



**Co-operation between
The European Union
and
The Republic of Zambia
Joint Annual Report'
2008**

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

Final – 17 July 2009

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 Immune Deficiency Syndrome
APR	Annual Performance Review
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
ECZ	Environmental Council 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

2008 Joint Annual Report for Zambia

EUR	EURO
FA	Financing Agreement
FAO	Food and Agriculture Organisation
FNDP	Fifth National Development Plan
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 Missions
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	Médecins Sans Frontières
MTE	Medium Term Expenditure
MTEF	Medium Term Expenditure Framework
MTFF	Medium Term Financial Framework
MTR	Mid Term Review
NAO	National Authorising Officer
NCC	National Constitutional Conference
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

2008 Joint Annual Report for Zambia

PE	Personal Emoluments
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
ZANACO	Zambian National Commercial Bank

Executive Summary:

The 2009 joint annual operational review for Zambia was led by the European Commission Delegation to Zambia and the Ministry of Finance and National Planning (the Minister is also the EDF National Authorising Officer) during the months of February and March 2009. This included meetings with Non State Actors (18 February), Government services (19 February), and Cooperating Partners (notably on 20 February with EU Member States). The main findings of the review – finalised on 17 July 2009 - are summarised hereafter.

On the political side, following the demise of President Levy Patrick Mwanawasa in August 2008, **presidential by-elections took place in October**. Rupiah Banda, previously vice-President and candidate for the governing party Movement for Multiparty Democracy (MMD) was elected. The results were much closer than in 2006, the MMD claiming 40.09% of the vote, compared to 38.13% for the opposition Popular Front (PF). The PF claimed irregularities had taken place in the process and filed a petition with the Supreme Court, which it eventually withdrew in March 2009. The **National Constitutional Conference** pursued its proceedings during the year, aiming to complete the elaboration of a new Constitution for Zambia in 2009. On the governance agenda, a key feature has been the **fight against corruption**, though key policy documents, such as the new anti-corruption policy and subsequent legislation were still pending by year end and the future institutional set-up of the anti-corruption agencies remained unclear. Nevertheless, several high-profile cases were brought to court with convictions expected in 2009. **Public Financial Management (PFM) reforms** have also reinforced budget credibility (clearance of stock of arrears), comprehensiveness and transparency, and better controls in budget execution (improved internal audit and more transparent procurement procedures), as highlighted in the 2008 PEFA Report.

On the economic front, it is estimated that the **Zambian economy grew by 6.0 percent in 2008**. This was lower than the growth rate of 6.2% recorded in 2007, and the Fifth National Development Plan target of 7.0%. The lower than expected growth was mainly on account of a slowdown in the secondary sectors, which outweighed the increased output in the tertiary and primary sectors. As with many commodity-dependent low-income countries, the **financial crisis has mostly affected Zambia's external sector**, rather than the financial sector, through the falling demand for copper (which represent 80% of Zambia's export earnings) and its price. This effect, together with a withdrawal of foreign investment, has had a negative impact on the current account deficit and the exchange rate, which depreciated by 30% between June and December 2008. A number of high cost mines have either shut down or have started to lay off workers, with estimates of direct job losses ranging from 3,000 to 20,000 (including effects on suppliers and contractors).

As far as social developments are concerned, and even though no new assessment of **progress towards the MDGs** was carried out, it was still expected that four goals would be met (those related to Hunger, Universal primary education, Gender equality, and HIV/AIDS) whilst five other targets would be potentially be met. It was however confirmed that the environmental sustainability target was unlikely to be met in spite of positive developments in 2008 (approval of a sector wide programme and a Climate Change Facilitation Unit in the Ministry of Tourism, Environment and Natural Resources). An other positive development was the **mid-term review of the National Health Strategic Plan** which confirmed good progress, in particular through the substantial improvements in the infant, child and maternal mortality indicators, which have exceeded the NHSP targets. **HIV/AIDS** infection rates in

2008 Joint Annual Report for Zambia

2008 were over 14% for the adult population (aged 15-49), and Zambia appeared to be on track to reach the MDG target of halving the rate, although the 2008 share is not comparable with earlier years, due to a changed estimation method. As far as **poverty** is concerned, despite the overall good performance of the economy in recent years, the structure of GDP growth has not translated into significant declines in poverty. The number of people living in absolute poverty remains high in Zambia with 64% of the population falling below the national poverty line. Though overall figures are in decline, poverty in rural areas remained as high as 67%. Indeed, changes in poverty levels are not evenly distributed across rural and urban areas and Government is expecting to contribute to an improvement of the situation through enhanced decentralisation.

On the international scene, and following the initialling in 2007 of an Interim Agreement for establishing an Economic Partnership Agreement (EPA) between the EC and Eastern and Southern Africa (ESA) States in November 2007, ESA EPA negotiations continued throughout 2008. **In September, Zambia presented an EPA market access offer**, subsequently accepted by the EC. Zambia is also part of the regional economic integration agenda of both COMESA and SADC, and it is hoped that the Tri-partite process launched in Kampala in September 2008, aiming at unifying the COMESA, EAC and SADC integration processes, would resolve to some extent the difficulties inherent in overlapping and multiple memberships of regional organisations, such as for Zambia.

When it comes to **development cooperation**, €346 million were committed in 2008 under the 10th EDF representing 73% of the total 10th EDF A envelope (€475 million). Furthermore, under the 9th EDF, individual commitments totalling €74.5 million were made. In addition, payments of €93 million were authorised. This included the third fixed and fourth variable tranches under the Poverty Reduction Budget Support programme released in July 2008, for a total of €24.2 million. Also, certain activities were mobilised under the energy and water facilities. 2008 has therefore been a very dynamic year when it comes to EC cooperation. The coordination between the EC Delegation and the National Authorising Officer was further reinforced and TA contracts extended for continued strengthening of the NAO.

An important characteristic of the EDF in Zambia are the important General Budget Support as well as the Health and Road Transport Sector Budget Support allocations. In 2008, **Zambia remained broadly compliant with the eligibility criteria for budget support**. A review of the **Performance Assessment Framework** took place at the June 2008 PRBS Review during which the Government and Cooperating Partners engaged in dialogue on key sectors of the economy as well as social related developments. Challenges in terms of addressing the rural-urban divide were highlighted. The basis for such exchanges had been set at a High Level Meeting held in February 2008.

The Paris Monitoring survey-Zambia conducted during the 1st semester showed a number of **improvements in implementing the Paris agenda in Zambia**, notably with respect to CPs alignment, the use of country systems, and aid predictability. Challenges remain in the areas of coordinated technical cooperation, number of PIUs, and on mutual accountability. In 2008, the Delegation also contributed to the review of the **division of labour** (DoL) established in 2006 as part of the Joint Assistance Strategy for Zambia (JASZ). For the EC, changes included a move from *active* to *background* CP in Education and from *lead* to *active* in Private Sector Development. As for other sectors, the EC remains *lead* in Macro-economics and Transport, *active* in Agriculture, Governance and Health, and *background* in Energy and Water.

Parliament was in 2008 associated to a number of sector related meetings as well as the June PRBS review. In addition, dialogue continued with Non State Actors, notably in relation to the 2008 elections where the EU facilitated the monitoring role of local organisations.

1. The country performance

1.1. Update on the political situation and political governance

The year was a momentous one in terms of local and international politics. President Levy Patrick Mwanawasa died on 19th August, and a **Presidential by-election** for his replacement had to be held. Four candidates contested the Presidential election on 30th October. Rupiah Banda, Vice President under President Mwanasawa was presented by the ruling MMD Party, Michael Sata was the Patriotic Front (PF) candidate, Hakainda Hichilema represented the UPND and Brig. General Godfrey Miyanda the Heritage Party. The election was closely contested and the final result saw Rupiah Banda win with 40.09% of the vote, followed by Michael Sata with 38.13%, then Hakainda Hichilema with 19.7% and Godfrey Miyanda with 0.7%. The elections were generally peaceful although the result was initially challenged in court by the Patriotic Front (who subsequently withdrew the petition in March 2009). President Banda was inaugurated as the fourth President of Zambia on 2nd November, two hours after the official announcement of the result by Chief Justice Earnest Sakala. The new Cabinet was announced on the 21st of November included some new ministers with a high degree of continuity.

The conclusions of the EU Electoral Experts Mission (EEM) mobilized in support to a Diplomatic watching exercise were very similar to those of the 2006 EU Election Observation Mission (EOM), showing that much progress was still needed in many aspects of the electoral process. The EEM urged for the implementation of the key EOM recommendations such as limiting campaign expenditures and regulating party financing; increasing the independence of a decentralized ECZ; establishing new structures for better results management; introducing continuous voter registration. All these will be taken forward in the multi-donor Electoral Support project to begin in 2009.

Work continued in 2008 on the elaboration of a **new Constitution** for Zambia, based on the Constitutional Conference Act of August 2007 which set up a standing National Constitutional Conference, (NCC) but also expanded presidential powers and bypassed a constitutional requirement for a national referendum at the end of the consultative process. Opposition leader Michael Sata instructed PF members of Parliament not to participate in the NCC and subsequently dismissed 26 Patriotic Front MPs who joined it. The Conference has established several working groups which are due to report in full during 2009 with a new Constitution being established at that date. The Conference is also to address some of the legal issues surrounding the electoral process such as political party financing.

The year had begun with an announcement from President Mwanawasa on the opening of Parliament that the GRZ intended to make major adjustments in the tax to be paid by mining companies. Although the initial outline was sketchy it was certain that a windfall and a variable profit tax would be the basis of the new tax regime, which was later on confirmed during the 2008 Budget Speech at the end of January. There was an immediate outcry from the mining industry and the debate on the application of the taxes lingered on until the advent of the financial crisis and the drop in copper prices pushed the GRZ to consider revisions in the fiscal regime.

The **fight against corruption continued in 2008**, though key policy documents, such as the new anti-corruption policy and subsequent legislation were still pending by year end and the future institutional set-up of the anti-corruption agencies remained unclear. Specific cases included that of the former Director General of the Zambia Security Intelligence Services, Xavier Chungu, who returned to Zambia

in December 2008 and was re-arrested at the Lusaka International Airport. Chungu faces charges of economic plunder, jointly with former President Chiluba. He jumped bail and fled Zambia in 2003. Chungu appeared in court on 9 December 2008 and was charged with contempt of court for jumping bail. In late December the London High Court ruled in favour of the Zambian Government against a private tailor based in Geneva. He was ordered to repay to the Zambian Government US\$ 1.2 million plus costs for money received to make and supply garments for the former President. High profile prosecutions have been filed and first convictions achieved in early 2009 against, among others, the former Zambia Air Force commander, a former Managing Director of the Zambia National Commercial Bank, the former Zambia Air Force Commander, the former Minister of Lands and the suspended Head of the Drug Enforcement Commission.

Governance reforms continued to suffer delays. The APR 2007 showed that not a single key performance indicator had been met, while most indicators remain impossible to measure due to a lack of data. The Justice sector is where most progress was made. Other areas such as human rights and democratisation continued to be hampered by lack of funding. In 2008, a comprehensive State of Governance survey was undertaken in all nine provinces and results are expected in mid 2009. This will provide, for the first time, a reliable data set on a wide range of governance issues and will help to improve measurement of progress on governance in Zambia.

The **dialogue with Non State Actors** has been structured around a number of meetings on general and specific issues. A meeting was held in early 2008 to present the final version of the NIP and Governance Profile closing the consultation process of the programming phase of the 10th EDF. Consultation and information meetings were held to discuss specific issues like the priorities for the next AAP of the Thematic Programme NSAs and Local Authorities or the current status of the EPA negotiations and its impact on Zambian economy. In October 2008, meetings took place with NGOs involved in the domestic electoral observation activities and also with some other NSAs specialised in governance. A number of meetings were also held with trade unions and professional associations in the framework of the implementation of the 9th EDF Capacity Building Programme for Private sector that includes a component to strengthen these organisations.

On the **regional front, Zambia continued to be an active member of both SADC and COMESA.** The issue of overlapping memberships of these organisations was directly addressed at the tri-partite summit in Kampala, Uganda, in October 2008. This brought together all the Heads of State of the member countries of COMESA, SADC and EAC, and it was agreed to seek to unify the three organisations and work towards a single free-trade area. A roadmap for this FTA is currently been drawn up, and should be presented in September 2009. It should then guide the regional integration process to be followed by all three regional organisations, and their member countries.

1.2. Update on the economic situation and economic governance

Preliminary estimates indicate that the **Zambian economy grew by 6.0 percent in 2008.** This was lower than the growth rate of 6.2 percent recorded in 2007, and the FNDP target of 7.0 percent. The lower than expected growth was mainly on account of a slowdown in the secondary sectors, which outweighed the increased output in the tertiary and primary sectors. The agriculture, forestry and fisheries sector contracted by 0.1 percent, whilst the construction sector weakened to 0.5 percent in 2008 from 20.0 percent in 2007. However, the growth in the transport, storage and communication; mining; manufacturing; and trade sectors helped the overall growth.

2008 Joint Annual Report for Zambia

The mining sector grew by 6.0 percent compared to 3.6 percent in 2007 on account of increased mineral production. Despite the increase, the sector was beset among others with the economic crisis that led to a fall in the copper price. Total copper production increased by 0.8 percent from 565,550 metric tons in 2007 to 569,891 metric tons in 2008.

Government policy with regard to inflation in 2008 and over the FNDP period is to achieve and sustain single digit inflation. In the last three years, this has generally been achieved, with outturns of 8.2 percent and 8.9 percent, in 2006 and 2007, respectively. However, the pass-through effects of high international oil and food prices resulted in the inflation outturn for 2008 being significantly higher at 16.6 percent, as against the target of 7.0 percent.

Government expenditure in 2008 was satisfactory, with the overall budget deficit registered at 2.6 percent of GDP which was lower than the projected 3.2 percent. This outturn was against the background of challenges faced in budget execution which included the larger than planned civil service wage award, fertilizer subsidies, the presidential elections, and the financing for the rehabilitation of energy generation facilities. On the revenue side, the authorities expected to collect around ZK 900 billion from the new mining tax regime², but these were much lower at around ZK 300 billion. Government had to cope with new administrative challenges in collecting these revenues, and some mining companies simply did not comply with these new obligations. The Government also confirmed its intention to participate in the Extractive Industries Transparency Initiative (EITI) and preparations were engaged with both EC and WB assistance.

The external sector in Zambia is characterised by a rather skewed picture. Around 80% of the country's export earnings derive from copper and copper derivatives, while the so-called non-traditional exports include some agricultural goods (tobacco, cotton, sugar, cut flowers, and fresh vegetables). A small manufacturing sector is developing (mostly in agro-business, some equipment), but is not yet competitive enough to export in the region. Major partners include South Africa, DR Congo, the UK and China. The share of exports to the EU has declined to around 8-9%. On the import side, major products include machinery and equipment, largely feeding into the mining industry, as well as crude oil (refined locally in a rather inefficient plant) and fertiliser for agriculture. Similar partners emerge: South Africa (nearly 50% of imports) followed by DR Congo, Kuwait, India and China. The EU share in imports floats around 12-15%. Overall, the Zambian trade balance is extremely dependent on copper prices, and will remain such until the country's diversification agenda takes off effectively. As for FDI, recent years have seen a major surge of investment, again in the mining sector, to enhance productive capacity against the backdrop of high prices. However, foreign investors, mostly from South Africa, are increasingly present in the retail distribution and tourism sectors, and in early 2009 a Malaysian investor has set up a plant to assemble mobile phones for re-sale in the region. Zambia over time should take fuller advantage of the regional integration efforts carried out under SADC and COMESA.

The global financial crisis mostly affected Zambia on the external sector, through the fall of copper demand (80% of the country's export earnings) and hence its price, which fell by over 60% from its mid-year peak. This effect, coupled with capital outflows, resulted in a considerable depreciation of the Kwacha vis-à-vis the US dollar in the last quarter, reaching a 4,882 rate in December 2008 against the 3,835 one of December 2007. The current account deficit (including grants) deteriorated to 9.1% of

² The changes introduced with the 2008 budget by GRZ on the fiscal regime of the mining sector include: (i) increase of the corporate income tax to 30% from 25%; (ii) increase of mineral royalties to 3% from 0.6% for base metals; (iii) introduction of an additional variable profit tax of 15% for profits above 8% of gross income; (iv) introduction of a Windfall profit tax, depending on copper prices. These measures were expected to bring in additional annual revenues, to be set aside in a separate fund.

GDP compared to 2.4% in 2007. On a positive note, the growth of non-traditional exports was sustained at nearly 13% year-on-year, resulting in their share increasing to 19.4%, up from 18.4% in 2007. The weaker exchange rate is certainly a favourable element, though imports of capital goods and equipment to be used for the production of these non-traditional export goods are now more expensive.

More generally on the **financial crisis**, the financial sector has coped relatively well so far, with banks remaining adequately capitalised and liquid, and with the Bank of Zambia having strengthened its supervisory role. The **hardest hit sector is undoubtedly the mining sector**, since it hugely depends on external demand (notably from China), and it has much stronger linkages to international financing. A number of mining companies have started to lay off workers, with tentative estimates putting job losses at around 3,000, even though some of it was planned anyway. Some companies have shut down, notably those operating at high costs, with inefficient labour use, and surviving on tax incentives over the years. Other trickle down effects would be felt by the various suppliers and contractors directly working for the sector. The mining sector as a whole has taken the occasion to call for changes to the fiscal regime, which was unilaterally tightened up by GRZ at the beginning of 2008 (notably by introducing a windfall tax). As those losing jobs in the Copperbelt are not getting any unemployment benefits, tensions and demonstrations have been witnessed in that area.

The negative impact of the financial crisis on the mining sector has once again highlighted **the need for Zambia to develop a much more diversified economy**, less reliant on copper. But the economy is affected by a number of **structural constraints**. These include growing energy and fuel shortages that disrupt mining and other industries operations, a difficult business environment, with high transport and communication costs, as well as cumbersome licensing procedures. In addition, Government has a limited capacity to implement capital projects, particularly with respect to construction and road rehabilitation. This is to a great extent due to a shortened budget cycle, but also to limitations with respect to planning and supervision capacity. Zambia's ranking under the WB Doing Business report however has slightly improved in 2008, up to 100th position compared to 102nd in 2007;. Among the COMESA countries, Zambia's performance is relatively good, ranking in 3rd position after Mauritius and Kenya. Its main weak areas include the time it takes to deal with construction permits, their cost, the cost of firing workers (the highest only after Zimbabwe) as well as the time and the cost to import and export goods.

The agriculture sector is key for poverty reduction in Zambia, as around 70% of the work force is employed in this sector. Agricultural production is mostly carried out by small scale farmers (80%), concentrating on rain fed maize (the main staple crop). Food production is characterised by poor yields due to low use of inputs, dependence on climatic constraints and lack of improved cultivars. As a consequence, the food production does not keep pace with population growth. Once again, the performance was rather weak in 2008, with crop production declining by 7%. The drastic increase in fertiliser price (about 40-50% between January and May 2008) had a further negative impact on productivity. As a consequence, the prices of maize and other staple food have risen by over 25% between January 2007 and November 2008. To respond to the food crisis, GRZ decided on a response action plan. Key areas of intervention include support to input provision, promotion of conservation agriculture and the stimulation of small-scale irrigation. In order to finance the response plan, the Government has made a budgetary adjustment to scale up the Fertilizer Support Programme (FSP), which so far has had a limited impact on increasing agricultural productivity and reaching the small-scale farmers on time. But the effectiveness of the FSP has been long criticised for a number of reasons including: a very limited impact on maize productivity (constantly going down for the last decade); poor targeting, as medium and large-scale farmers are benefiting instead of the small-scale ones; delays in the national procurement process have meant that the fertiliser often arrives too late in the farming season,

hence becoming useless; allegations have been made that once distributed to cooperatives, the fertiliser finds its way outside Zambia where it is sold; finally, cases of corruption are reported to undermine the cost-effectiveness of this programme. The FSP currently consumes nearly half of the agriculture budget. But the CPs' continuous calls for a comprehensive review have now been taken up by GRZ, and may now lead to corrective measures to be witnessed in 2009.

Under the Public Finance Management (PFM) reforms, **a new PEFA assessment was carried out in 2008**. Compared to the 2005 findings, Zambia's PFM system has shown a number of improvements, most notably in the areas of budget credibility (clearance of stock of arrears), comprehensiveness and transparency, and better controls in budget execution (improved internal audit and more transparent procurement procedures). This is testimony of the Government's commitment to PFM reforms, as highlighted in the Governance action plan of the CSP. However, **the single biggest impediment to effective budget execution in Zambia is the shortened budget cycle**, with the budget only being approved at the end of the first quarter, well into the fiscal year. When including the time necessary for the procurement procedures, this leaves only two quarters for effectively spending funds on capital projects, affecting the implementation of all infrastructure and investment programmes. The on-going Constitutional review will address this issue, but Government intends to act on this non-contentious issue even before the finalisation of the NCC process. Reliance on foreign financing in the budget follows a declining trend, with grant and loans in percent of total expenditure having reached 24% in 2008, down from 28% in 2007.

A new three-year Poverty Reduction and Growth Facility (PRGF) programme was approved by the International Monetary Fund (IMF) in June 2008, covering 2008 to 2011 and providing around \$79 million. A first IMF mission came to Zambia in September, but in light of the extra-ordinary elections, could not conclude its Review. A second mission visited the country in December, and an agreement was reached on the macro-economic and fiscal framework for 2009. Discussions on the structural components of the PRGF were postponed for a follow-up mission (planned for February 2009), in order to give time to the newly established Cabinet to take its policy stance.

Following the initialling by the end of 2007 of an Interim Agreement for establishing an Economic Partnership Agreement (EPA) between the EC and Eastern and Southern Africa (ESA) States, ESA EPA negotiations continued throughout 2008. Although Zambia initialled the Interim EPA, it has not submitted a market access offer with a schedule for tariff liberalisation and an exclusion list. Government first wanted to consult all the major stakeholders before taking that step, notably the agriculture associations, local manufacturers, and the Zambia Revenue Authority concerned with potential revenue losses. It did so throughout the year, and in September 2008 Zambia submitted an offer which was eventually agreed with the EC. Zambia's exclusion list includes agriculture products, as well as textiles and some manufactured goods (furniture, machinery). As for accompanying measures, Zambia will benefit from direct support under the 10th EDF national programme, notably in infrastructure, agriculture, improvement of sanitary and phyto-sanitary standards, as well as sugar measures under EC budget funding. Under the regional envelope for ESA, Zambia lies at the hearth of the North-South corridor project, and would benefit from interventions targeted towards trade facilitation (one stop border posts) and light infrastructure rehabilitation.

1.3. Update on the poverty and social situation

The latest available assessment of **progress towards the MDGs** in Zambia was carried out in 2007 jointly by the UN and the GRZ. This concluded that **four goals are likely to be met** (those related to Hunger, Universal primary education, Gender equality, and HIV/AIDS). Five other targets will

potentially be met, while **the environmental sustainability target is unlikely to be met**. The assessment also addresses how supportive the policy environment is towards progressing with each MDG. For the 10 targets, the environment is considered 'Strongly supportive' in five cases, and 'Good/Fair' in five others, thus for none of the MDGs is the policy environment felt to be 'Weak'. It is also encouraging that in three of the fields where the target could potentially be met, the policy environment was judged to be 'Strongly supportive'. The policy environment for the Environmental Sustainability – which is unlikely to be met – is considered 'Fair/Good', but not 'Strongly supportive'. Thus continued effort is required in this field.

Compared to the last MDG assessment in Zambia (for 2005), there have been only limited changes - however, it is worrying that the extreme poverty target is no longer considered likely to be met, but only potentially so. In reality, the 2005 assessment would be considered optimistic by some; furthermore, the policy environment for the eradication of extreme poverty is felt to be 'Strongly supportive'. Maternal health, by contrast, has improved to 'likely', previously thought 'unlikely' to be achieved.

Progress in achieving the goals in the **health sector** as set out in the National Health Strategic Plan (NHSP) (2006-2010) were successfully assessed by the Mid Term Review of the National Health Strategic Plan (2006 – 2010) conducted in September 2008. The most outstanding achievement was the substantial improvements in the infant, child and maternal mortality indicators which have exceeded the NHSP targets. This comprehensive assessment provided a wide range of recommendations in support systems, governance and service delivery which have been incorporated in the action plan for 2009 and form a sound platform for the next National Health Strategic Plan. In addition, the 2007 Zambia Demographic and Health Survey (ZDHS) provided up-to-date information on fertility, family planning, childhood mortality, infant and child feeding practices, maternal and child health, maternal mortality, and HIV/AIDS-related knowledge and behaviour. The study, which was published in 2009, presented some interesting findings. Infant mortality improved to 70 deaths per 1,000 live births in the 2002-2007 period, from a figure of 95 per 1000 in the 1998-2002 period. A measure of maternal health showed that 94% of Zambian women receive some form of antenatal care, however only 47% of births are attended by a trained professional. On HIV, the study focused on Knowledge and Attitudes, Behaviour and Prevalence and showed in all three cases. The study found that many Zambians continue to have misconceptions about HIV/AIDS (for example about one third believe that HIV can be transmitted by mosquito bites), but that there has been a slight drop in the prevalence rate in the country – 14.3% as opposed to 15.6% observed in the ZDHS of 2001-2002.

Human Resources for health continues to be a challenge but significant progress has been made in filling the MoH establishment with person to post matching based on the new job descriptions having advanced. There has been expansion and improved management of the human resources for health retention scheme which previously was for doctors but now includes other health cadres. The MoH is currently implementing the national operational plan and Training and Development Plan following a successful needs assessment of all training institutions.

The year 2008 has largely seen timely releases of funds from Ministry of Finance and National Planning to Ministry of Health and from Ministry of Health central office to the district. The challenge however remains with the funds passing from the districts to the Health Centres and with the reporting on the use of the funds due to double accounting systems. The Health allocation for 2008 was 11.5% of the total budget, and though higher than the 2007 allocation of 10.7%, this unfortunately continues to fall short of the 15% Abuja Commitment of which Zambia is a signatory.

A major challenge for Zambia's health situation is related to **HIV/AIDS**. National HIV/AIDS prevalence rate for Zambia is around 14.35% for the general adult population aged 15-49 years. Prevalence rates are higher for women (17.42%) than men (11.35%). The number of children infected with HIV is estimated to have reduced by 48.0% between 1996 and 2007. With universal PMTCT coverage, there would be a further reduction of HIV of 79.1 % by 2015. 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. The response has placed a lot of emphasis on cure (the number of clients accessing ART³ increased from 51,764 in 2005 to 156,299 in 2007, representing over 50% increase, and the 2008 target is 180,000). 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. The number of clients tested for HIV in 2008 is of 1.050.000. This figure cannot be compared with the previous year as the model for collection of data has changed.

As far as **poverty** is concerned, despite the overall good performance of the economy in recent years, the 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 latest Living Conditions Monitoring Survey (LCMS) V of 2006, 64% of the population fell below the national poverty line. This is a slight decline from 68% in 2004 and 73% in 1998. At the national level, the poverty gap dropped to 36% from 40% in 1998⁴. Extreme poverty also fell from 58% in 1998 to 53% in 2004 and to 51% in 2006⁵. However, in rural areas it is still as high as 67%. 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.

But changes in poverty levels during 1998-2006 were not evenly distributed across rural and urban areas. The incidence of poverty in the rural areas fell from 83% in 1998 to 78% in 2004, but rose again to 80% in 2006, while poverty in urban areas declined from 56% to 53%, and continued to decrease down to 34% in 2006. Similarly, the rural incidence of extreme poverty fell from 71% in 1998 to 65% in 2004 and went up to 67% in 2006, while the incidence of extreme poverty in urban areas declined sharply, first from 36% to 34%, and then down to 20%. The population living in urban areas accounts for around one third of the total in Zambia, while rural areas account for the remaining two thirds. Thus it is clear that any substantial poverty reduction for Zambia as a whole will have to be based in far greater progress in rural areas than has been the case to date. Recently however it emerged that the methodology used by the Central Statistical Office (CSO) across the various years was not kept consistent, and further analysis is needed before accepting in full the LCMS V conclusions.

Income distribution is very uneven 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 disparity in Sub-Saharan Africa. In the Zambian context, this level of inequality has important implications for poverty reduction efforts. A highly unequal income distribution suggests that relatively high growth rates are required in order to reduce the number living in poverty. Growth in Zambia has also been concentrated in urban areas, where poverty is already lower. The poverty impact of growth has been further limited by the nature of the sectors accounting for the bulk of the economic growth, which are relatively high productivity and high capital-intensity sectors (e.g. mining), thus not sectors where the poorest are most active. Consequently, the skewed distribution of income (and of growth) poses challenges for significant

3 Anti-Retroviral Therapy

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

5 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.

poverty reduction. One step to improve economic justice and equity was introduced through the reform of the income tax system in 2007, and continued in 2008. The tax-free threshold for income tax was raised, and the tax rates actually levied were reduced, thus reducing the tax burden for the low-paid. Nevertheless, this will have had only limited impact, as only a very limited number of persons actually has a formal employment contract (in the order of 18%), with most citizens not paying income tax at all.

More generally, the basis for the assessment of progress with the FNDP (2006-2010) should be the Annual Progress Reports (APRs). As the FNDP was de facto only launched in January 2007, there have been some delays in producing the APR. The first Report, covering 2006, was produced in April 2008, while few months later in September, Government published the APR for 2007. In the Report, each ministry and spending agency is requested to report against the Key Performance Indicators, as well as on budget execution. For 2007, the APR recorded an overall performance of 47.9% across all the indicators (down from the 53.7% achieved in 2006). GRZ justifies this reduction in performance with a higher level of ambition set for 2007, and constraints related to timely releases of funds, tendering procedures, and weak capacity, both of public and private actors. The Report also highlighted that in many sectors the assessment is undermined by the **lack of data**, stemming from poor information systems at sector level, lack of understanding of what is required, and the non-existence of baseline data. To address this, the CSO continued its work on a National Statistics Development Strategy, and produced a draft Roadmap, but further work was needed to complete the document, and it was rolled into 2009. In 2008 GRZ should have also carried out a Mid-Term Review of the FNDP, in order to correct (spending) trajectories and reflect the latest policy environment. The process was started in the middle of the year, including stake-holder consultations, but was not completed.

Education achieved (according to the APR 2007) a performance of only 40% against the key performance indicators set in the FNDP. The methodology used for analysis of the data also leads to a lower score for education than in the PRBS PAF, which shows an achievement of 75% against the indicators set. Some progress made under the FNDP includes the Net Enrolment Rate for grades 1 to 7, which increased by 3.9 percentage points between 2006 and 2007. In the same period teacher education and recruitment were also prioritised for that level, in this regard 7,100 teachers were recruited and deployed. The Government of Zambia funding to the education sector has increased strongly in 2008 and is expected to further grow in 2009's budget despite concerns about the impact of the financial crisis on Zambia's economy. The development of the 2008 Infrastructure Plan is a significant achievement, which has enabled the Ministry to build 1,500 classrooms and 500 staff houses in all Provinces of the country. In addition the Government has continued its ambitious recruitment program of 5,000 new teachers. As a direct result of this investment, The Cooperating Partners were able to make a successful submission on behalf of Zambia to the Catalytic Fund of the Fast Track Initiative. This resulted in an additional US\$60 million available for education priorities in Zambia. Education represented 15,4% of total expenditure in the 2008 budget from 15% in 2007.

GRZ commitment to **gender reforms** is reflected in Chapter 34 of the FNDP, within which priorities include the mainstreaming of gender in the national development process and the economic empowerment of women. According to the APR 2007, progress on the six key performance indicators that were initially set has been quite poor, with only one target being met, one partly met and four either not met or with no data. Progress on gender equality and equity at national level was hampered by no domestication of a number of international instruments that have been ratified. In addition, effective reporting on performance in the sector can be improved through the generation of better and more disaggregated gender data. Areas of key concern are the number of women in decision making positions, the percentage of women with titled land and the absence of reliable data on gender based violence in

Zambia. A UNICEF study on gender to be launched in July 2009 will hopefully provide some more reliable data which can be used to measure progress on gender.

The **rights of the child**, or more generally **human rights**, are included as a priority in the FNDP, under the governance chapter. There is however, little funding available for human rights work, and no indicators on rights are included in the FNDP. Domestication of the Convention on the Rights of the Child has taken place in some respects – for instance the strengthening of the criminal law on child abuse and relationships between students and teachers. A Child Rights Policy is in place, however it is not fully enforced by corresponding legislation. A Child Rights Bill has been drafted which aims to harmonise provisions on children in other pieces of legislation, however this has not been passed due to some concern on how enforcement of such a wide ranging bill would be coordinated across a variety of institutions. Finally, the National Policy to Combat Human Trafficking includes provisions on the protection of children who are most often the victims of trafficking. The policy calls for a multi-sectoral strategy to develop the capacity of law enforcement and victim assistance institutions as well as educational institutions, particularly for women and children.

1.4. Update on the environmental situation

Despite worldwide growing concerns about the impact of climate change and environmental degradation on the economy, with particular emphasis on agriculture and other natural resources based activities, this is not a main Government priority, as the modest record on the achievement of MDG7 – ensuring environmental sustainability - shows (see above). Only limited funding has been allocated to the sector, but, nevertheless, two achievements were noticeable in 2008. First, the process to launch a sector wide programme in partnership with Finland, Denmark and Norway initiated the previous year was completed by the signature of a Memorandum of Understanding (MoU) for '**The environment and natural resources management and mainstreaming programme (ENRMMP) 2009- 2012**'. If implemented successfully, this programme will facilitate a significant up-scaling of strategic planning; activity-based funding at the field level; and environmental mainstreaming, both in Government departments, but also through civil society and possibly community-level activities. Secondly, a **Climate Change Facilitation Unit** in the Ministry of Tourism, Environment and Natural Resources (MTENR) has been set up to prepare a more permanent secretariat in the appropriate institution. This will expand the facilities that already exist supporting the Kyoto Protocol's Clean Development Mechanism.

No Environmental Impact Assessment (EIA) was conducted in 2008. However, as part of EDF cooperation programmes, preparatory work was carried out in 2008 for the Strategic Environmental Assessments (SEA) to be implemented in 2009 for the sugar and roads sectors. At the project level, a formulation study for the rehabilitation of the Great East Road (360 km of paved road between Luangwa Bridge and Mwami border with Malawi), financed under the TCF II will start in January 2009 and include a full EIA. Also from the 9th EDF, a project entitled 'Biofuel Outgrower Expansion Project' was signed with HIVOS and began implementation on 1st April, 2008. The two year project aims to improve household food security in the Northwestern Province, through diversification of farmers' crops into Jatropha and other biofuel crops. As well as increasing food security, the project will promote best practices for small farmers' involvement in the biofuel sector nationwide.

2. Overview of past and ongoing co-operation

2.1 Reporting on the financial performance of EDF resources

	Indicative allocation 10th EDF (M€)	Commitments planned in 2008 * (M€) (add in brackets planned share of SBS)	Commitments realised in 2008 (M€) (add in brackets effective share of SBS)	Realised/ planned (%) (add in brackets ratio realised/ planned SBS)	Disbursements realised in 2008 (M€)
Focal area 1 Regional integration. Transport infrastructure.	117	77 (100%)	77 (100%)	100% (100%)	n/a
Focal area 2 Health	59	35 (100%)	35 (100%)	100% (100%)	n/a
General budget support	232	114 (0%)	225 (0%)	197% (0%)	n/a
<i>Non focal areas:</i>					
- Food security and agriculture diversification	30	0	0	n/a	n/a
- Governance	25	15 (0%)	9 (0%)	60% (0%)	n/a
- NSA	5.5	0	0	n/a	n/a
- EPA/Trade Related Assistance	2	0	0	n/a	n/a
- TCF	3	0	0	n/a	n/a
- Others	1.5	0	0	n/a	n/a
Total A-envelope	475	241	346	143.5%	n/a
Total B-envelope	14.8		0		n/a
Total 10 th EDF NIP	489.8	241	346	143.5%	n/a

€346 million were committed in 2008 under the **10th EDF** representing **73% of the total 10th EDF A envelope** (€475 million). Furthermore, under the 9th EDF, **individual commitments** totalling **€74.5 million** were made. In addition, **payments of €92.9 million** were authorised. This included the third fixed and fourth variable tranches under the Poverty Reduction Budget Support programme released in July 2008, for a total of €24.2 million.

2.2. Reporting on General and Sector Budget Support

General Budget Support (GBS):

In 2008 **Zambia remained broadly compliant with the eligibility criteria for budget support**, and received around \$190 million in GBS from all CPs. Issues of service delivery and the quality of dialogue were brought up in the various discussions between CPs and Government. GBS continued to be

regulated by a Memorandum of Understanding signed by nine CPs (AfDB, DFID, EC, Finland, Germany, Netherlands, Norway, Sweden, World Bank).

Two major activities were carried in 2008: finalisation of implementation of the PRBS 2 Financing Agreement (2007-2008, €62 million), and elaboration of a successor programme under the 10th EDF, within the framework of an MDG-Contract (2009-2014, €225 million). Implementation of capacity building activities under the PRBS 2 also started through a Contribution Agreement with UNDP in support to Parliament on the budgetary process. For PRBS 2, two tranches remained to be released: a fixed tranche of €10 million, and a variable tranche of €20 million. The variable tranche amount depended on the 2007 assessment of a sub-set of 12 indicators extracted from the common Performance Assessment Framework (PAF), jointly agreed between GRZ and CPs. This had already been assessed in June 2007: overall, the PAF scored at 70%, while the EC indicators scored at 71%. Weak performing sectors included Public Finance Management (PFM) and pension arrears. **A new PAF assessment took place at the June 2008 PRBS Review.** The final agreed score of the 2007 PAF was rated at 66.7% (20 out of 30 targets achieved). The main areas where GRZ performed well include: Health; Education; HIV/AIDS, as well as Domestic Revenues and Public Finance Management (PFM) - a welcome improvement since 2007. Of concern however were the poor results in the field of 'Wealth Creation', covering Agriculture (too many resources devoted to the Fertiliser Support Programme, not enough towards productive investments), Infrastructure (not enough resources devoted to the maintenance/rehabilitation of feeder roads), and Private Sector Development (PSD) where employment targets in micro and SMEs were not reached. For the first time, the PAF included donor performance through a set of CP-PAF indicators, which achieved an average rating of 57%. The main focus of the Review was on the 'Rural-Urban divide', as poverty trends showed a widening gap in the two areas, and identifying adequate policy responses from GRZ, notably on agriculture and service delivery. These issues were supposed to form the main agenda for a High Level Policy Dialogue to be chaired by the Minister of Finance, but this was postponed in light of the unexpected elections end-October. More generally on the PRBS dialogue, CPs in 2008 have felt that the quality of dialogue could be improved, notably by ensuring that all line ministries are represented at the Reviews (at the appropriate level) and that they engage in genuine dialogue. On the accountability side, CPs also keep on encouraging the GRZ to ensure adequate representation from members of parliament and civil society, as their participation at the Reviews has been too sporadic.

As far as new commitments are concerned, the MDG-Contract for Zambia was included in the AAP 2008, and the full €225 million were committed. Implementation will start in the first half of 2009 with a fixed tranche of €30 million.

Efforts continue on **improving the national statistical system**, with a draft National Strategy for the Development of Statistics (NSDS) issued in September 2008. Further work however is needed to finalise the strategy and provide detailed costing. Only then can CPs coordinate and offer support (€7 million set aside under the 10th EDF GBS for capacity building, including for statistics). The EC will follow this closely, as co-chair of the FNDP M&E Group (together with German Development Cooperation/GTZ and DFID).

Sector Budget Support – Roads:

The major challenges for the road transport sector in 2008 were the continuation of the road sector reform in the framework of the 2002 road transport policy, the assurance of timely and adequate funding to complete ROADSIP II through the full implementation of annual work plans, and the maintenance of the road network on a sustainable basis. A key feature in this respect was the link between physical network performance and the institutional capacity and set-up for the efficient, equitable and financially

sustainable management of the public core network. As in previous years, the absorption capacity of the sector has lagged beyond programmed targets, particularly regarding rural roads hampering rural service delivery. The problem has mainly been attributed to the lack of performance of the construction industry. While this explanation continues to be relevant, it cannot alone account for this recurring problem and the need for a more in-depth analytical assessment of the root causes behind this problem has been identified within the sector dialogue. In response, "three key sector studies" as main "building blocks" for a continuation of the presently stalled sector reform progress were initiated in 2008. The Mid Term Review of ROADSIP II which commenced in the 3rd quarter 2008 will provide the first of these building blocks by reviewing the affordability and realism of the current sector programme and, if necessary, recommending changes to it. A complementary institutional study is planned to commence in the 2nd quarter 2009 which will provide a global view of the problems affecting road agencies performances. Lastly, a review of the transport policy will also take place in 2009.

The need for extended services for the 2007 procurement audit did not allow the release of the 3rd variable tranche of € 21,4 m as scheduled during the 3rd quarter 2007. The 3rd variable tranche together with the 4th fixed tranche of € 8 m due in the 1st quarter 2008 were eventually released in one transaction in May 2008. According to the financing plan, the 4th variable tranche of € 8,5 m was due for release in the 3rd quarter 2008. With regard to the availability of latest IMF mission and 2008 procurement audit results to allow for an adequate assessment of the overall eligibility criteria for SBS, the release of the tranche is delayed and programmed for the end of the 1st quarter 2009. The assessment of sector performance indicators qualify for the release of the full amount.

The Mid Term Review and 7 key areas assessment study of SPSP I carried out in 2008 revealed that the sector remains further conducive for sector budget support as financing modality. SPSP II under EDF10 was formulated in 2008 and became part of the AAP 2008.

Sector Budget Support – Health:

2008 saw the completion of the Sector Budget Support to Health to support the Human Resources for Health with the second and final disbursement of €3.57 million made in December 2008. The total amount disbursed was € 8.57 million (against € 10 million initially allocated). Overall, this first experience of sector budget support in health was good, despite the challenge of the timely and predictable disbursement. The scheme has enabled the Ministry of Health to make good progress in implementing the Human Resources for the Health Strategic plan. Key achievements include the expansion of the rural retention scheme, the staff integration onto payroll of the Ministry of Health, the development and implementation of the National Training Operational Plan, and significant steps in filling the new Ministry of Health establishment with person to post matching based on the new job descriptions. The overall positive assessment has set a good foundation for the 10th EDF under which a new Health Sector Budget Support programme was approved by the Commission in December 2008; It has also encouraged other CPs to consider joining the SBS modality (Sweden and the Netherlands in particular).

Public Expenditure Management and Financial Accountability (PEMFA):

PFM reforms in Zambia are driven by the PEMFA programme. The main achievements of the five-year programme launched in June 2005 have been assessed through a PEFA review in mid-2008. The assessment has shown some encouraging tangible results attributable to PEMFA. In particular, in 2008, the management of arrears has been enhanced thanks to a computerised system. A new chart of accounts has facilitated a greater level of analytical detail and enhanced the activity-based budgeting already in place in GRZ, favouring the harmonisation of the format of the Budget Book and Financial Report. A new Macroeconomic model has been developed; it will shape a new approach to the multi-year planning

framework. A new Procurement law was assented in September 2008; the MOFNP is now working on the operationalisation of the Act through issuing the statutory instrument and developing the structure of the new Zambia Public Procurement Authority. The External and Internal Audit functions have been strengthened thanks to capacity building activities and the finalisation of the new provincial offices of the OAG. The Parliament's capacity to play its oversight role will be enhanced when the construction of the new Committees' Rooms that started in 2008 is finalised in 2009.

Nonetheless, the Integrated Financial Management Information System that will ensure an overall optimisation of the public expenditure management system has experienced further delays; the 'go live' date which was planned for April 2008 was not achieved, in particular due to setbacks in developing the prototype, the completion of the data centre, and some organisational issues related to the preparedness of the staff, and the integration of IFMIS into the Accountant General Office. It is expected that the PEMFA programme would be extended to allow full completion of its activities.

The 9th EDF PEMFA Financing Agreement (€ 13 million, in addition to the € 2.5 million from the PRBS 1 already disbursed by end 2005) was signed in March 2006. A first disbursement of € 1.5 million was made in May 2007. In 2008 no disbursement was made, as the Delegation started discussions with HQ on a Rider of the FA, reflecting the need to simplify the disbursement mechanism and use clear triggers. The proposed revised FA would also include a performance-based disbursement mechanism that is built around a matrix of targets for 2009 (the achievement of the targets will trigger the payment in 2010) as well as streamlining in the payment procedures. In 2008 two more CPs joined the PEMFA programme (AFDB and USAID).

2.3. Projects and Programmes in the focal and non focal sectors

2.3.1. The contribution of projects and programmes in the focal sectors

Focal sector 1: Transport infrastructure

Road interventions under project funding follow national and regional priorities of the overarching FNDP and the sector programme ROADSIP II. After the unsuccessful tender for the Zimba-Livingstone road in 2007, the planned rehabilitation works along this regional north-south arterials were subject to a design review in 2008 which revealed that EC funding under the EDF9 would only cater for some 15-20 km. Agreement with the Government was sought for co-financing a road stretch of 42 km with subsequent tender launching in the 4th quarter 2008. The remainder of 30km was subject to 100% Government funding due to the serious state of this stretch needing immediate emergency attention after the rainy season in 2008.

In light of the preparation of the AAP 2009, the formulation study for the Great East Road, as part of the Nacala Corridor on the Zambian Side, was launched in 2008, after the approval of the IF in May 2008. Complementary rail/road studies on the Chipata dry port along the Great East Road were also prepared for execution in 2009. Particularly, the Great East road is a good example of aid effectiveness and alignment where EDF funding prepares the corridor in terms of formulation of interventions, design, costing etc. for later parallel co-funding of partners and the Government.

Under the project funding lines of the FA for SPSP I which focuses on TA services to road agencies, an approach was taken to align the services with those TA services provided by Denmark and Germany regarding the support to seriously underperforming rural roads management at regional level with regard to rural service delivery. An integrated approach on capacity building has been developed, a training

priority needs assessment prepared which shall prepare the floor for targeted support for the ongoing EDF9 TA programme in 2009, as well as for the EDF10 TA programme starting in 2010. Specific training modules were supported during 2008 through programme estimate funding.

Focal sector 2: Capacity building

Private sector

The Mid Term Review of the €15 million project on Capacity Building for Private Sector Development was carried out in July and August 2008. The main conclusion of the review was that the project planned results had only been partially met and that corrective action was necessary in order to optimise the use of the funds and improve effectiveness. In particular, the conclusions highlighted the partial failure of the capacity building activities with the MCTI departments mostly due to weak planning of the activities supported by the project, a lack of staff availability on the Ministry side and insufficient alignment between Project objectives and Ministry internal planning.

The evaluation of the activities implemented with ZDA and statutory bodies has been more encouraging. The currently achieved results show that the project is well under way to attain its objectives regarding the improvement of the services provided to private sector by these institutions. Actually, the review recommended that the Project should refocus its priorities and activities towards certain statutory bodies where additional resources can have a stronger impact and turn some of them into Service Champions. ZDA is also a key element to develop this "winning strategy".

The activities of Private Sector Intermediary Organisations and Civil Society Organisations funded by the project were also positively assessed underlining the potential impact and suitability of these activities on the development of the private sector.

All these elements were considered in the preparation of the work programme for the last phase of the project based on a new approach that aims at be demand-led and reward the most performing beneficiary institutions. This will not change the way activities are funded, the usual EDF rules will still apply, the objective is to make the activities both demand and capability driven and minimise the under-spend that has been a characteristic of the previous period. Therefore there will be a stronger focus on the technical and organisational support and capacity building to ZDA. Obviously a better coordination and political buy-in from Government is also a pre-condition for improved ownership of the Programme.

The operational phase of the 8th EDF Mining Sector Diversification Programme came to an end on 31st May 2008. The final results of the project are mixed, quite good for the capacity building and business assistance components, but rather disappointing regarding the low take-up of the credit facility. The cause of this failure was most likely an inappropriate design of the facility. High financial risk is the main feature of the early phases of the development of mining projects; MSDP's experience shows that loans are not the most suitable instrument at that stage.

Some alternative options, as an equity-based mechanism or a subsidized Equipment Hire Facility were considered during the preparation of the exit strategy for the programme. The final decision was to follow the original provisions of the Financing Agreement and to transfer the unused funds and future payments from on-going loans to the Road Development Agency for road rehabilitation and maintenance for roads serving mining areas.

In April 2008 the NAO requested the use of the Reserve for Contingencies of MSDP (1.4 million EUR) to support government's efforts to implement an enhanced fiscal framework and tax administration

system in the extractive sector and also to promote transparency and accountability in the use of the revenue (by joining EITI or a similar system) in the framework of the MoU signed by government and Cooperating Partners in 2007. The request was approved and the funds, together with the contributions from other Cooperating Partners, made available to Government, after signature of a rider to the mentioned Memorandum of Understanding establishing the necessary operational, control and audit mechanisms.

In January 2008 all the assets from the 8th EDF Export Development Programme II (EDP II), finished on 31st December 2007, were handed over to the ZDA. This included the transfer of the Export Credit Facility to constitute the Zambia Export Development Fund (ZEDEF) that has been administered since then by a Management Board made up of representatives of the public and private sector. Unfortunately the performance of the fund during the year has been quite unsatisfactory due to some start-up difficulties.

Agriculture:

In 2008, the implementation of the € 15 million EDF project on Food Security and Agricultural Diversification in Western and North Western Provinces was constrained by the limited capacity of the Ministry of Agriculture (MACO). This had a negative impact for the project components addressing the policy and food security strategy as well as that related to the improvement of extension services in both provinces. The first was intended to form the foundation on which the other two project components were to be built on, but due to lack of clear lines of responsibilities its progress has been not been significant. The second component allowed staff from MACO as well as members of farm households to attend a significant number of training sessions in both provinces in fish farming and livestock rearing. MACO provincial services are now provided with the means to improve the delivery of extension service. This includes the provision of inputs (seeds, livestock and fingerlings) to selected farmers. Unfortunately, in many cases the choice of the supported activities did not take into account crucial issues as transport infrastructure, markets, etc. therefore the objectives were not fully met. Corrective action has been foreseen for 2009.

Based on the experience drawn from the implementation of this programme and the limitation faced while using MACO's structure, the 10th EDF will try to holistically address MACO's ability to deliver the appropriate services to the Zambian farmers. The current programme supports a participatory performance self assessment that should lay the foundations for a comprehensive capacity development programme for the Ministry to be supported through the 10th EDF, supporting policy formulation and implementation, financial management and human resources management.

National Authorising Officer (NAO) support:

A mid term review of the EDF support to the NAO was carried out during 2008, whose objective was to provide guidance to the project, and its stakeholders, and to use this analysis as a baseline for proposing corrective action for the remainder of project. Following the recommendations of this review, the contracts for the TAs were extended for a 12 months period. However, despite the request from the Ministry of Finance, the contract for the international TA was extended for only 6 months, for contractual reasons.

2.3.2 The contribution of projects and programmes outside focal sectors

Health:

The implementation of the revised HMIS for the district health information system as part of the capacity building component of PRBS has been completed with the official 'switching off' of the old system in December 2008. The challenge for the HMIS system now remains to be sustainable which

MoH has committed to by inclusion of outstanding and ongoing interventions in the 2009 action plans. The EU also supported the MoH in the development of the Health Sector Performance Monitoring framework which has been received by all partners and has strengthened the NHSP results framework and formed a critical reference item for the country IHP process.

The 2007 Zambia Demographic Health Survey was successfully conducted with support from various stakeholders including the EU. The final report is expected in February 2009.

The EU continues to be an active and participative partner in the health sector dialogue. This has allowed the timely and qualitative preparation of the 10th EDF Health sector budget programme.

Education:

The year under review saw a number of developments in the sector, key among them being the signing and approval of the Education for All Fast Track Initiative (FTI), under the World Bank. Prior to this a Fiduciary Risk Assessment (FRA) was carried out to inform Cooperating partners, intending to move towards Sector Budget Support (SBS), about the fiduciary risks associated with providing SBS to the education sector, and to identify suitable ways to manage and/or mitigate such risks. The FRA was also used as the basis for the approval of the FTI.

In the latter part of 2008, the Commission's participation in sector dialogue was reduced, following the signing of the 10th EDF. Participation was only limited to supporting short-term consultancies, through the Technical Cooperation Facility (TCF). In this regard, the Commission agreed to fund a consultancy – *'Review of the Decentralised Procurement of Text Books in Zambia'*, with the Ministry of Education as the supervising agent. The Tender and awarding of the contract was concluded by the Delegation in December 2008.

Urban markets:

Support to the **Urban Markets Development programme** catering for 8 market structures in Lusaka, Kitwe and Ndola has been provided. The most challenging tasks for the Government started in 2008 with the development of an action plan on how to implement the new Market and Bus Station Bill which regulates the management of market structures through, e.g., market boards. For those markets like Soweto and Kitwe which were completed by the end of 2008, stall allocations to marketers turned out to be the bottleneck in response to the provisions of the aforementioned Act. One of the major difficulties this programme has been facing in 2008 was the poor performance of local contractors which has led to considerable delays in implementation, going along with complex contractual management issues the Contracting Authority and the Delegation were confronted with.

2.3.3. The development results achieved by support to Non-State Actors

Support to Non-State Actors continued in 2008 through different instruments funded by the EDF and Thematic Programmes. A Call for Proposals launched under the 9th EDF Food Security and Agricultural Diversification Programme was successful with a high number of quality proposals. Numerous proposals were also received in response to a Call organised under the 9th EDF Capacity Building for Private Sector Development. A new development was the award of grants directly to Zambian NGOs which were able to demonstrate improved technical, financial and administrative capacity.

A significant achievement was the signing in October 2008 of a Financing Agreement for the 9th EDF Capacity Building for NSAs Programme (€ 5 million). Its implementation will start in 2009. The programme is designed to reach civil society organisations at all levels, from community based

organisations to umbrella organisations having as main objective the enhancement of Zambian NSAs ability to promote pro-poor policies and to deliver better services to the community.

With the increased use of Budget Support for the disbursement of international cooperation, the role of Civil Society in monitoring budget execution has become crucial. This contributes to improved public accountability and effectiveness of budget support in poverty reduction strategies. The Zambian organisation CSPR (Civil Society for Poverty Reduction) continued to be active in this respect with funding from a specific component for capacity building of civil society organisations under the EDF Poverty Reduction Budget Support programme.

2.4. Other cooperation

2.4.1. EDF regional/Intra-ACP programmes and DCI (sugar protocol and thematic programmes), including national activities funded from intra-ACP facilities (water, energy, infrastructure) or from global initiatives

Coherence with regional programming

The Infrastructure focal area of the CSP for Zambia is couched in terms of regional integration, rather than simply national infrastructure. Several priority components of the North-South corridor are located in Zambia (and some are potential subjects of funding under the 10th EDF ESA Regional Strategy). Two projects in this context can be highlighted for their regional contribution (both are on the North-South corridor). Firstly the Zimba-Livingstone road, and secondly, the rehabilitation of the Great East Road is planned, with a feasibility study being finalised, for implementation under the AAP2011. The Chirundu One-Stop-Border-Post between Zambia and Zimbabwe will be officially opened in September, and will serve as a source of many lessons for the region. It has attracted funding from a range of donors, but also wide policy interest in how best to ensure the necessary co-ordination between separate national authorities, as well as the necessary physical infrastructure requirements for such border posts.

The Sugar Accompanying Measures in Zambia also have a similarly regional outlook; the priorities include improving trade competitiveness and reducing transport costs for the sugar sector. The production costs of sugar in Zambia are amongst the lowest in the world in Zambia, but high transport costs eliminate much of this advantage. Thus the accompanying measures have specifically funded the identification/pre-feasibility study for a multi-modal dry-port in Chipata, which would improve linkages between rail and road transport along the Nacala corridor. Similarly, a pre-feasibility study was to be launched for the Luena road in Northern Zambia, which would facilitate the export of sugar to neighbouring countries.

Accompanying measures for Sugar Protocol Countries – allocation 2006 (€562,000) and allocation 2007 (€6 million) (SUGAR/2006/18531 and SUGAR/2007/19090)

In support to the National Sugar Adaptation Strategy, whose main objectives are to increase sugar production and reduced transport cost, studies to assess the feasibility of sugar outgrower scheme expansions and water availability for sugar production have been launched by end of 2008, together with a pre-feasibility study of a dryport in Chipata. Based on the studies' conclusions and recommendations, follow-up actions will be funded to improve Zambia's sugar competitiveness in the region. In addition, a Call for Proposals of €3.02 million was launched to support the expansion of 438 ha for sugarcane-production through a new outgrower scheme. This will directly benefit 900 people and raise the household annual income from ZMK 3.6 million to ZMK 30 million.

Non State Actors and Local Authorities in Development

The first Call for Proposals under this Thematic Programme with a financial envelope of €2.000.000 for NSAs and € 750.000 for Local Authorities was launched in March. A total of 47 proposals were submitted. At the end of the selection process 4 new grant contracts for a total amount of €2.625.000 were signed under the NSAs component. This was possible because additional funding was requested and approved by EC. Only one contract for € 500.000 was established for the Local Authorities component due to the low quality of the rest of the proposals submitted.

The allocation for Zambia has been increased to €3.000.000 (€2.250.000 for NSAs and €750.000 for Local Authorities) in the Annual Action Plan 2008. The corresponding Call for Proposals will be launched by beginning of 2009. Special awareness and sensitisation activities will be undertaken to improve the number and quality of the Local Authorities' proposals.

Water and Energy Facilities

Under the **Water Facility**, a Financing Agreement was signed in March 2008 for a project aiming at "Improving Water Supply and Sanitation for the Urban Poor in Zambia" for a total amount of € 4,092,258. Activities under the project "Implementation of Integrated Water Resources Management in Zambia", started in July 2008. Implementation of the other projects under the Facility continued albeit certain delays due to contract related issues notably. An **Energy Facility** agreement was concluded with the World Bank in December 2008 for the project "Increased Access to Electricity Services" for a total of €10 million. Activities will be financed through a Trust Fund. The project "Rural Electrification and Small-Scale Project" was signed with the NAO in March 2008.

2.4.2. Debt relief and FLEX funded under the EDF B-envelope

[Not applicable, as GRZ did not request any assistance in this area.]

2.4.3 Humanitarian or emergency assistance

The Financing Agreement of €1.5 million for Post-flood recovery activities in Zambia funded under the Regionalised B Envelope Programme for Emergency and Humanitarian Aid for Southern Africa Region was signed in May 2008. The programme is being implemented through a Contribution Agreement with FAO for the rehabilitation of rural infrastructure damaged by the floods and for urgent vaccination of 420.000 cattle in Western and North Western Provinces. A second Contribution Agreement with UNDP will focus on disaster preparedness measures at district level.

The voluntary repatriation of Congolese refugees has seen some delays, mainly due to the riots that took place in 2007 in Moba, DRC, one of the main return destinations for refugees coming from Zambia. Only 7.000 refugees could be repatriated in 2007. According to IOM/UNHCR planning the second phase of the repatriation in 2008 should benefit further 11.600 refugees. Therefore ECHO decided to extend the operations financed under the €2 million decision to provide the appropriate services and goods allowing for the efficient and dignified return of the refugees by 6 months, until the end of 2008.

2.4.4. EIB interventions

Under the various EU mandates of the Cotonou and Lomé Agreements, the EIB supports the economic development of Zambia through investments (loans, quasi-equity, equity and guarantees) in projects sponsored either by the public or the private sector. The existing portfolio of investments is funded from (i) EIB's own resources, under guarantee by the EU Member States; and (ii) risk capital resources

(EDF), through the EC under the various Lomé Agreements and the Investment Facility of the Cotonou Agreement.

At the end of 2008, EIB's signed portfolio of 43 loans in Zambia, beginning in 1978, stood at €484.5 million, of which €23.1 million has been disbursed to date, with a remaining balance of €28.4 million still to be disbursed (see Annex 5.d), representing one of the highest per capita lending ratios in the ACPs. Under the two Financial Protocols of the past Lomé IV Convention, EIB signed commitments for a total of €188 million (all of them on risk capital resources). Under the Cotonou Agreement eight loans for a total of €224 million have been signed.

The EIB portfolio in Zambia has been traditionally concentrated in the mining sector, reflecting the importance of mining in the economy (80% of foreign exchange earnings come from copper). A large part of the remaining balance is concentrated in the financial sector, particularly in credit lines to local banks with strong risk-sharing features. These lines have had a very positive impact on the access to finance of SMEs, both in the agricultural and manufacturing sector.

The EIB activities in 2008 were focussed on closely monitoring the implementation of the various mining investments financed over the last few years, with special emphasis on the environmental aspects. A new Global Loan (now in its 3rd edition) of US\$ 20 million was signed with five local banks⁶ in Lusaka on 26th November 2008, coinciding with the latest EIB mission to the country. This credit line targets small and medium size enterprises.

For the future, the EIB is analysing possible investments in power generation, in order to help Zambia exploit its under-utilised hydropower resources for domestic use (mainly in the mining sector), as well as for export to South Africa (suffering a severe energy shortfall since two years). The support of the EIB to the financial sector is envisaged to continue and efforts will be made to widen the range of intermediaries and to refine the risk-sharing products.

2.5. Policy Coherence for Development (PCD)

Zambia is currently negotiating for a full EPA as part of the ESA group of 15 COMESA member countries (see section 1.2). This could have a positive impact on trade and growth in Zambia. In particular, a development-friendly EPA could be a catalyst for Zambia to accelerate implementation of the border and behind-the-border policies and remove the barriers to trade expansion and diversification, thereby strengthening its regional and global integration. The improvement of functional transport links at the regional level (notably along the North-South corridor) to support the movement of goods, services and people is being seriously considered by COMESA, SADC and EAC under the new Tripartite initiative which would harmonise the economic integration agenda of the region. Projects for this purpose in the Zambian territory are supported by the 9th and 10th EDF roads programmes, as well as by the 10th EDF ESA regional programme. Lack of compliance with sanitary and phyto-sanitary (SPS) barriers is another important issue that will be addressed, because it still represents a major obstacle to expanding agricultural exports to the EU markets. The sugar accompanying measures (see section 2.4.1) are also supporting production in this viable sector, including for exports.

2.6. Dialogue in country with the national Parliaments, local authorities and NSAs

⁶ Finance Bank, Stanbic Bank, Standard Chartered Bank, African Banking Corporation and Investrust.

In 2008, the European Commission Delegation presented to Parliament the EDF Country Strategy Paper for Zambia. Members of Parliament were also associated to a number of sector related meetings as well as the June PRBS review. Dialogue continued with NSA, notably in relation to the 2008 elections where the EU facilitated the monitoring role of local organisations.

2.7. Aid effectiveness

There was good progress in **Zambia** in the implementation of the dialogue and coordination framework with a High Level Meeting (HLPD) between the Government and Cooperating Partners (CPs) held on the 12th February 2008. Issues of concern were discussed, in particular the implementation of the agriculture policy and the energy crisis. However the death of late President Mwanawasa in August led to the postponement of the follow-up HLPD planned for September to 2009; furthermore, Zambia was eventually not represented at the Accra meeting. The Paris Monitoring survey-Zambia (situation 2007) was conducted during the 1st semester 2008, with the final draft submitted to the DAC Secretariat by end May 2008. The survey showed a number of improvements in implementing the Paris agenda in Zambia, notably with respect to CPs alignment, the use of country systems, and aid predictability. Challenges remain in the areas of coordinated technical cooperation, number of PIUs, and on mutual accountability. In 2008, the Delegation also contributed to the review of the **division of labour** (DoL) established in 2006 as part of the Joint Assistance Strategy for Zambia (JASZ). For the EC, changes included a move from *active* to *background* CP in Education (reflecting the EC's phased out support to the sector basket) and from *lead* to *active* in Private Sector Development (EC was only lead in the mining sector, where EC support has phased out). As for other sectors, the EC remains *lead* in Macro-economics and Transport, *active* in Agriculture, Governance and Health, and *background* in Energy and Water.

In September 2007, the **International Health Partnership (IHP)** was launched. Zambia is one of the seven developing Countries who signed into it. The IHP is an initiative aimed at scaling up support and improving harmonisation and coordination of international aid and domestic resources in the health sectors. Zambia has embraced the principle of partnerships with CSOs and CPs as an important strategy for mobilising support towards the implementation of the NHSP 2006-10 and the health-related MDGs. In line with the IHP+, and following an assessment of the current Health SWAP arrangement an addendum to the MOU has been prepared, to ensure gaps identified were addressed. One of the gaps identified in the assessment was the need for an increased involvement of CSOs in Health sector dialogue. This addendum process made sure that all key stakeholders were involved, ensuring greater ownership. Previously there had been some concern over the exclusion of CSOs, PEPFAR and the Global Fund at a local level. This IHP+ is expected to be signed in 2009.

ANNEXES

1. **Country at a glance**
2. **Annual report on budget support**
3. **Aid effectiveness:**
 - 3A Donor matrices
 - 3B EAMR Aid Effectiveness Questionnaire
4. **Financial annexes:**
 - 4A 10th EDF and any previous EDFs, national programmes, as per closure of the financial year 2008;
 - 4B Synthetic list of still ongoing regional and intra-ACP projects with an impact on the country as per closure of the financial year 2008;
 - 4C Synthetic list of still ongoing budget lines projects implemented in the country as per closure of the financial year 2008;
 - 4D EIB projects as per closure of the financial year 2008;
 - 4E Updated CSP chronogramme for 10th EDF

Annex 1 Country at a Glance

	2001	2002	2003	2004	2005	2006	2007	2008	
Basic data									
1	Population (in million, mid year projections)	10.1	10.4	10.7	11.1	11.5	11.8	12.2	12.5
	- annual change in %	2.0%	3.0%	2.9%	3.7%	3.6%	2.6%	3.4%	2.5%
2a	Nominal GDP (in billion Kwacha)	13,133	16,260	20,479	25,916	32,456	39,223	45,482	53,615
2b	Nominal GDP per capita (in €)	394.0	325.7	341.8	364.8	613.5	639.2	665.7	752.5
2c	- annual change in %	20%	-17%	5%	7%	68%	4%	4%	13%
3	Real GDP (annual change in %)	4.9	3.3	5.1	5.4	5.3	6.2	6.3	6
4	Gross fixed capital formation (in % of GDP)	20	17.5	25.6	24.3	23	22.6	24.1	22.7
International transactions					7271	10893	11364	12827	
5	Exports of goods and services (in % of GDP)	28%	28%	26%	36%	31%	36%	40%	40%
	- of which the most important: Metals (copper) (in % of GDP)	16%	15%	14%	24%	21%	28%	30%	29.5%
6	Trade balance (in % of GDP)	-16%	-13%	-11%	-2%	2%	12%	8.65%	8%
7	Current account balance (in % of GDP)	-21%	-17%	-15%	-10%	-10%	-0.70%	-7.10%	-7.40%
8	Net inflows of foreign direct investment (in % of GDP)	2%	5%	7%	7%	7%	6%	9%	5.2%

Annex 1 Country at a Glance

9	External debt (NPV, in % of GDP)	78.7	55.1	44.4	28.2	86	8.8	5.6	7.5
10	Service of external debt (in % of exports of goods and non-factor services)	13.4	11.4	14.6	18.3	97	60.4	1.3	1.1
11	Foreign exchange reserves (in months of imports of goods and non-factor services)	0.8	2.1	1.3	1.2	1.5	2.2	2.5	2.4
		2001	2002	2003	2004	2005	2006	2007	2008
Government									
12	Revenues and grants (in % of GDP)	25	26.3	24.9	23.7	23	42.9	23.2	22
	- of which: grants (in % of GDP)	5.8	8.3	6.9	5.5	5.6	26	4.6	3.7
13	Expenditure (in % of GDP)	32.2	31.3	31	26.7	25.7	23.1	24.5	24.4
	- of which: capital expenditure (in % of GDP)	11.9	11.8	11.4	8.7	7	4.1	4	2.3
14a	Deficit (in % of GDP) including grants	-8.1	-6.3	-6.6	-1.7	-2.6	18.6	-1.3	-2.4
14b	Deficit (in % of GDP) excluding grants	-13.8	-14.6	-13.5	-7.2	-8.3	-7.4	-5.9	-6
15	Debt (in % of GDP)	135.9	142.5	131.8	104.6	105.2	27.4	26.6	28
	- of which: external (in % of total public debt)	57.9	38.7	33.7	27	86	8.8	9.9	27
Other									
16	Consumer price inflation (end of period change in %)	21.4	22.2	21.4	18	18.3	8.2	8.9	16.6
17	Interest rate (for money, annual rate in %)				30.9	28.2		24.4	26.9

Annex 1 Country at a Glance

18	Exchange rate (annual average of national currency per 1 €)	3201	4001	5307	5892.8	5666.8	4412.5	5442.7	5,475
19	Unemployment (in % of labour force, ILO definition)			16					n/a
20	Employment in agriculture (in % of total employment)			72	70	70	70	70	n/a

Source: CSO, IMF papers, various issues.

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%	-	51%		-	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%	43%	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).

COMPOSITION AND DISBURSEMENTS

		EC SUPPORT	
		EURO million	Paid OLAS
PRBS II	3 rd Fixed and 4 th variable tranches	24.166	9.07.2008
Roads Sector Budget Support	3 rd variable tranche 2 nd fixed tranche	21.4 8	9.05.2008
Health Sector Budget Support	3 rd variable tranche	3.57	29.12.2008
TOTAL 2008		57.14	

PROJECT GRANTS

(US\$ Millions)

Bilateral	Act 2007	2008					Proj 2009	Proj 2010	Proj 2011	Proj 2012
		Proj	Act Q1	Act Q2	Act Q3&4	Total Act				
USAID	9.00	335.73	43.61	318.73	54.49	329.61	332.28	0.00	0.00	0.00
Denmark	77.40	34.30	8.30	10.00	15.70	34.00	46.80	47.70	48.30	48.40
Germany	18.03	40.67	5.39	4.53	14.71	24.64	21.79	0.19	3.95	3.50
Norway	11.40	16.40	3.60	0.80	3.80	8.20	12.60	11.10	5.00	0.00
Japan	11.28	33.01	11.67	12.09	9.77	33.52	20.90	9.35	5.17	0.00
Sweden	16.90	19.15	3.10	9.08	2.35	14.54	27.86	33.36	16.00	12.00
Canada	0.67	2.65	1.65	0.00	0.00	1.65	2.00	2.00	0.00	0.00
Netherlands	4.22	17.80	1.15	0.00	9.44	10.59	5.60	3.00	3.00	3.00
Finland	0.00	12.89	1.10	0.84	5.78	7.72	20.54	23.54	24.62	26.22
France	0.80	0.39	0.00	0.00	0.00	0.00	0.30	0.00	0.00	0.00
Italy	0.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ireland	0.00	14.81	0.00	0.00	0.00	3.94	4.56	0.00	1.65	1.65
China	5.30	5.30	0.00	0.00	0.00	0.00	5.30	5.30	5.30	0.00
DfID	21.56	28.16	7.61	5.09	14.05	26.75	25.23	22.99	18.41	0.00
Multilateral										
EU	16.06	0.00	0.00	0.00	0.00	0.00	0.00	1.30	1.30	0
UN Systems	8.15	70.50	0.57	1.24	2.70	4.50	10.00	4.00	4.00	4
AfDB	0.07	0.13	0.40	0.01	0.00	0.41	0.05	0.00	0.00	0.00
Global Funds			0.80	0.00	35.40	36.00	0.00	0.00	0.00	0
World Bank		10.67	3.17	2.62	2.17	7.96	10.50	12.00	5.20	0
TOTAL PROJECT GRANTS	201.40	642.56	91.93	365.04	170.35	544.03	546.30	175.83	141.90	98.77
DBS										
Budget Support Grants	146.7	187	105.6	66.13	37.5	209.23	205.62199	221.202576	181.582425	188.83222
Budget Support Loans	0	42	30.61	0	0	30.61	31.175	31.175	36	36
Total Budget Support	146.70	229.00	136.21	66.13	4.60	239.84	236.80	252.38	217.58	224.83
SWAPS										
Education	78.50	115.39	22.53	7.10	37.50	67.13	39.00	47.99	47.99	47.99
Health	48.70	46.72	0.12	17.30	27.00	44.42	39.99	39.50	23.78	1.25
SWAPS TOTAL	127.20	162.11	22.65	24.40	64.50	111.55	78.99	87.49	71.77	49.24

PROJECT LOANS

(US\$ Millions)

	Act 2007	2008					Proj 2009	Proj 2010	Proj 2011	Proj 2012
		Proj	Act Q1	Act Q2	Act Q3&4	Total Act				
Multilateral										
AfDB	4.20	5.10	3.30	5.90	8.48	17.68	27.60	70.10	55.00	11.80
World Bank	38.50	46.70	14.09	10.84	22.86	47.79	57.60	24.60	11.10	6.60
OPEC Fund	3.50									
Kuwait Fund	0.00									
EIB	0.00									
China	0.00	60.30	0.00	11.50	0.00	11.50	33.70	15.00	4.00	0.00
JIBIC	0.00	114.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
India (Exim Bank)		0.00	0.00	0.00	0.00	0.00	10.00	10.00	10.00	10.00
TOTAL	46.20	226.20	17.39	28.24	31.34	76.97	128.90	119.70	80.10	28.40

TOTAL EXTERNAL SUPPORT TO GRZ	521.50	1259.87	268.18	483.81	270.79	972.38	990.99	635.40	511.35	401.24
--------------------------------------	---------------	----------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------

Exchange Rate	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000
---------------	------	------	------	------	------	------	------	------	------	------

KWACHA EQUIVALENT (K Billions)	2086.018	5039.4953	1072.707	1935.222	1083.1651	3889.535	3963.9443	2541.59877	2045.40846	1604.9717
---------------------------------------	-----------------	------------------	-----------------	-----------------	------------------	-----------------	------------------	-------------------	-------------------	------------------

Support to CSOs and NGOs

CSO's and NGO's	Act 2007	2008					Proj 2009	Proj 2010	Proj 2011	Proj 2012
		Proj	Act Q1	Act Q2	Act Q3&4	Total Act				
Total support to CSOs and NGOs by various donors	0	374.99	2.01	273.03	3.93	285.69	352.58	344.98	343.18	341.57

MATRIX OF DONOR PROJECT SUPPORT FOR THE PERIOD 2008-2012 \$ USD

DONOR	PROJECT/PROGRAMME	SECTOR	MTEF PERIOD															
			2008				2009				2010				2011		2012	
			Total Proj	Q1 Act	Q2 Act	Q3Q4Act	Total Act	Proj	ACT Q1	PROJ Q2	PROJ Q3	PROJ Q4	TOTAL ACT	Proj	Proj	Proj	Proj	
CANADA	Child Health IMCI Project Drug Procurement Capacity Building (IMVZ) Electoral Support	Health Health Governance	2.4	1.4		1.6	3.00	2				0			2	0		0
			0.25	0.25			0.25	0					0			0	0	
				2				1.2	0.8			0.4			0.4	0.6		0
				2.65	1.65	0	1.65	1.65	2	0	0	0	0	2	0	0		0
		TEVET SPS/MOST&VT Education Programme	Education	0.00			0.00	0.00				0.00						0.00
		New Education Programme	Education	0.00	5.30		5.30	5.30	5.90						6.30			0.00
		Health SPS MOH	Health	0.00			0.00	0.00	0.00						7.6			7.5
		HIV/AIDS Programme	Health	0.00			0.00	0.00	4.0						4.6			3.8
		New Gender Programme	Transport - Roads	9.8	1.2	0.2	5.9	7.30	10.7						13.2			2.5
		Roads SPS/MoWS	Water and Sanitation, Ministry of Local Government and Housing	12.1	0.4	7.4	4.1	11.90	12.5						9.3			10.2
	Water and Sanitation	Information & Broadcasting - Democratic Governance - Ministry of Information and broadcasting -GPS					0.00							0.0			10.1	
	New Water Programme																	
	Media Support/PAZA Zamcom		0.8		0.5	0.1	0.60	0.0										
	Good Governance	Governance	4.7	0.7	1.7	2.5	4.90	3.0						0.0			0.00	
	New Governance Programme	Governance					0.00	4.4						4.7			3.8	
	Special Environmental Assistance	Environment	0.0				0.00	0.0									5.0	
	Private Sector/Var	GECL -Ministry of Commerce trade and Industry	1.3			0.1	0.10	1.5						1.5			1.5	
	New Environment Programme	Environment	2.0				0.00	2.1						5.3			4.4	
	Minor projects/Var	Unallocated	1.6	0.6	0.2	0.7	1.50	0.7						0.8			0.6	
	Refuge affected areas	Governance Ministry of Home Affairs -GPS	2.0	0.1		2.3	2.40	2.0						2.0			0.6	
	Sub Total		34.3	8.3	10.0	15.7	34.00	46.8	0.0	0.0	0.0	0.0	0.0	47.7	48.3		48.4	

DONOR	PROJECT/PROGRAMME	SECTOR	2008					2009				TOTAL ACT	2010	2011	2012	
			Total Proj	Q1 Act	Q2 Act	Q3/Q4 Act	Total Act	Proj	ACT Q1	PROJ Q2	PROJ Q3					PROJ Q4
DPRD	PEMFA (FA)	Finance	6.4	3.20	0.00	3.38	6.58	3.15	0.00	1.05	1.05	1.05	1.05	0.00	0.00	0.00
	PEMFA (TC)	Finance	0.5	0.32	0.06	0.07	0.45	0.24	0.03	0.07	0.07	0.07	0.07	0.03	0.00	0.00
	Anti Corruption Commission Enhanced support (FA)	Governance	1.00	0.37		0.58	0.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Anti Corruption Commission Enhanced support (TC)	Governance	0.13	0.02	0.00	0.10	0.12	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Public Service Management (FA)	General Public Services	0.91	0.00	0.91	-0.04	0.87	0.54	0.00	0.18	0.18	0.18	0.18	0.00	0.70	0.70
	Public Service Management (TC)	General Public Services	0.06	0.02	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Support to CSPR	Governance	0.32	0.00	0.11	0.21	0.32	0.15	0.00	0.05	0.05	0.05	0.05	0.00	0.19	0.00
	PRP3	Governance	0.00	0.00	0.00	0.56	0.56	0.36	0.00	0.12	0.12	0.12	0.12	0.00	0.49	0.49
	Civil Society Pooled Fund	Governance	0.21	0.00	0.00	0.00	0.00	0.54	0.00	0.18	0.18	0.18	0.18	0.00	0.70	0.70
	Support to 2008 Elections	Governance	0.00	0.00	0.00	0.88	0.88	0.09	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Zambia HIV/AIDS Programme (FA)	HIV/AIDS	2.48	0.32	0.85	1.32	2.49	1.77	0.72	0.35	0.35	0.35	0.35	0.00	0.62	0.00
	Zambia HIV/AIDS Programme (TC)	HIV/AIDS	5.74	1.23	0.56	2.64	4.43	1.92	1.14	0.26	0.26	0.26	0.26	1.1	0.45	0.00
	PRBS Supporting Technical Cooperation	Finance	0.08	0.08	0.00	0.15	0.23	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.80	0.60
	Support to BOZ	Finance	0.13	0.00	0.00	0.01	0.01	0.22	0.13	0.03	0.03	0.03	0.03	0.00	0.00	0.00
	Private Sector Development Programme	Finance	0.51	0.51	0.00	0.88	1.39	0.16	0.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	CARE Partnership Programme Agreement Zambia	Social Protection	4.30	0.37	1.01	2.79	4.17	0.89	0.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Crop Monitoring	Humanitarian	0.08	0.00	0.00	0.09	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Implementation Plan NSAS (FA)	Social Protection	2.27	0.00	1.49	0.19	1.68	0.17	0.17	0.06	0.00	0.00	0.00	0.00	0.00	0.00
	Implementation Plan NSAS (TC)	Social Protection	0.19	0.00	0.05	0.19	0.24	0.02	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Humanitarian Reserve	Humanitarian	1.87	0.32	0.00	0.00	0.32	5.90	1.40	1.50	1.50	1.50	1.50	1.4	0.00	0.00
	Hunger Stop Gap Intervention	Humanitarian	0.06	0.02	0.05	0.00	0.07							0.00	0.00	0.00
	Support to VAC	Humanitarian	0.05	0.00	0.00	0.05	0.05							0.00	0.00	0.00
	Emergency Responses Phases 1 and 2	Humanitarian	0.03	0.03	0.00	0.00	0.03							0.00	0.00	0.00
WFP Twinning with GRZ Contribution	Humanitarian	0.50	0.50	0.00	0.00	0.50							0.00	0.00	0.00	
Support to IOM at Chirundu	Humanitarian	0.30	0.30	0.00	0.00	0.30							0.00	0.00	0.00	
Public Financial Mgt	Finance				0.00	0.30	0.00						0.00	2.80	2.65	
Anti-Corruption	Governance				0.00	0.00	0.75						0.00	1.40	1.40	
Health & HIV	Health				0.00	0.00	4.29						0.00	9.80	7.00	

DONOR	PROJECT/PROGRAMME	SECTOR	2008					2009				2010	2011	2012							
			Total Proj	Q1 Act.	Q2 Act.	Q3Q4Act	Total Act	Proj.	ACT Q1	PROJ Q2	PROJ Q3	PROJ Q4	TOTAL ACT	Proj.	Proj.	Proj.					
	Private Sector	Private Sector					0.00	0.54													
	Social Protection	Social Protection					0.00	1.92													
	Humanitarian	Humanitarian	0.00				0.00	1.59													
	Sub Total		28.2	7.6	5.1	14.1	26.75	25.23	4.8	6.8	6.8	6.8	6.8	4.8	23.0	18.4	0.0				

DONOR	PROJECT/PROGRAMME	SECTOR	2008				2009				2010	2011	2012		
			Total Proj	Q1 Act	Q2 Act	Q3Q4Act	Total Act	Proj	ACT Q1	PROJ Q2				PROJ Q3	PROJ Q4
NORWAY	Support to office of the Auditor General ZAM-0088	Governance- Office of the Auditor General-General Public Services, government services	0.5		0.3	0.2	0.50	0.8		0.6		0.0	0.7	0.7	
	Wildlife Sector Management (Zambia Wildlife Authority) ZAM-2373	Natural resources, environmental protection	0.0			0.00	0.00	0.0				0.0	0.0	0.0	
	Revenue Management - Mining, ZAM-3045	Taxes	0.3			0.3	0.30	0.6		0.6		0.0	0.6	0.6	
	National Aids Council ZAM-2389	HIV/AIDS	1.0		0.5	0.5	1.00	0.9		0.5		0.5	0.0	0.0	0.0
	PEMFA ZAM-3001	General Public Services - Ministry of Finance and National Planning	2.2	2.2		2.20	2.20	2.9		2.9		0.0	2.8	0.0	
	SLAMU Phase V ZAWA ZAM-3007	Natural resources, environmental protection, tourism	0.8			0.8	0.80	0.0				0.0	0.0	0.0	
	Kafue National Park ZAVNA ZAM-3008	Natural resources, environmental protection, tourism	2.5	1.3		1.2	2.50	1.7				1.7	0.0	1.7	1.3
	Anti Corruption Fund Phase II ZAM-3011	Governance -ACC -GPS	0.0			0.00	0.00	0.0				0.0	0.0	0.0	
	Governance and Anti-corruption ZAM-3049	Governance, Anti-Corr	0.1			0.1	0.10	0.1			0.1	0.0	1.0	1.0	
	Axle Load Control Programme ZAM-3015	Roads	0.0			0.0	0.00	0.0				0.0	0.0	0.0	
	Environmental Sector Programme ZAM-3040	Natural Resources	4.0			0.00	0.00	0.0				0.0	0.0	0.0	
	South Luangwa Natural Resources Management Proj ZAM-3044	Natural Resources	1.1			0.00	0.00	0.0				0.0	0.0	0.0	
	NHCC Programme ZAM-2397	Culture	0.0			0.00	0.00	0.0				0.0	0.0	0.0	
	National Arts Council Programmes 2003-05 ZAM-2398	Culture	0.0			0.00	0.00	0.0				0.0	0.0	0.0	
	National Museums programme ZAM-2399	Culture	0.1	0.1		0.10	0.10	0.0				0.0	0.0	0.0	
National Gender Programme ZAM-3047	Gender	0.7			0.7	0.70	0.8		0.4		0.4	0.0	0.3	0.4	

DONOR	PROJECT/PROGRAMME	SECTOR	2008					2009				2010	2011	2012		
			Total Proj.	Q1 Act.	Q2 Act.	Q3/Q4 Act.	Total Act.	Proj.	ACT Q1	PROJ Q2	PROJ Q3				PROJ Q4	TOTAL ACT.
NETHERLANDS	Media Trust Fund ZAM-2387	Media	0.7				0.00	0.0					0.0	0.0		
	Agricultural Support via Sweden ZAM-3009	Agriculture	2.4				0.00	0.0					0.0	0.0		
	Climate Change Secretariat ZAM-08/022	Environment					0.00	0.7			0.7		0.0	0.9		
	Luangwa Ecological Partnership Programme ZAM-08/026	Environment					0.00	1.0			1.0		0.0	1.0		
	FAO-MACO Conservation Agriculture Programme ZAM-08/031	Environment						3.0			3.0			2.1		
	Sub Total		16.4	3.6	0.8	3.8	8.20	12.6	0.0	8.3	2.2	2.2	0.0	11.1	5.0	0.0
	Health: ZHW/S	Health					0.00	0.0						0.0		
	NAC	Health	2.3	0.9		6.0	6.90	0.8						0.0		
	Education: teacher retrenchment and recruitment	Education	0.0				0.00	0.0						0.0		
	Support to MSTVT	Education	5.1			1.7	1.74	1.8						0.0		
	IFMIS/PEMFA	General Public Services - Ministry of finance and national Planning	5.7			1.0	1.00	1.0						1.0	1.0	1
	Office of the Auditor General (RIDP/II)	Governance - Office of the Auditor General -GPS	1.0			0.1	0.10	1.1						1.1	1.1	1.1
GIDD	Gender - Cabinet Office - General Public Services	0.0				0.00	0.0						0.0	0.0		
Private Sector Development Reform	GECL - Ministry of Commerce, Trade and Industry	3.8	0.3		0.6	0.85	0.9						0.9	0.9		
Sub Total		17.8	1.2	0.0	9.4	10.59	5.6	0.0	0.0	0.0	0.0	0.0	3.0	3.0	3.0	
SWEDEN	Capacity building-energy	Energy - MEWD	0.0	0.0	0.0	0.0	0.00	0.5					0.0	1.0	2.0	0.5
	ERB Capacity Building	Energy	0.0	0.0	0.0	0.0	0.00	1.0	1.0				1.0	2.0	2.0	1

* Programme ended.

*Project has ended

*Project has ended

DONOR	PROJECT/PROGRAMME	SECTOR	2008				2009				2010	2011	2012						
			Total Proj	Q1 Act	Q2 Act	Q3/Q4 Act	Total Act	Proj.	ACT Q1	PROJ Q2				PROJ Q3	PROJ Q4	TOTAL ACT			
GERMANY	RE-REF																		
	Rural Electrification Authority- capacity building	Energy	2.0	0.0	0.1	0.2	0.30	6.0	1.1	0.5	3.0	0.6	0.0	6.0	0.0	6.0	6.5		
	Karive Rehabilitation - ZESCO	Energy	0.2	0.0	0.1	0.10	0.10	0.2	0.2	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
	Private Sector Development Reform	GECL - Ministry of Commerce, trade and Industry	0.7	0.3	0.0	0.4	0.70	0.0	0.0					0.0	0.0	0.0	0.0	0.0	
	Juvenile Justice	Governance-Ministry of Justice -GPS	0.0				0.00	0.0	0.0					0.0	0.0	0.0	0.0	0.0	
	Spatial Planning	Infrastructure -Ministry of Local Government	0.3	0.0	0.1	0.1	0.19	0.2	0.2	0.2	0.2	0.8	0.0	0.0	0.0	0.0	0.0	0.0	
	Lusaka City Council Capacity Building	Local Government	2.3	0.2	0.9	0.9	1.10	1.6	0.8	0.8	0.8	0.8	0.0	0.0	0.0	0.0	0.0	0.0	
	NAC	HIV/AIDS	0.7	0.5	2.9	0.2	0.74	0.3	0.3	0.3	2.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
	Human Resource Basket	Health	2.9		2.9		2.85	2.1	2.1	2.1				2.1	2.1	2.2	2.2	2.2	
	Technical Assistance, Ministry of Health	Health	1.2	0.3	0.3	0.6	1.12	2.2	2.2					0.0	0.0	0.0	0.0	0.0	
	UNZA- School of economics	Health	0.5	0.1	0.1	0.3	0.44	0.6	0.6					0.0	0.0	0.0	0.0	0.0	
	Agricultural Support Programme MACO:	Agriculture	5.8	1.7	2.8	0.00	4.50	10.0	5.0	3.0	2.0	0.0	0.0	10.0	6.0	6.0	4	4	
	FSDP	Financial Sector Development	0.0	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
	PEMFA	Governance	1.1		1.1	0.0	1.10	1.0	1.1	0.6	0.5	0.0	0.0	0.8	0.7	0.8	0.8	0.8	
	PSMFR	Governance	1.5		0.8	0.6	1.40	1.1	0.6	0.6	0.5	0.0	0.0	0.8	0.7	0.8	0.8	0.8	
	Sub Total			19.2	3.1	9.1	2.4	14.54	27.9	1.0	12.5	3.5	6.9	1.0	33.4	16.0	12.0	12.0	
	study and expert fund VI	Ministry of Finance and National Planning	0.5			0.00	0.00	0.5	0.0	0.0	0.0	0.0	0.0	0.5	0.5	0.5	0.5	0.5	
	HIV/AIDS -Prevention Phase II	HIV/AIDS	0.4			0.00	0.00	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Rural Transport for Poverty Reduction in the Southern Water Supply Southern Province, Ph I	Transport and Sanitation - Ministry of local government and housing	20.1			3.8	3.80	1.6	0.3	0.8	0.5	5.6	6.6	2.5	2.5	2.5	2.5	2.5	
	Water Supply Livingstone	Water and Sanitation - Ministry of local government and housing	0.02	0.02	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.0	0.0	0.0	0.0	0.0	0.0	0.00	
Rural Water Supply Eastern Province, Ph III	Ministry of local government and housing	2.00	0.15	0.50	1.35	2.00	4.56	0.06	1.50	1.50	1.50	0.1	1.50	0.75	0.75	0.00	0.00		
Rural Water Supply Eastern Province, Ph III (Acc. M.)	Water and Sanitation - Ministry of Energy and Water Development	0.35	0.08	0.11	0.17	0.35	0.92	0.02	0.30	0.30	0.30	0.0	0.30	0.30	0.30	0.00	0.00		
Rural Water Supply Northwestern province	Water and Sanitation - Ministry of local government and housing	1.92	0.22	0.39	1.31	1.92	1.26	0.06	0.90	0.30	0.00	0.1	0.00	0.00	0.00	0.00	0.00		
Rural Water Supply NW Province (Acc.M.)	Water and Sanitation - Ministry of local government and housing	0.34	0.14	0.09	0.11	0.34	0.50	0.05	0.15	0.15	0.15	0.1	0.15	0.00	0.00	0.00	0.00		
Devolution Trust Fund, Ph I	Water and Sanitation - Ministry of Energy and Water Development	1.09	1.09	0.00	0.00	1.09	0.00	0.00	0.00	0.00	0.00	0.0	0.00	0.00	0.00	0.00	0.00		

DONOR	PROJECT/PROGRAMME	SECTOR	2008					2009				2010	2011	2012		
			Total Proj	Q1 Act.	Q2 Act.	Q3/Q4 Act	Total Act	Proj.	ACT Q1	PROJ Q2	PROJ Q3				PROJ Q4	TOTAL ACT
	Devolution Trust Fund, Ph II	Water and Sanitation - Ministry of Energy and Water Development	4.50	1.50	0.00	3.00	4.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Urban Water Supply Eastern Province	Water and Sanitation - Ministry of local government and housing	0.79	0.00	0.07	0.72	0.79	1.35	0.00	0.45	0.45	0.45	0.00	4.50	3.75	0.75
	Water Sector Reform Programme	Water and Sanitation - Ministry of Energy and Water Development	2.20	0.4	1.2	0.6	2.20	2.2					0.0	0.0	0.0	
	Support to MoFNP in harmonising the FNDP and Budget Processes	Ministry of Finance and National Planning	0.0	0.3	0.3	0.4	0.97	1.0					0.0	0.0	0.0	
	Local Development Fund (ZAMSIF)	Decentralisation	0.0				0.00	0.0					0.0	0.0	0.0	
	Decentralised Rural Development	Governance - Ministry of Local Government - Decentralisation	2.2	0.6	0.7	0.9	2.20	1.8					0.0	0.7		
	Governance	Governance - Ministry of Community Development	1.8	0.5	0.5	1.0	2.00	2.0					0.0	2.0	2.0	
	Urban Water Swap	Water and Sanitation - Ministry of local government and housing						3.8					3.8	5.0	6.25	
	Rural water Swap	Water and Sanitation - Ministry of local government and housing						0.0						6.3	6.3	
	Education Swap	Ministry of Education						0.0								
	Sub Total		40.7	5.4	4.5	14.7	24.6	21.8	0.2	3.9	3.5	6.7	0.2	25.3	25.2	9.5
FINLAND							0.00						0.0			
	PEAP Phase II: MTENR	Environment and Natural Resources	0.3	0.0	0.1	0.1	0.13	0.0					0.0			
	Forestry College	Environment and Natural Resources	0.0				0.00	0.0					0.0			
	Curriculum Revision	Education	0.0				0.00	0.0					0.0			
	ESSP II: Ministry of Education	Education	0.0				0.00	0.0					0.0			
	Project D: Ministry of Education Technical Assistance	Education	0.0				0.00	0.0					0.0			
	Project B: Ministry of Agriculture, support to Luapula agriculture & rural development	Agriculture	4.2	0.3	0.6	1.9	2.85	3.6					0.0	0.2		
	MTENR: Support to ENR Planning	Environment and Natural Resources	0.1	0.0	0.0	0.3	0.33						0.0			

DONOR	PROJECT/PROGRAMME	SECTOR	2008					2009				2010	2011	2012			
			Total Proj.	Q1 Act.	Q2 Act.	Q3/Q4 Act.	Total Act.	Proj.	ACT Q1	PROJ Q2	PROJ Q3	PROJ Q4	TOTAL ACT.	Proj.	Proj.	Proj.	
	<i>Project C: MTENR: Support to Environment and Natural Resources Management and Mainstreaming</i>	Environment and Natural Resources	4.2			0.0	0.00	3.2						0.0	3.2	3.2	
	PEMFA	General Public Services - Ministry of finance and national planning	0.0			0.0	0.00							0.0			
	NDP Basket	Ministry of finance and national planning	0.0			0.0	0.00							0.0			
	Private sector development reform programme	GECL - Ministry of Commerce, trade and industry	1.5	0.6		0.7	1.30							0.0			
	Zambia Voucher Based BDS for SMEs	MCTI	0.2			0.1	0.14	0.5						0.0	0.8	0.0	
	Support to Trade Capacity (through IF)	MCTI	0.7				0.00							0.0			
	Business Incubators	MCTI	0.7				0.00							0.0			
	Public Sector Management	General Public Services - Ministry of finance and national planning	1.0			0.5	0.50	1.0						0.0	0.7		
	Unallocated projection		0.0				0.00	10.8						0.0	17.2	19.9	
	Direct support to civil society			0.2	0.1	2.2	2.47	1.5						0.0	1.5	1.5	
	Sub Total		12.9	1.1	0.8	5.8	7.72	20.5	0.0	0.0	0.0	0.0	0.0	23.5	24.6	26.2	
	EUROPEAN UNION (Project support from 2009 will depend on 10th EDF)																
	Urban Markets Development Programme (Lusaka, Ndola, Kitwe)	Urban development-Ministry of Local Government	10.40	1.50	1.50	3.00	6.00	5.59	2.73	2.74	1.43	1.43	2.73	1.21			
	Rehabilitation of Livingstone and Lusaka Airports	Transport -Airports	0.00		0.85		0.85	0.61	0.61	0.61				0.61			
	Periodic Maintenance of Trunk, Main and Districts roads, TA and Surveys	Roads	4.70	0.30	0.30	0.62	1.22	2.36	0.66	0.81	0.72	0.83	0.66	0.17		1.50	
	Rehabilitation Zimba - Livingstone Road	Roads	9.30				0.00	11.31	0.27	2.96	1.67	1.67	0.27	4.86			
	Capacity building in MoFNP	General Public Services - Ministry of finance and national planning	0.60				0.00	0.00					0.00				
	Technical cooperation facility II	General Public Services - Ministry of finance and national planning					0.00	2.00		0.44		1.56	0.00	0.31			
	Export Development Project II	GECL - Ministry of Commerce, trade and industry					0.00	0.00					0.00				
	Mining Sector Development Programme	Mining				2.10	2.10	18.00			18.00		0.00	2.10	2.10	2.10	
	Private sector capacity building	GECL - Ministry of Commerce, trade and industry	5.85	2.55	2.55	0.75	6.85	3.75	1.25	1.25	1.25	1.25	1.25	4.50	2.10		
	Elections Support	Institutional -General Public Services	0.68		0.68		0.68	0.00					0.00				
	EU Electoral observation mission	Institutional -General Public Services	1.50				0.00	0.00					0.00				

DONOR	PROJECT/PROGRAMME	SECTOR	2008					2009				2010	2011	2012					
			Total Proj	Q1 Act	Q2 Act	Q3/Q4 Act	Total Act	Proj	ACT Q1	PROJ Q2	PROJ Q3				PROJ Q4	TOTAL ACT			
10th EDF	Support to Demographic Health Survey	Health	4.95		1.80	3.15	4.95	0.00											
	Health, HMIS	Health	1.05		0.50	0.50	1.00	0.39				0.39			0.00	0.84	0.39		
	Agriculture diversification/Food Security NW and W	Agriculture	22.50	0.96	0.96	1.69	3.60	2.13							0.00	2.35	0.00		
	NSA	Health / Education / Environment					0.00	0.65				0.65			0.00	1.94	1.94	1.94	
	Others	Institutional				0.60	0.60	0.00							0.00	1.20	1.20	1.20	
	Implementation of Integrated Water Resources Management in Zambia	Water and Sanitation				1.14	1.14	1.07				0.37	0.35	0.35	0.35	2.17			
	Improving Water Supply and Sanitation for the Urban Poor	Water and Sanitation						3.16			0.97		2.19		0.00	0.90			
	Increased Access to Electricity Services	Energy						2.58				2.58			0.00	5.16			2.58
	Rural Electrification and Small Scale projects	Energy						2.32					2.32		0.00	8.97	1.29		
	SPSP Road Transport II (T+surveys)	Roads						0.00							0.00	2.26			
	Great East Road Rehabilitation	Roads					0.00	0.00							0.00	18.71	18.71	10.32	
	Food security and agr diversification	Agriculture					0.00	0.00							0.00	9.68	9.68	9.68	
	Food vouchers scheme	Food security						4.78				4.78			1.19				
	Agriculture support (input distribution)							7.74				7.74			1.94				
	Access to Justice	Governance					0.00	0.00							0.00	2.6	2.6	2.6	
	Child Trafficking	Governance					0.00	1.72							0.00			0.1	
	Support to the ECZ	Governance					0.00	9.07							0.00			0.5	
	Support to water Governance	Governance in Water sector					0.00	0.00							0.00		1.29	1.29	1.29
	PFM Support	General Public Services - Macroeconomic Issues					0.00	0.00							0.00	3.87	3.87	2.58	2.58
	Capacity building for PRBS	NSAs - Statistics - Governance					0.00	0.00							0.00	3.87	2.58	2.58	
Support to NSAs						0.00	0.00							0.00				1.70	
Support to EPA						0.00	0.00							0.00	1.29	1.29			
Nutrition						0.00	0.00							0.00					
Others						0.00	0.00							0.00	1.30	1.30			
Sub Total			61.53	5.31	9.13	13.54	27.98	79.21	5.87	15.15	39.16	11.99	5.87	83.34	50.30	40.61			

DONOR	PROJECT/PROGRAMME	SECTOR	Total Proj	2008				Total Act	Proj.	2009				TOTAL ACT	2010 Proj.	2011 Proj.	2012 Proj.
				Q1 Act.	Q2 Act.	Q3Q4Act	Q1			Q2	Q3	Q4					
UNITED NATIONS																	
UNDP	HIV/Programme	Health	2.2				0.0	3.2									
	Governance	Governance	3.2				0.0	4.8									
	Environmental	Gender	1.2				0.0	0.9									
sub-total UNICEF	Environmental	Environmental	2.6				0.0	4.0									
	Health and Nutrition	health	9.2				0.0	12.9									
	Education	education	5.5	794	277.0	9952.0	11023.00	5.5								0.0	
UNHCR	Child Protection	social protection	3.8	201	1082.0	5662.0	6945.00	3.8									
	Emergency	social protection	3.2	194	692.0	3629.0	4515.00	3.2									
	Water and Sanitation	water and sanitation	0.0	172.0	806.0	2458.0	3436.00	0.0									
	Advocacy and Communication	General	3.8	365	967.0	3953.0	5285.00	3.8									
	Cross Sectoral	General	0.8		32.0	300.0	332.00	0.8									
	Sub total UNHCR	Cross Sectoral	General	0.9	280	788.0	2793.0	3861.00	0.9								0.0
WFP	Assistance for Refugees	Social Protection	0.0				0.00	0.0									
	Country Programme	Cross Sectoral	8.1				0.00	8.1									
	Refugee Project	Social Protection	4.3				0.00	3.2									
Subtotal FAO	Regional PRO	General	20.5				0.00	20.5									
	Agriculture	Agriculture	32.9				0.00	31.8								0.0	
	Emergency	Agriculture	1.0				0.00	0.9									
Sub-total UNFPA	Agriculture and Forestry	Agriculture	1.0				0.00	0.0									
	Health	Health	0.1				0.00	0.1									
	Gender	Gender	2.1				0.00	1.0									
Sub-total ILO	Health	Health	2.3	0.5	0.7	1.1	2.30	1.6	0.3	0.5	0.5	0.3	1.6	0.0	0.0	0.0	
	Macro	Macro	1.3	0.0	0.4	0.9	1.30	0.9	0.2	0.4	0.2	0.1	0.9	2.1	2.1	2.1	
	Gender	Gender	0.6	0.0	0.1	0.5	0.60	0.4	0.1	0.1	0.1	0.1	0.4	1	1	1	
sub-total WHO	HIV	HIV	0.3	0.0	0.1	0.2	0.30	0.2	0.0	0.1	0.1	0.1	0.2	0.6	0.6	0.6	
	Private sector development	Private Sector	4.5	0.6	1.2	2.7	4.50	3.1	0.6	1.0	0.9	0.6	3.1	0.3	0.3	0.3	
	Macroeconomics	Macro	0.0				0.00	0.0						4.0	4.0	4.0	
subtotal ILO	HIV/AIDS	HIV/AIDS	0.0				0.00	0.0									
	Education	Education	0.0				0.00	0.0									
	Infrastructure	Infrastructure	0.0				0.00	0.0									
subtotal WHO	Infrastructure	Infrastructure	0.2				0.00	0.0								0.0	
	Sub Total		3.7				0.00	3.7									
TOTAL	Sub Total		3.7				0.00	3.7									
TOTAL			70.5	0.6	1.2	2.7	4.50	10.0						4.0	4.0	4.0	

DONOR	PROJECT/PROGRAMME	SECTOR	2008					2009				2010	2011	2012			
			Total Proj	Q1 Act	Q2 Act	Q3/Q4 Act	Total Act	Proj.	ACT Q1	PROJ Q2	PROJ Q3				PROJ Q4	TOTAL ACT	
JAPAN	Grant Aid		20.07	8.87	8.73	2.48	20.07	6.95	0.30	0.00	0.00	0.00	0.30	0.70	0.00	0.00	
	Projects/Programs																
	Grant Assistance for Underprivileged Farmers (2KR)	Agriculture	2.48	0.00	0.00	2.48	2.48	3.36									
	Emergency Food Aid																
	Support for Community Capacity Building and Income-Generating Activities (Emergency Food Aid through WFP and UNICEF)	Agriculture	4.42	4.42	0.00	0.00	4.42										
	Support for Community Capacity Building and Income-Generating Activities (Emergency Food Aid through WFP)																
	Support for Community Capacity Building and Income-Generating Activities (Emergency Food Aid through WFP)																
	Project for Groundwater Development and Sanitation Improvement in Luapula Province Phase (1/2)	Water/Sanitation	1.39	1.39	0.00	0.00	1.39	3.58						0.70			
	Project for Infectious Disease Control Phase 3	Health	3.05	3.05	0.00	0.00	3.05										
	Project for improvement of the child and maternal ward at UTH	Health	0.00	0.00	0.00	0.00	0.00	5(estimation)									
	The Project for Improvement for Livingston City Road	Roads	8.73	0.00	8.73	0.00	8.73										
	The project for improvement of the Road network in Ndora and Kitwe cities	Roads	0.00	0.00	0.00	0.00	0.00	25.3(estim)	0.30				25.3(estimation)				
	FRANCE	Technical Cooperation		12.94	2.80	3.36	7.29	13.45	13.95	4.10	2.79	3.57	3.49	13.94	8.65	5.17	0.00
		Agriculture		2.67	0.23	0.11	0.25	0.59	3.13	0.89	0.72	0.72	0.79	3.13	2.32	0.97	
Decentralization			0.75	0.18	0.10	0.20	0.48	0.61	0.21	0.05	0.18	0.18	0.61	0.74	0.65		
Education			0.40	0.04	0.09	0.18	0.31	0.44	0.14	0.11	0.11	0.14	0.44	0.50	0.50		
Energy/infrastructure			1.07	0.00	0.00	0.43	0.43	3.55	1.05	0.50	1.00	1.00	3.55	0.50	0.15		
Health & HIV/AIDS			1.61	1.52	1.74	3.49	6.75	3.16	0.57	0.86	0.86	0.86	3.16	2.33	0.00		
Private Sector Dev.			3.60	0.20	0.64	1.28	2.12	2.26	1.08	0.35	0.50	0.35	2.26	2.20	2.90		
Water (W/R and WSS)			0.84	0.13	0.18	0.36	0.67	0.80	0.21	0.20	0.20	0.20	0.80	0.06	0.00		
Other Cross-cutting issues			2.00	0.50	0.50	1.10	2.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
Sub Total			33.01	11.67	12.09	9.77	33.52	20.90	4.40	2.79	3.57	3.49	14.24	9.35	5.17	0.00	
Education							0.00						0.00				
Cultural Diversity							0.00		0.1				0.00				
Social Development							0.00		0.1				0.00				
							0.00						0.00				

DONOR	PROJECT/PROGRAMME	SECTOR	2008					2009				2010	2011	2012		
			Total Proj	Q1 Act	Q2 Act	Q3Q4Act	Total Act	Proj.	ACT Q1	PROJ Q2	PROJ Q3				PROJ Q4	TOTAL ACT
	Development of the Cotton Sector	Agriculture	0.0				0.00									
	Environmental Protection	Environmental Protection					0.00									
	VIH/SIDA	Health	0.2				0.00	0.1						0.0		
	Sub Total		0.4	0.0	0.0	0.0	0.00	0.3	0.0							
ITALY																
	Youth Community Training Centre, Livingstone	Social Protection					0.00							0.0		
	Microcredit programme in Siavongs	Industry - Ministry of Commerce, Trade and Industry - GECL					0.00							0.0		
	Aid to the start up of the new Kalue District Hospital	Health					0.00							0.0		
	Covery intervention for women - District population through sustainable forest management and utilization	Local economy empowerment, social protection, environmental protection					0.00							0.0		
	Sub Total		0.0	0.0	0.0	0.0	0.00	0.0								
IRELAND																
	National Rural Water Supply and Sanitation Programme	Water and Sanitation	1.0				0.00	0.25						0.0	0.25	
	Rural Water and Sanitation Northern Province (Provincial Administration & 4 Districts)	Water and Sanitation	4.5				0.32	0.25						0.0	0.25	
	World Bank - Water & Sanitation Program	Water and Sanitation					0.25	0.13						0.13	0.25	
	NOTE funding of this project is via CARE and is reported in CSO spreadsheet	Water and Sanitation - Ministry of Local Government and Housing	1.2				0.00							0.0		
	NOTE funding of this project is via CARE and is reported in CSO spreadsheet	Water and Sanitation - Ministry of Local Government and Housing	0.6				0.00							0.0		
	NOTE funding of this project ended before/during 2007	Water and Sanitation - Ministry of Local Government and Housing	0.1				0.00							0.0		
	National HIV/AIDS Council	HIV/AIDS	1.3				1.04	1.27						0.0	1.27	
	This is captured in the CSO spreadsheet	HIV/AIDS	0.6				0.00							0.0		
	Joint CP Support to Gender in Development Division	Gender	0.3				0.37	0.38						0.0	0.63	
	Joint CP Support for the Social Protection Implementation Framework	Social Protection - Ministry of Community Development and Social Services	0.7				0.32	0.63						0.0	0.63	
	Social Protection - UNICEF Child Grants	Social Protection	0.2				0.27	0.25						0.0	0.25	
	Joint CP Support for Social Protection - to be decided	Social Protection						0.25						0.25		

DONOR	PROJECT/PROGRAMME	SECTOR	2008					2009				2010	2011	2012				
			Total Proj	Q1 Act	Q2 Act	Q3Q4Act	Total Act	Proj	ACT Q1	PROJ Q2	PROJ Q3				PROJ Q4	TOTAL ACT		
NOTE funding of this CSO project ended before/during 2007	Capacity building of Elected Reps/Traditional leaders (Civil Society Organisation)	Governance - National Assembly -GPS	0.3				0.00											
	Joint CP Support toParliamentary Reform Programme III	Governance - National Assembly	1.2				0.63	0.63										
NOTE funding of this CSO project ended before/during 2007	CWEC Education (MOE and ZCEA)	Education					0.00											
	Support to decentralisation Secretariat	Governance/Decentralisation -Ministry of Local Government	0.5				0.00											
	Support for Capacity building & Implementation of District Plans for 4 Districts in Northern Province (Mpolka, Mbala, Luwingu, Isoka)	Governance/Decentralisation -Ministry of Local government	1.0				0.75	0.51										
This is captured in the CSO spreadsheet	Capacity Building Local Governments (Local Authorities in Copperbelt (2) and Northern Provinces (3))	Governance - /Decentralisation Ministry of Local government	1.3				0.00											
This is captured in the CSO spreadsheet	Supporting Community Radio Stations	Governance					0.00											
This is captured in the CSO spreadsheet	Joint Basket Fund to promote good governance through CIVIL Society	Governance					0.00											
CHINA			14.8	0.0	0.0	0.0	3.94	4.56	0.00	1.65	1.65	1.27	0.00	5.19	0.00	0.00		
	Various Projects	Different Sectors	5.3				0.00	5.3					0.0	5.3	5.3			
	TOTAL		5.3	0.0	0.0	0.0	0.00	5.3	0.0	0.0	0.0	0.0	0.0	5.3	5.3	0.0		
USAID																		
	Economic Growth	Agriculture					2.9							6.7	6.7		6.7	
	Agriculture	Agriculture																
	Environment	Environmental Protection																
	Other Economic Growth	Economic Growth -Tourism																
	Trade and Investment		1.1		1.1		1.126	4.2						4.2	4.2		4.2	
	Financial Sector		2.2		2.2		2.165	2.4						2.4	2.4		2.4	
	Private Sector		0.2		0.2		0.246	1.5						1.5	1.5		1.5	
	Economic Opportunities		0.5		0.5		0.505	0.8						0.8	0.8		0.8	
	TOTAL Economic Growth		6.9		6.9		6.917	15.7						15.7	15.7		15.7	
	Social & Econ. Services & Protection for Vul. Pop																	
	Vulnerable Children	Social Services																
	Women Justice & Empowerment Initiative	Social Services	1.6	1.6	1.6	1.6	1.6	1.1						1.1	1.1		1.1	
	TOTAL Social Services		1.6	1.6	1.6	1.6	1.6	1.1						1.1	1.1		1.1	
	Education																	
	Basic Education	Education	9.2	9.2	9.2	9.2	9.2	5.8						5.8	5.8		5.8	
	TOTAL Education		9.2	9.2	9.2	9.2	9.2	5.8						5.8	5.8		5.8	

DONOR	PROJECT/PROGRAMME	SECTOR	2008					2009				2010 Proj.	2011 Proj.	2012 Proj.		
			Total Proj	Q1 Act.	Q2 Act.	Q3/Q4 Act.	Total Act.	Proj.	ACT Q1	PROJ Q2	PROJ Q3				PROJ Q4	TOTAL ACT
	Technical Assistance to MOFNP	General Public Services-MOFNP					0.00									
	Technical Assistance to RDA	Transport -Roads					0.00									
	Sub-total						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Global Fund	Ministry of Finance and National Planning	Health (HIV/TB/Malaria)		0.6		5.3	5.90								0.0	
	Ministry of Health (Round 4)	Health (HIV/TB/Malaria)				22.2	22.20								0.0	
	Ministry of Health (Round 1)	Health (HIV/TB/Malaria)				7.9	7.90								0.0	
	TOTAL		0.0	0.6	0.0	35.4	36.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0	0.0

DONOR	PROJECT/PROGRAMME	SECTOR	2008				2009				2010	2011	2012			
			Total Proj.	Q1 Act.	Q2 Act.	Q3Q4Act	Total Act	Proj.	ACT Q1	PROJ Q2	PROJ Q3	PROJ Q4	TOTAL ACT	Proj.	Proj.	Proj.
OPEC	Mother & Child Global	HIV/AIDS					0.00									
	Proj: HIV/AIDS						0.00	0.00	0.00	0.00	0.00	0.00	0.00			
KUWAIT FUND	subtotal						0.00									
	GRAND TOTAL		#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
	Exchange Rate		3500.0	3500.0	3500.0	3500.0	3500.00	3500.0								
	Kyachia Equivalent (K Billions)		#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!

JAPAN												
Sub Total	0.0	0.0	0.0	0.0	0.05	0.0	4.8	0.0	2.0	0.0	1.7	0.0
TB/HIV Active case finding and community DOTS with people centered approach	Health (grant to NGO)	0.29	0.00	0.00	0.29	0.29	0.00	0.00				
The project for the strengthening of TB Control Measures in Lisaka City	Health (grant to NGO)	0.15	0.15	0.00	0.00	0.15	0 (no disbursement and project ends in 2009)					
Changa HIV/AIDS project	Health (grant to NGO)	0.19	0.19	0.00	0.00	0.19	0 (no disbursement and project ends in 2009)					
The Project for Sustainable Livelihood	Community Development (grant to NGO)	0.07	0.07	0.00	0.00	0.07	0 (no disbursement and project ends in 2009)					
The Project for Processing of Cassava Products for Improved Rural Livelihoods of Small Scale Farmers	Community Development (grant to NGO)	0.07	0.07	0.00	0.00	0.07	0 (no disbursement and project ends in 2009)					
The project for community markets for conservation scale-up	Community Development (grant to NGO)	0.07	0.07	0.00	0.00	0.07	0 (no disbursement and project ends in 2009)					
The Project for Extension of the Project for Extension of Training Centre	Community Development (grant to NGO)	0.07	0.07	0.00	0.00	0.07	0 (no disbursement and project ends in 2009)					
Sub Total		0.93	0.61	0.00	0.33	0.93	0 (no disbursement and project ends in 2009)	0.0	0.0	0.0	0.0	0.0

SECTOR WIDE APPROACH: EDUCATION

(US\$million)

Donor	MTEF Period																	
	2008					2009				2010			2011		2012			
	Proj	Act Q1	Act Q2	Act Q3	Act Q4	Total Act	Proj	Act Q1	Proj Q2	Proj Q3	Proj Q4	Total Act	Proj	Proj	Proj	Proj		
Denmark	5.00					0.00	5.00						5.00				5.00	
DfID	0.03	0.03				0.03												
Norway			1.1			1.10	0.0						0		0		0	
Netherlands	76.0		6.0	37.5		43.50	24.0						24	24			24	
Sweden						0.00												
Germany						0.00												
Finland						0.00												
EU						0.00												
USAID						0.00												
JAPAN						0.00												
France						0.00												
Italy						0.00												
Ireland	23.36	22.50				17.73	30.4772			12.66	6.33						18.99	
UNICEF	11.00					0.00	10.00											18.99
TOTAL	115.39	22.53	7.10	37.50	0.00	62.36	39.00						47.99	47.99			47.99	
Exchange rate	4000.00	4000.00	4000.00	4000.00	4000.00	4000.00	4000.00						4000.00	4000.00	4000.00	4000.00	4000.00	
Kwacha Equivalent (K Billions)	461.6	90.1	28.4	150.0	0.0	249.4	156.0						192.0	192.0			192.0	

the exchar

SECTOR WIDE APPROACH: MINISTRY OF HEALTH

Donor	MTEF PERIOD														
	2008					2009				2010			2011		2012
	Projected	Act Q1	Act Q2	Act Q3	Act Q4	Total Act	Projected	Act Q1	Proj Q2	Proj Q3	Proj Q4	Total Act	Projected	Projected	Projected
Canada	5.5	0	0	5.5	0	5.5	4.00						3.50	4.40	
Denmark	5.5	0	0	5.5	0	5.5	3.70						3.70	2.20	1.9
DfID	0.12	0.12				0.12									
Norway						0									
Netherlands	20.00		10.00		10.00	20	20.00						20.00	10.00	
Sweden	14.60		7.30		6.00	13.3	11.04		8.14	2.90			11.05	5.93	
Germany						0									
Finland						0									
EU						0									
USAID	1.00					0	1.00						1.00	1.00	1.00
JAPAN						0									
France						0									
Italy						0									
Ireland						0									
UNICEF						0									
UNFPA						0.25	0.25						0.25		0.25
TOTAL	46.72	0.12	17.30	11.00	16.00	44.67	39.99	0.25				0.25	39.50	23.78	1.25
Exchange rate	4000.00	4000.00	4000.00	4000.00	4000.00	4000.00	4000.00						4000.00	4000.00	4000.00
Kwacha Equivalent (K Billions)	186.88	0.48	69.20	44.00	64.00	178.68	159.96						158.00	95.12	5.00

MATRIX OF PROJECT LOANS

MTEF Period

DONOR/LEND OR AFRICAN DEVELOPMENT BANK	PROJECT/PROGRAMME	SECTOR	2008					2009					2010		2011		2012		2013	
			Projected	Act Q1	Act Q2	Act Q3	Act Q4	Total Act	Projected	Act Q1	Proj Q2	Proj Q3	Proj Q4	Total Act	Projected	Projected	Projected	Projected	Projected	
	ASIP-EP	Agriculture		1.90	0.50	0.70		3.10	0.00					0.00	0.00					
	Small Scale Irrigation	Agriculture			1.10	1.00		4.00	6.70					6.00						
	Education III	Education		0.80		0.98		0.88	0.00					0.00	0.00					
	Health Sector Support II	Health		0.40	0.20	0.70		1.30	0.00					0.00	0.00					
	Central Prov 8 Centres Water SS & Sanith	Water& Sanitation - Ministry of Local Government and Housing			4.10	0.70		2.80	1.20					0.40	0.00					
	Rural Water Supply and Sanitation Programme Project	Water and Sanitation Ministry of Local Government and Housing	5.10	0.20	0.00	0.10	0.30	7.60	10.80					10.10	0.00					
	National Water Supply and Sanitation Programme - Nkasa Water and Sewerage Company (NEW)	Water and Sanitation Ministry of Local Government and Housing					0.00	7.60						22.30	16.70					
	Health - Tezhi Power Project (NEW)	Energy					0.00	0.00						30.00	37.00					
	Lake Tanganyika Bio-Diversity Project (NEW)	Agriculture					0.00	1.30						1.30	1.30					
	Sub Total		5.10	3.30	5.90	3.48	5.00	17.68	27.60					70.10	55.00					0.00
WORLD BANK								0.00						4	0					
	Road Rehab & Maint. Project*	Transport - Roads	20.00	3.56	4.74	5.00	5.00	18.30	17.00					4	0					
	Copperbelt Env Project	Environment	3.00	0.83	0.48	1.00	1.50	3.79	8.00					3	2					
	TEVET	Education - Tech Edu & Vocas	2.00	1.19	0.90	0.00	0.00	2.11	0.00					0	0					
	SEED	Tourism/ Multi sector	5.00	1.23	0.38	2.46	2.50	4.97	5.00					0	0					
	Malaria Booster Program	Health	10.00	1.66	0.38	2.50	7.04	7.04	2.50					0.1	0					
	Public Sector Management Program Support Project	Public Sector Management	2.00	5.00	2.70	0.00	0.00	7.70	7.00					0	0					
	Increased Efficiency and Access to Electricity	Energy	0.00	0.00	0.00	0.00	0.00	0.00	6.60					6.6	6.6					
	Water Sector Performance Improvement Project *	Water& Sanitation	4.70	0.66	0.32	1.40	1.50	3.88	11.50					5.9	0					
	Sub Total		46.70	14.09	10.84	12.36	10.50	47.79	57.60					24.60	11.10					6.60
BADEA								0.00												
	Kapiri Mposhi Girls Tech High School	Education						0.00												
	Monju- Kalaba Road	Transport - Roads						0.00												
	Additional Loan (Morogou - Kasabo Road)	Transport - Roads						0.00												
	Kalaba - Angoka Border	Roads						0.00												
	Water supply to six towns	Water& Sanitation - Ministry of Local Government and Housing						0.00												
	Feasib Study Feeder Rds in the Copperbelt	Roads						0.00												
	Rehab of feeder Rds in the Copperbelt	Roads						0.00												
	Water& Sanitation - Ministry of Local Government and Housing	Water& Sanitation - Ministry of Local Government and Housing						0.00												
	Water supply to six towns	Water& Sanitation - Ministry of Local Government and Housing						0.00												

POVERTY REDUCTION BUDGET SUPPORT

(US\$million)

Donor	MTEF Period																	
	2007			2008				2009					2010		2011		2012	
	Act	Proj	Act Q1	Act Q2	Act Q3	Act Q4	Total Act	Proj	Act Q1	Proj Q2	Proj Q3	Proj Q4	Total Act	Proj	Proj	Proj	Proj	
GRANTS																		
Iceland																		
Norway	19	32.00	32.00				32.00		25.1				25.1				25.1	
Netherlands	10.8	15.00	13.60				13.60		12.9				12.9				14.84	
UK -d/w	47.4	41.6	38.2	14.6			52.80		41.3	21.8	19.58		41.3			49.7	45.7	45.7
General Budget Support	22.1						0.00											
Sector BS Health	2.9						0.00											
Ethiopia	6.8	7.20		6.80			6.80		6.5				6.5				6.5	6.5
Sweden	14.3	15.00	15.00				15.00		16.7				16.7				20.6	28.7
EU -d/w	41.6	68.70	6.80	37.93			82.23		90.3	69.0	38.7		69.0			95.63	87.89	95.14
General Budget Support																		
Sector BS Roads																		
Sector BS PEMFA																		
Sector BS Health	6.8	13.70	6.80	6.80			6.80		4.8	14.8	12.9		4.8			10.3	24.5	24.5
Germany																		
France																		
Japan																		
Italy																		
Canada																		
Subtotal Grants	146.7	187	105.6	66.13	32.9	4.6	209.23		205.62				184.34			221.20	181.58	188.83
LOANS																		
World Bank		10.00					0.00		20.00				20.00				30	20.00
AfDB		32.00	30.61				30.61		11.18				11.18				11.18	16.00
Subtotal Loans	0	42	30.61	0	0	0	30.61		31.175				31.175				31.175	36
TOTAL BUDGET SUPPORT	146.70	229.00	136.21	66.13	32.90	4.60	239.84		236.80				226.51			292.38	217.58	224.83
Exchange rate		4000.00	4000.00	4000.00	4000.00	4000.00	4000.00		4000.00				4000.00			4000.00	4000.00	4000.00
Kwacha Equivalent (K Billions)		916.0	544.8	264.5	131.6	18.4	959.4		947.2				947.2			1009.5	870.3	899.3

*Projections for years 2009&2010 are based on signed agreement

146.7 485.1 208.56 284.44 0 0 222.3 269.1 244.9 265.9 245.9

Division of Labour Matrix under the Joint Assistance Strategy for Zambia

Updated version of January 2009

Sector from NDP	Lead Ministry	China	ADB	BADEA	EC (excl. EIB)	IMF	KUWAIT FUND	OPEC	UN SYSTEMS	WB	CANADA	DENMARK	FINLAND	FRANCE	GERMANY	IRELAND	JAPAN	NETHERLANDS	NORWAY	SWEDEN	UK	USA	Total lead/active
Agriculture	MACO		●		●			●	◻			●				●			●	◻		◻	9
Decentralization	MLGH							●	◻			○			◻	●	◻	○			●	○	6
Education	MoE		○	○	●			●	●	☹	●				○	◻	●	◻	○		●	●	9
Energy	MEWD				○			○	◻								●		○	●			3
Gender	CO-GIDD							◻										●	●			●	4
Governance	MOJ				●			◻	●		●	○			●	●		●	●	☹	◻	●	10
Health	MOH		○		●			◻	●	●	☹					☹	●	●	☹	◻	◻	●	8
Housing	MLGH, MOL								●											☹		●	2
HIV/Aids	MOH							◻	●	○					○	○	●	●	○		◻	◻	6
Macro-economics	MOFNP				◻	●		○	◻		○	●			●	○		●	●	●	◻	○	9
Private Sector Dev.	CO-DSC/MCTI		●		●			●	◻			●					●	◻		☹	○	●	9
Social Protection	MCDSS		○					●	○							●					◻		4
Science and Tech.	MTEVT								☹														0
Tourism	MTENR								◻								●					●	4
Water (WR and WSS)	MEWD/MLGH		●		○			●	●		◻				◻	●	●						7
Transport	MWS/MCT		●		◻	●	●		●		●				☹		●			☹			7
Environment	MTENR							●	●		○	◻					●		●				4
Total lead responsibilities					3			4	6			1	1		2	1	1	2	0	2	5	3	

■ Non-signature to the WHIP MoU

◻ Lead CP ● Active CP ○ Background CP ☹ Phasing out

January 2009

**Joint Assistance Strategy for Zambia -
Updating of the Division of Labour of June 2006**

Explanatory Note

The purpose of this note is to highlight changes which have taken place or are proposed by sectors for no objection by Ministry of Finance. The changes have been inserted into an updated DoL matrix which is attached.

Changes agreed at sector level

Agriculture

The Netherlands' withdrawal from Agriculture has been completed as per end 2007. Norway is proposing to move from being a background partner to taking on a more active role since it is increasing its engagement in conservation agriculture and climate adaptation within agriculture, and would like to enhance its cooperation with MACO in this regard. AfDB is already active but is willing to assume a lead role in the sector in the future.

Decentralisation

The World Bank has for some time considered to switch from lead to active position in the sector. This position was confirmed after GRZ's indication of the way forward in the decentralisation sector during the High Level Policy Meeting on February 12, 2008. UK, Denmark and US have decided to withdraw their support to this sector.

Education

Canada's phasing out (as indicated in the matrix when the JASZ was agreed) has now been completed. Germany is coming in as a background partner (delegated cooperation with the Netherlands). The UK is proposing to shift from active to background partner. Norway has requested to take a background role due to lack of capacity.

Energy

Sweden has taken on a lead role as requested by the MoFNP in 2006. This has been discussed and agreed with the ministry of Energy as well as with CPs in the sector.

The AfDB is an active partner in the sector since several years back, which needs to be reflected in the matrix. The UN and the EC aim at stepping up their roles and become active partners whilst Norway will change to a background position, since it has very limited financial engagement in the sector other than "oil for development".

Environment

Norway continues as active and the UN are willing to consider taking on a lead role. Denmark is taking on an active role.

Gender

Ireland has requested to become an active partner due to likely financial support to the Gender Support Programme.

Annex 3A - Updated DOL Matrix-January 20, 2009

Governance

The co-leads have recently been reduced from three to two with DFID and UNDP remaining as overall sector co-leads, Norway's position here is active.. The US proposes to step down from active to background partner.

Health

The AfDB has ongoing projects with the GRZ which will be completed in 2009, and has been inserted as a background partner for the remainder of the FNDP period.

HIV/AIDS

After discussion with GRZ and other partners Ireland has taken on an active role (in order to provide a sub-lead in the area of orphans and vulnerable children). Germany is noted as a background partner. Norway has proposed to shift from an active to a background role..

Housing

Both the World Bank and the US are stepping down from active to background partners leaving the sector without leads or active CPs. Housing (and housing finance) has been supported by USAID regional operations in South Africa, but support for that sector even from regional sources will cease by September 2008.

Macro-Economics

The AfDB is proposing to become an active partner as it is now providing general budget support. Denmark is now an active partner due discussions of a possible future budget support. The UN, US and Canada have also become active.

Private sector development

The AfDB is already an active partner since many years back, having agreements with the Government, which are now reflecting in the matrix. After discussion with CIDA HQ, Canada decided to withdraw from this sector. Likewise Ireland has stepped down due to increased workload in other areas. Sweden is phasing out in 2009. UK on the other hand has requested to become an active partner. US has taken on a lead role and has the capacity at present to do so, and other interested parties have welcomed the proposal. The EC has stepped down from lead to become an active partner. The Netherlands intends to consult on handing over the lead role in PSD after the present JASZ period and remain in PSD as an active donor.

Science and technology

Proposing that UN becomes an active partner in view of the climate change adaptation activities.

Social protection

Germany withdrew from the sector at the end of 2007 as indicated already in 2006 during the initial discussion of the DoL. It is proposed that UNICEF become a co-lead donor. UNICEF currently actively coordinates UN participation in the sector and has strengthened capacity to provide technical inputs. Ireland has requested to become an active partner. AfDB is requesting to become a background partner rather than active, due to lack of capacity and it not being actively involved with financing in the sector at present.

Tourism

CPs suggest that that wildlife could be included under "Environment", not under "Tourism". This would mean that Norway would not be involved in Tourism at all, but rather follow up on its active role in the Environment sector.

Annex 3A - Updated DOL Matrix-January 20, 2009

Transport

As agreed with MoWS, Norway's support to the sector is coming to an end soon and it should therefore be indicated as phasing out in the matrix.

Water sector

CPs proposed to the concerned Ministries that the AfDB will become co-lead together with Germany and Denmark. This proposal was referred to Ministry of Finance and National Planning by Ministry of Local Government and Housing, cc to Ministry of Energy and Water Development. CPs therefore ask Ministry of Finance to facilitate a dialogue on the future DoL in the water sector between all concerned stakeholders. The US is taking on a background role. The Netherlands is phasing out from the Water sector after the present JASZ period.

Annex C of EAMR: Questions on the EU Aid Effectiveness targets.

The Commission has to report its performance annually against the four EU targets on aid effectiveness. The data for this will be collected through the EAMR reporting system. You are therefore requested to complete the questions below with specific information as noted so that the current baseline we have from the July 2007 EAMR can be tracked annually. The information will also be important for you to exchange with your government colleagues, NGOs and with other donors, including MS.

Delegations had difficulty completing the questionnaire for the July 2007 EAMR. Following discussions with them the guidance to measure each target has been made more specific, following the revised OECD guidance for the 2008 survey. We hope you find the new elements more helpful. If you would still like further clarifications please contact your desk officer in AIDCO.

Some Delegations will also be completing the OECD survey during Jan-March 08. Your responses below should make it much easier to answer the OECD survey.

Regional offices will have to complete Annex C separately for each country in their region.

Please note that within the strategy that EuropeAid in relation to EU Target 4 – reduce the number of uncoordinated missions by 50 % - a number of new points have been prepared:

- Delegations are invited to:

- list dates for HQ missions already planned for the immediate 6 months period and mention if they are not coordinated;
- Indicate to HQ what priority missions the Delegations estimate better serves coordination arrangements at local level for the following 6 months period.

The periods for missions, to be used in the January and July EAMR are as follows:

- In the 2008 January EAMR; Delegations list missions agreed for the period March to August 2008 and indicate their priorities for HQ in the period September 2008 to February 2009;
- In the 2008 July EAMR: Delegations list missions agreed for September 2008 to February 2009 and then indicate their priorities for HQ missions in the period March to August 2009.

1. EU Target No 1		
Channel 50% of government-to-government assistance through country systems, including by increasing the percentage of our assistance provided through budget support or SWAP arrangements		
2. Introduction		
<p>The aim is to collect information that allows us to measure this target. The information that is needed is both the total amount of ODA provided, as well as the extent to which country systems are used in providing this ODA. For these purposes the country systems are defined as covering four main areas: (i) national budget execution procedures; (ii) national financial reporting procedures; (iii) national auditing procedures; and (iv) national procurement systems. By treating each of these four areas as having a 25% weight and dividing by the total amount of ODA provided the information required can be calculated (hence the division by four – see part 4 below). In all cases the necessary information can be collected using the same definitions as those in the OECD/DAC "Definitions and Guidance" (see attached page which includes an extract of definitions relevant to this indicator)</p>		
3. Questions and definitions		
Question	Definition – OECD Ref	Response EUR (mio)
How much ODA did you disburse at country level for the government sector in FY 2007 (EUR)?	Qd2	54.7
How much ODA disbursed for the government sector in FY 2007 used national budget execution procedures (EUR)?	Qd7	42.38
How much ODA disbursed for the government sector in FY 2007 used national financial reporting procedures (EUR)?	Qd8	42.38
How much ODA disbursed for the government sector in FY 2007 used national auditing procedures (EUR)?	Qd9	42.38
How much ODA disbursed for the government sector in FY 2007 used national procurement procedures (EUR)?	Qd11	40.32
4. Definition of Indicator		
$[(Qd7 + Qd8 + Qd9 + Qd11) \div 4] \div [Qd2] \text{ (please calculate and enter as response \%)}$		76.6%
5. Additional information		
<p>Are there any significant initiatives in your country to promote the use of country systems? If so provide a list and a short description. If not, highlight the constraints to use of country systems (use additional space as needed)</p>		
<p>The GRZ has adopted in April 2007 an 'Aid Policy and Strategy' which encourages the donors as much as possible to use national systems, and declares that budget support is its preferred aid modality. Overall, the latest DAC survey for Zambia showed that 62% of aid disbursed for the Government sector was channelled using national systems, showing strong progress compared to the previous survey.</p>		

Definitions from "Definitions and Guidance" OECD/DAC

www.oecd.org/dataoecd/13/29/36306366.doc

ODA	<p>Official Development Assistance (ODA) includes all transactions as defined in OECD-DAC Statistical Directives para. 32 (see appendix), including official transactions that:</p> <ul style="list-style-type: none"> ▪ Are administered with the promotion of the economic development and welfare of developing countries as its main objective; and ▪ are concessional in character and convey a grant element of at least 25%.
Disbursements	<p>A disbursement is the placement of resources at the disposal of a recipient country or agency (see OECD-DAC Statistical Directives para. 15-18). Resources provided in kind should only be included when the value of the resources have been monetised in an agreement or in a document communicated to government. In order to avoid double counting in cases where one donor disburses ODA funds on behalf of another, it is the donor who makes the final disbursement to the government who should report on these funds.</p>
Government sector	<p>Administrations (ministries, departments, agencies or municipalities) authorised to receive revenue or undertake expenditures on behalf of central government.</p>
Disbursements for the government sector	<p>This category includes the disbursement of ODA in the context of an agreement with the government sector (see definition above), including works, goods or services delegated or subcontracted by government to other entities (e.g. NGOs, private companies).</p>
Use of national budget execution procedures (Q ^{d5})	<p>Donors use national budget execution procedures when the funds they provide are managed according to the national budgeting procedures as they were established in the general legislation and implemented by government. This means that programmes supported by donors are subject to normal country budgetary execution procedures namely procedures for authorisation, approval and payment.</p>
Use of national financial reporting procedures (Q ^{d6})	<p>Legislative frameworks normally provide for specific types of financial reports to be produced as well as for the periodicity of such reporting. The use of national financial reporting means that donors do not make additional requirements on governments for financial reporting. In particular they do <u>NOT</u> require:</p> <ul style="list-style-type: none"> ▪ The production of additional financial reports. ▪ Periodicities for reporting that are different from government's normal reporting cycle. ▪ Formats for reporting that do not use government's existing chart of accounts.
Use of national auditing procedures (Q ^{d7})	<p>Donors rely on the audit opinions, issued by the country's supreme audit institution, on the government's normal financial reports/statements as defined above. The use of national auditing procedures means that donors do not make additional requirements on governments for auditing.</p>
Use of national procurement procedures	<p>Donors use national procurement procedures when the funds they provide for the implementation of projects and programmes are managed according to the national procurement procedures as they were established in the general legislation and implemented by government. The use of national procurement procedures means that donors do not make additional, or special, requirements on governments for the procurement of works, goods and services. (Where weaknesses in national procurement systems have been identified, donors may work with partner countries in order to improve the efficiency, economy, and transparency of their implementation).</p>

1. EU target 2		
Provide all capacity building assistance through coordinated programmes with an increasing use of multi-donor arrangements ¹		
2. Introduction		
<p>EU target 2 aims to measure progress in aligning and coordinating support for capacity development. It's closely linked with indicator 4 of the Paris Declaration. Therefore, the term "capacity building" used in the EU target is interpreted as "technical cooperation". This use of the DAC definitions allows consistency with the DAC monitoring of the Paris Declaration.</p> <p>The term "coordinated" also refers to the DAC definition which covers the following principles: ownership of TC by partner countries, alignment of TC with countries/local strategies and objectives and, where more than one donor is involved, harmonisation of TC among donors.</p> <p>To avoid confusion, we strongly advise that you use the definitions given in the OECD guidance, by clicking on the link http://www.oecd.org/dataoecd/13/29/36306366.doc. DAC criteria on this indicator are being updated to make them easier to use and in January the final version to be used for monitoring the indicators in 2008 will be available on this site.</p> <p>Finally please note that a separate AIDCO initiative on EU target 2, related to preparing a strategy for achieving the target, is ongoing in 46 Delegations. Through this EAMR however, we hope to capture information from all delegations. Questions 1 and 2 below seek quantitative information on technical cooperation. Section 4 seeks qualitative information from delegations not participating in the survey launched by AIDCO (46 Delegations contacted) and provides the opportunity to share your experience and views.</p>		
3. Questions and definitions		
1	How much technical cooperation did you disburse in 2007 (Total TC in EUR)? <i>OECD question reference in the Paris survey : Q^d5</i>	Euro mio 5.27
2	How much technical cooperation did you disburse through co-ordinated programmes in support of capacity development in 2007 (EUR)? <i>OECD question reference in the Paris survey : Q^d6</i>	Euro mio 4.75
4. Definition of Indicator		
3	$Q^d 5 / Q^d 6$ (please calculate this and enter in the next column as %)	90%

¹ Despite the different wording the target is interpreted to correspond to Paris Declaration indicator 4. Please pay particular attention to the definition for the question Q^d4.

5 Additional Information

4

Qualitative information² :

Are there any significant initiatives to promote coordinated technical cooperation in your country? Yes there are.

If so, please provide a short description. And indicate whether they are linked to the Code of Conduct / Division of Labour process or any other "EU initiatives"

As part of the broader issue of public sector reforms (and the necessary comprehensive public pay reform), and the need to avoid distorting even further the system, CPs in Zambia have reached a consensus agreement on harmonising allowances for public officers involved in cooperation programmes/projects funded by CPs. CPs are also encouraging line ministries to be in the driver's seat when identifying TC/CD and training programmes. This is part of the broader JASZ initiative, and not linked in particular to the CoC, though inspired by it.

If not, highlight key constraints delaying joint work on TC and capacity development.

Please note any other comments you have on these issues

² These questions are taken from the survey on " Developing an EuropeAid Strategy on TC and PIU" sent to delegations which are members of the Aid Effectiveness Network. **They need to be answered by delegations who are not participating in this survey.**

1. EU target 3		
Avoid establishment of new project implementation units (PIUs).		
2. Introduction		
<p>EU target 3 aims to assess progress towards strengthening local capacity by tracking the number of PIUs put in place to manage projects and programmes. It is linked to indicator 6 of the Paris Declaration. This target is interpreted as "avoiding the establishment of new parallel PIUs"</p> <p>To avoid confusion, we strongly advise that you use the definition of parallel PIUs given in OECD guidance, by clicking on the link http://www.oecd.org/dataoecd/13/29/36306366.doc. DAC criteria for this indicator are being updated to make them easier to use and in January the final version to be used for monitoring the indicators in 2008 will be available on this site.</p> <p>Finally please note that a separate AIDCO initiative on EU target 2, related to preparing a strategy for achieving the target, is ongoing in 46 Delegations. Through this EAMR however, we hope to capture information from all delegations. Questions 1 and 2 below seek quantitative information on technical cooperation. Section 4 seeks qualitative information from delegations not participating in the survey launched by AIDCO (46 Delegations contacted) and provides the opportunity to share your experience and views.</p>		
3. Questions and Definitions		
1	How many parallel project implementation units funded by EC were in operation in December 2007? <i>OECD question reference in the Paris survey : Q^d12</i>	1
2	Out of these, how many <u>new</u> parallel project implementation units were established during 2007?	0
4. Additional Information		
3	<p>Qualitative information³:</p> <p>Are there any significant initiatives to avoid the establishment of parallel PIUs in your country? Within the JASZ, and in compliance with the GRZ Aid Policy and Strategy, CPs in Zambia are striving to reduce their number of PIUs. However, because of a definitional change between the 2006 and 2008 OECD-DAC surveys, more PIUs are recorded in 2008 (34, compared to 24 in 2006).</p> <p>What in your opinion should be done to increase domestic ownership and quality of project implementation arrangements? The weak capacity in line ministries to manage and coordinate projects is the main constraint for reducing the number of PIUs; this also includes weak leadership from Government side on driving what is expected from various projects and how they can best benefit public officials.</p> <p>If so, please provide a short description. If not, highlight key constraints.</p> <p>Please note any other comments you have on these issues</p>	

³ These questions are taken from the survey on " Developing an EuropeAid Strategy on TC and PIU" sent to delegations which are members of the Aid Effectiveness Network. **They need to be answered by delegations who are not participating in this survey.**

1. EU Target No 4

Reduce the number of uncoordinated missions by 50%.

2. Introduction

The aim is to collect data on the number of uncoordinated EC Missions to your country. The information needed is (a) the total number of EC Missions to your country and (b) how many of these were coordinated.

The Paris Declaration **objectives** underlying the related indicator of progress for coordinated missions are: "In planning their missions to the field⁴ it is important that donors: Conduct **fewer missions, coordinate timing of missions** with partner authorities and, where necessary, with other donors, *conduct more joint missions, avoid conducting missions during "mission free periods"*⁵.

Coordinated mission is a mission undertaken by 2 or more donors jointly, or by one donor on behalf of another. In practice, the following 3 questions help to clarify what is meant by a mission:

1. Does the mission involve international travel to a beneficiary country? i.e. **this concerns only missions from HQ, not missions undertaken within the country by the Delegation.**
2. Does the mission involve a request to meet with government officials, including local government?
3. Is this mission undertaken by 2 or more donors jointly? Or is it done by an HQ service also on behalf of another donor?

The Definitions and Guidance of the OECD (www.oecd.org/dataoecd/13/29/36306366.doc) requires that missions undertaken by consultants contracted by AIDCO (or other DGs), if they meet the 3 above questions, must also be included.

3. Questions and definitions

OECD ref: Q ^d 16	How many HQ missions to the field were undertaken in FY 2007? ⁶	3
Q ^d 17	How many of these were coordinated?	0
Please provide a breakdown of missions the Commission and its services have undertaken to your country in FY 2007 in the table below:		
Missions by:	Coordinated	Uncoordinated
Members of Commission		
AIDCO		1
DEV		1
RELEX		
TRADE		
ECHO		
FISH		
OTHER DGs		
Consultants contracted by the Commission		1
Total		3

⁴ 'Field' refers to the country in general including missions to the capital only.

⁵ The target set for 2010 for indicator 10 a) is to have 40% of donor missions to the field as joint.

⁶ This question applies to the missions from the HQ

4. Definition of Indicator		
Q ^d 17 / Q ^d 16	2006	2007
Please calculate and enter in the column for 2007 and also include the figure for this indicator for 2006 ;	33%	0%

5. Additional Information			
Delegations are invited to list the dates for main HQ missions already planned for the March 2009 to August 2009, indicating whether they are, or not, to be coordinated with other donors;			
HQ DG	Date planned	Purpose/Sector	Coordinated (Yes/No)
CAB, Louis Michel – 3-7 March – Development in general – NO			
CAB, Androulla Vassiliou – 8-11 April – Health and SPS – NO			
Trinnex conference (Proinvest & Aidco C4) – around 15 June - PSD/Regional - NO			
DEV/AIDCO – 6-7 April 2009 - North-South corridor donor conference Regional A4T – YES			
AIDCO C.5 – May 2009 – Audits (national and regional) - NO			
Delegations are suggested to indicate higher priority requests for HQ missions needed from September 2009 to February 2010, but not yet agreed with HQs, that the Delegation estimates serve better the coordination arrangements at local level and can yield more added value for the policy dialogue.			
HQ DG	Date planned	Purpose/Sector	Donor(s) involved
AIDCO - Oct/Nov 2009 - PRBS review/approval of new PAF - DFID, EC, FL, Ger, NL, NW, SW, WB, ADB			
AIDCO E.6 – n/a – Environment (SEA, EIA) both for national and regional – TBC			
Delegations are asked to briefly inform if there are significant initiatives to decrease the number of uncoordinated missions in your country? If so, please provide a short description. If not, highlight key constraints.			
Mission-free period: November to January (budget preparation) should be respected.			
Finally, Delegations are asked to assess the likelihood of meeting, by 2010, the twin targets for missions, ie. the OECD target of 40% and the EU target of halving the number of un-coordinated missions.			
- OECD target of 40% likely to be met:		Yes	
- EU target of halving the number of un-coordinated missions:		Yes	
Delegations are asked to briefly indicate what additional steps HQ should be prepared to consider to help in achieving those targets at the level of the beneficiary country concerned:			
> respect the mission-free period			
> link the mission to major events with national authorities (GBS Review, High-Level Policy Dialogue, National Poverty Conferences			

Other aid effectiveness related information

On 4 July 2007 our Counsellors Louis Michel and Benita Ferrero-Waldner wrote to all Heads of Delegations requesting implementation of the Code of Conduct for Division of Labour. Several Delegations have responded and have attached their progress reports on aid effectiveness. We need information on the specific points below:

1. Paragraph 5 of the Council conclusion on Division of Labour notes:

"Simultaneously with the implementation of the Code of Conduct, the Member States and the Commission **will promote wide discussions with partner countries and other donors on complementarity and division of labour**, based on the EU code of Conduct which will be complemented by first experiences in the field. **The outcome of these discussions would constitute an input to the OECD/DAC partnership and the High Level Forum on Aid Effectiveness III that will take place in Accra, Ghana in 2008.** The Council invites the **incoming Presidencies to actively support such a process**, in close cooperation with the Member States and the Commission." (Highlights by AIDCO 01)

1.1 Have the discussions with partner countries and other donors been held?

(a) **If yes**, when and what was the result? Please describe in brief how these talks are progressing. Discussions with GRZ started already back in 2004 when a Wider Harmonisation In Practice (WHIP) MoU was signed by 10 Cooperating Partners (CPs). These efforts preceded the Paris Declaration and already identified the need to develop a Division of Labour (DoL) among CPs. With the Government adoption of a 5th National Development Plan (FNDP), in April 2007 the WHIP evolved into a Joint Assistance Strategy for Zambia (JASZ), signed by 17 CPs, where a clear DoL was agreed, fully aligned to the FNDP. Discussions among CPs were very inclusive, and did not only derive from the EU agenda.

(b) **If no**, are there plans to hold them? If yes, please describe briefly what the plans are.

1.2 What input on division of labour is planned by the partner country towards HLF III? If none, then leave blank. Due to the sudden death of its President, Zambia was not represented in Accra.

2 In paragraph 14 the Council invites the Commission to outline Community implementation of the Code of Conduct in its annual report on development cooperation, including: '**a self-assessment in its potential areas of comparative advantage** as referred to in the joint Development Policy Statement'. (highlights by AIDCO 01)

2.1 What action has been taken towards this self assessment of comparative advantage?

(a) If yes, please describe the process in brief and the results.

(b) If no, do you have any plans for initiating such a process? What are the plans? No self-assessment carried-out, this was superseded by the JASZ discussions.

3 In country that have already initiated some form of division of labour:

3.1 Please describe the process. (e.g., when did it start; partner country leadership; donors involved; results on the ground, etc).

The JASZ, see reply to question 1.1, seeks to rationalize and coordinate interventions by CPs within the framework of the FNDP and to establish a DoL, which was agreed by GRZ and CPs in June 2006. The objective is to "de-congest" sectors that were oversubscribed, with a reduced number of lead partners in each sector, to act under agreed terms of reference. The selection of leading donors has

been done not only examining the amount of resources committed, but also the sector technical capacities of the possible leading donor.

3.2 As a result of this process, did the Delegation:

- Reduce or expand the sectors in which it remains active? Reduce
- Exit from any sectors? Education
- Enter any new sectors? n/a
- Become lead donor in any sectors? EC is Lead in Macro-economics and Transport
- Enter into delegated cooperation partnerships? Being developed under the 10th EDF: Under the Access to Justice Project, the Delegation envisages the signing of a Delegation Agreement with GTZ, who would manage the implementation of the EC's 6 M EURO contribution.

Zambic

PAYMENTS

SUMMARY of PAYMENTS on ONGOING DECISION	Realised January 2009	FORECAST June-December 2009				TARGET of the YEAR
		2nd SEM	LOW	MEDIUM	HIGH	
	81,225,147	60,121,579	20,983,568	120,000	70,613,363	
PAYMENTS on NEW DECISION	32,500,000	2,500,000	30,000,000	0	17,500,000	
TOTAL FORECAST PAYMENTS	113,725,147	62,621,579	50,983,568	120,000	88,113,363	

	2010			TARGET of the YEAR
	LOW	MEDIUM	HIGH	
	50,026,360	43,683,000	21,768,461	71,867,960
	2,100,000	300,000	3,840,000	2,250,000
	52,126,360	43,983,000	25,608,461	74,117,960

CONTRACTS

SUMMARY of CONTRACTS on ONGOING DECISION	Realised January 2009	FORECAST June-December 2009				TARGET of the YEAR
		2nd SEM	LOW	MEDIUM	HIGH	
	259,176,000	191,838,007	66,985,092	382,900	225,315,554	
CONTRACTS on NEW DECISION	34,600,000	2,661,538	31,938,462	0	18,630,769	
TOTAL INDIVIDUAL COMMITMENTS	293,776,000	194,499,546	98,923,554	382,900	243,946,323	

	2010			TARGET of the YEAR
	LOW	MEDIUM	HIGH	
	41,793,487	36,494,058	18,186,010	50,040,516
	16,696,721	2,385,246	30,531,148	17,889,044
	58,490,208	38,879,304	48,717,158	77,929,560

NEW DECISIONS

SUMMARY of TOTAL NEW GLOBAL COMMITMENTS	FORECAST June-December 2009				TARGET of the YEAR
	2nd SEM	LOW	MEDIUM	HIGH	
	39,600,000	9,600,000	30,000,000	0	24,600,000

	2010			TARGET of the YEAR
	LOW	MEDIUM	HIGH	
	0	49,000,000	11,000,000	21,500,000

DECOMMITMENTS

DECOMMITMENT 2009 from the DECISION	1,947,074
-------------------------------------	-----------

Reg-ZAMBIA

				INDIVIDUAL COMMITMENT ENGAGEMENT INDIVIDUEL				PAYMENT PAIEMENT				DECOMMIT 2009 DEGAGEMENT 2009		CONTROL	
				Situation 01/01/09		Forecast / Prévisions		Situation 01/01/09		Forecast / Prévisions		Return to NIP	Return to Project	RAC	RAP
Date	Accounting Number Numéro Comptable	TITLE of Project INTITULE du Projet	GLOBAL Commit' Engagem' GLOBAL	Contracted Contracté	RAC	2009	2010	Paid Payé	RAP	2009	2010	Retour au PIN	Retour au Projet	after Forecast après Prévisions	after Forecast après Prévisions
				156.560.041	19.105.181	12.095.861	2.653.239	57.435.264	99.124.777	41.062.709	42.448.871	1.900.103	0		
1995	9ACP RPR22	(EX 07 P242) (EX 05 P449) (PTA) COMPUTERIS. OF CUSTOMS +	990.000	990.000	0	0	0	971.929	18.071	0	0	0	0	0	18.071
1999	8ACP ROR1	REGIONAL HARMONISATION OF CUSTOMS & TRADE STATS. SYSTEMS	12.012.214	11.991.775	20.439	0	0	11.673.960	317.816	0	0	0	0	20.439	317.816
2001	8ACP ROR2	START-UP OF AFRICAN TRADE INSURANCE AGENCY	740.000	369.750	370.250	0	0	369.750	0	0	0	0	0	370.250	0
2003	9ACP RSA3	SUPPORT TO THE SECRETARIAT OF THE INTER-REGIONAL	8.700.000	7.973.475	726.525	132.000	0	6.010.869	1.962.606	181.884	0	1.900.000	0	594.525	-119.278
2004	9ACP RSA16	REGIONAL INFORMATION AND COMMUNICATIONS TECHNOLOGIES SUPPORT	21.000.000	19.814.088	1.185.912	99.000	200.000	11.785.517	8.028.571	7.524.907	200675	103	0	886.912	45.005
2004	9ACP RSA19	REGIONAL INTEGRATION SUPPORT PROGRAMME (RISP)	33.500.000	33.500.000	0	0	0	24.484.952	9.015.048	6.500.000	2515048	0	0	0	0
2007	9ACP RPR11	F.A. ZAMBIA : 1ST CFP ACP-EU WATER FACILITY: INTEGRATED	3.750.000	1.836.300	1.913.700	20.000	1.692.614	757.953	1.078.347	1.098.347	1684614	0	0	201.086	-1.704.614
2007	9ACP RPR11	F.A. ZAMBIA : 1ST CFP ACP-EU WATER FACILITY: DEVOLUTION	4.092.258	0	4.092.258	2.461.008	705.625	0	0	2.461.008	705625	0	0	925.625	-3.166.633
2007	9ACP RPR17	RURAL ELECTRICITY INFRASTRUCTURE AND SMALL SCALE PROJECTS	9.980.750	0	9.980.750	8.763.409	0	0	0	1.803.000	6959726	0	0	1.217.341	-8.762.726
2007	9ACP RSA25	REGIONAL INTEGRATION SUPPORT MECHANISM (RISM)	74.788.292	74.788.292	0	0	0	90.445	74.697.847	20.215.000	30228000	0	0	0	24.254.847
2007	9ACP RSA26	REGIONAL INTEGRATION SUPPORT MECHANISM (RISM) PART 2	3.211.708	3.211.708	0	0	0	0	3.211.708	0	0	0	0	0	3.211.708

BUDGET LINES

Domain	Number	Title	Expiry date	Contractor	Planned	Paid	Balance	FORECAST PAYMENTS						
								2009 S1	2009 S2	2010 S1	2010 S2	2011 S1	2011 S2	> 2011
NSAPVD	171185	Increase and improvement of education and vocational training opportunities	1/03/2012	COE	625.000,00	0	625.000,00	204.235,00		179.132,00		179.133,00		62.500,00
NSAPVD	171464	Basic Education Support in Zambia	15/03/2012	CELIM	766.741,00	0	766.741,00	316.518,00		186.774,00		186.775,00		76.674,00
NSAPVD	171584	Partnerships for Improved Community School Performance	31/03/2011	WORLD VISION UK	666.391,00	0	666.391,00	262.870,00		336.881,00			66.640,00	
NSAPVD	171693	CASE - Civil Society for Advocacy, Sensitisation and Empowerment	31/01/2013	MS ZAMBIA	566.868,00	0	566.868,00	133.506,00		125.558,00		125.558,00		182.246,00
NSAPVD	172574	Project to enhance LGAZ's contribution to Local Governance Reform	29/02/2012	LGAZ	497.738,00	0	497.738,00	144.450,00		151.757,00		151.757,00		49.774,00
ENV	81644	Scaling Up Benefits for Rural Area Populations (SUBRAP)	31/12/2009	AWF	2.499.999,00	1.793.995,00	706.004,00	456.000,00			250.004,00			
ENV	131594	Protecting the Environment and Natural Resources through Trade in High Value	31/12/2009	AFRICA NOW LBG	687.626,00	277.078,00	410.548,00	170.892,00		170.893,00		68.763,00		
FOOD	111553	Food Aid and Food Security Programme for the HBC of Dioceses of Monze	1/03/2007	CELIM	343.135,00	332.660,47	10.474,53	Project finished. Balance to be decommitted						
FOOD	111739	VSO Food Aid and Food Security Programme; Promoting a coordinated	23/06/2008	VSO	306.777,00	276.099,00	30.678,00	Project finished. Balance to be decommitted						
FOOD	112242	Improving the food and livelihood security of communities affected by HIV and Aids	31/05/2008	PRACTICAL ACTION LIMITED	350.000,00	315.000,00	35.000,00	35.000,00						
FOOD	121553	Safety Nets for HIV/AIDS Infected and Affected	31/05/2008	CARE NEDERLAND	750.000,00	675.000,00	75.000,00	75.000,00						
FOOD	128658	Food Assistance and Food Security for PLWHA Households of the Home Based	28/02/2009	CELIM	749.938,00	674.944,00	74.994,00			74.994,00				
FOOD	128659	Livelihoods Rehabilitation Project	30/04/2009	OXFAM GB LBG	500.062,00	450.056,00	50.006,00		50.006,00					
FOOD	145865	Project for the reduction of nutritional vulnerability in Western Province	31/01/2010	ACTIONAID CO LTD	670.099,00	217.900,00	452.199,00	385.189,00			67.010,00			
FOOD	145919	Improving food security of vulnerable people in Senanga district	1/02/2010	ADRA	539.181,00	269.618,00	269.563,00	215.644,00			53.919,00			
FOOD	146547	Food Security Initiative for Vulnerable Households (FSIV) in Kabompo and Kaoma Rural Livelihood Improvement Project	31/12/2009	KEEPERS ZAMBIA FOUNDATION	638.794,00	574.914,00	63.880,00		63.880,00					
ONG-PVD	20796	CHIKWANDA MUKUNGULE INITIATIVE FOR POVERTY REDUCTION - ZAMBIA	1/01/2008	HARVEST HELP	537.070,00	530.717,07	6.352,93	Project finished. Balance to be decommitted						
ONG-PVD	65232	Integration of HIV/AIDS/STD Interventions into Reproductive Health	1/10/2008	HARVEST HELP	606.886,00	546.198,00	60.688,00	60.688,00						
ONG-PVD	65311	PROJECT FOR THE REDUCTION OF POVERTY (PROP) EASTERN	1/03/2007	HORIZONT 3000	452.081,15	417.779,75	34.301,40	Project finished. Balance to be decommitted						
ONG-PVD	95456	Coordinated Response to Sexual and Gender Based Violence (SGBV) in	31/12/2010	HARVEST HELP	627.292,00	356.869,00	270.423,00	103.847,00		103.847,00			62.729,00	
ONG-PVD	96491	BLOCK GRANT 2004	30/04/2008	CARE INTERNATIONAL	745.811,48	671.230,48	74.581,00	74.581,00						
ONG-PVD	96822	Strengthening Partnerships with Disabled People in Zambia	31/12/2008	HARVEST HELP	419.759,71	377.783,71	41.976,00		41.976,00					
ONG-PVD	118876	Strengthening community embedded access to treatment and improved coping	31/12/2009	ADD	750.000,00	217.790,00	532.210,00	228.605,00		228.605,00		75.000,00		
ONG-PVD	119108	The Provision of Safe Water, Sanitation and Hygiene Promotion for Most	31/12/2009	CORDAID	714.257,25	227.047,00	487.210,25	Project to be cancelled and advance payment to be recovered						
ONG-PVD	119641	Social economic empowerment of rural communities in southern province	31/03/2010	WATERAID LBG	750.000,00	456.894,00	293.106,00		218.106,00		75.000,00			
ONG-PVD	134758	Strengthening Community Management of Water Resources for Multiple Uses	31/12/2011	FOLKEKIRKENS NODHJALP	604.500,00	143.000,00	461.500,00	133.683,00		133.683,00		133.684,00		60.450,00
ONG-PVD	134771	Profitable Organic Vegetable Production for Rural Producers in Southern Province	31/12/2011	PLAN INTERNATIONAL	750.000,00	116.864,00	633.136,00	186.045,00		186.045,00		186.046,00		75.000,00
ONG-PVD	134880	Expansion of Coordinated Response to Sexual and Gender-Based Violence	1/02/2011	AFRICA NOW LBG	609.800,00	207.305,00	402.495,00	170.757,00		170.758,00			60.980,00	
ONG-PVD	135414	Achieving Gender Equality in Education	31/01/2010	CARE DEUTSCHLAND	750.000,00	320.418,00	429.582,00	354.582,00		75.000,00				
ONG-PVD	135456	THEME II/ Strengthening Tuberculosis, AIDS and Malaria Prevention	12/12/2011	CAMFED INTERNATIONAL	584.893,11	104.105,00	480.788,11	140.766,00		140.766,00		140.767,11		58.489,00
SANTE	105009		31/10/2011	CARE DEUTSCHLAND	4.953.975,00	1.701.633,00	3.252.342,00	918.981,00		918.982,00		918.981,00		495.398,00
					25.014.674,70	12.252.898,48	12.761.776,22	4.771.839,00	373.968,00	3.108.675,00	520.933,00	2.166.464,11	190.349,00	1.060.531,00

Annex 5. Zambia - Country Portfolio as of 27 January 2009

Own Resources

Contract no	Project	Mandate	Status	Signature date	Loan amount	Amount disbursed	Amount cancelled	Amount to be disbursed	Amount outstanding	First Repayment Date	Last Repayment Date
10785	DBZ PG I ZAMBIA	LOME - CONVENTION 1	Reimbursed	31/08/1978	2.500.000,00	2.500.000,00	-	-	-	28/02/1983	31/08/1990
11112	RCM COBALT ZAMBIA	LOME - CONVENTION 1	Reimbursed	24/09/1980	8.000.000,00	8.000.000,00	-	-	-	20/09/1983	20/09/1990
11302	DBZ PG II ZAMBIA	LOME - CONVENTION 2	Reimbursed	30/09/1981	6.500.000,00	6.158.300,00	341.700,00	-	-	25/03/1986	25/09/1991
11371	NCCM TLP3 ZAMBI	LOME - CONVENTION 2	Reimbursed	17/12/1981	25.000.000,00	25.000.000,00	-	-	-	15/05/1985	15/11/1996
23719	LUMWANA COPPER PROJECT C	ACCORD DE COTONOU	Disbursed	29/11/2006	18.000.000,00	15.710.646,43	2.289.353,57	-	14.725.565,60	31/03/2009	30/09/2015
23945	MUNALI NICKEL PROJECT	ACCORD DE COTONOU	Disbursed	27/04/2007	29.505.053,00	29.505.053,00	-	-	14.370.913,27	30/06/2009	31/12/2013
					89.505.053,00	86.873.999,43	2.631.053,57	-	29.096.478,87		

EDF

Contract no	Project	Mandate	Status	Signature date	Loan amount	Amount disbursed	Amount cancelled	Amount to be disbursed	Amount outstanding	First Repayment Date	Last Repayment Date
70107	CHILANGA CEMENT I	LOME - CONVENTION 1	Reimbursed	6/01/1978	84.000,00	76.572,01	7.427,99	-	-	31/10/1979	30/04/1984
70011	DEVELOPMENT BANK OF ZAMBIA	LOME - CONVENTION 1	Disbursed	31/08/1978	548.420,55	82,25	-	-	82,25		
70165	CHILANGA CEMENT II	LOME - CONVENTION 1	Reimbursed	16/01/1980	2.800.000,00	2.627.625,21	172.374,79	-	-	15/07/1987	15/01/2000
70239	DBZ PG II	LOME - CONVENTION 2	Reimbursed	30/09/1981	1.500.000,00	1.282.000,00	218.000,00	-	-	25/03/1986	25/09/2006
70565	TAZAMA PIPELINE REHABIL. STUDY	LOME - CONVENTION 2	Reimbursed	23/09/1985	500.000,00	243.566,41	256.433,59	-	-	15/09/1988	15/09/1992
70024	DBZ III PROJECT	LOME - CONVENTION 3	Disbursed	3/03/1987	43.562,08	493,53	-	-	493,53		
70648	DBZ GLOBAL LOAN III	LOME - CONVENTION 3	Disbursed	3/03/1987	10.000.000,00	10.000.000,00	-	-	-	30/06/1995	30/06/2003
70755	TAZAMA PIPELINE REHABILITAT.	LOME - CONVENTION 3	Reimbursed	15/11/1988	13.000.000,00	13.000.000,00	-	-	-	30/10/1994	30/10/2008
70820	ZEGA COLD STORAGE	LOME - CONVENTION 3	Reimbursed	5/12/1990	1.200.000,00	1.200.000,00	-	-	-	20/11/1995	20/11/2002
70872	ZESCO POWER REHABIL. STUDY	LOME - CONVENTION 3	Reimbursed	17/02/1992	175.000,00	170.663,00	4.337,00	-	-	31/01/1997	31/01/2002
70891	GAMMA PHARMACEUTICALS	LOME - CONVENTION 4	Disbursed	20/11/1992	3.000.000,00	3.000.000,00	-	-	1.359.592,59	15/11/1998	15/11/2004
70898	SWARP SPINNING MILLS - ZAMBIA	LOME - CONVENTION 4	Disbursed	16/12/1992	2.500.000,00	2.500.000,00	-	-	2.500.000,00	15/11/2003	15/11/2007
70899	SWARP SPINNING MILLS - ZAMBIA	LOME - CONVENTION 4	Disbursed	16/12/1992	4.500.000,00	4.500.000,00	-	-	3.375.000,00	15/11/1997	15/11/2004
70955	ROSE PRODUCERS LINE OF CREDIT	LOME - CONVENTION 4	Disbursed	29/04/1994	5.500.000,00	5.500.000,00	-	-	1.198.884,63	30/06/1998	30/06/2008
70981	TAZAMA PIPELINES II	LOME - CONVENTION 4	Disbursed	12/12/1994	18.000.000,00	15.712.539,41	2.287.460,59	-	1.571.254,04	20/11/2000	20/11/2009
71008	ROSE PRODUCERS LINE OF CREDIT	LOME - CONVENTION 4	Disbursed	9/08/1995	3.000.000,00	3.000.000,00	-	-	1.289.994,67	30/06/1999	30/06/2005
71020	SWARP SPINNING MILLS II	LOME - CONVENTION 4	Disbursed	16/10/1995	6.000.000,00	6.000.000,00	-	-	6.000.000,00		
71030	CREDIT FACILITY-IND. SECT FIN	LOME - CONVENTION 4	Reimbursed	20/11/1995	467.000,00	467.000,00	-	-	-	15/09/1999	15/09/2004
71031	CREDIT FACILITY-IND. SECT FIN	LOME - CONVENTION 4	Reimbursed	20/11/1995	496.000,00	316.001,00	179.999,00	-	-	15/09/1999	15/09/2004
71043	CREDIT FACILITY-IND. SECT FIN	LOME - CONVENTION 4	Disbursed	20/11/1995	9.037.000,00	8.631.090,85	405.909,15	-	655.625,39	15/09/1999	15/09/2004
71045	IND. SECT. FIN. ZVCF	LOME - CONVENTION 4	Reimbursed	7/02/1996	1.950.000,00	1.890.903,02	59.096,98	-	-		
71046	IND. SECT. FIN. FIS	LOME - CONVENTION 4	Reimbursed	7/02/1996	50.000,00	49.097,37	902,63	-	-		
71116	ZESCO KARIBA NORTH PROJECT	LOME - CONVENTION 4 - PRO	Disbursed	3/09/1998	21.000.000,00	21.000.000,00	-	-	14.495.165,14	20/07/2003	20/07/2012
71117	ZESCO VICFALLS	LOME - CONVENTION 4 - PRO	Disbursed	3/09/1998	20.500.000,00	20.500.000,00	-	-	14.067.099,98	20/07/2003	20/07/2012
71144	CAPITAL INV. LINE GL - ZAMBIA	LOME - CONVENTION 4 - PRO	Disbursed	22/12/1998	15.000.000,00	15.000.000,00	-	-	(100.000,00)	31/10/2002	31/10/2007
20752	SMALL SCALE MINING SECTOR LOAN FACILITY A	LOME - CONVENTION 4 - PRO	Disbursed	12/10/2000	6.662.432,44	6.662.432,44	-	-	2.325.907,48	10/10/2004	10/10/2009
21000	CAPITAL INVESTMENT LINE GL II - A	LOME - CONVENTION 4 - PRO	Disbursed	4/04/2001	15.170.808,41	15.170.808,41	-	-	4.533.429,73	1/04/2006	1/04/2011
21242	LUMWANA FEASIBILITY STUDY	LOME - CONVENTION 4 - PRO	Disbursed	8/10/2001	7.000.000,00	7.000.000,00	-	-	5.250.000,00	30/09/2007	30/09/2014
21657	BWANA MKUBWA MINING EXPANSION	LOME - CONVENTION 4	Reimbursed	9/08/2002	14.000.000,00	14.000.000,00	-	-	-	15/07/2003	15/07/2008
22151	CAPITAL INVESTMENT LINE GL II - B	LOME - CONVENTION 4 - PRO	Disbursed	14/07/2003	24.829.191,59	23.887.936,41	941.255,18	-	19.168.319,20	1/07/2008	1/07/2013
22358	KANSANSHI COPPER MINE	ACCORD DE COTONOU	Disbursed	11/12/2003	34.000.000,00	34.000.000,00	-	-	26.444.444,44	31/10/2007	31/10/2015
22941	MOPANI COPPER PROJECT	ACCORD DE COTONOU	Disbursed	25/02/2005	48.000.000,00	38.952.614,64	9.047.385,36	-	30.257.957,89	15/12/2007	15/12/2016
23309	ZESCO KARIBA NORTH II	ACCORD DE COTONOU	Signed	9/12/2005	7.600.000,00	6.509.428,00	-	1.090.572,00	6.509.428,00	5/09/2012	5/03/2023
23717	LUMWANA COPPER PROJECT A	ACCORD DE COTONOU	Disbursed	29/11/2006	48.000.000,00	37.299.515,11	10.700.484,89	-	40.899.532,16	31/03/2009	30/09/2015
23718	LUMWANA COPPER PROJECT B	ACCORD DE COTONOU	Disbursed	29/11/2006	19.000.000,00	13.476.988,50	5.523.011,50	-	15.080.837,01	31/03/2009	30/09/2015
23799	SMALLSCALE MINING SECT LOAN FACIL(SYSMIN	LOME - CONVENTION 4 - PRO	Signed	13/12/2006	9.837.567,56	2.563.726,93	7.273.840,63	-	2.514.909,82	13/12/2010	13/12/2015
24727	CAPITAL INVESTMENT LINE GL III	ACCORD DE COTONOU	Signed	26/11/2008	20.000.000,00	-	-	20.000.000,00	-		
					394.950.982,63	336.191.084,50	29.804.078,65	-	28.364.412,63		

ANNEX 4 E - INDICATIVE TIMETABLE FOR COMMITMENTS AND DISBURSEMENTS

Indicative timetable of global commitments

	Sector indicative allocation	2008		2009		2010		2011		2012	
		1	2	1	2	1	2	1	2	1	2
FOCAL SECTOR 1 – Regional integration. Transport Infrastructure	M € 117										
- Support to planned maintenance and rehabilitation of the core paved and unpaved road network (including ancillary actions such as axle load control, bridges, provision of basic access at rural level)	M € 77		77								
- Project support to Great East Road rehabilitation	M € 38				38						
- Technical support to other transport needs, particularly in the aviation sector	M € 2						2				
FOCAL SECTOR 2 – Health	M 59 €										
- Direct sector support to Health	M € 59		35						24		
Macro-economic support. GENERAL BUDGET SUPPORT	M € 232										
- MDG-Contract (2009-2014)	M € 225		225								
- Capacity Building component	M € 7						7				
NON FOCAL SECTORS	M € 67										
- Food security and agriculture diversification	M € 30						30				
- Support for Governance	M € 25		9		6		8		2		
- Support for non state actors.	M € 5.5								5.5		
- Support for EPA/Trade related assistance	M € 2				2						
- Technical cooperation facility	M € 3				2						1
- Others	M € 1.5						1.5				
Total Commitments	M € 475		346		48		72.5		7.5		1
Total Cumulative Commitments	M € 475		346		394		468.5		474		475

Indicative timetable of disbursements

	Sector indicative allocation	2008		2009		2010		2011		2012	
		1	2	1	2	1	2	1	2	1	2
FOCAL SECTOR 1 - Regional integration. Transport Infrastructure	M € 117										
- Support to planned maintenance and rehabilitation of the core paved and unpaved road network (including ancillary actions such as axle load control, bridges, basic access at rural level)	M € 77				23		27		27		
- Project support to Great East Road rehabilitation	M € 38					10	10	18			
- Technical support to other transport needs, particularly in the aviation sector	M € 2							1		1	
FOCAL SECTOR 2 - Health	M € 59										
- Direct sector support to Health	M € 59			11.5		11.5		12		12	
Macro-economic support. GENERAL BUDGET SUPPORT	M € 232										
- MDG-Contract (2009-2014) [based on maximum performance]	M € 225			30		35.625		35.625		41.25	
- CAPACITY BUILDING COMPONENT	M € 7						2	1	2	1	
NON FOCAL SECTORS	M € 67										
- Food security and agriculture diversification	M € 30							4	4	4	4
- Support for Governance	M € 25				5	3	3.4	3	3	2	2
- Support for non state actors.	M € 5.5							0.5	2	1	
- Support for EPA/Trade related support	M € 2					0.6		0.6		0.8	
- Technical cooperation facility	M € 3						0.6		0.6		0.6
- Others	M € 1.5								1		0.5
Total Disbursements	M € 475			41.5	28	60.725	43	75.725	39.6	63.05	7.1
Total Cumulative Disbursements	M € 475			41.5	69.5	130.225	173.225	248.95	289.55	352.6	358.7