	223.000.000,00													
transfers	79.271.395,00													
PROJECTS FROM BALANCES (transfers EDF 7+8)=														
VMS fisheries IOC (IOC EDF 8)	9.ACP.RSA.001	3.500.000	3.500.000	0	1.682.746	700.000	600.000	500.000	3.482.746	0	780.000	760.000	750.000	2.290.000
Northern Corridor Rehabilitation (ROR)	9.ACP.RSA.002	5.000.000	5.000.000	0	75.100	1	1	1	75.103	0	1	1	1	3
EAC evaluation of 7.ACP.RPR.721 (ROR)	9.ACP.RSA.004	27.352	27.352	0	27.352				27.352	27.352	0	0	0	27.352
Tuna Tagging (IOC EDF 8)	9.ACP.RSA.005	4.300.000	4.300.000	0	3.132.320	20.000	600.000	500.000	4.252.320	10.440	1.336.960	1.010.000	750.000	3.107.400

Version 13 July 2007 Annex 4 RIP 9th EDF projects

TA to IOC (IOC EDF 8)	9.ACP.RSA.0 07	1.650.000	1.650.000	0	1.025.385	1	1	1	1.025.388	302.729	1	1	1	302.732
CDE railway (ROR)	9.ACP.RSA.0 09	30.000.000	30.000.000	0	0	1	1	1	3	0	1	1	1	3
Evaluation COMESA projects	9.ACP.RSA.0 12	80.000	80.000	0	79.919	0	0	0	79.919	24.000	55.919	0	0	79.919
Road South corridor Arta Guilelé	9.ACP.RSA.0 13	5.900.000	5.900.000	0	0	1	1	1	3	0	1	1	1	3
Road South corridor Arta Guilélelé	9.ACP.RSA.0 14	14.100.000	14.100.000	0	0	1	1	1	3	0	1	1	1	3
Road Gitarama Akunyara	9 ACP RSA 018	1.000.000	1.000.000	0	3.300.000				3.300.000	417.824	1	1	1	417.827
Total Projects under Balances		65.557.352	65.557.352	0	9.322.822	720.005	1.200.005	1.000.005	12.242.837	782.345	2.172.885	1.770.006	1.500.006	6.225.242
% of transfers of EDF 7 and 8		83	83	0	12	1	2	1	15	1	3	2	2	8
GRAND TOTAL		292.907.352	145.207.352	147.700.000	23.324.455	125.620.010	15.200.012	10.155.878	174.300.355	3.137.743	9.122.892	54.370.014	58.600.014	125.230.663
% of total allocation		96,90	48,04	48,86	7,72	41,56	5,03	3,36	57,66	1,04	3,02	17,99	19,39	41,43

(1): italic are estimates

(2) = individual financial commitments

(3)= to be confirmed by MTR following MTR technical

meeting of 9 and 10 December 2004

Sector	Interest rate	Contract amount	Amount cancelled	Amount disbursed	Amount left to be disbursed	First repayment date	Last repayment date
Global Loan	5,45	2.500.000,00		2.500.000,00	0,00	28/02/1983	31/08/1990
Industry Global Loan	8,00	8.000.000,00		8.000.000,00	0,00	20/09/1983	20/09/1990
Industry Loan	8,00	6.500.000,00	341.700,00	6.158.300,00	0,00	25/03/1986	25/09/1991
Industry	8,00	25.000.000,00		25.000.000,00	0,00	15/05/1985	15/11/1996
		42.000.000,00	341.700,00	41.658.300,00	0,00		

Sector	Interest rate	Contract amount	Amount cancelled	Amount disbursed	Amount left to be disbursed	First repayment date	Last repayment date
Services	2,00	84.000,00	7.427,99	76.572,01	0,00	31/10/1979	30/04/1984
Industry	2,00	2.800.000,00	172.374,79	2.627.625,21	0,00	15/07/1987	15/01/2000
Services	2,00	500.000,00	256.433,59	243.566,41	0,00	15/09/1988	15/09/1992
Services	4,00	1.200.000,00		1.200.000,00	0,00	20/11/1995	20/11/2002
Industry	flexible	14.000.000,00		14.000.000,00	0,00	15/05/2003	15/07/2003
		18.584.000,00	436.236,37	18.147.763,63	0,00	166.312,00	176.601,00

Global Loan	3,00	15.000.000,00		15.000.000,00	0,00	31/10/2002	31/10/2007
Global Loan	3,00	496.000,00	179.999,00	316.001,00	0,00	15/09/1999	15/09/2004
Global Loan	3,00	9.037.000,00	405.909,15	8.631.090,85	0,00	15/09/1999	15/09/2004
Global Loan	3,00	467.000,00		467.000,00	0,00	15/09/1999	15/09/2004
Global Loan	2,00	10.000.000,00		10.000.000,00	0,00	30/06/1995	30/06/2003
Services Global		43.562,08		43.562,08	0,00		
Global Loan	3,25	1.500.000,00	218.000,00	1.282.000,00	0,00	25/03/1986	25/09/2006
Services		548.420,55		548.420,55	0,00		

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Industry	1,00	3.000.000,00		3.000.000,00	0,00	15/11/1998	15/11/2004
Global							
Loan		1.950.000,00	59.096,98	1.890.903,02	0,00		
Global							
Loan		50.000,00	902,63	49.097,37	0,00		
Industry	5,26	7.000.000,00		7.000.000,00	0,00	30/09/2007	30/09/2014
Global							
Loan	3,00	5.500.000,00		5.500.000,00	0,00	30/06/1998	30/06/2004
Global							
Loan	3,00	3.000.000,00		3.000.000,00	0,00	30/06/1999	30/06/2005
Industry		2.500.000,00		2.500.000,00	0,00	15/11/2003	15/11/2007
Industry	1,00	4.500.000,00		4.500.000,00	0,00	15/11/1997	15/11/2004
Industry		6.000.000,00		6.000.000,00	0,00		
Energy	2,00	13.000.000,00		13.000.000,00	0,00	30/10/1994	30/10/2008
Energy	2,00	18.000.000,00	2.287.460,59	15.712.539,41	0,00	20/11/2000	20/11/2009
Services	1,00	175.000,00	4.337,00	170.663,00	0,00	31/01/1997	31/01/2002
Global							
Loan	4,00	20.000.000,00		15.170.808,41	0,00	1/04/2006	1/04/2011
Energy	3,00	20.500.000,00		20.500.000,00	0,00	20/07/2007	20/07/2013
Mining	variable	48.000.000,00	9.047.385,36	38.952.614,64	0,00	15/12/2007	15/12/2016
Mining	variable	34.000.000,00		34.000.000,00	0,00	31/10/2007	31/10/2015
Global							
Loan	4,00	20.000.000,00		23.887.936,41	941.255,18	1/07/2008	1/07/2013
Energy	3,00	21.000.000,00		20.322.447,13	677.552,87	20/07/2007	20/07/2013
Energy	variable	7.600.000,00		0,00	7.600.000,00		
		272.866.982,63	12.203.090,71	251.445.083,87	9.218.808,05		

Sector	Interest rate	Contract amount	Amount cancelled	Amount disbursed	Amount left to be disbursed	First repayment date	Last repayment date
Global	variable	8.000.000,00		3.493.362,44	4.506.637,56	10/10/2006	10/10/2009
Global		8.500.000,00		0,00	8.500.000,00		
Loan		16.500.000,00		0,00	13.006.637,56		

289.366.982,63	12.203.090,71	251.445.083,87	22.225.445,61
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Sector	Interest rate	Contract amount	Amount cancelled	Amount disbursed	Amount left to be disbursed	First repayment date	Last repayment date
	1,00	3.100.000,00	69.998,98	3.030.001,02	0,00	25/11/1988	25/05/2018
	1,00	2.400.000,00	591.589,92	1.808.410,08	0,00	15/07/1989	15/01/2019
	1,00	1.825.000,00	1.426,08	1.823.573,92	0,00	15/11/1989	15/05/2019
	1,00	2.200.000,00		2.200.000,00	0,00	15/07/1990	15/01/2020
	1,00	6.050.000,00	262.340,64	5.787.659,36	0,00	15/07/1990	15/01/2020
	1,00	2.020.000,00	74.411,78	1.945.588,22	0,00	15/08/1990	15/02/2020
	1,00	6.200.000,00		6.200.000,00	0,00	1/11/1990	1/05/2020
	1,00	500.000,00		500.000,00	0,00	1/11/1990	1/05/2020
	1,00	55.000.000,00		55.000.000,00	0,00	1/12/1992	1/06/2022
	1,00	2.000.000,00	842.272,27	1.157.727,73	0,00	31/12/1994	30/06/2024
	1,00	28.000.000,00		28.000.000,00	0,00	1/11/1996	1/05/2026
	1,00	17.800.000,01	118.049,70	17.681.950,31	0,00	15/04/1998	15/10/2027
	1,00	14.999.999,99	99.479,40	14.900.519,91	0,68	15/04/1998	15/10/2027
		142.095.000,00	2.059.568,77	140.035.430,55	0,68		
		431.461.982,63	14.262.659,48	391.480.514,42	22.225.446,29	0,00	0,00
		492.045.982,63					

80.000.000,00

50.000.000,00

ANNEX 5 THE EC BUDGETARY SUPPORT TO ZAMBIA JAN 2006 – DEC 2006**COMPOSITION AND DISBURSEMENTS**

		EC SUPPORT	
		EURO million	Paid OLAS
PRBS I	6 th Tranche(variable) PFM Indicators	35.2	30.08.2006
Road Sector Budget Support	2 nd Tranche(variable) Institutional, financial and physical indicators	21.00	18.10.2006
TOTAL 2006		56.2	

FINANCING SOURCE: Budget line 21 0201 & 21 0202 (Food Aid and Food Security)						
Grants awarded under Call for Proposals Publication reference code 122472						
A. Budget Year 2005						
Beneficiary: Name & Address	Action title	Action location	Action duration (Months)	Grant amount (<EUR>)	Percentage of total eligible action costs (%)	CRIS contract No.
STICHTING CARE NEDERLAND Juffrow Idastraat Den Haag The Netherlands	Safety Nets for HIV/AIDS Infected and Affected	Zambia	24	750000	89,90%	121553
CENTRO LAICI ITALIANI PER LE MISSIONI ASSOCIAZIONE Via San Calimero 13 Milano 20122 - Italy	Food Assistance and Food Security for PLWHA Households of the Home Based Care of the Diocese of Monze	Zambia	24	749938	90,00%	128658
OXFAM GB LBG John Smith Drive Oxford Great house OX4 2JY Oxford United Kingdom	Livelihoods Rehabilitation Project	Zambia	24	500062	60,00%	128659
B. Budget Year 2006 (in the case of Calls covering 2005 and 2006 budgets)						
Name & Address	Action title	Action location	Action duration (Months)	Grant amount (<EUR>)	Percentage of total eligible action costs (%)	CRIS contract No.
Grants awarded without a Call for Proposals						
Beneficiary: Name & Address	Action title	Action location	Action duration (Months)	Grant amount (<EUR>)	Percentage of total eligible action costs (%)	CRIS contract No.
Contribution Agreements with Int. Organisations						
Beneficiary: Name & Address	Action title	Action location	Action duration (Months)	Grant amount (<EUR>)	Percentage of total eligible action costs (%)	CRIS contract No.

Country: Zambia

	2007												2008		Amount of proposal in million €	Budget line		
	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sept	Oct	Nov	Dec	1st semester	2nd semester				
Accompanying measures 2006 for Sugar Protocol countries (FA signed by HQ in 2006)																	€ 562.000	210319
a) forecast (january)																		
b) actual realised																		
Accompanying measures 2007-2010 for Sugar Protocol countries																	€ 6.000.000	210603
a) forecast (january)			PI F			DF P												
b) actual realised			PI F			DF P												
Food Security Programme - AWP 2006 (Call for Proposals NGOs)																	€ 2.000.000	210202
a) forecast (january)																		
b) actual realised																		

PIF = Submission of Project Identification Fiche (where applicable)

DFP = Submission of Draft Financing Proposal to HQ

Please fill in the table indicating with an * the projects/programs the preparation of which would require support from Headquarters providing details in part 2 of the Management Plan (including support needed after the adoption of Annual Action Plans, where appropriate)