



## **USAID/Zambia**

**“PROSPERITY, HOPE AND  
BETTER HEALTH FOR ZAMBIANS”**

# **COUNTRY STRATEGIC PLAN FY2004 – 2010**

---

**Volume I: Strategy**

July 2003

## **TABLE OF CONTENTS**

### **ACRONYMS**

<b>EXECUTIVE SUMMARY .....</b>	<b>I</b>
<b>I. OVERALL ASSISTANCE ENVIRONMENT .....</b>	<b>1</b>
A. COUNTRY SETTING .....	1
B. KEY DEVELOPMENT CONSTRAINTS AND OPPORTUNITIES.....	4
C. COUNTRY RISKS AND OVERALL ASSUMPTIONS.....	6
D. U.S. FOREIGN POLICY INTERESTS .....	7
E. HOST COUNTRY RELATIONSHIPS .....	7
<b>II. OVERVIEW OF PROPOSED STRATEGIC PLAN .....</b>	<b>9</b>
A. PLANNING PARAMETERS .....	9
B. HOW USAID'S DEVELOPMENT PARTNERS AND STAKEHOLDERS INFLUENCED CSP DEVELOPMENT .....	9
C. THE PROPOSED COUNTRY STRATEGIC PLAN .....	9
D. RELATIONSHIP TO AGENCY GOALS AND MISSION PERFORMANCE PLAN .....	12
E. STRATEGIC ALLIANCES .....	12
F. IMPLEMENTATION TIMEFRAME.....	13
<b>III. STRATEGIC OBJECTIVES.....</b>	<b>14</b>
A. SO5: INCREASED PRIVATE SECTOR COMPETITIVENESS IN AGRICULTURE AND NATURAL RESOURCES .....	14
1. DEVELOPMENT CHALLENGE AND USAID'S COMPARATIVE ADVANTAGES .....	14
2. DEVELOPMENT HYPOTHESIS, STRATEGIC OBJECTIVE AND INDICATORS.....	15
3. CRITICAL ASSUMPTIONS.....	17
4. INTERMEDIATE RESULTS, ILLUSTRATIVE ACTIVITIES AND INDICATORS .....	18
5. LINKAGES .....	23
6. COMPLEMENTARITY WITH OTHER DONOR AND GRZ PROGRAMS .....	24
B. SO6: IMPROVED QUALITY OF BASIC EDUCATION FOR MORE SCHOOL-AGED CHILDREN, PHASE II .....	24
1. DEVELOPMENT CHALLENGE AND USAID'S COMPARATIVE ADVANTAGES.....	24
2. DEVELOPMENT HYPOTHESIS, STRATEGIC OBJECTIVE AND INDICATORS.....	26
3. CRITICAL ASSUMPTIONS.....	29
4. INTERMEDIATE RESULTS, ILLUSTRATIVE ACTIVITIES AND INDICATORS.....	29
5. LINKAGES .....	33
6. COMPLEMENTARITY WITH OTHER DONOR AND GRZ PROGRAMS .....	34
C. SO7: IMPROVED HEALTH OF ZAMBIANS .....	24
1. DEVELOPMENT CHALLENGE AND USAID'S COMPARATIVE ADVANTAGES .....	34
2. DEVELOPMENT HYPOTHESIS, STRATEGIC OBJECTIVE AND INDICATORS.....	37
3. CRITICAL ASSUMPTIONS.....	39
4. INTERMEDIATE RESULTS, ILLUSTRATIVE ACTIVITIES AND INDICATORS.....	39
5. LINKAGES .....	44
6. COMPLEMENTARITY WITH OTHER DONOR AND GRZ PROGRAMS .....	44
D. SO8: GOVERNMENT HELD MORE ACCOUNTABLE.....	46
1. DEVELOPMENT CHALLENGE AND USAID'S COMPARATIVE ADVANTAGES .....	46
2. DEVELOPMENT HYPOTHESIS, STRATEGIC OBJECTIVE AND INDICATORS.....	47
3. CRITICAL ASSUMPTIONS.....	48
4. INTERMEDIATE RESULTS, ILLUSTRATIVE ACTIVITIES AND INDICATORS.....	48
5. LINKAGES .....	53

6.	COMPLEMENTARITY WITH OTHER DONOR AND GRZ PROGRAMS.....	53
E.	SO9: REDUCED HIV/AIDS IMPACT THROUGH MULTISECTORAL RESPONSE.....	53
1.	DEVELOPMENT CHALLENGE AND USAID'S COMPARATIVE ADVANTAGES.....	53
2.	DEVELOPMENT HYPOTHESIS, STRATEGIC OBJECTIVE AND INDICATORS.....	56
3.	CRITICAL ASSUMPTIONS.....	57
4.	INTERMEDIATE RESULTS, ILLUSTRATIVE ACTIVITIES AND INDICATORS.....	57
5.	LINKAGES.....	63
6.	COMPLEMENTARITY WITH OTHER DONOR AND GRZ PROGRAMS.....	64
<b>IV.</b>	<b>PROGRAM MANAGEMENT.....</b>	<b>66</b>
A.	INSTRUMENTS.....	66

## **VOLUME II: ANNEXES**

ANNEX A:	BIBLIOGRAPHY
ANNEX B:	SUMMARY OF CSP DEVELOPMENT CONSULTATIVE PROCESS
ANNEX C:	PRELIMINARY PERFORMANCE MANAGEMENT PLAN
ANNEX D:	PARAMETERS SETTING CABLE
ANNEX E:	USAID/ZAMBIA HIV/AIDS STRATEGY
ANNEX F:	ENVIRONMENTAL THREATS AND OPPORTUNITIES ASSESSMENT
ANNEX G:	ZAMBIA COUNTRY RISK ASSESSMENT: MAJOR FINDINGS FROM ANALYTICAL STUDIES
ANNEX H:	EDUCATION SECTOR PROGRAM ASSISTANCE STRATEGY

### **SUMMARIES OF MANDATORY ANALYSES AND OTHER ASSESSMENTS**

ANNEX I:	THE DEVELOPMENT CONTEXT OF ZAMBIA: AN UPDATE AND ANALYSIS, WITH LESSONS LEARNED AND RECOMMENDATIONS FOR USAID'S NEXT STRATEGY PLAN
ANNEX J:	ASSESSMENT OF ZAMBIA'S PRIVATE SECTOR, AGRICULTURE & NATURAL RESOURCES SECTORS
ANNEX K:	REVIEW AND ANALYSIS OF ZAMBIA'S EDUCATION SECTOR
ANNEX L:	POPULATION, HEALTH AND NUTRITION SECTOR ANNEX ASSESSMENT
ANNEX M:	DEMOCRACY AND GOVERNANCE ASSESSMENT OF ZAMBIA
ANNEX N:	GENDER ASSESSMENT: AN ANALYSIS WITH LESSONS LEARNED AND RECOMMENDATIONS FOR USAID/ZAMBIA'S FY2004-2010 COUNTRY STRATEGIC PLAN
ANNEX O:	ANALYSIS OF FOOD SECURITY, HEALTH AND NUTRITION IN ZAMBIA
ANNEX P:	INTEGRATING ICT'S INTO ZAMBIA'S COUNTRY STRATEGIC PLAN

## LIST OF TABLES

TABLE 1:	ZAMBIA –MACROECONOMIC PERFORMANCE 1999-2002	2
TABLE 2:	COMPLEMENTARITY WITH OTHER DONORS	12
TABLE 3:	SCENARIO 1 - BASE LEVEL OF \$52 MILLION	71
TABLE 4:	SCENARIO 2 – ANNUAL AVERAGE LOW LEVEL 40 MILLION ('000s)	72
TABLE 5:	SCENARIO 3: ANNUAL AVERAGE HIGH LEVEL OF 63 MILLION ('000s)	73

## LIST OF FIGURES

FIGURE 1:	CSP FY2004-FY2010 VISION AND STRATEGIC OBJECTIVES	10
FIGURE 2:	USAID CONTRIBUTION TO GRZ POVERTY REDUCTION STRATEGY	11
FIGURE 3:	SO5: INCREASED PRIVATE SECTOR COMPETITIVENESS IN AGRICULTURE AND NATURAL RESOURCES - ILLUSTRATIVE ACTIVITIES	18
FIGURE 4:	SO5: INCREASED PRIVATE SECTOR COMPETITIVENESS IN AGRICULTURE AND NATURAL RESOURCES - ILLUSTRATIVE INDICATORS	19
FIGURE 5:	SO6: IMPROVED QUALITY OF BASIC EDUCATION FOR MORE SCHOOL-AGED CHILDREN, PHASE II - ILLUSTRATIVE ACTIVITIES	30
FIGURE 6:	SO6: IMPROVED QUALITY OF BASIC EDUCATION FOR MORE SCHOOL-AGED CHILDREN, PHASE II - ILLUSTRATIVE INDICATORS	31
FIGURE 7:	IMPROVED HEALTH OF ZAMBIANS - ILLUSTRATIVE ACTIVITIES	41
FIGURE 8:	IMPROVED HEALTH OF ZAMBIANS - ILLUSTRATIVE INDICATORS	43
FIGURE 9:	GOVERNMENT HELD MORE ACCOUNTABLE - ILLUSTRATIVE ACTIVITIES	50
FIGURE 10:	GOVERNMENT HELD MORE ACCOUNTABLE - ILLUSTRATIVE INDICATORS	52
FIGURE 11:	REDUCED HIV/AIDS IMPACT THROUGH MULTISECTORAL RESPONSE - ILLUSTRATIVE ACTIVITIES	59
FIGURE 12:	REDUCED HIV/AIDS IMPACT THROUGH MULTISECTORAL RESPONSE - ILLUSTRATIVE INDICATORS	61

## ACRONYMS

AAC	-	Anglo-American Corporation
ABC	-	Abstinence, Being faithful or using Condoms
ACC	-	Anti-Corruption Commission
ACF	-	Agricultural Consultative Forum
ACP	-	Agricultural Commercialization Program
ADB	-	African Development Bank
AFR	-	Africa
AGOA	-	Africa Growth and Opportunity Act
AIDS	-	Acquired Immune Deficiency Syndrome
ARV	-	Anti-retroviral Drugs
ASIP	-	Agricultural Sector Investment Program
ASNAPP	-	Agribusiness in Sustainable Natural Plan Products
AWPB	-	Annual Work Plan and Budget (of Ministry of Education)
BDS	-	Business Development Services
BESSIP	-	Basic Education Sub-Sector Investment Program
BOP	-	Balance of Payment
BOZ	-	Bank of Zambia
CA	-	Cooperative Agreement
CBNRM	-	Community Based Natural Resource Management
CBO	-	Community-Based Organization
CBOH	-	Central Board of Health
CDC	-	Centers for Disease Control and Prevention
CF	-	Conservation Farming
CG	-	Consultative Group
CHAZ	-	Churches' Health Association of Zambia
CIDA	-	Canadian International Development Agency
COMESA	-	Common Market for Eastern and Southern Africa
CSD	-	Child Survival and Disease
CSAFE	-	Consortium for Southern Africa Food Emergency
CSO	-	Civil Society Organization
CSP	-	Country Strategic Plan
CT	-	Conservation Tillage
CVA	-	Conflict Vulnerability Assessment
D/G	-	Democracy and Governance
DA	-	Development Assistance
DANIDA	-	Danish Aid
DCA	-	Development Credit Authority
DEB	-	District Education Board
DESO	-	District Education Services Office
DfID	-	Department for International Development (UK)
DHMT	-	District Health Management Team
DHS	-	Demographic and Health Survey
DOTS	-	Directly Observed Therapy, Short-Course (for Tuberculosis)
DPP	-	Director of Public Prosecution
DRC	-	Democratic Republic of Congo
EC	-	European Commission
EGAT	-	Economic Growth, Agriculture and Trade
EMIS	-	Education Management Information System
EPI	-	Expanded Program of Immunization
EQUIP	-	The Educational Quality Improvement Program
ESF	-	Economic Support Fund
EU	-	European Union
FAO	-	Food and Agriculture Organization

FES	-	Friedrich Ebert Stiftung
FEW	-	Famine Early Warning System Network
FINNIDA	-	Finnish International Development Agency
FMS	-	Financial Management System
FP	-	Family Planning
FPE	-	Free Primary Education
FSN	-	Foreign Service National
FSRP	-	Food Security Research Project
FTC	-	Financial and Technical Committee
FTE	-	Full Time Equivalent
FY	-	Fiscal Year
GDA	-	Global Development Alliances
GDP	-	Gross Domestic Product
GFATM	-	Global Fund for AIDS, Tuberculosis and Malaria
GMP	-	Growth Monitoring and Promotion
GRZ	-	Government of the Republic of Zambia
HCOLC	-	Host Country Owned Local Currency
HIPC	-	Highly Indebted Poor Countries
HIV	-	Human Immuno-Deficiency Virus
HIV/AIDS	-	Human Immuno-Deficiency Virus/Acquired Immuno Deficiency
HMIS	-	Health Management Information System
HOW	-	HIV/AIDS-Orphans Working Group
ICASS	-	International Cooperative Administrative Support Services
ICT	-	Information and Communications Technology
IEC	-	Information, Education, Communication
IEHA	-	Initiative to End Huger in Africa
IFAD	-	International Fund for Agricultural Development
IMCI	-	Integrated Management of Childhood Illnesses
IR	-	Intermediate Result
IRH	-	Integrated Reproductive Health
IRI	-	Interactive Radio Instruction
ISO	-	International Standards Organization
IT	-	Information Technology
ITN	-	Insecticide-Treated Bed Net
JICA	-	Japanese International Cooperation Agency
JSC	-	Joint Steering Committee
MCA	-	Millennium Challenge Account
MCH	-	Maternal and Child Health
MMD	-	Movement for Multi-party Democracy
MOE	-	Ministry of Education
MOESP	-	Ministry of Education Strategic Plan
MOFED	-	Ministry of Finance and Economic Development
MOLA	-	Ministry of Legal Affairs
MOU	-	Memorandum of Understanding
MPH	-	Masters in Public Health
MPP	-	Mission Performance Plan
MTEF	-	Medium Term Expenditure Framework
NAC	-	National AIDS Council
NEPAD	-	New Partnership for African Development
NGO	-	Non Governmental Organization
NHC	-	Neighborhood Health Committee
NHSP	-	National Health Strategic Plan
NIF	-	National Implementation Framework (for Ministry of Education)
NMCP	-	National Malaria Control Program
NORAD	-	Norwegian Development Agency

OAU	-	Organization of African Union
ODA	-	Office of Development Assistance
OVC	-	Orphans and Vulnerable Children
OYB	-	Operating Year Budget
PA	-	Program Assistance
PASA	-	Participating Agencies Service Agreement
PHN	-	Population, Health and Nutrition
PIO	-	Public International Organization
PLWHA	-	People Living With HIV/AIDS
PMP	-	Performance Monitoring Plan
PMTCT	-	Prevention of Mother to Child Transmission of HIV/AIDS
PRSP	-	Poverty Reduction Strategy Paper
PSC	-	Personal Services Contractor
PSRP	-	Public Service Reform Program
PVO	-	Private Voluntary Organization
QA	-	Quality Assurance
SADC	-	Southern African Development Community
SHN	-	School Health and Nutrition
SIDA	-	Swedish International Development Agency
SME	-	Small and Medium enterprise
SO	-	Strategic Objective
SO5	-	Strategic Objective Five (Increased Private Sector Competitiveness)
SO6-	-	Strategic Objective Six (Improved Quality of Basic Education for More School-aged Children, Phase)
SO7	-	Strategic Objective Seven (Improved Health Status of Zambians)
SO8	-	Strategic Objective Eight (Government Held Accountable)
SO9	-	Strategic Objective Nine (Reduced Impact of HIV/AIDS Through Multisectoral Response)
SOAG	-	Strategic Objective Agreement
SPA	-	Sector Program Assistance
SPAA	-	Sector Program Assistance Agreement
SPCC	-	Sector Plan Coordinating Committee
STI	-	Sexually Transmitted Infection
SWAp	-	Sector-Wide Approach
TA	-	Technical Assistance
TB	-	Tuberculosis
TCN	-	Third Country National
TRADE	-	Trade for African Development
UCI	-	Universal Childhood Immunization (Zambia)
UK	-	United Kingdom
UNAIDS	-	United Nations Programme on AIDS
UNDP	-	United Nations Development Programme
UNFPA	-	United Nations Population Fund
UNICEF	-	United Nations Children's Fund
UNIP	-	United National Independence Party
UPE	-	Universal Primary Education
US	-	United States
USAID	-	United States Agency for International Development
USDH	-	United States Direct Hire
VCT	-	Voluntary Counseling and Testing for HIV
WFP	-	World Food Program
WHO	-	World Health Organization
ZATAC	-	Zambia Agribusiness Technical Assistance Center
ZDES	-	Zambia DHS Education Survey





## EXECUTIVE SUMMARY

Once a middle-income country powered by the copper mining industry, Zambia has experienced decades of declining living standards. Currently, an overwhelming 78% of Zambians live below the poverty line, manifested by chronic malnutrition and insufficient access to basic social services such as education and health.

During this strategy formulation process, the various analytical studies and stakeholder consultations revealed that Zambia's development is at a cross roads facing three core development challenges: poor governance, food insecurity and the devastating impact of HIV/AIDS. The consensus of stakeholders is that the level and the intensity of the commitment Zambia makes over the next few years for addressing these development challenges will determine whether the country moves forward and reaches its potential, or stagnates and loses the opportunity to advance at the pace it would like.

At this juncture, Zambia is somewhat unique in Africa, where civil society and the incumbent President share the same agenda - to fight corruption and hold former leaders accountable for theft of public resources and where the President called a special session of Parliament to table evidence of corruption implicating his predecessor, among others. This new government declared combating HIV/AIDS, promoting agriculture in a more diversified economy, and fighting corruption as its top three priorities.

USAID has been a partner in Zambia's development for decades and is well aware of the country's current context. In response, the new 2004-2010 Country Strategic Plan (CSP), which builds on experience to date, outlines an innovative approach to support Zambia in addressing its challenges and accelerating growth. This CSP has a vision to bring "Prosperity, Hope and Better Health for Zambians." While it is well understood that economic growth will bring about improved food security and a reduction of poverty, it is broadly recognized that achieving and sustaining the positive results entails an intense and integrated effort to mitigate the effect of HIV/AIDS on all sectors of the Zambian economy. Productivity is being undercut by several factors associated with HIV/AIDS, including an unhealthy workforce, increased absenteeism, caring for the ill and attendance at funerals. For USAID to contribute effectively to Zambia's future, HIV/AIDS impact on key sectors needs to be clearly recognized and understood. Based on such understanding, HIV/AIDS interventions within USAID/Zambia's manageable interest can be systematically prioritized and implemented.

From the various studies and analyses, USAID has concluded that Zambia's greatest promise to ensure people-level improvements in economic and social status is based on a sustainable development strategy of increased private sector competitiveness, improved access to and quality of basic education and health services, mitigating the impact of HIV/AIDS across all sectors, and holding government more accountable. Other development considerations incorporated throughout each strategic objective include environment, gender and information technology. The five strategic objectives formulated to address the identified three-core development challenges are briefly outlined below:

Private Sector-led Agriculture, Natural Resources Management and Trade:

Zambian small and medium scale enterprises, including agriculture and natural products businesses, continue to suffer from weak market integration, substantially low levels of productivity and production, as well as predominantly low quality of goods and business/financial services. Commercial credit is prohibitively scarce and expensive. The policy and regulatory environment remains significantly inappropriate, while HIV/AIDS continues to severely undermine labor productivity.

**SO5 "Increased Private Sector Competitiveness in Agriculture and Natural Resources"** will support the GRZ in meeting its objectives to increase economic diversification and empowerment in rural areas and to improve the nation's competitiveness in agriculture and natural resources and tourism. HIV/AIDS impacts on productivity will be mitigated through the promotion of laborsaving technologies within sectoral interventions, promoting awareness and supporting workplace programs.

SO5 will build on lessons learned and successes of the FY1998-FY2003 CSP's SO1 "Increased Rural Incomes of Selected Groups". SO5 will improve the marketing margins for Zambian entrepreneurs, especially small and medium scale agriculture and natural products businesses. It will focus on enhancing their ability to comparatively lower unit costs, increase product quality and quantity, attain more sophisticated market participation, and increase overall market share in local, regional and international markets. Enhanced productivity, coordination and cooperation will realize higher incomes. Increased yields of food crops will enhance direct food security while generating increased marketed surpluses.

Building on its considerable experience and knowledge about what works in Zambia; USAID will optimize resource utilization by focusing on niche commodity chains in which Zambia has an identified comparative advantage. Drawing on lessons learned from CSP 1998-2003 market linkages, business development services and policy research programs, SO5 will take full advantage of USAID's international expertise in product cluster development to achieve significant increases in the competitiveness of supported groups. Selected clusters will include product lines with considerable market growth potential and that lend themselves to producer groups moving up the value chain. Candidate products would include cassava, horticultural crops, gemstones, tourism, livestock, dairy and coffee. Policy research work will be predominantly targeted at enhancing the enabling environment for the selected clusters. USAID/Zambia will prioritize the leveraging of resources for cluster development through aggressive mobilization of Global Development Alliances and collaboration with other development partners.

Key indicators and targets for measuring progress towards achieving planned results will include:

- Value of agriculture and natural resource based exports, including tourism receipts: Baseline 2002 - \$250m, Target 2010 - \$450m;
- Value of food and non-food agricultural production by USAID-supported groups: Baseline 2002 - \$3.6m, Target 2010 - \$15m.

The Intermediate Results will include:

- Increased Access to Markets;
- Enhanced, Value-Added Production and Service Technologies;
- Increased Access to Financial and Business Development Services;
- Improved Enabling Environment for Growth.

Basic Education:

The Zambian education system has deteriorated significantly. Widespread poverty coupled with a heavy debt burden, reduces the ability of the Government and communities to support education. Girls are comparatively more adversely affected. Child malnutrition and general ill-health affect access, retention and learning throughout the system. The pupil teacher ratios are high. The HIV/AIDS pandemic has decimated teaching staff and has resulted in over 800,000 school age children not in school, many of whom are orphans.

**SO6 "Improved Quality Of Basic Education For More School-Aged Children, Phase II"** will support the GRZ in its expansion of quality basic education under the education reform framework of the Ministry of Education Strategic Plan (MOESP). SO6 will continue, expand, and accelerate successful basic education programs implemented under the FY1998-FY2003 CSP, as well as introduce new elements as appropriate. HIV/AIDS impacts on education will be mitigated through programs targeted at children of school-going age (awareness/prevention campaigns, training in self-assertiveness and life skills) as well as expansion of FY1998-FY2003 programs to address the effects of HIV/AIDS on teachers and education managers, including support to workplace programs.

SO 6 will support the MOE's goal of providing equitable access to relevant quality education and training that incorporates HIV/AIDS interventions in four ways: 1) help the MOE expand already successful programs that improve the quality of the basic education delivery system; namely the Education Management Information System (EMIS), Interactive Radio Initiative (IRI), School Health and Nutrition

(SHN), and related community mobilization programs; 2) promote the MOE's restructuring plan for decentralization of the education system to the district, school and community levels, which is essential if Universal Primary Education (UPE) is to be achieved; 3) assist the MOE in establishing firm ownership of its programs through capacity building and moderate budgetary support for basic education; and 4) as resources permit, develop new and complementary programs to support SO 6 such as an expanded girls' scholarship program, expanded scope of HIV/AIDS activities, and using additional technologies such as information technology.

Key indicators and targets for measuring progress towards achieving planned results will include:

- Number of children enrolled in basic education (Baseline (2002) – 1,865,677; 2010 – 2,202,048;
- Literacy and Numeracy learning achievement scores: Baseline (2002) – Literacy 33.3%, Numeracy 35.7%; 2010 – Literacy 50%, Numeracy 54%;
- Girls' retention in basic education (rural gender gap): Baseline (2002) 14%; 2010 – 7%.

The Intermediate Results will include:

- Improved Quality of Basic Education Delivery Systems;
- Improved Information for Efficient Resource Management;
- Strengthened Policy Implementation through Improved Education Services;
- Mitigate Impact of HIV/AIDS on the Education System.

Health:

Eighteen percent of women and 13% of men are infected with HIV in Zambia. The proportion of children under 15 who have lost at least one parent has increased from 12% in 1996 to 15% in 2002. Health sector workforce attrition due to AIDS, as well as emigration and retrenchment, has reduced the already inadequate work force. Malaria and HIV/AIDS are the two principal causes of under-five mortality, which, though improved, remains high at 168 deaths per 1000 live births. Malnutrition has worsened, with stunting now affecting about half of under-5s (47% in 2002, up from 40% in 1992). Anemia is widespread with 65% of children and 39% of non-pregnant women found to be anemic in 1998. Maternal Mortality was estimated at 729/100,000 births in 2002, with most deliveries not being attended to by a health professional.

SO7 "**Improved Health Status of Zambians**", will support the GRZ in addressing the most important factors compromising the health of Zambians. To achieve this, SO7 will expand successful approaches implemented under the current CSP and introduce new elements, where appropriate.

Building on its experience with its current program, SO7 remains committed to a government-led 'sector-wide approach', integrated service delivery, and close coordination between program elements. A three-pronged approach is proposed under the new Strategy, focusing on: 1) behavior change and community empowerment; 2) expanded delivery of the highest-impact, most cost-effective interventions addressing key public health problems; and 3) strengthened health services. SO7 will provide support through the public health-care system, the private sector, NGOs, and community-based organizations.

USAID/Zambia expects to continue with much of the content of the current integrated PHN program (SO3). Technical areas to be supported at the same or higher levels (funding permitting) include: micronutrients (supplementation, fortification and diet diversification), malaria control, HIV/AIDS, maternal health and family planning. Certain areas are expected to receive greater emphasis than in the current SO3 program, notably:

- HIV prevention targeting high-risk groups and settings.
- Behavior/social change work through key opinion leaders.
- Continued scale-up of PMTCT, voluntary counseling and testing (VCT) services and comprehensive HIV/AIDS-related clinical care.
- Nutrition and food security.
- Safe-Motherhood.
- Integration of HIV and family planning interventions.

- Rural family planning.

Certain aspects of the current SO3 program will be addressed differently, notably:

- Technical assistance will be provided through a structure that is more complementary and supportive of the Ministry of Health (MOH)/ Central Board of Health (CBOH). A greater proportion of technical support will be provided at the district and provincial level than under the current Strategy.
- Human capacity development work will use a systems approach, employing performance improvement interventions chosen for optimal impact on quality of care at most affordable cost.
- The current SO3 “demonstration district” approach will be replaced by choice of district and community level focus based on national scale-up plans and on synergies with other program elements both within the SO and across the Mission. National/central-level work will continue in key areas.

Key indicators and targets for measuring progress towards achieving planned results will include:

- HIV prevalence among 15-24: Baseline (2002) – 8%; 2010 – 3%;
- Infant mortality: Baseline (2002) – 95/1000; 2010 – 75/1000;
- Total fertility rate: Baseline (2002) – 5.9 – 2010 – 4.4;
- Data gathered by DHS (2001/2) as baseline, mid-strategy (2006) and 2010.

The Intermediate Results will include:

- Individuals, Families and Communities Taking Action for Health
- Achievement and Maintenance of High Coverage for Key Public Health Interventions
- Health Services Strengthened

Governance:

The Constitution of Zambia confers upon the President far-reaching executive powers, effectively subjugating the parliament and the judiciary to the executive branch. With the resulting weak checks and balances, widespread corruption has taken root. The more politically balanced parliament is struggling to assert itself following decades of subjugation by the executive branch, while a poorly resourced judiciary is seeking to strengthen the independence and efficiency of the legal system. The public media remains in the control of the state and serves the interests of the ruling party, while the private media is constrained for resources to expand coverage. Although civil society participation is expanding, much capacity strengthening remains to be done. The new administration has initiated radical prosecution of high-level corruption, which has caused a rift in the ruling party. This combined with allegations of electoral misconduct in the 2001 elections that resulted in petition against the election of the incumbent President are fueling uncertainty in the political climate.

SO8, “**Government is Held More Accountable**”, will help Zambia undertake the structural reforms necessary to reduce public sector abuse of office and corruption. This will be done through rule of law reforms, including improving the criminal justice system and sustained corruption prevention; increasing public demand for accountability; and strengthening watchdog institutions. The HIV/AIDS pandemic will be addressed through integrating interventions within the framework of key civil society-led public debate strategies to stimulate appropriate policy responses. There will also be interventions to address the effects of HIV/AIDS on legal, legislative and watchdog institutions, including support to workplace programs.

SO8 will support constitutional reform, the vital structural change on which achievement of the SO greatly depends, as a crosscutting theme of its Intermediate Results. Sustaining the fight against corruption will also be a broad-based SO-level issue. To be effective, SO8 will encourage coalitions among all stakeholders, focusing on NGOs with an anti-corruption mandate, Parliamentary Committees, (especially the Public Accounts Committee), the Auditor General, the Investigator General (Ombudsman), and the media. Supporting the development of an integrated Zambian anti-corruption action plan will become a prime tool for direction and coordination.

Key indicators and targets for measuring progress towards achieving planned results will include:

- Citizens perceive government to be more transparent, accountable and less corrupt;
- Number of corruption cases prosecuted.

The Intermediate Results will include:

- Rule of Law Enhances Accountability;
- Citizens and CSOs Demand Accountability;
- More Effective Watchdog Institutions.

HIV/AIDS:

The HIV/AIDS epidemic in Zambia has had a devastating impact on virtually all segments of society. With a national HIV prevalence rate of 16%, declines in the labor force have generally resulted in decreased productivity at all levels – macro, sectoral and household, setting back decades of economic gain and social progress. The vast majority of people living with HIV/AIDS in Zambia are between the ages of 15 and 49, representing the country's core work force. The financial burden to the private sector of increasing costs due to health care, absenteeism, burial fees, recruitment, training and retraining all contribute to declines in productivity and profitability. Both public and private sectors are experiencing significant losses and shortages of skilled and semi-skilled personnel as well as of competent managers. Sectors that are highly labor intensive or have larger numbers of mobile or migratory workers, such as agriculture, transportation and mining, can be disproportionately affected by the epidemic. Furthermore, the physical, psychological, emotional and economic toll of HIV/AIDS at the household level has been severe.

SO9 “**Reduced HIV/AIDS Transmission and Impact Through Multisectoral Response**”, will provide support to the GRZ's HIV/AIDS program as Zambia increasingly adopts a multisectoral approach to addressing HIV/AIDS. SO9 will therefore address the impact of HIV/AIDS on all CSP sectors. Programmatically, SO9 seeks to ensure that HIV/AIDS is addressed in an intense, integrated and coordinated manner within and across all of USAID/Zambia's SOs, while interfacing with other stakeholders to broadly reduce the impact of HIV/AIDS on Zambia's development efforts.

SO9 will ensure synergies and render technical assistance to the HIV/AIDS mitigation efforts of all USAID/Zambia SOs, including the planning and implementation of workplace programs. SO9 will take the lead in providing support to selected vulnerable groups, such as Orphans and Vulnerable Children (OVCs), households affected by AIDS and People Living With AIDS (PLWA). SO9 will collaborate closely with the GRZ and other development partners in ensuring effective multi-sectoral HIV/AIDS capacity building and other interventions. SO9 will have responsibility for monitoring, evaluating and Mission-level reporting on the effectiveness of USAID/Zambia's program to reduce the impact of HIV/AIDS.

Key indicators for measuring progress towards achieving planned results will include:

- % of OVCs receiving support;
- HIV prevalence in 15-24 age group;
- Reduced absenteeism.

The Intermediate Results will include:

- Reduced HIV/AIDS Transmission;
- Improved Care and Support for People Living/Affected by HIV/AIDS;
- Strengthened Capacity of key sectors to Mitigate the HIV/AIDS Impact;
- Improved Policy and Regulatory Environment.

The proposed programs for achieving the vision are based on the following broad assumptions:

- That GRZ will continue its commitment to good democratic governance and political stability as well as maintain fiscal discipline to sustain economic progress and social development; and

- Appropriate level of funds made available by the USG.

USAID will continue to work closely with the GRZ, the private sector, NGOs, civil society and other donors. Achieving these objectives will require mobilizing the best of both the private and public sectors in the form of new private-public partnerships and strategic alliances, and strengthened donor coordination and collaboration.

.

## I. OVERALL ASSISTANCE ENVIRONMENT

### A. COUNTRY SETTING

Zambia, a landlocked, peace haven in Southern Africa, with a population of about ten million, attained political independence from Britain in 1964 and adopted a predominantly socialist development agenda. Beginning in 1991, however, Zambia has been undergoing a political transition from one-party rule to multi-party democracy.

Zambia has pursued policies of economic liberalization and structural reform programs that have transformed her from being a centrally-planned and controlled economy to one of the more open market economies in Africa. Free universal basic education for every child in Zambia and access to health services as close to the family as possible are continuing to be emphasized. In addition, the President has commenced an unprecedented politically driven “zero tolerance for corruption” campaign to get at the roots of corruption in Zambia and is engaging in constitutional reforms to address issues of governance.

The World Bank classifies Zambia as a severely indebted, low-income country and, in terms of basic development progress, it is ranked 153 out of 173 countries in the 2002 UN Human Development Report. At 78%<sup>1</sup> of the population, Zambia has one of the highest percentages of people living below the poverty line in the world. Zambia has much to improve on. Recent political and economic changes in the Zambian environment have opened new opportunities for taking a fresh look at developing a responsive strategy.

**Political Context:** Ranking among Zambia’s key political issues are constitutional reform (including electoral and media reforms), combating corruption, and decentralization. Facilitating an effective and inclusive local governance system is also essential to strengthening the democratization process and realization of a broad-based economy in Zambia.

**Government:** Zambia is a democratic republic. The adult population elects the president every five years. The right to vote is enshrined in the Republican Constitution. The Constitution provides for a separation and balance of powers between the executive branch, the legislature and judiciary. The constitution confers upon the President far-reaching executive powers, effectively subjugating the Parliament and the judiciary to the executive branch. The 2001 elections produced a well-balanced Parliament where neither the ruling Movement for Multi-Party Democracy (MMD) nor the combined opposition enjoys a large majority over the other. Zambia’s First-Past-The-Post (FPTP) electoral system, that allows a candidate with the highest number of votes to assume power, remains a source of concern. In the 2001 election, for example, Levy Mwanasa won the presidency with 29% of votes cast, 71% of voters having voted for other candidates. Against a background of controversial elections, linked to fairness and efficiency of the electoral process, allegations of malpractice have culminated into a petition in the Supreme Court by three leading opposition parties challenging the legality of President Levy Mwanawasa's election.

The Parliament is struggling to assert itself following decades of subjugation to the executive branch, while a poorly resourced judiciary is seeking to strengthen the independence and efficiency of the legal system. Accessibility of courts of law is limited by the inadequacy of courtrooms, judges and prosecutors, which delays justice. There is a bill of rights, including freedoms of movement and expression.

**The Media:** The public media remains in the control of the state. The private media is important in providing independent political and economic coverage, although Government attempts at intimidation are not uncommon. With more limited geographic coverage compared to the public media, the private media is constrained for resources to expand coverage.

---

<sup>1</sup> Zambia Living Conditions Monitoring Survey 1998, Central Statistic Office

Civil Society: Civil society is strengthening. A strategic coalition of diverse civil society organizations, referred to as the Oasis Forum, rallied before the 2001 elections to oppose and defend the constitution against an amendment that would have allowed the then incumbent president to serve an additional third term. The success of this pro-democracy force has given civil society renewed confidence and an important role in advancing a democratic culture in Zambia.

Rift in the Ruling Party: Shortly after his election in 2001, President Mwanawasa requested and successfully obtained from Parliament the lifting of immunity against prosecution of his predecessor who is currently facing corruption charges. This has split the ruling party, with some powerful elements that commanded senior positions in the previous administration submitting, to the on-going Supreme Court hearing, evidence calculated to help the opposition secure the nullification of Mwanawasa's election. As Mwanawasa's anti-corruption drive gains momentum, an increasing number of the top brass of the former regime are being arrested and charged with corruption. While this is earning Mwanawasa local and international support, the outcome of the petition<sup>2</sup> against his election remains uncertain.

**Economic Context:** Zambia's economic development is constrained by its narrow economic base, historically dependent on copper mining, concentrated ownership of assets, limited foreign and domestic investment and corruption. Zambia's key macroeconomic challenges include sustaining economic growth, reducing inflation and interest rates, stabilizing the exchange rate, improving the weak balance of payments position, reducing the budget deficit and addressing the high domestic and external debt burdens. Table 1 presents Zambia's recent economic performance.

**TABLE1: ZAMBIA –MACROECONOMIC PERFORMANCE 1999-2002**

Key Indicators	1999	2000	2001	2002	Average 2000-2002
Real GDP Growth Rate	2.2	3.5	5.2	3.0	3.9
Inflation Rate	20.6	30.1	18.7	26.7	25.2
Fiscal Surplus/deficit (% of GDP)	0.5	-3.4	-2.4	-3.3	-3.0
GRZ Domestic Revenue (% GDP)	18	22	23	18	21.1
Domestic Investment (% GDP)**	18	19	20	N/a	19.5
Domestic Savings (% GDP)**	7.1	4.6	6.1	N/a	5.4
Current Account Balance (less net capital grants) (% of GDP)	-15.5	-20	-20.6	-16.1	-18.9
External Debt (% of GDP)	207.8	194.9	195.7	174.6	188.4
External Debt Service (% of Exports)	17	14	22	15	16.9
External Assistance (% of GDP*)	10	8	11	15	11.2

Sources:

MOFNP macroeconomic Indicators Dec 2002; MOFNP- 2001 and 2002 Economic Reports; \*MOFNP- 2002 Report: Project Financing 1991 – FY2004; \*\*International Monetary Fund (IMF)

Economic Growth: Real GDP growth of 3.0% was recorded in 2002, despite low world copper prices. Export performance in 2002 was strong, reflecting an increase in copper production. Non-traditional export earnings increased by 13% to U.S. \$324 million in 2002 reflecting diversification away from dependence only on metal exports for export earnings. Accounting for this strong performance were horticulture, gemstones, cotton and sugar exports.

Inflation and domestic debt: Inflation remains a cause for concern in

Zambia. Despite having rapidly fallen from 189%, ten years ago, the 25% average of the past three years remains unfavorable. Performance in managing money supply has generally been weak. Money supply increased by 28% in 2002 compared to an increase of 10.8% in 2001. Money supply growth continues to be linked to high domestic borrowing by GRZ, which increased by 48.5% in 2002, in large part due to drought-related recourse to food imports. The bulk of GRZ's domestic debt is contracted through the issuance of high-yield Treasury Bills and Government Bonds which crowd-out lending to the private sector and drive up commercial bank lending interest rates.

<sup>2</sup> Three leading opposition parties are challenging the fairness of President Mwanawasa's 2001 election victory in the Supreme Court of Zambia



Balance of Payments and External Debt: The Current Account has recorded an increased deficit from 15.5% of GDP in 1999 to an average of 18.9% of GDP over the period 2000-2002. However, exports rose to 25% of GDP in 2002, compared to an average of 24.1% of GDP over the period 2000-2002<sup>3</sup>. Increasing investment in the privatized copper-mining sector and continuing growth of non-traditional exports indicate good prospects for sustained growth of export earnings.

Despite declining from \$7.1 billion in 2001 to \$6.5 billion in 2002, Zambia's external debt remains excessively high and unsustainable. Notably, however, Zambia is making significant progress towards meeting conditions for reaching the Completion Point under HIPC in 2003, after which maximum debt relief will be received with most bi-lateral creditors intending to write-off Zambia's debt completely. This is expected to reduce debt service to levels below \$100 million a year compared to levels exceeding \$400 million had HIPC not been in place. With projected increases in export earnings and reduced debt servicing, Zambia's Balance of Payments (BOP) position is expected to improve significantly over the next five years.

Sectoral Performance: Economic growth has been achieved against a background of a recovering copper mining sector, the performance in non-traditional exports discussed earlier, as well as positive performance in retail/wholesale trade, transport and storage, manufacturing, construction and tourism. Strongly linked to climatic conditions, agricultural performance continues to be generally poor, although agricultural commodities have been the fastest growing category of non-traditional exports.

Agriculture, forestry and fisheries declined by 4.1 percent in 2002 compared to 2.6 percent in 2001, mainly due to the drought that Southern Africa experienced. Nevertheless, agricultural exports rose by 22.6 percent, a firm indicator that diversification of the Zambian economy is steadily taking root. Since privatization in 2000, annual output of the copper mining sector has been increasing, registering sectoral growth of 16 percent, in 2002, compared to 14 percent recorded in 2001. The tourism sector witnessed growth of 4.7 percent in 2002, compared to 24.7 percent in 2001. Exceptional events such as the eclipse of the sun and the hosting of the OAU Heads of State and Government Summit buoyed tourism growth in 2001. The manufacturing sector continued to register positive growth with output rising by 5.8 percent in 2002 compared to 4.2 percent in 2001. In 2002 the construction sector grew by 17.4 percent compared to 11.5 percent in 2001 due to public infrastructure programs such as the construction of roads, schools and markets. Value added in the transport, storage and communications sector increased by 5.4 percent in 2002 compared to 2.8 percent in 2001, resulting mainly from the increase in rail freight volumes, including transportation of emergency food relief to various areas.

---

<sup>3</sup> MOFNP macroeconomic Indicators Dec 2002; MOFNP- 2001 and 2002 Economic Reports

## Social Sectors Context

Education: At 78% of the adult population<sup>4</sup>, Zambia has a relatively high adult literacy rate. This is, however, threatened by insufficient resources to address the declining capacity of the education system to cater for an increasing population as well as to address the falling standards in the quality of education. HIV/AIDS has created an acute shortage of teachers, which manifests itself in progressive worsening of pupil/teacher ratios, with persistent classroom overcrowding, particularly in urban schools. In rural areas, it is common that a teacher covers all subjects as a direct consequence of the deepening scarcity of teachers. With regard to gender, the education system is characterized by equal Grade 1 admission rates but deepening disparities in favor of boys as children move through the system in enrollment, progression and learning. This crisis in the education sector constitutes a major constraint to sustainable human development in Zambia.

The Ministry of Education (MOE) is in the initial stages of decentralizing functions to provincial, district and community structures to support this effort. Decision making, policy analysis, education planning and implementation, management, human relations, and data collection, analysis and utilization, need to be strengthened at all levels. Sector-wide Program Assistance is being provided by a significant number of cooperating partners through the Basic Education Sub-Sector Investment program (BESSIP), which, caters for Grades 1 to 9.

The Ministry of Education recently announced a policy of free primary education for all<sup>5</sup>. The implementation of that policy is part of the Poverty Reduction Strategy Paper's (PRSP) education strategy.

Health: Since 1992, Zambia has been implementing a series of health reforms designed to provide Zambians with equity of access to cost effective, quality health care. Efforts have focused on developing the health system at the district level and below in order to provide a package of basic health care services. Zambia's health indicators remain unfavorable, with life expectancy at 35 years in 2002 compared to 38 years ten years earlier<sup>6</sup>, and a 16%<sup>7</sup> prevalence of HIV/AIDS among the adult population and a high population growth rate of 2.9%<sup>8</sup>.

Progress in health has been made over the past few years. Preliminary results from the 2001/2 Demographic and Health Survey (DHS) indicate that that progress is being made in the health sector. Both infant and under-5 mortality rates have dropped since 1996 (from 109 to 95 and from 197 to 168 per thousand live births respectively). The contraceptive prevalence rate for modern methods increased from 14% to 25%. Other surveys have documented that over 80% of children (aged 6-72 months) have received Vitamin A supplements every year since 1999, one of the highest rates in the world.

However, malaria, whose incidence has tripled in the last two decades, continues to be a major cause of death in Zambia and represents the second greatest challenge to Zambia's health after HIV/AIDS. Other concerns include very high rates of maternal mortality. Demand and supply for safe motherhood services is increasing, but more needs to be done. In addition, although individual immunization rates for specific vaccines remain above 80%, rates for fully immunized children have fallen.

## B. KEY DEVELOPMENT CONSTRAINTS AND OPPORTUNITIES

---

<sup>4</sup> Human Development Report, 2002. UNDP.

<sup>5</sup> "Free primary education" means that no child in Grades 1-7 can be prevented from enrolling in and attending primary school nor prevented from sitting for or receiving results from Grade 7 national examination because she or he is unable to pay school fees. While Parent-Teacher Associations (PTAs) are still empowered to conduct fund raising activities for their schools, they may not levy fees from individual pupils. To compensate schools for the loss of revenue that this policy may cause, the MOE has begun a policy to provide grants to schools for maintenance, supplies, and other incidentals.

<sup>6</sup> US Census Bureau

<sup>7</sup> Preliminary Demographic and Health Survey, 2001/2002

<sup>8</sup> Zambia Population Census 2000, Central Statistics Office

Zambia is greatly challenged to reduce the poverty affecting 78% of its people and to meet their basic health and education needs. Zambia's key development constraints and opportunities are linked to HIV/AIDS, governance, and food security.

HIV/AIDS is having a devastating impact on the people, institutions, and country's ability to achieve sustainable development. Constraints to development associated with HIV/AIDS include: 1) loss of economically active adults in their prime earning years, including the human capital loss of those relatively few well-trained people in top positions; 2) increased number of orphans – estimated at 572,000 (0-14 year age group)<sup>9</sup>; 3) increased costs of treating the ill and the dying on the Government's health system and on the savings and capital accumulation capacity of family and communities. Opportunities for effectively addressing HIV/AIDS-related constraints to development inherently embody a multisectoral response that addresses prevention, treatment, and care in an integrated manner across all sectors of human endeavor, with particular emphasis on vulnerable social groups.

The key constraints to the development of democratic governance relate to a limiting constitutional framework and misallocation of public priorities and resources induced by high levels of corruption. Corruption is exacerbated by weak accountability and financial probity in public office and the civil service in general. Opportunities for addressing these constraints reside in enhancing effective public demand for constitutional reform, accountability and financial probity in public office, through more transparency and public participation in governance. Improved civil society organization and mobilization present Zambia with a promising channel for achieving this. On the supply side, the National Assembly has emerged as a willing partner which USAID and several other donors perceive as an exceptional window of opportunity for implementing the reform agenda. The Executive has also shown great willingness to tackle public sector corruption, including the reforms of laws and procedures to prevent future abuse of office.

Meeting the challenge associated with lack of food security requires reviving the economy, particularly agriculture (and related value-addition industry), so that people have enough to eat in order to stave off hunger, and earn enough to raise their standard of living. Key constraints include HIV/AIDS, human resource limitations, macroeconomic instability, poor infrastructure, weak economic advocacy and gender imbalances. Zambia's endowment with vast agricultural and natural resources, the new administration's political will for agriculture-led economic diversification, and potential for strengthened donor coordination/co-operation as a result of the PRSP process, present a favorable foundation for addressing growth-related constraints to improving food security. On the other hand, multisectoral approaches to addressing vulnerability induced by natural disasters and HIV/AIDS constitute a unique opportunity for addressing the food security needs of extremely vulnerable members of society.

GRZ's continuing commitment to health and education financing, the established education and health reform programs, that prioritize decentralization of decision-making, and GRZ's focus on women and children as particularly vulnerable groups combine to offer hope for addressing the constraints affecting the delivery of health and education services to the poor.

---

<sup>9</sup> Children on the Brink, 2002. UNICEF.

### C. COUNTRY RISKS AND OVERALL ASSUMPTIONS

The factors noted below are identified as potential risks that can affect the success of the program:

**HIV/AIDS:** Zambia is experiencing the health, economic and social impacts of a mature HIV/AIDS epidemic. The most recent national population-based study, the Demographic and Health Survey (DHS) for 2001/2002, documents an HIV infection rate for persons ages 15-49 at 16%, with rates for women at 18% and men at 13%. Zambia has an estimated 900,000 to 1.2 million persons living with HIV/AIDS. During the year 2000, over 100,000 people are believed to have died with AIDS. Statistical data estimates total of 572,000 orphans (aged 0-14 years) in Zambia, of which 82.4% were orphaned as a result of HIV/AIDS<sup>10</sup>. The rising death rates are likely to impact adversely and heavily on economic growth prospects, poverty, food security, social discipline and the range and quality of public services available to citizens. The most serious risk and conflict vulnerability will result from the rising number of orphans who often resort to organized crime due to lack of employment.

**Poor Governance and Corruption:** Despite a setting of improved economic policies, any promising development action, public or private, is hampered and eventually thwarted by poor governance. Critical governance issues exist in Zambia at virtually all levels, and are intrinsically linked to the problems of executive dominance, political accountability and corruption. This presents a major risk to the overall development environment.

Zambia is presently ranked the fifteenth on the Transparency International Index of most corrupt countries in the world. Instances of corruption have been widely reported in the public sector, but very limited prosecution was undertaken by Zambian law enforcement agencies under the previous administration. Unless addressed the issue of corruption presents a major threat leading to misdirection of scarce resources.

**Food Insecurity:** Floods and droughts present the major climatic causes of food insecurity in Zambia. On average Zambia experiences two to three drought years in a decade. Severe droughts and in some cases floods often cause total crop failures in the southern and western parts of the country. The food shortages in the country have been caused not only by the droughts and floods but also by lack of policy and Government support to the agricultural sector. The disasters have resulted in a rise in the price of corn pushing Zambians to sell their animals and poultry at very low prices to get money to buy food. Food insecurity therefore represents a possible source of conflict vulnerability. Zambians, however, are historically non-violent, including during times of famine.

**Environmental Considerations:** USAID/Zambia recognizes that protection of the environment and wise management of the natural resource base are absolute requirements of any successful development program. Degradation of natural resources contributes to higher levels of poverty, while high incidences of poverty lead to reduced stewardship of environmental endowments. USAID/Zambia conducted an Environmental Threats and Opportunities Assessment (ETOA) for Zambia to inform CSP development. The ETOA is summarized in the Environmental Annex to the CSP. The ETOA reviewed key environmental components, including wetlands/water, soil, wildlife, forest and biodiversity. Environmental threats and opportunities, and recommendations for each of the resource categories were examined and discussed, with specific attention to issues directly related to the Mission's strategy. Special attention was paid to the environmental implications of activities of each SO, especially SO5 (Increased Private Sector Competitiveness in Agriculture and Natural Resources).

**Refugees and Regional Conflict:** As a result of warfare and civil unrest in their own countries, Zambia is hosting some 270,000 refugees, mainly from Angola and the Democratic Republic of the Congo (DRC), with a few thousand from Rwanda and Burundi. Many of the refugees have been in Zambia for more than twenty years, straining on Zambia's humanitarian relief system. The refugee situation is challenge to regional security and sustainable human development and increases the risk of cross-border

---

<sup>10</sup> Children on the Brink, 2002. UNICEF.

transmission of contagious diseases such as HIV/AIDS, tuberculosis, polio and livestock diseases that could overwhelm the administrative and social infrastructure of Zambia. Food shortages continue to threaten the refugee population. Heavy rains, flooding, and a deteriorating highway system have slowed the delivery of relief supplies to the refugee centers. With the diminished war and strife in Angola and the DRC, many of these refugees are slowly being repatriated. The refugee strain on Zambia is expected to lessen with time.

Human Rights: Although Zambia is party to various international and regional human rights instruments such as the International Covenant on Civil and Political Rights and the African Charter on Human and Peoples' Rights, the country continues to experience human rights abuse, particularly of rights related to freedom of association and assembly, disenfranchisement in elections and child abuse.

The police continue to be an obstacle to the proper administration of the provisions of the Public Order Act. Law enforcement agencies are often callous and uncooperative to opposition political parties or groups perceived as being opposed to Government. The Government's grip on the public media continues in what is undoubtedly a strategy to curtail and/or influence public debate on matters of political significance. The public media serves as a campaign tool for the ruling Movement for Multiparty Democracy (MMD), whilst the opposition is only given limited access to state media. The principle of equality is often ignored.

#### **D. U.S. FOREIGN POLICY INTERESTS**

For the first time development has been elevated to be the third pillar of U.S. national security, along with defense and diplomacy. In addition, U.S. official development assistance (ODA) funding will increase in the coming years through the Millennium Challenge Account (MCA) announced by President Bush in March 2002. USAID/Zambia is hopeful that Zambia will qualify for Millennium Challenge Account support.

In Zambia, the United States Government Mission Performance Plan seeks to build a prosperous and democratic Zambia that will be an effective partner in the international arena. Zambia's history of promoting peace at home and abroad, coupled with its abundant economic resources, lend credence to this vision. The United States has recognized terrorism and HIV/AIDS as two critical threats, which have a major impact on the strategic goals of economic growth and democracy.

Zambia is a willing partner in contributing to the U.S. Government's priority goal to prevent and respond to terrorism. The U.S. will intensify its counter-terrorism programs in Zambia and work with the Zambia Defense Force which has played a peacekeeping role in Africa and elsewhere, to strengthen its capacity. Important elements of the Zambian media are relatively free, but they increasingly see the world through an anti-West, anti-globalization prism. Public diplomacy action is subsumed under every objective and will intensify its outreach efforts to raise the Zambian opinion makers' understanding of the responsibilities of the U.S. as a leader, particularly in the coalition against terrorism.

U.S. priorities reflect efforts to seize unique opportunities. The Mwanawasa Government is putting resources and political will into the fight against corruption. By supporting these efforts, the U.S. hopes to advance its goal to make Zambia's Government democratic, transparent and fair, which will help strengthen democracy here and establish a model for the Africa region. The U.S. is also assisting the newly invigorated Parliament as it strengthens its ability to serve as an effective branch of governance.

#### **E. HOST COUNTRY RELATIONSHIPS**

Donor coordination in Zambia is generally good. The formal channel for donor coordination is the annual Consultative Group Meeting. At the July 2002 CG meeting held in Zambia, donors congratulated the Zambian Government for its good macroeconomic performance in recent years, expressed commitment to fight corruption and welcomed the participation of the private sector and civil society in

the meeting. Donors pledged about U.S.\$1.3 billion<sup>11</sup>, including funding for on-going, new and planned programs. In addition to the CG meetings, coordination takes place periodically between the Zambian Government and donors. More informal meetings among donors also take place, largely on an adhoc but continuing basis.

Donors provide data in different formats, which makes it difficult to precisely determine the exact level of donor assistance. For 2002/2003 Zambia received \$747 million for project financing and balance of payments. The United States is ranked second among the bilateral donors and fifth among all donors. The other top nine donors in 2002 include: the International Monetary Fund, the World Bank, European Union, United Kingdom, Germany, the Netherlands, Japan, Norway and the African Development Bank.

The Poverty Reduction Strategy Paper (PRSP) and the National Economic Diversification Program are important focal points for donor collaboration. USAID collaborates closely with GRZ in the implementation of education, health and Parliamentary reforms, and the private sector in facilitating public/private dialogue, particularly in areas of policy reform and creating an enabling environment for private sector development. USAID's partnerships with local and international NGOs promote public participation in civil and political processes that strengthen democratic governance, focus on sustainable community-based approaches to rural development and in increasing access to better education and health services. USAID's proposed Country Strategic Plan will continue to complement the approaches to be implemented in the PRSP.

---

<sup>11</sup> Economic Report 2002, Ministry of Finance and National Planning

## **II. OVERVIEW OF PROPOSED STRATEGIC PLAN**

### **A. PLANNING PARAMETERS**

The final version of the Zambia Country Strategic Plan Parameters Guidance Cable (Annex D, Volume II) was received on March 3, 2003. USAID/Zambia's Concept Paper was deemed sound and an acceptable approach for the preparation of Zambia's Country Strategic Plan reflecting a sustainable development strategy for the period FY2004 – FY2010. USAID/Zambia's proposed long-term development vision and five strategic areas in private sector growth, basic education, health, governance and HIV/AIDS reduction through a multi-sector response were approved.

USAID/Zambia was requested to prepare three scenarios to fund the program: 1) an annual base level of \$52 million (DA/CSH), including \$30 million of HIV/AIDS; 2) a low annual level of \$40 million, including \$25 million of HIV/AIDS; and to 3) discuss how additional HIV/AIDS above \$30 million would be used. USAID/Zambia was also requested to develop two OE funding scenarios: 1) at \$2.718 million annually and 2) at 3.428 million annually. USAID/Zambia's proposed staffing level, including a USPSC/TAACS position for the HIV/AIDS Multi-sector program, was supported.

In addition to the mandatory analyses required and the relevant technical analyses, USAID/Zambia undertook a macroeconomic analysis and nutritional and food security assessments. The Assistant Administrator for Africa waived the ADS requirement for Conflict Vulnerability Assessment (CVA) based on USAID/Zambia's preliminary findings and recommendation that a CVA would be redundant for this CSP. A tentative timeframe for submission of the CSP to USAID/W was set at the beginning of May 2003, with a proposed review by the first week of June 2003.

### **B. HOW USAID'S DEVELOPMENT PARTNERS AND STAKEHOLDERS INFLUENCED CSP DEVELOPMENT**

In developing the Country Strategic Plan (CSP) for Zambia, USAID/Zambia comprehensively undertook analyses and stakeholder consultations on Zambia's social, economic, cultural and political environment to inform the planning process.

USAID/Zambia's consultations included a broad-based review of Zambia's most recent and relevant development literature as well as undertaking a contextual study on Zambia for identifying development interventions. Detailed sector assessments addressing population health and nutrition, agriculture, natural resources management, private sector development, basic education, health, HIV/AIDS and governance were undertaken to provide the necessary information for developing demand-driven interventions. USAID/Zambia also undertook analyses and assessments in the areas of an Environmental Threats and Opportunities, Information Communication Technology, Gender, as well as Food Security and Nutrition. Each of USAID/Zambia's Strategic Objective Teams held a series of meetings and stakeholder consultative workshops that provided USAID/Zambia with first-hand customer input, including information on other donor programs and feedback on Zambia's development environment and USAID/Zambia's (USAID) proposed Country Strategy. AID/W and REDSO participated in the preparation of the CSP's Preliminary Performance Management Plan (PMP) by providing input. USAID/Zambia generally drew extensively on expertise from Global, AFR, REDSO and RCSA, at all stages of the CSP development process.

Broad-based stakeholders' consultation workshops were undertaken to review both USAID's CSP Concept Paper and draft CSP ahead of submission to Washington. A summary of the consultative process is presented as Annex B, Volume II.

### **C. THE PROPOSED COUNTRY STRATEGIC PLAN**

Background: The 1998-2003 Country Strategic Plan (CSP) was premised on the social and economic development environment prevailing in Zambia in 1997. Although considerable economic, social and

political reforms which contribute to its vision of “Promises to keep” is being achieved, more remains to be done.

The FY1998-2003 CSP was originally approved for the period 1998-2002. By early 2000, USAID had reached the conclusion that the FY1998-2003 CSP had not sufficiently taken into account the considerable negative impact of HIV/AIDS on all development efforts in Zambia. By early 2001, USAID/Zambia had developed a multisectoral HIV/AIDS Framework to apply as a template across the country program. Without creating a new Strategic Objective, implementing partners were encouraged to explore low cost/no cost interventions to mitigate the impact of HIV/AIDS on their activities. In May 2001, the Africa Bureau approved USAID/Zambia’s request to extend the FY1998-2002 CSP by one fiscal year to September 2003. This extension enabled USAID/Zambia to understand lessons learned from the multisectoral approach to HIV/AIDS, which has informed the development of a holistic approach to addressing the HIV/AIDS impact on Zambia in the new CSP.

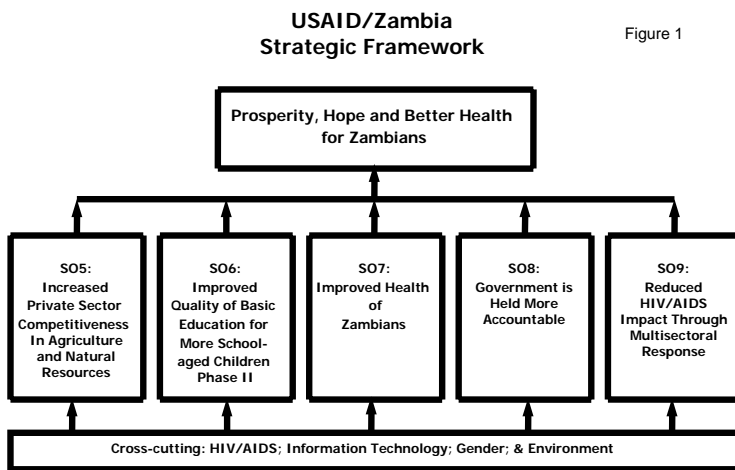


Figure 1

The Strategy: USAID/Zambia’s proposed FY2004-2010 CSP builds upon the FY1998-2003 CSP and will contribute towards a new vision to bring “Prosperity, hope and better health for Zambians” through five Strategic Objectives (Figure 1). The strategy aims at ensuring gender sensitive, people-level improvements in economic and social status through increased competitiveness in agriculture and natural resources, improved access and quality of education and health services, including mitigating the impact of HIV/AIDS across all sectors and helping to make Government more accountable. The use of Information

and Communications Technology (ICT) has been incorporated into all SOs. An environmental assessment has been carried out for the CSP to ensure that environmentally-friendly processes are promoted to achieving sustainable growth.

USAID will continue to work closely with the GRZ, the private sector, civil society and other donors. To increase the impact, USAID resources will be augmented with resources leveraged through the Global Development Alliance (GDA) business model, the Global Fund and other public/private alliances, such as Roll Back Malaria, Coca-Cola for HIV/AIDS, FACEAIDS for workplace HIV/AIDS, etc.

USAID’s five SOs will directly contribute to several sectors and cross cutting areas of Zambia’s Poverty Reduction Strategy (Figure 2) whose major objectives include promoting growth and diversification in production and exports, improving the delivery of social services, and incorporating crosscutting themes of HIV/AIDS, ICT, gender and the environment.

The strategy is based on the broad assumption that the GRZ will continue its commitment for good democratic governance and political stability as well as maintain fiscal discipline to sustain economic progress and social development.

Rationale for Programming Focus Areas: The new CSP is nationwide in scope for key areas such as development and implementation of policy reform, establishment of norms and standards, and activities

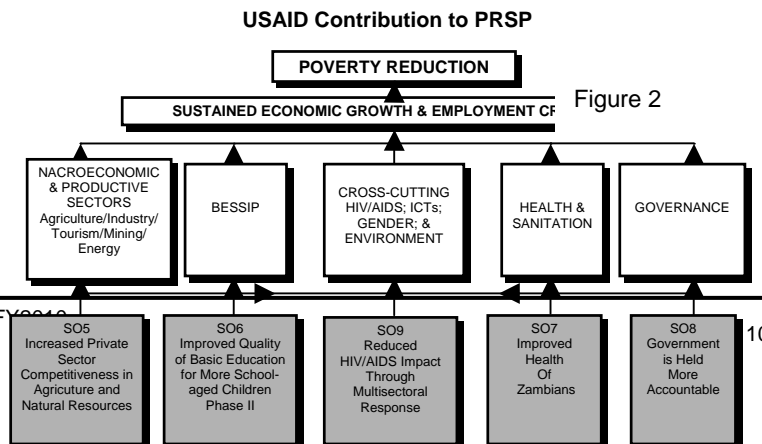


Figure 2



designed to achieve results throughout Zambia. Some activities are targeted at certain age or social groups, such as support to Orphans and Vulnerable Children (OVCs), to People Living With HIV/AIDS (PLWHA), basic education, vaccination campaigns, family planning, gender equity, high-risk groups for sexually-transmitted diseases, and producers of certain commodities, that may or may not imply nationwide coverage.

Conversely, activities that focus on the local communities will be targeted geographically. The design phase will not categorically exclude any region of Zambia for consideration of receiving assistance. With specific reference to geographic focus, the following broad considerations will guide placement of interventions:

- In geographic areas where USAID assistance has been provided successfully
- In geographic areas where interventions will sustain impact, benefit more people or where new interventions will draw multisectoral benefits in terms of programming and impact;
- In those geographic areas where USAID assistance will reach the largest number of people
- In geographic areas where the greatest impact and the best results with the available resources can be achieved;
- Where synergy with other donors or GRZ initiatives will significantly enhance the prospects for achieving results; and
- Where other donors are not concentrating their assistance
- Where fewer Government resources are available

Donor coordination is good, with various donors taking the lead in coordinating areas of their comparative advantage. The PRSP and the National Economic Diversification Program are important focal points for donor collaboration. Table 2 presents some key areas in which complementarity with other donors is expected to continue under the FY2004-FY2010 CSP.

**TABLE 2: COMPLEMENTARITY WITH OTHER DONORS**

DONOR	AREA OF INVOLVEMENT
Africa Development Bank (ADB), Dannish Aid (DANIDA), European Union (EU), Finnish International Dev. Agency (FINNIDA), Food and Agricultural Organization (FAO), Friedrich Ebert Stiftung (FES), International Fund for Agric. Development (IFAD), Japanese International Cooperation Agency (JICA), Netherlands, Norwegian Agency for Development (NORAD), Swedish International Development Agency (SIDA), UK Department for International Dev. (DfID), United Nations Development Program (UNDP), United Nations Children's Fund (UNICEF), World Bank and World Food Program (WFP)	<b>Economic Growth</b> including: Agriculture; Energy; Privatization; Small and Medium Enterprise Dev.; Tourism and Trade; and Wildlife sectors
DANNIDA, DfID, Canadian International, Development Agency (CIDA); EU; FINNIDA, Germany, Ireland Aid, JICA, Netherlands Norway, UNICEF, United Kingdom and World Bank	<b>Basic Education</b> including: Community Schools – Interactive Radio Instruction; Equity and Gender; HIV/AIDS Mitigation; Infrastructure; Life Skills; School Health and Nutrition; and Teacher Training
CIDA, DfID, DANIDA, UNFPA, Ireland Aid, JICA, Netherlands, SIDA, UNICEF, World Bank and World Health Organization (WHO)	<b>Health</b> including: Public health: Malaria, HIV/AIDS; Integrated Reproductive Health; Child Health; and Infrastructure; Sector-wide approach: Improving Access to Care; District Intervention; Gender and Health; Hospital-sector Reform; Health Care Financing, including Human Resources, and Drugs.
Netherlands, Canada, Finland, Ireland, Sweden, Norway, Netherlands, EU, Frederick Ebert Stiftung, GTZ, UK, Germany, UNDP, and the World Bank	<b>Democracy and Governance</b> including: Good Governance; Anti-Corruption; Citizen's participation in governance

**D. RELATIONSHIP TO AGENCY GOALS AND MISSION PERFORMANCE PLAN**

This CSP is fully consistent with the Agency's Goals. The economic growth strategic objective (SO5) will implement activities within the Agency Goal of Broad-based economic growth and agricultural development encouraged. The economic growth strategic objective also contains activities within the Agency Goal of The World's Environment Protected for Long-Term Sustainability. The basic education strategic objective (SO6) is directly responsive to the Agency's Goal of Human Capacity Built Through Education and Training, while the health (SO7) and the multisectoral (SO9) strategic objectives are within the Agency Goal of Global Health. Finally, the democracy objective (SO8) addresses the Agency Goal of Democracy and Good Governance Strengthened.

The USAID objectives also contribute to and complement Mission Performance Plan's Strategic Goals for economic prosperity and security (through SO5 and SO6), humanitarian and other transnational issues (through SO7 and SO9) and democracy and human rights (through SO8).

**E. STRATEGIC ALLIANCES**

USAID/Zambia has benefited from successful strategic alliances under the FY1998-2003 strategy that are likely to transition to the new strategy. For example, a vegetable export alliance with Agriflora Ltd., Zambia National Farmers' Union (ZNFU)/Agri-business forum, and JICA is linking smallholder farmers to export markets. An alliance for the development of small and medium business associations is also in place in partnership with the European Union, Church Loan Fund (ECLOF), Fredrick Ebert Stiftung and the Micro Projects Unit.

The Global Development Alliance (GDA) Initiative and other alliances have opened opportunities for USAID/Zambia to leverage additional human, material and financial resource to expand the impact of development efforts. Alliances that are benefiting to the health sector include the Global Fund, Roll Back Malaria, Coca-Cola for HIV/AIDS, FACEAIDS for workplace HIV/AIDS. An Information Communications Technology (ICT) partnership with Cisco Systems, the University of Zambia and the United Nations development Program (UNDP) is being implemented. A Dairy Sector Alliance that is providing a milk market for small farmers is also underway in partnership with Land O'Lakes, Zambia Agribusiness Technical Assistance Center (ZATAC) Ltd., Finta Dairies LTD, CARE, Japanese International Cooperation Agency (JICA), and International Executive Service Core (IESC). A

Warehouse Receipts Alliance with Zambia Agriculture Commodities Agency, Natural Resources Institute of the UK, Common Fund for Commodities of Holland, Zambia National Farmers Union, Bankers Association of Zambia, Millers Association of Zambia, and Sheni Agricultural Supplies Ltd. is reviving business relations between commercial banks and farmers. A school health and nutrition partnership has been implemented with the World Bank and Glaxo SmithKline to support the information, education and communication element of the SHN initiative and with JICA to provide the pharmaceuticals for the USAID-supported SHN demonstration activity. USAID/Zambia intends to build on such strategic partnerships and to aggressively mobilize the GDA Business Model to leverage more resources for the new strategy.

#### **F. IMPLEMENTATION TIMEFRAME**

The new CSP will cover the period FY2004-FY2010. USAID plans to undertake an overall assessment of implementation progress by the end of FY 2007. Midway through strategy implementation, the assessment will address the need to review long-range performance targets as well as the effectiveness of selected approaches. Considering that Zambia is scheduled to have its next presidential and general elections in 2006, the assessment will also make it possible for USAID to align the strategic framework to any relevant significant shifts in the assistance environment. USAID/Zambia anticipates approval of the new CSP in June FY2003. Thereafter, Strategic Agreements will be signed with the GRZ and allowances will be obligated for the CSP 2004-2010 Strategic Objectives. Partnerships will be sought for implementing the various programs through Requests for Assistance, Annual Program Statements, and Requests for Proposals as appropriate. Assuming partnerships and awards are finalized within six months, new instruments will be starting operations during the March-July 2004 period. This mobilization will occur after completion of activities under the current strategic plan, most of which have completion dates prior to October 2004. The preliminary Performance Management Plan (PMP - Annex C, Volume II) will be reviewed and a complete PMP as per the ADS 203.3.3 will be in place within one year of approval of the CSP.

### III. STRATEGIC OBJECTIVES

#### A. SO5: INCREASED PRIVATE SECTOR COMPETITIVENESS IN AGRICULTURE AND NATURAL RESOURCES

##### 1. DEVELOPMENT CHALLENGE AND USAID'S COMPARATIVE ADVANTAGES

**a. The Development Challenge:** Agricultural development is essential for sustained improvement in Zambia's economic performance and for reduction in rural poverty. Agriculture's position as a key engine for food security and broad-based equitable economic growth is even more evident given long-term low copper prices and more recent investment crises in the copper mining industry. Zambia has favorable climatic conditions, untapped quantities of arable land and vast irrigation potential, essential ingredients for the production of an almost limitless range of crops. With correct selection, and with pest and disease management, livestock also has good potential. Linked to agriculture, Zambia's natural resources, including forests, wildlife and wilderness and cultural sites, if managed in a productive and sustainable manner, have great potential to contribute to rural economic growth through both increased production and marketing of natural products and tourism. Further, beyond the copper/cobalt sector, Zambia has a wealth of non-traditional minerals, including various types of gemstones, which hold significant economic potential.

Due to high poverty levels in the country, local demand beyond basic food needs is limited. Poverty thus tends to constrain the targeting of local markets. Selling primary and processed agricultural products to industrial country consumers offers Zambian farmers and firms opportunities for rapid income growth. However, industrialized country markets are competitive with consumers of dynamic and exacting product price and quality preferences.

Despite Zambia's huge potential in the agricultural and natural resources sectors, the country has been unable to register itself as a competitive market player locally, regionally and internationally. The main constraints to agricultural development and small-scale rural agribusiness competitiveness in the last decade have been: 1) lack of capacity, clarity and consistency within GRZ to generate and implement liberalization policies conducive to private sector agricultural growth; 2) poor market access and under-developed markets limit production; 3) inadequate sources of finance and capital; 4) low farm and firm production and productivity due to inadequate provision of technical information, limited use of modern production and value-adding technologies, and business management services; 5) poor or non-existent infrastructure including telecommunications, roads and power facilities; 6) labor constraints due to the HIV/AIDS epidemic; 7) widespread loss of animal draft power due to disease; and 8) the continuing gender imbalance that promotes inequitable access to resources and opportunities for women. Constraints to the development of the country's natural resources and tourism sectors mirror those of the agriculture sector. In addition, the natural resources sector suffers from over-exploitation, largely due to illegal hunting and harvesting and the pressures of human population in wildlife and forestry areas.

The HIV/AIDS epidemic is increasingly impacting on household and community incomes, food security and the country's competitiveness. The epidemic has potentially dire implications in rural areas for labor availability and productivity. Efforts to improve growth in these sectors cannot ignore consideration of means to mitigate the impact of HIV/AIDS.

**b. Comparative Advantage:** USAID's economic growth program under SO1 "Increased Rural Incomes of Selected Groups" focused on effective dialogue with and support to the GRZ to improve the overall economic policy environment to reduce barriers to trade and investment. It also built some public and private sector capacity for policy dialogue, analysis, conceptualization and formulation. USAID investments in the SME sector have enhanced business skills and fostered market linkages to optimize rural incomes by generating opportunities along the value chain between and among

producers, suppliers, processors and consumers. USAID's interventions to link smallholder outgrowers to larger-scale producers and processors, provide valuable lessons to further its efforts to improve rural livelihoods through the expansion of value-added production and processing of agricultural and natural resource outputs.

Two interventions through USAID/Washington, in food security research and the network for early warning of famine have provided invaluable information and capacity building for policy development and action to address national food security, agriculture and natural resources production, marketing and growth issues. Given its past experience in policy development and innovative market-led projects to bolster smallholder and rural community participation in agriculture and natural resource production, USAID is well positioned to support the GRZ efforts to address poverty through growth in these sectors.

## **2. DEVELOPMENT HYPOTHESIS, STRATEGIC OBJECTIVE AND INDICATORS**

The development hypothesis underlying the SO5 strategy is that increased food security and market competitiveness in local, regional and global markets will be attained by focusing on market and financial linkages, adoption of technologies, and implementation of enabling policy and appropriate regulatory interventions in the agriculture and natural resources and tourism sectors, while addressing gender-related constraints.

Strategic Objective 5 (SO5), Increased Private Sector Competitiveness in Agriculture and Natural Resources, will support the GRZ in meeting its objectives to increase economic empowerment in rural areas and to improve the nation's competitiveness in agriculture and natural resources and tourism. This SO contributes to the Agency's Strategic Goal1: Broad-Based Economic Growth and Agricultural Development Encouraged and to Goal 3: The World's Environment Is Protected for Long-Term Sustainability. Closely linked to USAID's vision of providing prosperity for Zambians, SO5 will contribute to improved rural health, while also being the main contributor to the MPP Goal of Global Economic Growth.

SO5 will build on successes achieved and lessons learned under the SO1 "Increased Rural Incomes of Selected Groups", to promote the growth and competitiveness of smallholder agriculture and the productive participation of rural communities in natural resource and tourism sectors.

The strategy will emphasize competitiveness: the ability of producers and processors to increase product quality and quantity, improve marketing margins and increase market share in local, regional and international markets. SO5's market competitiveness focus pursues Zambia's best chance for rapid rural poverty and food insecurity alleviation. Building on its considerable experience and knowledge about what works in Zambia; USAID will optimize resource utilization by focusing on niche commodity chains in which Zambia has an identified comparative advantage. Drawing on lessons learned from CSP 1998-2003 market linkages, business development services and policy research programs, SO5 will take full advantage of USAID's international expertise in product cluster development to achieve significant increases in the competitiveness of supported groups. Selected clusters will include product lines with considerable market growth potential and that lend themselves to producer groups moving up the value chain. Candidate products would include cassava, horticultural crops, gemstones, tourism, livestock, dairy and coffee. Policy research work would be significantly targeted at facilitating an enabling environment for the selected clusters. Participation of women will be encouraged in each one of these sectors at different cluster levels and efforts will be made to overcome constraints that hinder the full participation of women.

Linking larger private sector enterprises with smallholder and rural community enterprise, to introduce appropriate productivity increases and operational cost reductions, has the potential to increase competitiveness, contribute to foreign exchange earnings, produce equitable growth, improve rural incomes and reduce poverty. At the rural household level, growth and sustained competitiveness in markets will have a marked impact on improving food security through steady increases in rural incomes, and through crop diversification which off-sets risk and widens food options, improving diet.

Overarching Themes: Within the SO framework, four critical and inter-related themes will be addressed: increased food security for rural populations; the prevention/mitigation of HIV/AIDS; use of information and communications technology (ICT); and gender issues and constraints impacting on women's role in agriculture and natural resource production and marketing.

Food Security: Activities under SO5 will work towards increasing incomes and overall improvement in rural economies through improved production, food security and crop diversification to enhance resilience and food security, while promoting dietary diversity. It is anticipated that activities that involve outgrower/producer groups will provide fora to present information and training in nutrition. The program will support on-going research and analysis on food security issues to inform both GRZ policy and local and international response to food emergencies.

HIV/AIDS: SO5 will deal with the impact of the HIV/AIDS epidemic throughout the program. At the policy level activities will include research and studies into the impact and mitigation of the epidemic as it relates to support sectors. At the production level, labor-saving technologies (also important for increased food security) will be promoted as well a range of workplace programs including prevention, awareness and outreach, and ultimately treatment.

ICT: In order to enhance competitiveness of producers and processors, SO5 will work to promote an enabling environment for the use of information and communications technologies, particularly in rural areas.

Gender: SO5 activities will be structured so as to both identify and address some of the gender constraints and concerns in the program areas. These include: increasing women's participation in cash crop production; constraints arising from competing demands between involvement in enterprise and women's traditional family roles; and the tendency of men to dominate areas of rural enterprise or to take over lucrative activities begun by women; and special constraints to women accessing credit, land, inputs, etc. The SO will also support further research and studies on issues affecting women's entry into rural enterprise, and promote appropriate policy and regulatory change to reduce gender constraints.

SO5's clients will primarily be smallholder farmers, as well as individuals and communities in the proximity of game management areas and other protected habitat. It is estimated that there are 800,000 smallholders in Zambia of whom approximately 30 percent, or 250,000 have potential to become commercial. SO5 activities will also benefit small and medium enterprises (SMEs) in selected value-chains such as small-scale agro-processors, input suppliers and enterprises that support tourism, by identifying and stimulating markets for agricultural and natural resource management products. The target would include food suppliers, providers of waste management and recycling services, taxi and other transport operators, handicraft marketing and cultural shows, etc. SO5 recognizes that using linkages between small producers and larger-scale enterprises (to boost small agribusiness growth) will mean that some benefits will accrue to the larger-scale partners and other middle-market risk takers in the value chains who are intermediaries to lucrative markets. However, the criterion for selection of interventions will be the degree to which they improve growth of small-scale rural enterprise.

SO5 will target at least 33% of female participants in supported interventions and make efforts to ensure that supported activities present a positive image of female farmers/entrepreneurs and do not promote stereotyping. Where possible, additional support, including skills training, will be given to women to empower them to participate more effectively agricultural production and small-scale enterprise.

**Strategic Objective Indicators:**

Two indicators have been selected to measure program impact at Strategic Objective level:

- **The value of agriculture and natural resource-based exports, including tourism receipts:**  
USAID will endeavor to raise the national value of agriculture and natural resources exports and

tourism receipts annually from \$250 million in 2002, to \$450 million by the year 2010. Sustained growth in agriculture and natural resource-based exports and tourism receipts, is indicative of increased competitiveness of agricultural, natural resource and tourism products.

- **The value of food and non-food agricultural production by USAID-supported groups:** In 2002, groups supported by USAID/Zambia under SO1 produced \$3.6 million worth of agricultural products. SO5's new investments will raise the value of food and non-food agricultural products of its supported groups to \$15 million by 2010. Food production refers to the production of crops and other agricultural products that can be used directly as food sources by the producer household while non food agricultural production refers to industrial/export crops such as cotton, flowers, etc. Increased production by USAID-supported groups indicates agricultural expansion through better use of technologies and response to markets. Increased food and non-food commodity production also indicates higher levels of food security, as food production increases household consumption and marketed food and non-food provide income that can be exchanged for food.

### 3. CRITICAL ASSUMPTIONS

The achievement of SO5 will depend on the following key assumptions:

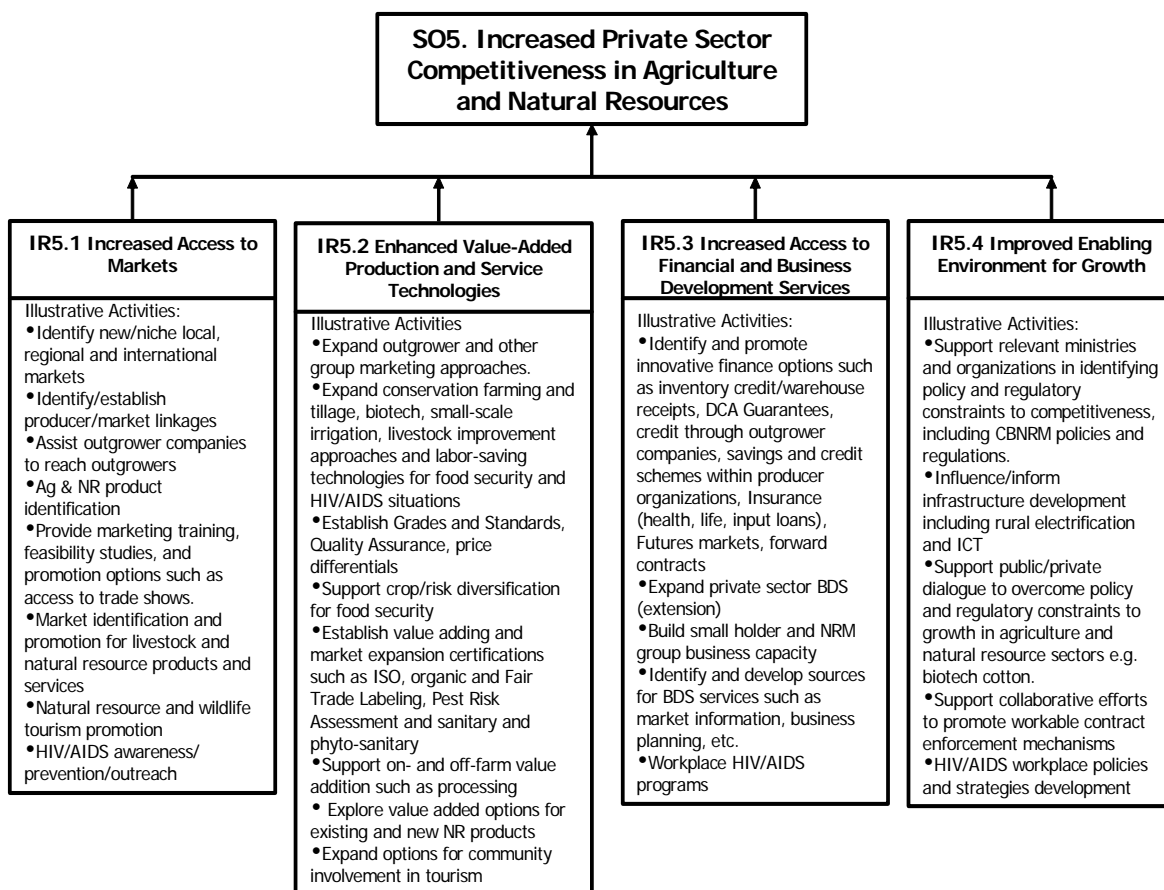
- The GRZ will remain committed to economic diversification and give high priority to agricultural development and natural resources management. This will underpin GRZ commitment with action in the form of institutional, policy and regulatory support.
- The GRZ takes appropriate steps to improve infrastructure, such as roads, transport, power, water and telecommunications which are key to growth in these sectors.
- National macro-economic indicators do not deteriorate.
- Political and economic stability in the region is maintained to ensure a level playing field for increased trade.
- Global economic factors, such as, the price of oil and exchange rate fluctuations will not deteriorate further.
- Production technologies promoted are mitigating the effects of natural disasters, such as severe drought and flooding.
- The HIV/AIDS epidemic does not escalate.

#### 4. INTERMEDIATE RESULTS, ILLUSTRATIVE ACTIVITIES AND INDICATORS

Four intermediate results will contribute towards the achievement of SO5: access to markets, technology provision and business development services, access to finance and policy interventions, all combine to give the necessary support environment to enable Zambian producers attain competitiveness in domestic, regional and international markets. Throughout SO5's activities, gender sensitivities will be strongly emphasized and programs will be structured to ensure at least 33% participation by women. Indicators for these results will be disaggregated by gender to effectively track participation.

Figure 3

### ECONOMIC GROWTH SECTOR RESULTS FRAMEWORK



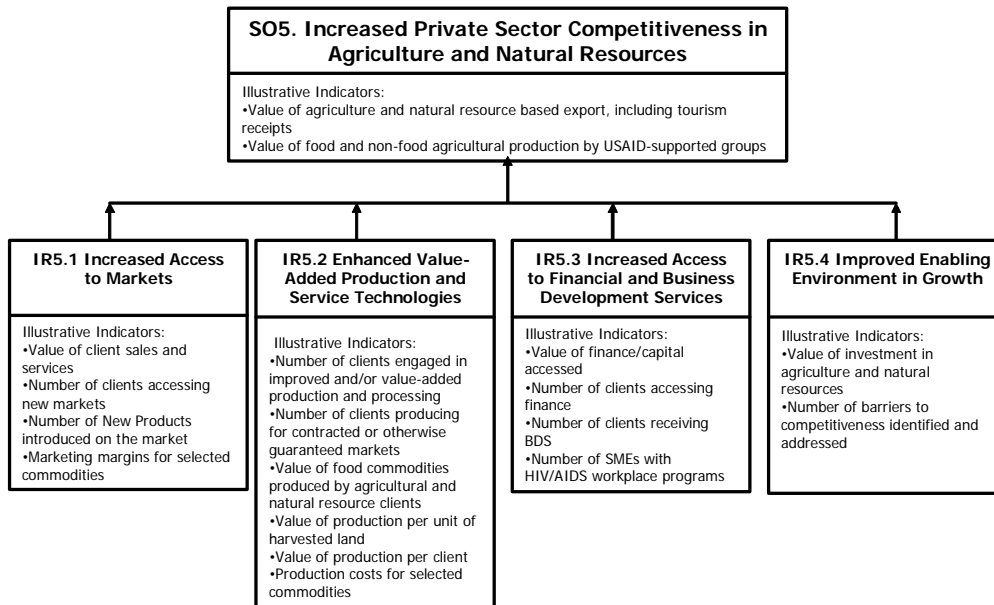
**IR5.1 Increased Access to Markets:** The ability to access markets is the primary key to smallholder agricultural growth and to expansion of rural groups' participation and benefit from natural resources and tourism. As individual households, small farmers do not have access to export markets and rural groups have had little opportunity to take advantage of existing markets or to expand into regional and international markets. USAID's programs to build outgrower and small-scale producer groups through linkages to larger-scale commercial agribusiness have been successful in expanding access for these groups. SO5 activities will continue to use links to larger private sector entities to expand smallholder market access and focus on identifying new and niche markets for agricultural and natural resource production.



Particular attention will be paid to sustainable development of natural resource products and tourism market growth opportunities to benefit rural communities living around protected areas, while enhancing preservation of the environment through Community Based Natural Resource Management (CBNRM) approaches. Activities will identify opportunities for communities' productive participation in eco-tourism. Sustainably harvested forest and other natural products such as fruits, fibers, grass, wood, charcoal, timber, mushrooms, honey and medicinal plants and handicrafts, as well as new products such as gemstones present market opportunities and income potential for rural communities. Gemstones export value reached \$20 million in 2002. This appears to have great potential to contribute significantly to export earnings if appropriate marketing arrangements can be put in place. USAID/Zambia will assist relevant stakeholders to realize a successful gemstone cluster in Zambia, particularly through technical assistance interventions and emphasizing the participation of women.

In addition, IR5.1 activities will focus on expanding international business and trade partnerships between U.S. and regional entities, and will seek opportunities for small-scale private enterprises to take advantage of trade opportunities under the Africa Growth and Opportunity Act (AGOA), Figure 4 and

### ECONOMIC GROWTH SECTOR RESULTS FRAMEWORK



regional trade liberalization initiatives. Trade promotion activities including trade shows and local, regional and international trade-related informational tours will also be supported. Through the market linkages interventions, USAID will support actions to provide appropriate HIV/AIDS programs for the benefit of participating communities.

**Illustrative Activities:**

- Identify new/niche local, regional and international markets
- Identify/establish producer/market linkages
- Assist outgrower companies to reach outgrowers
- Ag & NR product identification
- Provide marketing training, feasibility studies, and promotion options such as access to trade shows.
- Market identification and promotion for livestock and natural resource products and services
- Natural resource and wildlife tourism promotion
- HIV/AIDS behavior change/prevention/outreach programs

**Illustrative Indicators:**

- Value of client sales and services
- Number of clients accessing new markets
- Number of new products introduced on the market

**IR5.2 Enhanced, Value-Added Production and Service Technologies:** Enhanced productivity, production and product quality are essential in strengthening producer groups and outgrower competitiveness. Productivity increase is also a prerequisite for realizing food security. For farmers and small-scale producers of natural products to increase competitiveness they must produce sufficient quantities from every unit of land harvested to provide for both their food security needs and surpluses to allow them to enter the market. Additionally, they frequently need to diversify by growing new crops to meet nutritional needs or find new sustainable natural products for emerging market opportunities. New and improved production requires new technologies and value added processing. To meet the volume of demand, small producers must often group together to reduce unit costs, increase the scale of production and unit margins, and thereby their profits.

Most small-scale producers, in agricultural or natural products, have had little exposure to the technological advances for increasing production and adding value to their produce. USAID's activities under this IR will build on past experience to promote the formation and sustainability of outgrower and other production groups and enable them to meet the procurement requirements of domestic and international food industry firms, including the expanding chain supermarket sector. USAID's experience clearly demonstrates that aligning small producers with larger local, regional or international firms offers them access to vital technologies as well as to expanded markets. Other activities may include the establishment of grades and standards, quality assurance, as well as quality certifications such as ISO and sanitary and phyto-sanitary and labels such as organic and Fair Trade Labels.

To increase volume of production for food security and for marketing conservation farming, conservation tillage, biotechnology, and other production-enhancing technologies such as small-scale irrigation, water harvesting, and soil fertility interventions will be promoted. In response to the HIV/AIDS epidemic, and the increase in women-headed households, labor-saving technologies will also be employed. In addition, information and training on vital household nutritional and health issues will be provided.

In order for Zambia to fully benefit from tourism two things are necessary. First and foremost, it must ensure the preservation of wildlife, forests and cultural sites, all currently over-exploited and under threat; and second, it must improve infrastructure. In the natural resources sector, activities will build Community-Based Natural Resource Management (CBNRM) groups and use links to larger enterprises to explore value-added options for existing and new sustainably harvested/managed natural resources products, and for expanding opportunities for community involvement in, and benefit from, tourism.

Consequently, productivity and efficiency improvements throughout the sector production and market chain will result in improved food security and overall sector competitiveness in local, regional and global markets.

Illustrative Activities:

- Expand outgrower and other group marketing approaches.
- Expand conservation farming and tillage, biotech, small-scale irrigation, livestock improvement approaches and labor-saving technologies for food security and HIV/AIDS situations
- Establish Grades and Standards, Quality Assurance, price differentials
- Support crop/risk diversification for food security
- Establish value adding and market expansion certifications such as ISO, organic and Fair Trade Labeling, Pest Risk Assessment and sanitary and phyto-sanitary
- Support on- and off-farm value addition such as processing
- Explore value added options for existing and new NR products
- Expand options for community involvement in tourism

Illustrative Indicators:

- Number of clients engaged in improved and/or value-added production and processing
- Number of clients producing for contracted or otherwise guaranteed markets, desegregated by their status (new, old, graduated)
- Value of food commodities produced by agricultural and natural resource clients
- Value of production per unit of harvested land
- Value of production per client
- Production costs for selected commodities
- Marketing margins for selected commodities

**IR5.3 Increased Access to Financial and Business Development Services (BDS):** The lack of financing and capitalization mechanisms available to meet the needs of small-scale producers remain a serious problem in Zambia. A number of factors constrain the development of a viable rural financial sector including: 1) low population density; 2) low levels of monetization; 3) prior high levels of Government intervention; and 4) a culture of non-repayment of loans and a cumbersome legal system that hampers creditor redress.

While SO5 does not intend to provide direct financing under this strategy, it will promote innovative finance and capital options for small-scale enterprises. It may use credit guarantees to back up financing in some cases. Other approaches may include inventory credits/warehouse receipts, credit and savings through outgrower companies and producer groups, insurance, and forward contracts. Additionally, activities may consider investment-based options for capitalization such as equity finance and venture capital. Specific attention will need to be given to addressing the needs of female clients where traditional and other constraints to their access to finance and capital exist. In addition, it will build operational and management capacities through provision of private sector business development services (BDS) for business expansion and growth.

Illustrative Activities:

- Identify and promote innovative finance options such as inventory credit/warehouse receipts, DCA Guarantees, credit through outgrower companies, savings and credit schemes within producer organizations, Insurance (health, life, input loans), Futures markets, forward contracts
- Expand private sector BDS (extension)
- Build small holder and NRM group business capacity
- Develop sources for BDS services such as market information, business planning, etc.
- Workplace HIV/AIDS programs

Illustrative Indicators:

- Value of finance/capital accessed
- Number of clients accessing finance (disaggregated by their status: new, old, graduated)
- Number of clients receiving BDS
- Number of Small and Medium Enterprises (SMEs) with HIV/AIDS workplace programs

**IR5.4 Improved Enabling Environment for Growth:** Activities will help develop an enabling environment through assistance to Government and other organizations to deal with policy and regulatory issues, through support to public/private sector dialogue, and through identification of trade opportunities, issues and constraints. A supportive and enabling policy and regulatory environment underpins all of USAID's approaches in promoting competitiveness. On-going reform and refinement is needed on policy, law, regulations and their implementation and enforcement at sectoral levels. Agriculture-related issues include: 1) inconsistencies in GRZ policies and practice regarding its involvement in inputs, technology development and output marketing; 2) policies and regulations regarding finance and rural infrastructure; 3) reform in and enforcement of a regulatory framework for the agriculture industry; and 4) review of the Land Act of 1995 with a view to assessing its implementation and establishing an administration system to meet emerging demand. Key policy issues in the natural resource sector are: 1) the need to consolidate policy on environmental matters; 2) update and revise environmental legislation and strengthen enforcement mechanisms and penalties; 3) revise policy and legislation regarding CBNRM; and 4) review aspects of land tenure.

Overarching issues critical to building an environment conducive to investment include: 1) the reform of commercial law and development of simplified and streamlined methods to deal with legal disputes regarding business and contracts; 2) policy and regulatory issues related to trade, particularly in response to new international and regional initiatives; 3) review of the current business and investment processes; and 4) removing barriers that impede private sector efforts in the prevention and mitigation of HIV/AIDS. Activities under this IR will also assist stakeholders to look at the policy and regulatory framework regarding national, regional and international trade. Activities will include support to research, policy dialogue, technical assistance and training. Given Zambia's need to respond proactively to the number of new initiatives to open trade regionally and internationally, this support will be much needed. USAID will undertake activities to inform and support efforts to develop policy frameworks in areas critical to economic development such as infrastructure including rural electrification, water and telecommunications.

Illustrative Activities:

- Support relevant ministries and organizations in identifying policy and regulatory constraints to competitiveness, including CBNRM policies and regulations.
- Influence/inform infrastructure development including rural electrification and ICT
- Support public/private dialogue to overcome policy and regulatory constraints to growth in agriculture and natural resource sectors e.g. biotech cotton.
- Support collaborative efforts to promote workable contract enforcement mechanisms
- HIV/AIDS workplace policies and strategies development

Illustrative Indicators:

- Value of investment in agriculture and natural resources
- Number of barriers to competitiveness identified and addressed

## 5. LINKAGES

In addition to the critical linkages between the Strategic Objective and its Intermediate Results the following linkages strengthen the SO's rationale and program:

**a. Linkages to Agency Programs:** SO5 will maintain close linkages to a number of regional and Washington-based Agency programs impacting on private sector competitiveness. These include regional programs related to access to regional markets through SADC and COMESA. The Regional Agricultural Trade Enhancement Support (RATES) program through REDSO will provide technical assistance and policy support on cotton, as well as other interactions on regional trade in agriculture products and other COMESA issues. There will also be collaboration with the RCSA especially with the Regional Trade Initiative and AGOA Hubs; the Four Corners Trans-Boundaries Natural Resources Management Program; and the regional work on harmonization of grades and standards.

In addition, SO5 in conjunction with its on-going Food Security Research Project (FSRP) will maintain close collaboration with the AID/Washington-funded Famine Early Warning System Network (FEWSNET) for continued supply of vital weather and production forecasting information. In a new collaborative effort with FSRP, the SO will also develop information on market supplies and constraints. Throughout the seven-year strategy, but especially as Zambia emerges from the recent food emergency, SO5 will work closely with Food for Peace and the Title II PL-480 program on food security issues and with collaborative concepts to link food assistance to development.

SO5 will use USAID/Washington programs including the Presidential Initiative on Energy to provide assistance to Zambia on policy issues and infrastructure improvements in the energy sector. The Trade for African Development (TRADE) and the RAISE/Sanitary and Phytosanitary Standards Achievement (RAISE/SPS) facilities will also be tapped for technical expertise in meeting exacting international trade standards. USAID/Zambia also looks forward to receiving Initiative to End Hunger funding during the first year of this strategy. IEHA's science and technology, market and trade, producer organization, vulnerability and risk management, environmental sustainability and institutional capacity building pillars mesh closely with SO5's activities. Thus with IEHA funding Zambia will break new ground in alleviating hunger with small farmer based market competitiveness. The SO will also continue to collaborate and make productive links between its natural resource activities and the Agribusiness in Sustainable Natural Plant Products (ASNAPP) program.

**b. Linkages to Other Strategic Objectives:** SO5 will work closely with other USAID/Zambia SOs involved in activities that directly and indirectly support the development of rural economies and agricultural and natural resource competitiveness. It will also ensure that, where appropriate, its activities are used as platforms for activities under other SOs, for example, using producer groups as fora for providing information on health, HIV/AIDS and nutrition matters.

Improved Quality of Basic Education for More School-aged Children, Phase II (SO6): As resources allow, SO5 and SO6 may work together to develop school resource centers in rural areas as places for receipt of information useful for farmers and rural producers and sources of information for teachers and pupils on food security, agriculture, the environment, and conservation farming.

Improved Health Status of Zambians (SO7): SO5's program efforts contribute to increase food security through increased food production and diversity leading to improved rural diet and incomes. Adequate diet and nutrition support the effectiveness of medication and the immune system. Related activities may include provision of nutritional and health information to outgrower and producer groups. SO5 will coordinate and collaborate with SO7 on these initiatives.

Government Held More Accountable (SO8): History shows that social and political empowerment follow economic empowerment. SO5 will closely follow, and where appropriate collaborate, with SO8's efforts to assist the GRZ to deal with corruption. Corruption, and the perception thereof, is a major factor

limiting domestic and foreign investment in Zambia. Reducing corruption has significant potential to increase investment and competitiveness.

Reduced Impact of HIV/AIDS Through Multisectoral Response (SO9): SO5 will be actively involved in the multisectoral response to HIV/AIDS. It will work closely with SO9, using its own resources as well as HIV/AIDS funding to support activities under each of its IRs. It will continue and expand the efforts under the previous economic growth SO to build awareness and prevention interventions, including peer education and prevention messages and condom distribution at appropriate points of contact in its activities. HIV/AIDS workplace programs will be continued and expanded. To mitigate the impact of the epidemic on productivity, activities aimed at increasing production will look at making use of labor saving technologies and other strategies. Integral to increasing access to finance and capital in the midst of the epidemic, activities will look at options for health and life insurance to increase credit worthiness and diminish related risk. The SO5 Team will work actively with the C-SAFE NGO network to ensure provision of food assistance to vulnerable rural households. SO5 will also support SO9 to undertake studies and analyses to determine the impact on its rural clients. These analyses will inform the HIV/AIDS policy agenda and will suggest further prevention, mitigation and treatment initiatives that can be incorporated into the SO5 program.

## **6. COMPLEMENTARITY WITH OTHER DONOR AND GRZ PROGRAMS**

SO5's program to increase competitiveness of agriculture and natural resources is in complete conformance with GRZ programs in both its underlying principles and its planned implementation. As articulated in its Poverty Reduction Strategy Paper (PRSP), the GRZ has prioritized agriculture as the sector with most potential to enhance economic growth with equity, improve food security and to reduce poverty. It has also highlighted tourism, linked to preservation of wildlife and the natural environment, as another sector with excellent potential to grow, create jobs and income in rural areas, and to generate much needed foreign exchange. The PRSP agriculture development program, also called the Agricultural Commercialization Program (ACP), is a private sector-led approach to agricultural growth that emphasizes on improving production and enhancing markets, particularly export markets, and attracting domestic and foreign investment. The ACP aims to attract large-scale commercial farms and agro-processing industries and envisages strong linkages between the large commercial sector and smallholder producers and local small agribusinesses in outgrower/contract farming schemes. In order to improve the enabling environment, the ACP envisages rural infrastructure development.

The SO5 program also complements those of other donors working in the sectors. Main donors include the World Bank, EU, SIDA, the Netherlands, NORAD, DANIDA, FINNIDA, FAO, WFP, UNICEF, ADB, UNDP, IFAD, DfID and JICA. Common goals of the donors are to reduce rural poverty and ensure food security. To reach the goals, main areas of donor intervention are: market linkages or facilitation programs involving formation of outgrower or similar groups; production improvement through labor or land saving technologies such as conservation farming, crop diversification, including introduction of new natural products; CBNRM; and policy development. HIV/AIDS prevention and mitigation has become an overarching objective of most donors in the agricultural sector. Donor coordination takes place through three informal groups: for private sector, agriculture and natural resources which meet regularly to discuss programs, issues and areas for synergy and collaboration.

## **B. SO6: IMPROVED QUALITY OF BASIC EDUCATION FOR MORE SCHOOL-AGED CHILDREN, PHASE II**

### **1. DEVELOPMENT CHALLENGE AND USAID'S COMPARATIVE ADVANTAGES**

**a. The Development Challenge:** This Strategic Objective (SO) seeks to support the Government of the Republic of Zambia (GRZ) in its expansion of quality basic education over a seven-year period, from FY2004 through FY2010. The GRZ has expanded its education reform program to cover the entire education sector, moving from BESSIP to the Ministry of Education Sector Program (MOESP 2003-2007). SO6 demonstrates USAID's confidence in the MOE's plans and has been designed to support

the MOESP. SO6 project assistance along with a moderate amount of program assistance (PA) supports MOESP goals and will strengthen the MOE's capacity to develop and implement its plans and policies.

Zambia's development vision as expressed in the Poverty Reduction Strategy Paper (PRSP) is, "increased skills for poverty reduction and economic growth." This is supported by the MOESP's goal of "equitable access to relevant quality education and training that incorporates HIV/AIDS interventions." USAID proposes to take up that challenge by building on a number of successful programs implemented under the previous CSP and adding capacity building support to improve access to quality teaching and strengthen the decentralization process. SO6 will improve the quality of education that children receive and increase children's access to basic education, especially among the most vulnerable: girls, orphans, and children in poor communities. While GRZ and its CPs are committed to achieving MOESP goals, notable limiting factors include:

- **The effects of Zambia's weak economy.** Widespread poverty reduces the ability of GRZ and communities to support education. Poverty particularly impacts girls' education;
- **Limited MOE financial resources.** According to the World Bank, per capita expenditures for education have steadily declined from 1995 through 2000 although, within these parameters, distribution within the education sector has generally been favorable to the poor;
- **Poor health.** Nationwide, stunting among children aged 7 to 9 is 31%.<sup>12</sup> Stunting in rural areas is twice as likely to occur as in urban areas. Stunting is three times more likely to occur among the poorest children than among the wealthiest. Stunting is a marker for poor nutrition which has a negative effect on pupil learning and performance. Access, retention and learning throughout the system are affected by bilharzia prevalence (48% in Eastern Province), worm infestation (hookworm prevalence of 55% in Eastern Province), anemia, and vitamin A deficiency;<sup>13</sup>
- **Demand for schooling far outstrips capacity.** 48% of Zambia's population (over 4.6 million) is in the 0 – 15 age group.<sup>14</sup> It has been projected that there are over 2.65 million children of school-going age (7 to 15 years of age). The net enrollment rate for Grades 1-7 in 2002 was 68.5%. The increasing basic school enrollment (about 2.1 million in 2002<sup>15</sup>) affects education quality with unsatisfactory pupil-teacher ratios of 99 to 1 in some districts and double-shifting of classes resulting in low teacher-pupil contact hours;<sup>16</sup>
- **The HIV/AIDS pandemic.** HIV/AIDS infection is estimated at 16% of the productive population (ages 15 – 49) with greater rates in urban areas (23%) than in rural (11%).<sup>17</sup> The pool of teachers is being decimated. Although teacher training colleges produce 2,226 new teachers per year, about 1,500 leave the system each year. While in 1997, 624 teachers died, 1,331 teachers died during the first nine months of 1998.<sup>18</sup> In 2001, 572,000 orphans of the 0-14 year age group were reported and projections indicate there will be over 800,000 orphans by 2010.<sup>19</sup>
- **Limited capacity throughout the basic education system.** The number of well-qualified and experienced planners, researchers and policy analysts, managers, trainers, and teachers is insufficient to meet growing educational demands and expectations. This problem could hinder the success of the restructuring program, decentralization, and the free primary education policy, as more skilled personnel are required in all 72 districts. Capacity through the use of technologies to improve teaching and learning quality and coverage such as radio programming, digital and computer technology is growing but still limited;
- **Poor quality.** Literacy levels for children in the 7-10 age group are low (19%), with children in urban areas more than five times likely to be literate than those in rural areas (37% vs. 7%). A higher percentage of children in the same age group exhibit simple numeracy skills (52%).<sup>20</sup>

---

<sup>12</sup> Zambia DHS EdData Survey 2002 (USAID/MOE-supported study, 2003).

<sup>13</sup> School Health and Nutrition Program Baseline Survey Report of Eastern Province pilot schools (USAID project study, 2002)

<sup>14</sup> Central Statistics Office (CSO) Census 2000 (2002)

<sup>15</sup> MOESP, National Annual Work Plan and Budget (2003)

<sup>16</sup> Joint Evaluation of External Support to Basic Education: Zambia (2003)

<sup>17</sup> CSO Demographic and Health Survey (2002)

<sup>18</sup> Joint Evaluation (2003)

<sup>19</sup> Children on the Brink (2002)

<sup>20</sup> Zambia DHS EdData Survey 2002 (2003)

Children consistently perform poorly on national performance assessment surveys, on average correctly answering about 33.3% of the English reading test items and about 35.7% of the mathematics items.<sup>21</sup>

- **Lack of comprehensive personnel policy.** Sufficient policies to address the problems caused by HIV/AIDS to provide a coherent career track for all teachers are lacking;
- **Lack of materials.** Textbooks and other classroom materials are inadequate.

Despite these daunting challenges, there are significant reasons why Zambia can succeed in providing expanded quality education. GRZ demonstrates a genuine commitment to restructure the education system and bring its benefits to the local communities. This has been demonstrated by its MOESP plans and National Implementation Framework (NIF) objectives; implementation of policies to eliminate fees for the primary children, providing cash grants to every primary school (4,558); and implementation of early stages to move major planning, procurement, staffing, management information responsibilities and authorities to the country's 72 districts within three years.

**b. Comparative Advantage:** The success to date of USAID's nascent programs has placed USAID in a pivotal position within the context of the MOE's reform program. USAID-supported programs have promoted school and community awareness and action regarding HIV/AIDS and gender issues, the use of interactive radio instruction (IRI) to reach out-of-school children, the provision of health and nutrition interventions in primary schools (e.g., de-worming and micronutrient supplements), and the development of a comprehensive gender sensitive education management information system (EMIS). This is evidenced by the prominent place USAID-supported programs are given in the new MOESP and NIF. The MOE is committed to and has begun implementing its plan to provide HIV/AIDS and school health and nutrition (SHN) programs throughout the education system, with special focus on provinces that are rural and poor. It has adopted an interactive radio instruction (IRI) technology to improve the quality of learning and education delivery to out-of-school children. The MOE wants to expand these activities to the entire country, including mobilizing communities to support girls' education and HIV/AIDS mitigation, school health and nutrition, equity and protection of vulnerable children, and interactive radio instruction. It sees IRI technology as a cost-effective way to improve the quality of instruction in formal school settings (e.g., Government schools) as well as less formal settings (e.g., community schools and IRI centers for out-of-school children) and as a cost-effective delivery system for aspects of SHN, HIV/AIDS mitigation and teacher training. MOE views EMIS as a key element in its effort to improve its policy and planning capacity through the collection, analysis and reporting of good education data. This function is firmly linked to the success of restructuring and decentralization by meeting the data needs of the MOE and its CPs. With its successful track record, USAID has a comparative advantage in continuing assistance in instructional radio technology, management information systems, and interventions in HIV/AIDS, community mobilization and SHN.

## 2. DEVELOPMENT HYPOTHESIS, STRATEGIC OBJECTIVE AND INDICATORS

SO6 is based on a development hypothesis that the SO can be achieved through a combination of: (1) improved cost-effective basic education delivery systems; (2) a decentralized structure allowing decision-making closer to the school and the community levels; (3) improved information and capacity to use it by planners and managers; (4) improved capacity of education personnel at all levels to implement reform policy; and (5) mitigation of HIV/AIDS so gains in quality are not undermined.

SO6 "Improved Quality of Basic Education for More School-Aged Children, Phase II" contributes to the Agency's Goal "Human Capacity Built through Education and Training." The links between basic education and economic life are many. Children who learn to read, write and calculate will become healthier, more prosperous adults. They will become better able to contribute to the social, political and economic life of their communities. Moreover, children who acquire numeracy and literacy, especially girl-children, will more likely have healthier, more prosperous families that are better able to cope with life's challenges. This SO is based on a large body of research indicating a high correlation between

---

<sup>21</sup> Grade 5 National Assessment for English and Mathematics 2001 (2002)



basic education, particularly for girls, and increased family health, prosperity and quality of life – USAID/Zambia’s goal. The SO also contributes to the MPP Strategic Goal of Economic Prosperity and Security.

While access to education remains a problem, the greatest impediment to achieving universal primary education (UPE) in Zambia is the poor quality of education. The development challenge is to provide this quality in an affordable, sustainable manner. During the next seven years, USAID/Zambia will commit itself to assisting the GRZ through implementation of Strategic Objective 6: Improving Quality of Basic Education for More School-aged Children (Phase II). SO6 will support the MOE’s goal of providing “equitable access to relevant quality education and training that incorporates HIV/AIDS interventions” by helping to expand already successful programs, promoting the MOE’s decentralization initiative, assisting in establishing leadership/ownership among MOE personnel through capacity building and moderate sector program assistance, and, as resources permit, developing complementary programs such as expanded girls’ scholarships, expanded HIV/AIDS activities, and use of appropriate digital and information technologies.

There are four sets of clients/beneficiaries of SO6: the administrative staff at all levels of the education system who will upgrade their skills and effectiveness; the 40,000+ basic education teachers,<sup>22</sup> through improved competence and HIV/AIDS programs; all primary school-aged children in schools and many who are out of school, who will receive greater access to higher quality instruction; and civil society and communities – parents, community groups, and associations – who are empowered with greater capacity to support child education as well as through information passed on by their children, radio broadcasts and direct social mobilization campaigns.

Improved Quality of Basic Education for More School-aged Children (II) represents an expansion and extension of the relatively new, FY1998-2003 strategy that received official approval in FY2000. SO6 is appropriate because the quality of education being delivered is far below the desired standard, while access to basic education is improving and is relatively equitable. Children are leaving school without the basic skills needed to have a better life and contribute to the economic growth of the nation. This SO also takes into account the significant percentage of school-aged children that are not in school (over 31%<sup>23</sup>), due to opportunity costs, illness, lack of food in the home and other factors. In addition, this SO uses USAID’s comparative advantage in developing cost-effective education delivery systems and leverages the success of our existing programs to improve education quality throughout Zambia. The elements comprising “improved system quality” are improved access, retention and achievement. The elements comprising “more school-aged children” are the expansion of the above quality programs to more children in basic education, e.g., over 800,000 school-aged children (ages 7-15) who are not in school.<sup>24</sup>

Two major, essential new elements in USAID’s new basic education strategy are: (1) support of sectoral decentralization and (2) education sector program assistance to the GRZ. The GRZ including the MOE, have made a major effort in restructuring the entire Government bureaucracy. The MOE has planned a comprehensive decentralization program that will put decision-making power and responsibility in the hands of the District Education Boards (DEBs) and school communities through the establishment of school management committees. The GRZ/MOE has already taken important legislative and policy steps by defining the various roles of the decentralized units and laying out detailed plans for their creation. While DEBs have been established in all 72 districts, their operationalization has only begun in three provinces. As part of its relatively new free primary education (FPE) policy, the MOE has also been providing schools, directly, with grants ranging from about \$1,500 to \$1,800 per year<sup>25</sup> for materials, supplies and related costs. At this time the MOE does not have the administrative, financial management, procurement, or planning capacity to have completely decentralized operations. However, the GRZ has a plan and the political will to make decentralization happen. Although GRZ has

---

<sup>22</sup> MOE BESSIP Core Performance Indicators Report: 1999-2002 (2002)

<sup>23</sup> MOESP, National Annual Work Plan and Budget (2003)

<sup>24</sup> The number of out-of-school children of 2,653,236 is based on CSO Census 2000 and an NER of 68.5%.

<sup>25</sup> MOE BESSIP Financial Management Office (April 2003)

already taken some steps toward that end, it is a difficult process that needs a significant amount of outside technical support. The Mission believes this is a particularly important process that will benefit from SPA support.

Program assistance (PA) has been found useful in promoting policy and institutional reforms including the restructuring of public institutions, efforts to build sector-level managerial capacity, and country-led harmonization of donor and multilateral interventions. The Ministry of Education and CPs now have several years of valuable experience working together under BESSIP, which shares the same goals and processes of a sector-wide approach (SWAp), including program assistance. During that process, a number of joint assessment mechanisms comprised of the MOE and its CPs have been established. This experience has developed an understanding, trust, and good-faith effort among all parties to work together to support and implement education and, to the degree possible, move toward the GRZ's long-standing policy to encourage donors to provide sector program support. By now, most other major CPs pool significant portions of their funds under BESSIP and have committed to doing the same under MOESP. USAID SPA will harmonize with the assistance of other donors, although the mechanisms may vary. As SPA, USAID dollar disbursements will occur upon the accomplishment of policy and institutional reform benchmarks, and dollars will be disbursed as generalized resources, anticipated to be into a foreign exchange auction. Host country owned local currency generations will be tracked from the Special Account into GRZ's education sector basket budget.

Providing program assistance for basic education would expand USAID/Zambia's ability to engage the education sector more strategically as a whole in policy and institutional reform particularly in the areas of planning, resource allocation, identification of resource gaps and requirements, and monitoring and evaluation of progress and to have greater influence in ensuring that policy reforms are implemented in a manner leading to their institutionalization and sustainability. USAID/Zambia's recent program assistance feasibility study for the education sector suggests that there are a number of education sector policy and institutional reform actions that could (best) be encouraged as benchmarks against which to disburse sector program assistance. Participation in the MOESP through both projectized and sector program support would assure USAID of a more integral role in guiding the basic education program and leveraging GRZ commitment and a higher level of resources for MOE support of basic education. Other benefits would be an increased influence in the basic education sub-sector and increased synergy on activities supported by the Ministry and CPs. USAID/Zambia has identified five areas where sector program assistance benchmarks would be particularly effective to complement its use of project support in SO6:

- Provide quality basic education;
- Mitigate impact of HIV/AIDS on education;
- Develop and implement policies, plans and programs for School Health and Nutrition;
- Improve information for efficient resource management; and
- Improve financial and human resources development.

This strategy will directly support the MOE's program to build capacity of personnel at all levels to plan and manage resources associated with USAID-supported initiatives along with the many other positive initiatives implemented under MOESP.

**Strategic Objective Indicators:** An improved and expanded quality of basic education for girls and boys will be evidenced by progress in SO level indicators, as follows<sup>26</sup>:

- Number of children enrolled in basic education <sup>27</sup> increased from 1,865,677 in 2002 to 2,202,048 by 2010

---

<sup>26</sup> Targets based on MOESP projections have been tempered by actual figures reported in MOE BESSIP Core Performance Indicators Report: 1999-2002 (2002)

<sup>27</sup> Annual School Census Report for 2002 (figures based on enrollments in official Government schools)

- Literacy learning achievement scores <sup>28</sup> increased from 33.3% in 2002 to 50% by 2010
- Numeracy learning achievement scores <sup>29</sup> increased from 35.7% in 2002 to 54% by 2010
- Girls' retention in basic education (rural gender gap only) <sup>30</sup> decreased from 14% in 2002 to 7% by 2010

### 3. CRITICAL ASSUMPTIONS

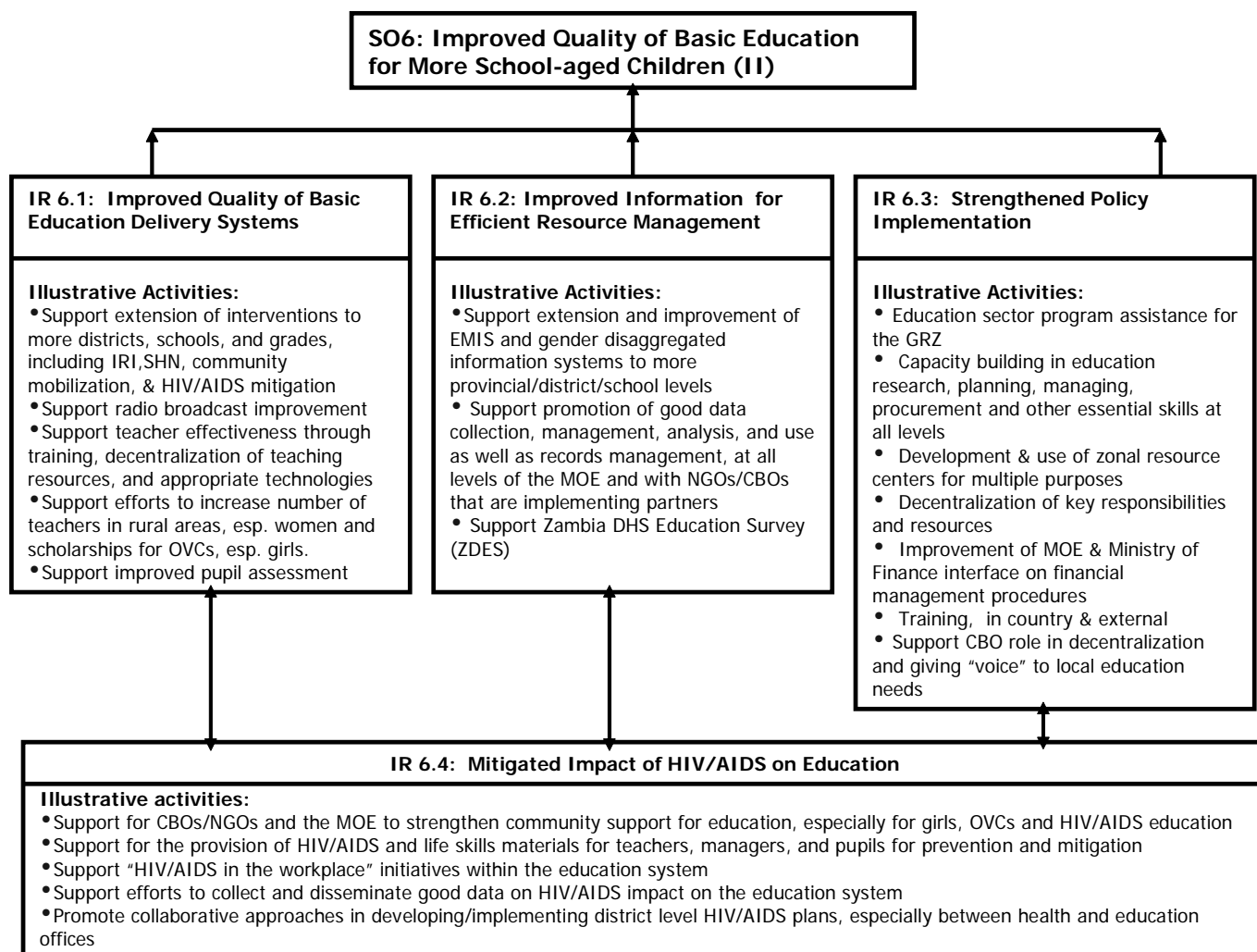
The critical assumptions for this hypothesis are the following:

- Continued GRZ progress toward reforms and PRSP so progress is not undermined by increased poverty
- Continued MOE commitment, resources, and progress toward education reform, including restructuring and decentralization under the MOESP
- Continued commitment and support of other CPs
- Continued mitigation of the effects of HIV/AIDS on education as a GRZ priority
- Political and economic stability

### 4. INTERMEDIATE RESULTS, ILLUSTRATIVE ACTIVITIES AND INDICATORS

SO6 will consist of four Intermediate Results which form an integrated approach for success. Better and higher quality learning programs will not go far in improving learning if girls and other vulnerable children are excluded and children and teachers are devastated by HIV/AIDS and illness. Moreover, if restructuring and decentralization do not succeed, quality learning programs, regardless of how efficient and effective they are, will not reach the children and communities they are intended to serve. The activities contained within the four IRs in SO6 are closely linked.

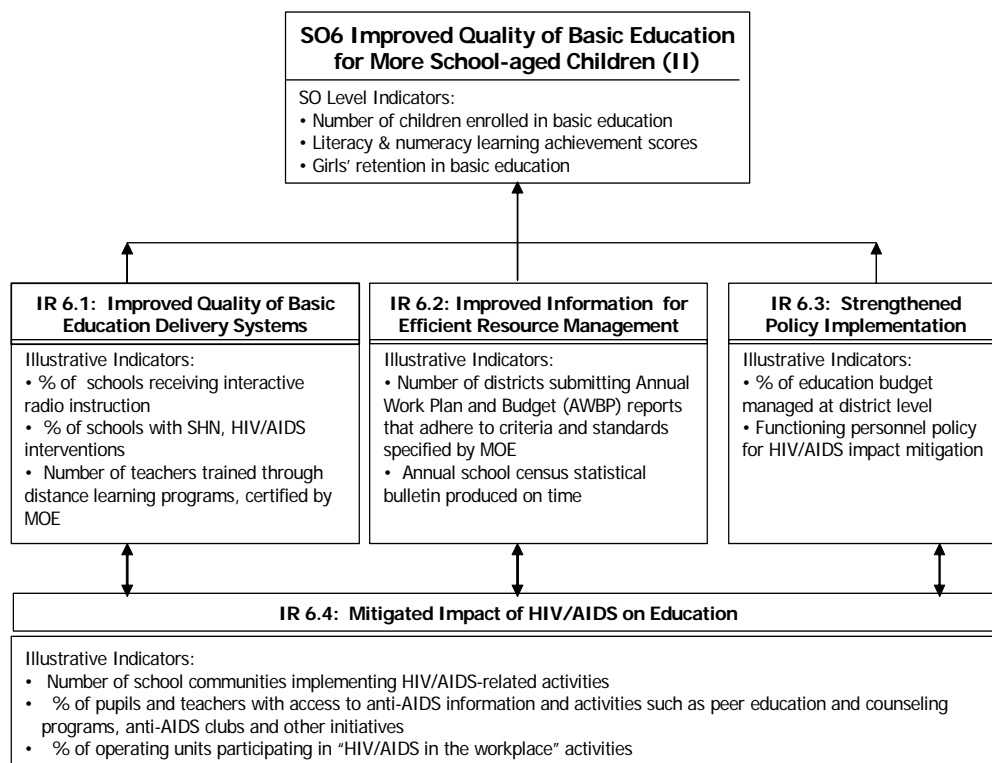
**BASIC EDUCATION SECTOR RESULTS FRAMEWORK** figure 5



**IR 6.1 Improved Quality of Basic Education Delivery Systems:** Improving the quality of basic education delivery systems in Zambia is essential given the low rate of student achievement, low contact hours and high pupil- teacher ratio. This problem is worsened by the widespread poor health of students and teachers due to malnutrition, HIV/AIDS, and other diseases. GRZ is unlikely, in the near term, to turn its economy around or have enough resources to significantly and quickly address these problems through the production of large numbers of well-trained teachers and large-scale drug and food purchases. The use of non-traditional, cost-effective delivery systems, such as interactive radio, SHN, and other USAID-supported programs offers Zambia a means to increase quality at a manageable cost. These programs can also leverage other donor financing for their expansion. For example, JICA

**BASIC EDUCATION SECTOR RESULTS FRAMEWORK**

Figure 6



funding has underwritten much of the cost of the drugs and supplements for USAID's pilot SHN program and there is potential for other agencies to help. DANIDA is interested in collaborating on the use of IRI for teacher training.

Further, in an effort to support the decentralization of teaching and learning resources to district and zonal levels, USAID would join with DANIDA in assisting the MOE to develop the capacity of zonal-level resource centers (within 8 kilometers of each school), with the provision of teaching resources and, in targeted areas, building modest add-on structures to designated schools to house those resources. The proportion of girls enrolled in primary school (48%) is about the same as that of boys (52%).<sup>31</sup> Retention rates among boys and girls are about the same throughout most grades (ranging from about 1.5% to 3.5% in favor of boys). The largest gap between boys' and girls' retention levels occur among the rural population between Grades 6 and 7, where there is a gap of over 13% in favor of boys.<sup>32</sup> Therefore,

<sup>31</sup> The BESSIP Core Performance Indicators Trend Report: 1999-2002 (December 2002)

<sup>32</sup> MOE Planning Directorate EMIS Report to USAID (April 2003)

promotion of girls' education, especially at the upper levels of basic education and through community mobilization, is a part of SO6. Similarly, scholarships for girls go to high school and, if resources allow, to teacher training colleges will be offered to counter the low aspirations of girls who drop out of basic school early because they have no hope of affording high school or entering into a profession. USAID believes it can achieve the greatest impact with the fewest resources by helping the MOE adopt and expand the quality-focused programs begun using USAID support under its FY1998-2003 strategy.

**Illustrative Activities:**

- Support extension of selected CSP 1998-2003 interventions to more districts, schools, and grades (8 & 9), including IRI, SHN, community mobilization, and HIV/AIDS mitigation
- Support improved technical quality and flexible scheduling of radio broadcasts through appropriate technologies and community radio
- Support increased teacher effectiveness through training, decentralization of teaching resources, and use of appropriate technologies for distance learning
- Support schemes to promote teaching, especially by female teachers, in rural areas, and scholarship schemes to improve performance and completion rates of OVCs, especially girls, including high school
- Support improvements in measurement of pupil performance
- Possibly extend support to high school and teacher training institutions for USAID/Zambia and SO6 cross-cutting activities (e.g., IT, gender/equity, and HIV/AIDS) in targeted areas, when practical and as resources allow. This will promote more holistic approaches to improving basic education results and will strategically introduce initiatives (e.g., IT and HIV/AIDS activities in high schools and teacher training colleges) that will ultimately feed back into and benefit children in basic education.

**Illustrative Indicators:**

- Percentage of schools receiving interactive radio instruction
- Percentage of schools with SHN, HIV/AIDS interventions
- Number of teachers trained through distance learning programs, certified by MOE

**IR 6.2 Improved Information for Efficient Resource Management:** Improving the use of EMIS data collection and analysis for quality decision-making on the district and local level is essential for improving the quality of Zambia's basic education. EMIS development has already made substantial progress since USAID began supporting the activity in 2001. For the first time the MOE has been able to complete its annual education statistic report within the same calendar year as the school census data was collected. USAID's CSP 1998-2003 activity for improved information also includes the development of school health/nutrition data as well as assisting the Examinations Council of Zambia improve its competency-based testing procedures. The challenge is to ensure that the Ministry of Education, rather than expatriate technical assistance, is fully capable of managing and using the system at the central level. As the MOE decentralizes over the next few years the challenge for SO6 will be to ensure the MOE has this capacity at all relevant decentralized levels, particularly the district, school and community levels where planning and resource allocation decisions will be made. Planners at these levels will collect, analyze and use disaggregated data on students and teachers as well as classroom and school conditions to develop their own annual work plans and budgets. EMIS must be a living system in order to remain relevant. The capacity must be developed not only to manage and use the system but also to be able to revise it in order to meet changing conditions. The form of support that USAID takes to build in-country capacity for EMIS maintenance, trouble-shooting, and enhancements will depend on the MOE's preferences (e.g., within MOE, technical colleges and universities, and/or private IT companies).

**Illustrative Activities:**

- Support extension and improvement of EMIS and gender disaggregated information systems to more provincial/district/school levels and other departments in the education sector to provide an integrated, holistic approach to collecting and using information

- Support promotion of good data collection, management, analysis, and use as well as records management, at all levels of the MOE and with NGOs/CBOs that are MOE implementing partners
- Support Zambia DHS Education Survey (ZDES)

Illustrative Indicators:

- Number of districts submitting Annual Work Plan and Budget (AWBP) reports that adhere to criteria and standards specified by MOE
- Annual school census statistical bulletin produced on time

**IR 6.3 Strengthened Policy Implementation:** Within the past few years the MOE has put in place a comprehensive policy framework that prioritizes universal primary education, education of the poor and vulnerable, and decentralization. However, a remaining, major challenge is ensuring effective implementation of these policies as well as second generation policy and institutional reforms particularly in 5 areas:

- Provide quality basic education;
- Mitigate impact of HIV/AIDS on education;
- Develop and implement policies, plans and programs for School Health and Nutrition;
- Improve information for efficient resource management; and
- Improve financial and human resources development.

Good policy formulation and implementation for basic education requires a holistic, systematic approach. Therefore, the scope of this IR's activities will necessarily be extended to policy and planning personnel whose portfolio not only encompass the basic education sub-sector but also related sub-sectors (e.g., early childhood development and high school). A major new component for USAID in SO6 is assisting the MOE to increase capacity, including that of NGOs, communities, etc., to implement its policy framework. Two essential elements of this component include extensive capacity building, particularly at district and community levels, and modest sector program assistance, designed to increase as the MOE demonstrates increased capacity to manage its funds. (Annex H: USAID/Zambia Education Sector Program Assistance [ESPA] Strategy was prepared to inform the process in the USAID Mission and does not necessarily reflect USAID/Zambia's position.)

Illustrative Activities:

- USAID education sector program assistance for the GRZ
- Support capacity building in education research, planning, managing, procurement and other essential skills, at all levels
- Support development/use of zonal resource centers for multiple purposes
- Support decentralization of key responsibilities such as budgeting, planning and procurement and resources from headquarters to district and school levels
- Support improved interface between MOE and Ministry of Finance regarding financial management procedures
- Support training – short-term, long-term, in-country and external
- Strengthen NGO/CBO capacity to play a role in the decentralization of authority to make decisions and giving a “voice” to community education needs

Illustrative Indicators:

- % of education budget managed at district level
- Functioning personnel policy for HIV/AIDS impact mitigation

**IR 6.4 Mitigate the Impact of HIV/AIDS on the Education System:** Within the context of HIV/AIDS, school-aged children comprise a large population that is least infected with the HIV virus. That population is a prime target for HIV/AIDS awareness, prevention and abstinence campaigns, for training in self-assertiveness and life skills, and for the cultivation of appropriate behaviors to protect themselves and their families against HIV/AIDS and other diseases. The other school-related aspect of the HIV/AIDS pandemic has been the decimation of education professionals through death and AIDS-

related illness. USAID will expand its CSP 1998-2003 programs to provide HIV/AIDS messages, community mobilization and effective planning to deal with the effects and promote policies and actions to prevent and mitigate the effects of HIV/AIDS on the education system. USAID will partner with the MOE, local NGOs, communities and other CPs in their efforts to ensure rigorous implementation and enforcement of laws and policies designed to protect children from individuals who violate children's rights (e.g., corporal punishment in schools, sexual harassment and abuse). As resources allow, USAID will extend its support in targeted areas to high schools and teacher training institutions to promote holistic approaches to fighting HIV/AIDS' effects on the education system.

**Illustrative Activities:**

- Support for CBOs/NGOs and the MOE, including zonal resource centers, to strengthen community support for education, especially for girls, OVCs and HIV/AIDS education
- Support for the provision of HIV/AIDS and life skills related materials for teachers, managers, & pupils to prevent and mitigate the effects of HIV/AIDS
- Support "HIV/AIDS in the workplace" initiatives within the peer education system
- Support efforts to collect and disseminate good data on HIV/AIDS impact on the education system
- Promote collaborative approaches in developing and implementing district-level HIV/AIDS plans, especially between health and education offices

**Illustrative Indicators:**

- Number of school communities implementing HIV/AIDS-related activities
- Percentage of pupils and teachers with access to anti-AIDS information and activities such as peer education/counseling programs, anti-AIDS clubs, and other initiatives
- Percentage of operating units participating in "HIV/AIDS in the workplace" activities

## **5. LINKAGES**

**Linkages with Other Strategic Objectives:** SO6 supports USAID/Zambia's other four SOs in the following ways.

**Increased Private Sector Competitiveness (SO5):** SO6 will help provide a numerate and literate work force, which will underpin the effectiveness and growth of the private sector. In support of capacity development in agriculture technologies (e.g., conservation farming and labor-saving techniques) and environmental and food security issues, SO6 and SO5 will look for opportunities for synergy. Resources allowing, one example might be SO5 providing conservation farming resource/training materials to zonal education resource centers and SO6 promoting their use by school teachers. SO6 will also look to private sector partnerships, e.g., Global Development Alliance, NGOs, CBOs, and for-profit organizations to achieve results.

**Improved Health Status of Zambians (SO7):** Strong synergy and inter-dependent links exist between SO6 and SO7. Educated children create healthier families and healthy children learn more. SO6 contributes directly to improving the health status of Zambians through its school health and nutrition activity as well as through sensitization, education and community mobilization activities. Some common activities for SO6 and SO7 include: SHN activities, HIV/AIDS prevention and mitigation; district level HIV/AIDS and SHN information systems; and increased cooperation between district level health officers and educators in implementing SHN and HIV/AIDS plans. SO6 activities that cross-cut SO7 include community mobilization for SHN and HIV/AIDS; encouragement of communication and mutual planning among district education and health officers; and peer counseling programs and anti-AIDS clubs.

**Government Held More Accountable (SO8):** All SO6 IRs support SO8's focus on accountability through the creation of community access to information, strengthening community mobilization and dialogue over critical issues, and the ability of communities and children to assert their rights. SO6 support of

MOE restructuring and decentralization also promotes transparency and accountability at all levels of the education system.

Reduced Impact of HIV/AIDS Through Multisectoral Response (SO9): Links between SO6 and multisectoral SO9 are strong. IR 6.4 shares SO9 illustrative activities and indicators, including (from SO9) support to OVCs, support to high risk groups, support to “HIV/AIDS in the Workplace” activities, number of OVCs receiving community support services, advocacy for improved policies and actions, and strengthening information systems to track HIV/AIDS. The activities of IR 6.1 in very practical ways lead the way for the MOE to strengthen its multisectoral approaches, necessitating collaboration among the Ministries of Education, Health, and Community Development and the private sector. SO9 will directly assist SO6 by providing a pool of technical support for activities related to HIV/AIDS. In consultation with SO7 and SO9, SO6 will promote greater MOE effort in tapping the Global Fund for AIDS, TB, and Malaria.

## **6. COMPLEMENTARITY WITH OTHER DONOR AND GRZ PROGRAMS**

The USAID program complies with MOE policy, strategy and plans and has received the MOE’s official endorsement. The MOE has stated its strong preference for pooled resources to support its sector-wide approach and welcomes USAID’s efforts to provide sector program assistance. It also acknowledges the need for USAID to continue the majority of its support through projectized assistance. All SO6 IRs are major targets of the MOE strategic plan and NIF objectives. The MOESP’s (formerly BESSIP) operations have been a model of cooperation between the MOE and its bi-lateral and multi-lateral partners. This is done through a number of joint review mechanisms (MOE and CPs) including: annual Joint Steering Committee (JSC) meetings, quarterly Sector Plan Coordinating Committee (SPCC) meetings, monthly Financial Technical Committee (FTC) meetings and Sector Plan Support Group (SPSG) meetings. The SPSG assists the MOE in planning the various needed reviews as well as resolving issues as they arise. Cooperating partners meet monthly in an “informal donors group,” often formulating joint recommendations to the MOE on a variety of issues. Presently most other cooperating partners pool significant portions of their funds to a basic education SWAp. The provision of USAID education sector program assistance to the GRZ will enable USAID/Zambia to fully engage with the MOE and other partners in the SWAp.

At the launching of the MOE’s five-year strategy in February 2003, an approximate total of \$320 million of support was tentatively identified for the next five years by ten donors (United Kingdom, Denmark, European Commission, Finland, International Bank for Restructuring and Development, Ireland, Netherlands, Norway, UNICEF and the United States).<sup>33</sup> As some donors could only identify funds for periods less than five years and some were not in a position to state publicly what might be expected, \$320 million is a conservative figure. There are also significant IDA and AfDB credits for basic education should the GRZ choose to use them. Some CPs have also expressed a continued interest in providing some project assistance for restructuring/decentralization (United Kingdom, Netherlands, Ireland), gender, life skills, and community schools (UNICEF and Netherlands), teacher training (Denmark and United Kingdom), infrastructure (Finland and Japan), and NGO/CBO strengthening (European Union and Germany). Under the shared umbrella of MOESP vision and goals, SO6 will continue to collaborate with other CPs, both through joint review mechanisms and by designing activities to complement other CP support for MOE activities. This includes continued collaboration with JICA (U.S.-Japan Partnership for Global Health).

## **C. SO7: IMPROVED HEALTH OF ZAMBIANS**

### **1. DEVELOPMENT CHALLENGE AND USAID’S COMPARATIVE ADVANTAGES**

---

<sup>33</sup> MOE Sector Strategic Plan: 2003-2007 (2003)



**a. The Development Challenge:** Zambia has seen certain positive health trends in recent years but the picture is very mixed and still dominated by the specter of HIV/AIDS. There are opportunities in the coming years which, if effectively grasped, can yield significant health improvements. The section below outlines key challenges faced by the sector.

### Health Issues

HIV/AIDS remains an overwhelming development challenge in Zambia. Sixteen percent of Zambian adults<sup>34</sup> are HIV+ (women - 18%, men - 13%). In urban areas, two in five women aged 25-39 are infected. Youth prevalence is much lower. Among those aged 15-19, rates are 7% among females and 2% among males. Prevalence rises, however, among those aged 20-24 (females - 16%, males - 4%). Mother-to-child transmission also contributes significantly to disease burden. Currently, over 20,000 infants are newly infected each year. In addition to those infected, many others feel the impact. By 2002, 15% of children under 15 had lost at least one parent vs. 12% in 1996. Nevertheless, new cases appear to be declining as high-risk sexual behaviors become less common. Despite declining incidence, mortality is likely to continue climbing for at least a few more years. Because the epidemic in Zambia is more mature than in countries to the south, there have been more deaths. Between 1997-2002 and 1991-1996, adult mortality increased by 17%. All sectors are feeling significant impact through lost work time and attrition.

Between 1996 and 2001/2, under-five mortality dropped from 197 to 168/1000. Malaria and HIV/AIDS have been the two principal causes of death in this age group. Malaria incidence has increased at least three-fold over the past two decades and is currently the leading cause of death among children. With more insecticide-treated bednet use and more effective drugs, malaria mortality should decline significantly in the coming years. However, it will be necessary to sustain the positive developments of the past several years. AIDS has become perhaps the second leading cause of death among children. Effective services for the prevention of mother-to-child transmission (PMTCT) taken to scale can substantially reduce the burden of pediatric AIDS but implementing the massive scale-up needed will be a considerable challenge. Vitamin A deficiency has made a substantial<sup>35</sup> contribution to under-5 mortality in the past but this is declining in response to high supplement coverage achieved in recent years. It is critical that effective vitamin A interventions are sustained and more deeply institutionalized.

Malnutrition has worsened in Zambia. Stunting has increased and now affects about half of under-5s (47%, up from 40% in 1992). Rates are especially high in northeastern Zambia, where 55% or more of under-5s are stunted. Although mean height for Zambian women (reflecting nutritional status through childhood) is close to average for sub-Saharan Africa, the proportion that are thin (reflecting adult nutrition status influences) are higher than average. Anemia is widespread: 65% of children and 39% of (non-pregnant) women were found to be anemic<sup>36</sup>. Poverty, agricultural policy and production factors, dietary and child feeding practices and disease appear to be the most important factors contributing to malnutrition.

Maternal mortality increased from 649/100,000 live births in 1996 to 729 in 2001/2. Although the vast majority of Zambian women receive some antenatal care, most deliveries are not attended by a health professional. Furthermore, antenatal care frequently does not include key interventions, with only 20% of women receiving at least 90 days of iron/folate supplementation.

Family planning use has become much more widespread. Twenty-three percent of married women are now using modern contraception. In urban areas the rate is 39%. However, rural residents lag far behind (14%). Despite marked increases in contraceptive use, total fertility has declined only slightly (5.9 vs. 6.1 in 1996) and the number of ever-users of modern methods (49.3%) substantially exceeds current users, implying that much unmet need is due to discontinuation. With high HIV prevalence, family planning is certainly important but program planners face complexities not seen in settings with little or no HIV. Hormonal methods continue to have an important place but counseling on condom use as a family

---

<sup>34</sup> In section 1.a, unless otherwise noted – all statistics quoted are from Demographic and Health Survey.

<sup>35</sup> 66% of all under-5s in 1997 – Luo, 1998

<sup>36</sup> National survey, Luo, 1999

planning option is critical especially for sero-discordant couples. Similarly, male involvement is of even greater importance when one or both parents are HIV positive.

### **Systems and Cross-Cutting Issues**

The three most important issues identified in the 2002 USAID/Zambia Population Health and Nutrition sector assessment were human resources, transport and drugs. Already inequitable distribution of health workers has been further exacerbated by out-migration and attrition due to AIDS. Close to one in five rural health centers have no professional staff and many more have only a single trained worker. Although there are community-based volunteer health workers in some areas, no national cadre exists. Pre-service training is largely hospital-based and not well oriented to the needs of rural health centers. There is no national coordinating structure to ensure optimal resource use for in-service training.

Inadequate transport makes it difficult for provincial and district level health managers to provide adequate technical oversight and supervision of health facilities under their responsibility. Shortage of transport also compromises logistics and emergency referral; this contributes to such problems as the high maternal mortality seen in Zambia.

Access to drugs has been helped by rural health center kits and an effective public-sector drug logistics system. Lack of urban health centers kits has been an issue but recently one donor has agreed to fund these. However, not all essential drugs are adequately provided for through the kit system (e.g. drugs for TB and STIs, drugs for hospitals) and with former World Bank support ended, it is unclear how these will be procured. Long-term secure provision of family planning commodities has also not been established. Within the past few years, several donors traditionally involved in drug procurement withdrew their support but are now considering reinstating their funding.

Other cross-cutting issues are also important as a new Strategy is being developed. Scale-up represents a set of challenges varying by technical area. Resources for HIV/AIDS have grown. Implementing strategies nationally that have only been tried at pilot level will call for creativity, good management and a coordinated effort between involved partners. Detailed operational plans for scale-up need to be developed for areas like prevention of mother-to-child HIV transmission and VCT. For some interventions, universal coverage is the goal and appropriate strategies for scale-up must be developed accordingly. In other cases, it is more appropriate to target scarce resources on the most vulnerable. Interventions with mutual dependencies (e.g. VCT and PMTCT) should be clustered as they are being scaled up. In certain technical areas outside HIV/AIDS, scale-up of successful pilot activities is needed but resources are much more limited.

USAID/Zambia currently funds a wide-range of NGO activities. NGOs potentially have an important role to play, complementing government efforts in their areas of comparative advantage. Nevertheless, achieving an appropriate mix represents a challenge. In the new country strategy, community-based action is to feature prominently. Support to NGOs will likely be expanded. Care must be taken to ensure the most appropriate division of labor between NGO's, government, and other partners implementing USAID-supported activities.

Gender issues help drive the HIV epidemic. Male-female sexual dynamics put girls and young women at high risk for HIV because they tend to be much younger than their partners and cannot negotiate sexual choices on an equal footing. Girl children and adolescents are especially vulnerable to sexual abuse. Women also bear an unequal burden of care for chronically ill family members. Gender also influences access to and use of reproductive health and child health services within households.

Certainly, USAID/Zambia wants to see impact resulting from its inputs. However, careful planning is needed to increase the likelihood of sustainable impact. The challenge of HIV/AIDS to human capacity development has already been mentioned. An additional challenge is the tendency for interventions to quickly unwind once outside support is withdrawn. Sound provisions for sustainability need to be built into activities from the beginning.

**b. Comparative Advantage:** USAID/Zambia, together with its partners, has achieved significant results in HIV, child health, malaria, reproductive health and system strengthening. This success has been a result of a number of factors, including:

- Close collaborative relations between government and donors.
- Focus on selected high-impact public health interventions.
- Support for strengthening policy, planning and systems.
- Direct support to government for delivery of services at the primary level.

USAID/Zambia's is one of the largest donors in the health sector. It has provided a complimentary mix of direct funding and strong technical assistance, greater proportion of going via technical assistance, in contrast to many other donors in the sector. Within the current mix of donors, USAID/Zambia will continue to have a strong comparative advantage in technical support. However, to yield the greatest impact under its new Strategy, SO7 will need to ensure that due attention and resources are directed not only to building appropriate expertise but also to creating conditions in which this expertise can be fruitfully applied. In many cases, appropriate support for 'hard inputs' such as drugs, vehicles, etc. can be leveraged through other donors. In certain cases it may be appropriate for USAID/Zambia to become more directly involved, as it has at times been in the past in procurement of condoms and family planning commodities. Under the new US government Presidential Initiative to Prevent Mother to Child Transmission there may be opportunity for 'hard-input' support for strengthening HIV/AIDS-related clinical services.

USAID/Zambia also has a comparative advantage in its experience working with NGOs and the private sector. Its management by results focus is recognized by government and other donors as a particular strength. And it has expertise in quality assurance/ performance improvement and in many areas of child survival, reproductive health and HIV/AIDS. These areas of comparative advantage will be tapped under the new CSP.

## **2. DEVELOPMENT HYPOTHESIS, STRATEGIC OBJECTIVE AND INDICATORS**

The Strategic Objective is based on the development hypothesis that the necessary conditions for improved health are created as: 1) communities, families and individuals are enabled to more effectively address factors compromising their health (resulting in more healthful behaviors and environments); 2) appropriate public health interventions are deployed at scale to address key threats to health (i.e. high coverage is achieved); and 3) health services are strengthened (improving quality and access).

Strategic Objective 7 (SO7) contributes to the attainment of the USAID Agency Goal 3: "World's Population Stabilized and Human Health Protected in a Sustainable Fashion," and to the MPP Goal of Humanitarian and Other Transnational Issues.

High child morbidity and mortality divert household resources from more productive uses and result in compromised school performance and learning. HIV/AIDS, TB and other conditions such as pregnancy-related illnesses and death directly affect the working-age population, significantly reducing productivity through lost work time due to illness, care-giving and attendance at funerals. Economic gains resulting from health sector investments are relatively greater for poor people, who typically suffer more from ill health. Under this Strategy, SO7's vision is of a Zambia seven years from now in which HIV/AIDS is clearly abating - with much reduced prevalence, fewer deaths and greater social support for individuals and families affected by HIV/AIDS. USAID/Zambia looks forward to a Zambia in which a much larger proportion of births are wanted, planned births and in which parents can be more confident that those that are born will survive early childhood. Mother-to-child transmission of HIV will be much reduced and malaria deaths will be less than half as frequent as they are now. USAID/Zambia looks forward to a school and working-aged population with the vitality to fully benefit from education and more productively contribute to national development.

Building on its experience with its current program, SO7 remains committed to a government-led 'sector-wide approach', integrated service delivery, and close coordination between program elements. A three-

pronged approach is proposed under the new Strategy, focusing on: 1) behavior change and community empowerment; 2) expanded delivery of the highest-impact, most cost-effective interventions addressing key public health problems; and 3) strengthened health services. SO7 will provide support through the public health-care system, the private sector, NGOs, and community-based organizations.

USAID/Zambia expects to continue with much of the content of the FY1998-FY2003 integrated PHN program (SO3), including: specific, high-impact interventions; support for district-level health services through which most of these key interventions are implemented; and support to government on health policy, planning and systems. It is also expected that at least the current level of effort will be maintained in social marketing and mass-media behavior change work. Technical areas to be supported at the same or higher levels (funding permitting) include: micronutrients (supplementation, fortification and diet diversification), malaria control, HIV/AIDS, maternal health and family planning. SO7 also intends to continue supporting key national monitoring and evaluation functions including biannual Sexual Behavior Surveys and DHS Surveys in 2006 and 2010.

Certain areas are expected to receive greater emphasis than in the SO3 program, notably:

- HIV prevention targeting high-risk groups and settings (focusing on STI prevention and including exploring strategies to address the link between risky sexual behaviors and alcohol use).
- Behavior/social change work through key opinion leaders (including clergy and traditional chiefs), folk media, work with churches and other religious communities, community mobilization, etc. – focusing not only on individual behavior change but also on social context and changed social/cultural norms.
- Continued scale-up of PMTCT, voluntary counseling and testing (VCT) services and comprehensive HIV/AIDS-related clinical care.
- Nutrition and food security – SO7 collaborating with SO9 to exercise Mission-wide leadership championing these issues, addressing food diversification and linkage of community-based work in Integrated Management of Childhood Illness (IMCI) with growth monitoring and promotion (GMP); exclusive breast-feeding and appropriate infant feeding to receive more attention, moving beyond their current connection with PMTCT.
- Safe-Motherhood, especially essential obstetrical care and support for full national implementation of a basic antenatal package.
- Integration of HIV and family planning interventions.
- Development of effective strategies to increase use of family planning among rural women and men.

Certain aspects of the SO3 program need to be addressed differently, notably:

- Technical assistance will be provided through a structure that is more complementary and supportive of the Ministry of Health (MOH)/ Central Board of Health (CBOH). A greater proportion of technical support will be provided at the district and provincial level than under the current Strategy.
- Human capacity development work will use a systems approach, employing performance improvement interventions chosen for optimal impact on quality of care at most affordable cost.

Geographic focus of the PHN program is expected to change in certain respects:

- The current SO3 “demonstration district” approach will be replaced by choice of district and community level focus based on national scale-up plans and on synergies with other program elements both within the SO and across the Mission. National/central-level work will continue in key areas.

**Strategic Objective Indicators:**

- Total Fertility Rate will decrease from 5.9% in 2002 to 4.4% by 2010
- Infant will decrease from 95/1000 in 2002 to 75/1000 by 2010
- under-5 mortality will decrease from 168/1000 in 2002 to 135/1000 by 2010
- HIV prevalence among youth aged 15 to 24 will decrease from 8% in 2002 to 3% by 2010

The fertility targets, above, reflect the marked increase in contraceptive prevalence noted between 1996 and 2002. With appropriate attention to supply issues and continued support for IEC and client counseling, it is realistic to assume sustained momentum in increasing contraceptive use and declining fertility. Malaria control efforts are rapidly scaling up and an effective treatment is now being used. PMTCT services are rapidly expanding. These two areas of intervention alone have the potential to drive down early childhood mortality by a third or more, if effectively implemented and taken fully to scale. Reductions in youth HIV prevalence reflect the USAID/Washington target for HIV/AIDS Rapid Scale-Up countries of 50% of baseline levels by 2007 and are achievable given recently documented population-level shifts towards lower risk sexual behavior.

### **3. CRITICAL ASSUMPTIONS**

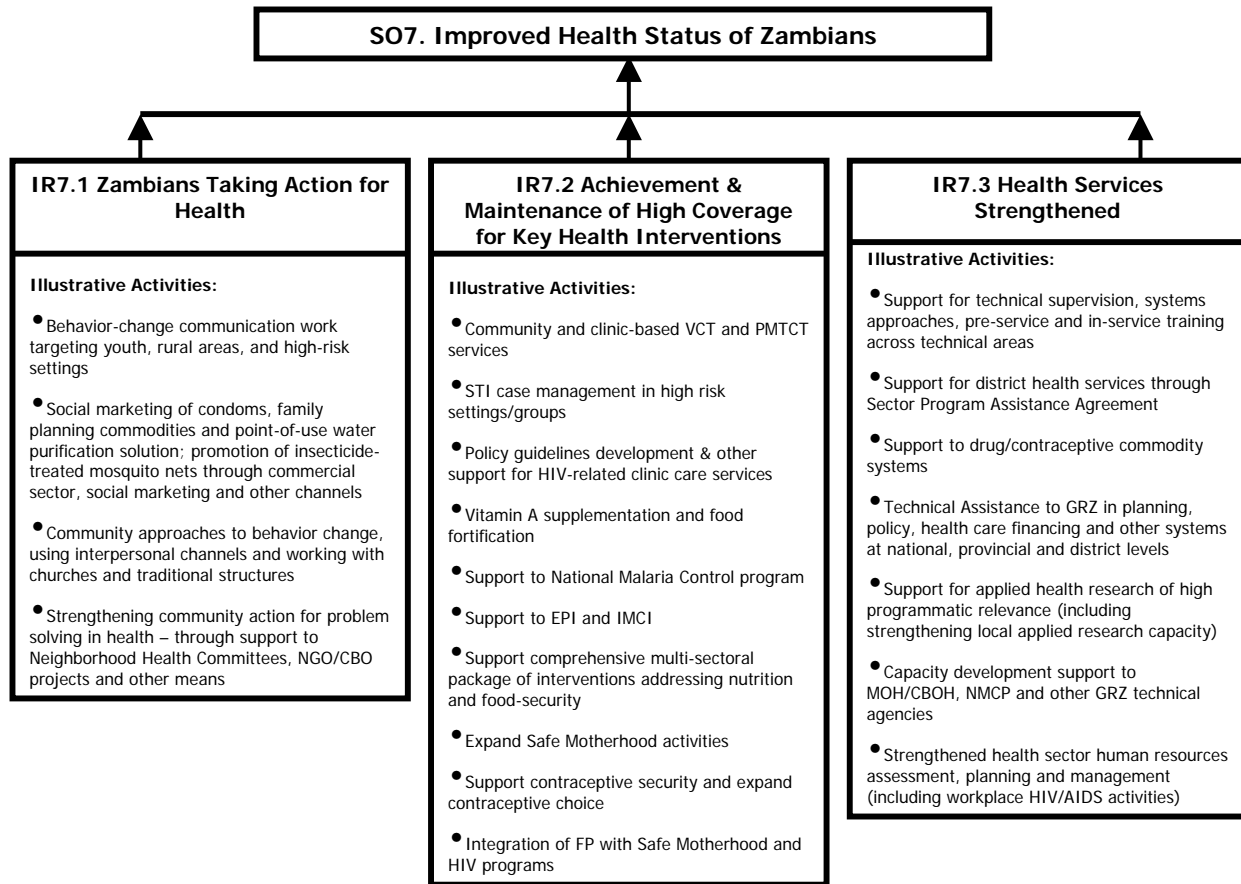
- Continued good collaborative relations between government and donors.
- Continued commitment by government to address the HIV/AIDS crisis.
- Effective technical leadership from government on malaria control.
- Continued political stability.
- Progressive increase in resources available to the health sector.
- Zambian economy improves through strengthened agriculture and tourism sectors and maintaining a viable mining sector.
- Further diversification of food production and enhanced food security.

### **4. INTERMEDIATE RESULTS, ILLUSTRATIVE ACTIVITIES AND INDICATORS**

**IR7.1 Zambians Taking Action for Health:** This is a health promotion IR. Under this rubric, what is meant is that Zambians, individually and collectively, will increasingly take actions or undertake behavior change conducive to better health. In contrast to IR 7.3, which represents what the health sector does to optimize the health of the population, IR 7.1 represents what individuals, families and communities do to optimize their own health and well-being. The goal of this IR, then, is to better enable communities, families and individuals to take action to prevent disease, and to promote and maintain health. Activities focus on: 1) reducing high-risk behavior; 2) increasing access to health protecting products; and 3) strengthening community action for health.

## HEALTH SECTOR RESULTS FRAMEWORK

Figure 7



Individual-level behavior change occurs as people are enabled to make more healthful choices. Many factors can influence adoption of such behaviors, including access to certain products (e.g. condoms for HIV prevention). Individual behaviors are also strongly influenced by social context. The collectivity, whether family or community, often plays a critical role in individual-level behavior. Furthermore, SO7 is committed to the view that broader and deeper behavior change is achieved when programs recognize communities, families and individuals as active agents seeking better well-being. The most appropriate role for SO7 programs is to help create conditions in which such agents can more effectively undertake action for their own health and well-being. Therefore, in addition to its current activities targeting individual behavior change, USAID/Zambia intends to increase attention given to advocacy and changed social norms (to be implemented across all SOs), in order to address the social context in which behavioral choices are made.

For HIV/AIDS, SO7 expects to continue with a comprehensive 'ABC' strategy with a strong emphasis on **abstinence/delay**, and **being faithful/partner reduction** as well as **condom promotion**, especially with high-risk settings and high-risk groups. Given their importance in driving the epidemic, SO7 will particularly target those with multiple partners and sexual activity between female youth and older men. SO7 intends to innovate and significantly expand the use of behavior change strategies using interpersonal communication, folk media, opinion leaders and community development approaches.

**Illustrative Activities:**

- Behavior-change communication work especially targeting youth, rural areas, and high-risk groups/settings (continuing successful initiatives such as mass-media efforts and Trendsetters)

newspaper); increased use of interpersonal channels and work with churches and traditional structures/leaders;

- Access to health-protecting products: social marketing of condoms, family planning commodities and point-of-use water purification solution; and promotion of insecticide-treated mosquito nets and re-treatment through commercial sector, social marketing and other channels; and
- Expanded community action for health (focusing on empowerment and strengthened local problem-solving): strengthen Neighborhood Health Committees (NHCs) through distance education and other means; support community approaches to behavior change; facilitate national discussion on the role of community-based health workers and support expanded use where appropriate.

**Illustrative Indicators:**

- % of unmarried youth aged 15-24 reporting sex over past 12 months.
- % of people with a non-regular partner over the 12 months who report condom use at last sexual intercourse with that partner.
- % of married men and women reporting extramarital partners over past 12 months.
- Median age of first intercourse among population aged 15-19 (disaggregated by gender).
- % of population aged 15-49 reporting more than 1 sex partner over past year.
- Contraceptive prevalence rate.
- % of households owning insecticide treated mosquito nets.
- Socially marketing sales (e.g. oral contraceptives, mosquito nets, point-of-use chlorine).

**IR7.2 Achievement and Maintenance of High Coverage for Key Public Health Interventions:**

USAID/Zambia intends to contribute to increasing coverage of high quality, cost-effective interventions addressing health problems identified as priorities under the National Health Strategic Plan (NHSP). This is a central SO7 concern and an area of comparative advantage. For HIV/AIDS, USAID/Zambia has specific mandated areas for intervention, which are in line with Zambia's national HIV/AIDS strategy. Continued support for other important areas such as vitamin A supplementation, and reproductive health is planned. In all areas, USAID will work to support national strategies and plans.

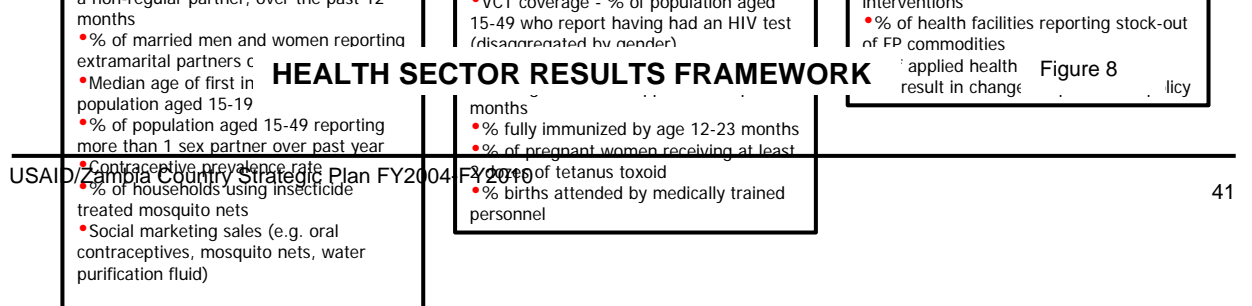
**Illustrative Activities:**

**HIVAIDS/TB/STI:**

- Expand quality services for Voluntary Counseling and Testing (VCT) and Prevention of Mother-to-Child Transmission (PMTCT) in community and clinic settings, coordinating phased national scale-up with other partner.
- Increase access to comprehensive quality HIV related clinical care services (including TB and other opportunistic infections) ensuring a continuum of care through appropriate linkages with home-based care and support services.
- Strengthen STI control in partnership with Centers for Disease Control and Prevention (CDC) and others, targeting interventions to high-risk settings/groups and supporting routine antenatal syphilis screening.

**Child Health (including nutrition & malaria):**

- Continue support to government on vitamin A supplementation and food fortification.
- Technical assistance to National Malaria Control Program (NMCP) on household and clinic-based malaria management and other achievements of malaria control; State Health Support on ITN distribution and treatment/re-treatment.
- Continue support for Expanded Program of Immunization and Integrated Management of Childhood Illness (expanding support of non-training aspects); and
- Develop more comprehensive multisectoral package of interventions addressing nutrition and food security working across SOs.



## Reproductive Health

- Expand Safe Motherhood (including essential obstetrical care).
- Ensure implementation of an essential set of antenatal interventions.
- Ensure contraceptive security and support expanded contraceptive method choice.
- Support integration of Family Planning with Safe Motherhood and HIV programs.
- Continue technical assistance on curriculum and guidelines development for health workers, following CBOH priorities.
- Support NMCP on malaria in pregnancy.

## Illustrative Indicators:

- MTCT coverage - % of HIV-positive pregnant women receiving complete ARV course.
- % of population aged 15-49 who report having had an HIV test.
- % of children aged 6-72 months receiving vitamin A supplement in past 6 months.
- % fully immunized by age 12-23 months.
- % of pregnant women receiving at least 2 doses of tetanus toxoid.
- % of births attended by medically trained personnel.

**IR7.3 Health Services Strengthened:** More motivated and capable service providers and more highly functioning systems are essential conditions for effective delivery of key public health interventions that can improve population health. Therefore under this IR, the USAID/Zambia intends to assist government in improving health worker performance, strengthening support systems and improving the quality of health services. USAID will look to support sustainability and Zambian ownership in this process.

## Illustrative Activities:

- Support technical supervision, systems approaches, and pre- and in-service training (including training of enrolled nurses/ midwives – curriculum strengthening, other institutional support, especially to nursing schools in rural areas) across technical areas.
- Support to district health services through program assistance (contingent on approval of extension of Sector Program Assistance Agreement past 9/04).
- Resident technical assistance and other support based in district health management teams (DHMT), focusing especially on improving access for underserved communities.
- Support to drug/contraceptive commodity policy, management and logistics systems.
- Technical assistance to government on policy, health management information systems, health care financing, planning and other systems at national, provincial and district levels (following priorities determined by government).
- Strengthened health sector human resources assessment, planning and management (including workplace HIV/AIDS activities).
- Institutional strengthening (and student sponsorship) for graduate level public health leadership training in-country.
- Support for applied health research of high programmatic relevance (including strengthening local applied research capacity).
- Capacity development support to MOH/CBOH, National AIDS Council (NAC) and NMCP (and possibly to other entities, e.g. General Nursing Council, National Food and Nutrition Commission).
- Possibly providing commodities (e.g. drawing on USAID/Washington condom fund or on establishing a family planning (FP) commodity fund similar to what was used under the current Strategy).

## Illustrative Indicators:

- Measures of actual work performance of health workers benefiting from USAID-supported performance/ quality interventions.
- % of health facilities reporting stock-out of FP commodities.
- Number of applied health studies completed which result in changes in practice or policy.



- Performance benchmarks to be developed for the institutions to which USAID would be providing support.

## 5. LINKAGES

### a. Linkages to Other Strategic Objectives:

Increased Private Sector Competitiveness (SO5): SO7 will make available health promotion and behavior-change expertise to SO5 to ensure effective nutrition, HIV and other health content in SO5 interventions. SO7 will also tap into SO5's networks to access rural communities with a variety of interventions including behavior change communication and social marketing of condoms and other health products. These efforts should assist in enhancing the health status and productivity of agricultural sector populations

Improved Quality of Basic Education for More School-aged Children (SO6). SO7 will work closely with SO6 on school health and nutrition, life-skills programming and other health-related behavior change strategies involving schools. SO6 will provide assistance to SO7 in designing health promotion strategies, including reproductive health, targeting school-aged children and youth.

Government Held More Accountable (SO 8): SO7's efforts at the community level to support increased involvement in and ownership of health services compliments SO8's work on increasing community and CSO demand for accountability from the government. SO 7 involvement in health sector systems compliments SO8 work to strengthen systems fighting corruption as a stronger health sector includes measures to reduce and address corruption.

Reduced Impact of HIV/AIDS Through Multisectoral Response (SO9). SO7 will work together with SO9 and other SOs, encouraging and supporting a multisectoral approach to HIV/AIDS on matters of prevention, care and support. Many activities that fall within the Mission-wide SO9 strategy will be implemented under SO7: the most prominent of these are listed under their appropriate SO9 IRs. Community/NGO components of SO7 and SO9 will be formally mandated to work closely together and there may be joint support of certain community-based activities (under IR 7.1). It is also expected that there will be close collaboration between SO9-managed cross-border work and other high-risk HIV interventions managed under SO7. SO7-supported health communications work will also closely collaborate with SO9 on messages related to stigma and human rights and HIV/AIDS. Furthermore, SO7 and SO9 will strive to create a continuum of care which will link SO7 activities to strengthen services at the clinical level to those supported by SO9 for home-based care.

## 6. COMPLEMENTARITY WITH OTHER DONOR AND GRZ PROGRAMS

In 2000, USAID/Zambia participated with government and nine other bilateral and multilateral partners in a comprehensive health sector review which served as the basis for a National Health Strategic Plan, 2001-2005 (NHSP). The Plan provides the framework for the government's health program and for donor assistance to the sector, including that of USAID. The vision of the NHSP is 'to provide Zambians with equity of access to cost-effective quality health care as close to the family as possible.' Areas of focus include: public health priorities (including malaria, HIV/AIDS, integrated reproductive health and child health); a sector-wide approach; improving access to care; the district as key intervention level; gender and health; hospital-sector reform; health care financing; and support functions, including human resources, drugs and infrastructure. USAID/Zambia's current contribution towards the NHSP is delivered through a variety of means. Technical assistance is provided to ensure appropriate policy and adequately robust support systems. Funding is provided for specific public health interventions prioritized under the NHSP.

The government has made significant changes under health sector reform, creating a semi-autonomous body (CBOH) charged with implementing health services and devolving significant decision-making authority to the district level. At the community level, NHCs are active in many areas, serving as an important link between formal health services and the populations they serve. The government is committed to a "Sector-Wide Approach" actively involving bilateral and multilateral partners in collective planning and oversight of the sector. For GRZ, the preferred mode of support is basket-funding. USAID

participates with a number of other partners in a “District Basket”, providing funding to District Health Management teams, Health Centers and District Hospitals, for direct service delivery. Although USAID/Zambia is unable to put as large a proportion of its support through this mechanism as some other donors, USAID/Zambia strongly endorses this approach. USAID/Zambia gives particular attention to specific interventions of high expected public health impact. However, an essential prerequisite for effective delivery of many of these interventions is an adequately functioning health-care system. USAID/Zambia’s support to the ‘district-health basket’ through the SPA helps ensure that investments in high priority public health interventions yield measurable health impact over the long term.

USAID/Zambia’s support to the district basket has contributed materially to strengthening district health services. Beyond its impact on services, this support has also made USAID/Zambia a full participant with government and other major donors in joint planning and oversight of the sector. USAID/Zambia’s commitment to a sector-wide approach consists not only of monetary participation but also includes a commitment to ensure that its program activities are integrated and consistent with efforts supported by government and other partners. The bulk of the new PHN program is expected to be directly in support of MOH/CBOH. Prioritization is to reflect that of the NHSP, and national plans for HIV/AIDS, malaria and other health areas. As the health chapter of the PRSP is consistent with the NHSP, SO7 will also be working in support of PRSP goals and activities for the sector. All SO7-supported program activities will be developed in close consultation with government and are to be reflected in the government’s own planning documents.

CDC’s work in Zambia (approximately \$2 million/year) focuses on: improved TB lab infrastructure and quality assurance; implementation of Directly Observed Treatment, Short-Course (DOTS); improved STI management; technical support for national HIV surveillance; and strengthened PMTCT. USAID/Zambia and CDC technical staff meet regularly and have jointly funded certain activities.

Other partners prominent in the health sector in Zambia include the World Bank, UN and bilateral agencies. The Bank has approved a major new 4-year HIV/AIDS program in the amount of \$42 million. In the past it has invested in health care infrastructure and drug procurement: it is not known if it will reassume this role. UNICEF has an active program with many points of convergence with USAID/Zambia, including orphans, child health, nutrition and HIV/AIDS. USAID/Zambia and UNICEF currently jointly fund several activities; this is likely to continue. WHO provides support in a variety of areas of disease control related to SO7-supported activities (e.g. IRH, IMCI, EPI). USAID/Zambia has programmed funds through WHO for polio eradication and intends to continue doing so. UNDP/UNFPA supports work in family planning, safe-motherhood and gender equity. SO7 expects to continue close collaboration in these technical areas.

The other major bilaterals supporting the health sector are the Netherlands, DfID, SIDA, Norway, DANIDA, Ireland AID, CIDA and JICA. The Netherlands and DfID each provide about \$10 million per year and program much of their support directly through government, notably for drug procurement and into pooled funding for district health services. DfID’s contribution is divided evenly between HIV/AIDS and other health services. In addition to direct support to government, the HIV component includes condom procurement and support to NGOs. DfID has also begun funding expansion of a USAID/Zambia-initiated mosquito net program, distributing through antenatal clinics. SIDA and DANIDA provide most of their support through MOH/CBOH, for district services and to strengthen central and provincial-level management. Several donors are also planning to support expanded elements of the basket: the Netherlands and SIDA have pledged to provide funds for second and third level hospital services. JICA has traditionally provided support for infrastructure, equipment and commodities although it is now giving more programmatic and technical support than in the past. USAID/Zambia and JICA have a well developed collaborative relationship involving joint support of a variety of activities (US-Japan Partnership for Global Health).

Under the current CSP, SO3 has provided significant technical and material support to GRZ in its proposal development and planning for use of new resources from The Global Fund for AIDS, TB and Malaria (GFATM). USAID/Zambia currently co-represents bilateral donors on the national committee

overseeing GFATM-funded activities. The Global Fund is poised to become a significant new element in the Zambian health sector. Proposals have been approved and funding is expected to be released to Zambia by mid-year. Elements include:

- HIV/AIDS – This is to be programmed through four different channels: public health sector funds will go through the CBOH, with technical leadership from the NAC; funds for work done by faith-based groups will be channeled through the Churches' Health Association (CHAZ); for other NGO's, funds will go to ZNAN; and funds for HIV/AIDS-related work in other government ministries will go through Ministry of Finance. Program areas to be supported include: prevention (including public sector condom distribution), PMTCT, VCT, blood bank, HIV/AIDS clinical care (including ARVs).
- Tuberculosis – (to be programmed through MOH/CBOH and CHAZ) in-service DOTS training is to be scaled up; provincial and district supervision and QA functions are to be strengthened; CBOs are to be supported for DOTS monitoring; and new clinic sites are to be added to the PROTEST HIV/TB network.
- Malaria – (to be programmed through MOH/CBOH and CHAZ) most of the malaria funds are intended for purchasing artemisinin-based combination antimalarial drugs. The next largest component is insecticide-treated mosquito nets - expanding existing activities and funding a voucher scheme. The third largest component is indoor residual spraying (most of the funds to be used for procurement of equipment and insecticide).

#### **D. SO8: GOVERNMENT HELD MORE ACCOUNTABLE**

##### **1. DEVELOPMENT CHALLENGE AND USAID'S COMPARATIVE ADVANTAGES**

**a. The Development Challenge:** Zambia's considerable development challenge is to unravel a 30-year legacy of the one-party-state. Shortly after independence, state and party constitutions were merged and even more importantly, all state resources were merged under control of the then ruling United National Independence Party (UNIP). The core problem today is a misdirected former policy, still reflected in the Constitution which places almost all state powers into the hands of the President, while the symptom is ten years of theft of public resources on a grand scale. Sadly, the impact lies with Zambia's poor. With inadequate public money available for health care, schools or public wages, the poor must pay bribes for basic services or do without.

Analysts of Zambian history are caught off guard by the close match with a recent political diagnosis, dominant power politics syndrome<sup>37</sup>. According to this model of democratic transition, countries with the syndrome have limited but still real political space, some political contestation by opposing groups, and at least most of the basic institutional forms of democracy. Yet one political grouping -- whether it is a movement, a party, an extended family, or a single leader -- dominates the system in such a way that there appears to be little prospect of alternation of power in the foreseeable future. Traits of dominant power politics include blurring of the line between the state and the ruling party; the state's main assets -- jobs, public information, money, police power -- are gradually put in the direct service of the ruling party; the typical pattern of elections is one of dubious but not outright fraudulent elections in which the ruling group tries to put on a good enough electoral show to gain the approval of the international community while quietly tilting the electoral playing field far enough in its own favor to insure victory; citizens tend to be disaffected from politics and cut off from significant political participation beyond voting; the state tends to be weak; and long hold on power by one political group usually produces large scale corruption and crony capitalism. Due to the existence of some political openness, the leaders do often feel some pressure from the public concerning corruption and other abuses of state power. They even may periodically declare their intention to root out corruption and strengthen rule of law. But their deep-seated intolerance for anything more than limited opposition and the basic political configuration

---

<sup>37</sup> End of the "Democracy Transition" Paradigm, Thomas Carothers, Carnegie Endowment for International Peace, Journal of Democracy, 13:1 (2002)

over which they preside breed the very problems they publicly commit themselves to tackling. Political participation beyond voting remains shallow and government accountability is weak.

Historical lessons from Zambia confirm the above portrait:

- After 1964, Zambia experienced a period of multiparty democracy under Kenneth Kaunda. By 1969, when the formation of increasingly strong regional/ethnic parties began to challenge to the one Zambia one nation policy, Kaunda moved to legislate a one-party state.
- The constitution was amended in 1973 following the report of the Chona commission established to determine the modalities of creating a one-party state, and party and state constitutions and structures were merged, with lasting consequences. Political and economic reforms were enacted to merge party and state resources under the party's control, and during the period of the one party state, public resources were used to maintain party structures. Corruption, however, was on a small scale as Kaunda kept close watch on his officials.
- Although the formal linkage of state and party was severed in 1991, de facto linkages continue to the present, allowing the ruling party to manipulate state structures for political ends (for instance, the extensive documented use of GRZ vehicles, helicopters, media, and various other resources and institutions by MMD candidates during the 2001 elections).
- The constitution was amended in 1990 to permit political party competition and to introduce a two-term limit on the presidency, but the excessive powers vested in state house remained untouched.
- During the first MMD term (1991-96), over 100 enterprises were sold, and according to recent revelations, privatization was a vast opportunity for theft by those in power. Economic reforms were not replicated on the political front.
- Further constitutional reform was a sham. In late 1993 the MMD set up the Mwanakatwe constitutional review commission with broad terms of reference. Following far reaching consultations, it tabled an extensive report in June 1995. Then president, Chiluba chose to ignore almost all its recommendations, including rebalancing of powers and the participatory process to adopt it, instead pushing a limited reform through the MMD-controlled national assembly, amending the constitution to eliminate Kaunda's eligibility to run for president in the 1996 elections, and moving from an absolute majority to simple majority vote for president.
- As the MMD became entrenched following a make-believe constitutional review, suspicious voter registration and a non-contested election in 1996, Zambia tumbled on the world transparency from an average country in 1998 index (hardly commendable) to the bottom quarter by 2002.

**b. Comparative Advantage:** USAID's comparative advantages include: the recent experience of effectively supporting and funding civil society led public debate on policy issues such as corruption and constitutional reform; support for fundamental reforms of Parliament as an independent arm of Government; and its ability to obtain highly specialized skills on fighting corruption through legal and monitoring instruments which prevent corruption, namely through the U.S. Department of the Treasury and Department of Justice, State/ Bureau for International Narcotics and Law Enforcement Affairs(INL) and The Federal Bureau of Investigations (FBI).

## **2. DEVELOPMENT HYPOTHESIS, STRATEGIC OBJECTIVE AND INDICATORS**

The Strategic Objective is based on the development hypothesis that transformation of Zambian society will occur when the rule of law replaces rule of man. Because of the enormous powers of the President and through him of the ruling party, Zambia has remained a de facto one party state; the multiparty reforms of 1991 require implementation on many levels before all Zambians will benefit. Constitutional reengineering must rebalance these all-encompassing powers so as to prevent future corruption and abuse of office. Parliament and other institutions must become effective watchdogs. Civil society rather than Government or political opposition is the prime force that will drive change. Viewed from the present, the "social movement" that will inspire and motivate Zambians over the next decade is eliminating corruption; and a successful fight against corruption will significantly improve Zambia's economy.

Strategic Objective 8 (SO8), "Government Held More Accountable" contributes to the Agency's Strategic Goal 5: Democracy and Good Governance Strengthened and is the main contributor to the MPP Goal of Zambia's Government is Democratic, Transparent, and Fair. It is also closely linked to USAID's vision of providing hope and prosperity for Zambians. SO8 is linked to the Mission Vision in the context of hope and prosperity.

The strategy will target permanent structural reforms to reduce public sector abuse of office and corruption through: rule of law reforms, including improving the criminal justice system and reforms of laws and regulations; public demand for accountability; and strengthening oversight institutions. Sustaining the corruption fight is a broad-based issue at the SO level, beyond the vision of the President to an all-inclusive Government and civil society task. Coalitions will be encouraged between all stakeholders, accenting NGOs with an anti-corruption mandate, Parliamentary Committees, (especially Public Accounts and Estimates Committees), the Auditor General, the Investigator General (Ombudsman), and media. An integrated Zambia anti-corruption action plan may become a prime tool for direction and coordination.

**Strategic Objective Indicators:** By 2010, more accountable Government will be observed in the following changes:

- The blurring of the line between state and the ruling party, the prime trait of dominant power politics, will be no more. The reformed Constitution as the supreme legal authority will devolve power from State House and the Executive to Parliament
- Elections will be perceived to be free and fair
- Citizens will acknowledge their country to be much less corrupt, executive powers more balanced with Parliament, and Government to be transparent and accountable
- There will be fewer opportunities and greater risks for those public officials tempted by large scale corruption, abuse of office and crony capitalism, because of reformed codes, systems and procedures to prevent corruption and enforce the law

The above changes will be measured through the following SO Indicators:

- Citizens perceive Government as more transparent and less corrupt
- Number of corruption cases prosecuted

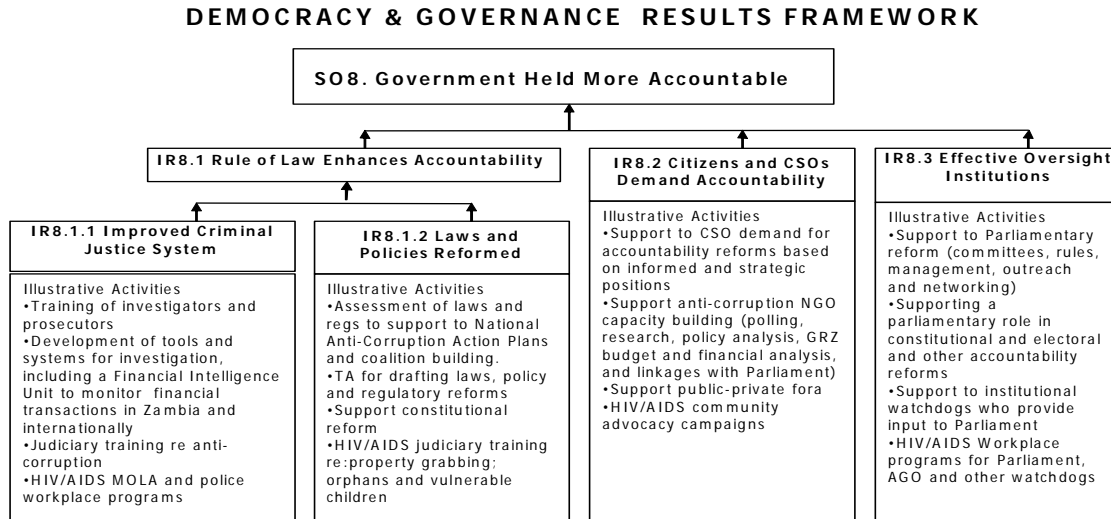
### **3. CRITICAL ASSUMPTIONS**

- The Government is committed to constitutional rebalancing of powers
- Corruption scandals will not derail structural reforms
- Combined political will and civil society commitment continue as a partnership on parallel cooperative tracks
- Civil society remains united, confident and capable on the issues and way forward
- Fighting grand corruption at the top benefits the fight against petty corruption
- New elections if called by the Court will not change political will to continue reforms
- Absence of conflict in Zambia continues

### **4. INTERMEDIATE RESULTS, ILLUSTRATIVE ACTIVITIES AND INDICATORS**

SO8's achievements will be accomplished through activities implemented under three Intermediate Results: 1) building better laws, policy and regulations that enable reform that will last; 2) ensuring that civil society continues to put pressure, but with linked bridges to Government policy making rather than merely outsider advocacy which can create resistance; and 3) Strengthening public sector watchdog institutions to play their role in holding Government accountable. Constitutional reform, the vital structural change on which achievement of the SO greatly depends, is cross cutting to all three Intermediate Results.

Figure 9



**IR8.1 Rule of Law Enhances Accountability:** Legal and justice systems reforms to enable accountable Government range from: major restructuring of the Constitution to rebalance powers; creating or revising lower legal and technical instruments such as reforms of the criminal code, money laundering and asset forfeiture laws; conspiracy and organized crime legislation; rules of criminal procedure; High Court jurisdiction over corruption trials; witness protection and whistleblower legislation; codes of conduct and systems for tracking declaration of assets for Government officials; corruption investigative practices training; and financial intelligence and banking supervision systems. Two sub-IRs contribute to this IR.

**IR8.1.1 Improved Criminal Justice System:** Abuse of office and theft with impunity can only weaken a young democracy. Impunity is the arch-opposite of accountability. There must be consequences for public sector officials who behave as criminals. Zambians have a strong sense of justice, of right and wrong; if the state fails to enforce, democracy fails. Enforcement and criminal justice are not traditional USAID development activities, although in conflict states the demarcation line begins to move. Zambia is not a state in conflict, nor is it emerging from conflict, nevertheless, investigation and prosecution must be supported to serve as a deterrent to future leaders, in addition to forward-looking strengthening of codes and systems to close off opportunities for public theft. This work falls under the mandate of the Corruption Task Force, with three of its four institutional members having police powers, including the Anti-Corruption Commission who have powers to search and seize<sup>38</sup>. USAID will work with the Cabinet Office, a non law enforcement entity, as it directs the Task Force along with all Government administration.

**Illustrative Activities:**

- Training of investigators and prosecutors
- Development of tools and systems for investigation, including a Financial Intelligence Unit to monitor financial transactions in and out of Zambia
- Judiciary training regarding fighting corruption

<sup>38</sup> Since funding with DA is prohibited under FAA Sec 660, while ESF funds can obtain limited "notwithstanding" waivers, ESF will be the primary source of funding for this IR.

- HIV/AIDS MOLA and police workplace programs

Illustrative Indicators:

- Number of public sector cases investigated
- Number of tools and systems designed and in operation to reduce opportunity for corruption
- Number of operating units with HIV/AIDS programs in place

**IR8.1.2 Laws and Policies Reformed:** Modernized laws and codes prevent corruption since they limit opportunity and increase the risks to those with the opportunity<sup>39</sup>. USAID will work with the Ministry of Legal Affairs, the Bank of Zambia, and the Cabinet Office to reform codes and systems, while coalition building for sustainable reform will include all stakeholders including watchdogs and anti-corruption NGOs, and the media.

Illustrative Activities:

- Assessment of laws and regulations to support National Anti-Corruption Action Plans and coalition building.
- TA for drafting laws, policy and regulatory reforms
- Support constitutional reform consultation and implementation
- HIV/AIDS policies: judiciary training regarding property grabbing; orphans and vulnerable children (SO9.4)

Illustrative Indicators:

- Number of laws and regulations in operation to reduce opportunities for corruption
- Index<sup>40</sup> of status of regulatory reform process

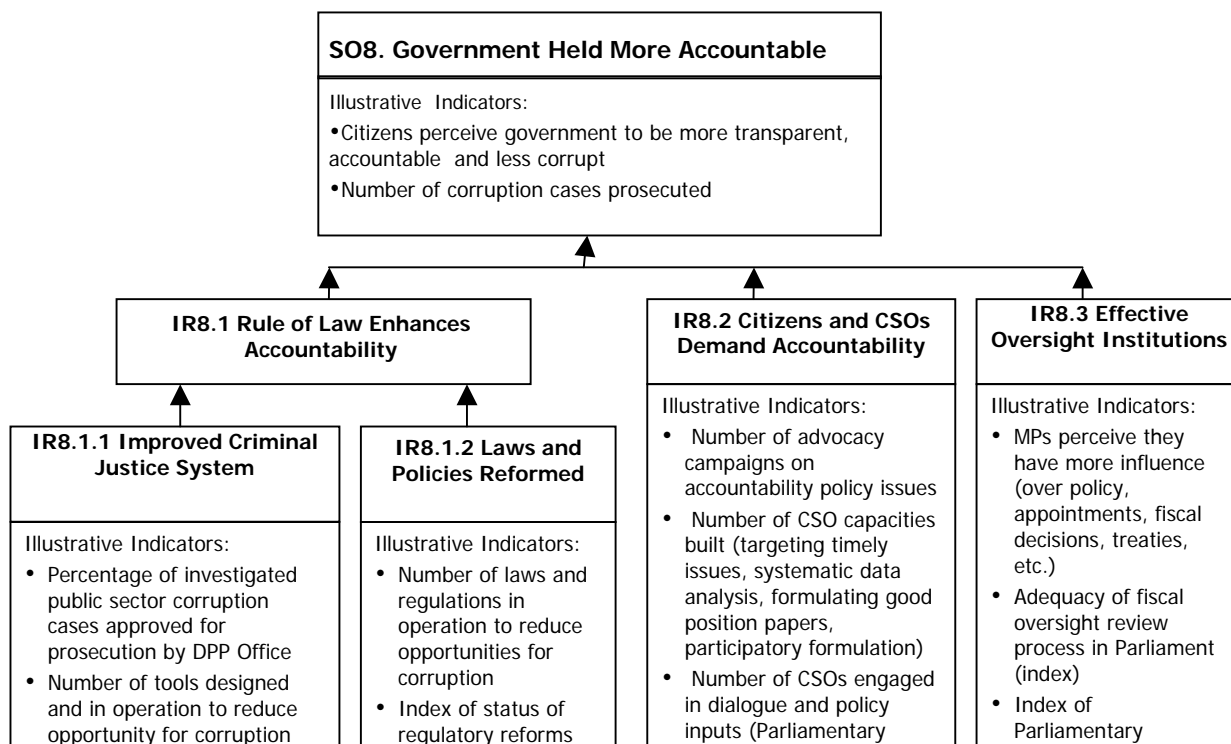
---

<sup>39</sup> Prevention is different from investigation in that it is eligible for both DA and ESF funding (assuming the institutional partner does not have any police powers).

<sup>40</sup> Notes on Index: Status of proposed legislations will be assessed according to progress on a scale, which may include any or all of the following milestones: a) Interest groups raising issues; b) Issue introduced in Ministry or Parliamentary Committee; c) Policy drafted; d) Policy adopted; e) Legislation drafted; f) Legislation debated by Parliament; g) Legislation passed by Parliament; h) Legislation approved by Executive; i) Actions to implement legislation underway; j) Regulations passed by Cabinet; k) Information disseminated to public; l) Government agencies informed; and m) Funds and resources provided to agencies to monitor and enforce.



## DEMOCRACY & GOVERNANCE SECTOR RESULTS FRAMEWORK



**IR8.2 Citizens and CSOs Demand Accountability:** A more accountable Government will be closely linked to civil society, which provides feedback on public policy design and implementation. The efficacy of CSO interaction with Government institutions will be increased through support for CSO capacity strengthening in key areas including analytic and policy research capacity, public opinion polling, and understanding of the policy and legislative processes. CSOs must understand how Parliamentary Committees work so as to provide targeted inputs and advice. Citizens who are more aware of the prime issues of corruption, how it works and how it is prevented, are more likely to participate in and demand reforms, advocate against petty corruption and be less inclined to cooperate when petty bribes are demanded of them. Fora for dialogue between CSO and selected Government institutions on key policy issues will be established. The goal is to build permanent dialogue mechanisms for sustained demand.

### Illustrative Activities:

- Support to CSO demand for accountability reforms based on informed and strategic positions
- Support anti-corruption NGO capacity building (polling, research, policy analysis, Government budget and financial analysis, and effective linkages with Parliament)
- Support public-private fora and media
- Support to CSO public debate and policy dialogue on constitutional reforms
- If constitutional reform fails, support to increased demand
- HIV/AIDS community advocacy campaigns
- HIV/AIDS policy advocacy

### Illustrative Indicators:

- Number of advocacy campaigns on accountability policy issues

- Index<sup>41</sup> of CSO capacities built (targeting timely issues, systematic data analysis, formulating good position papers, participatory formulation)
- Number of CSOs and media engaged in dialogue and policy inputs (Parliamentary Committee hearings, joint Commissions, drafting of proposed legislation and policy, providing analysis to influence Parliamentary debates)

**IR8.3 More Effective Oversight Institutions:** The prime target for improving what in 2003 is a weak oversight system is reform of Parliament, to become an independent institutional watchdog of the Executive. The Zambian Parliament has not fulfilled a watchdog role despite the multi-party reforms in 1991. Since 1999 there has been some movement towards reforms as yet far from complete. A stronger Parliament will provide oversight on policies of Government, on financial management, and on Government performance and Members of Parliament will be in communication with their constituents. Parliament will be more decentralized with greater power sharing<sup>42</sup>.

Parliamentary reform is a multi-donor effort to which USAID can attribute significant results, despite modest investments. As chair of the donor sub-group on Parliamentary reform, it has mobilized coordinated support under a single management structure and expects to continue these efforts by leveraging funds from up to ten contributing donors, will mobilize annual funds well in excess of the entire SO8 program.

**Illustrative Activities:**

- Support to Parliamentary reform: a) reform of committees to increase oversight, including budget and public accounts oversight; b) reform of rules of Parliamentary procedure and management; c) Strengthening MP and committee communications with constituents and other stakeholders; and d) Support to like-minded networking in Africa
- Supporting a Parliamentary role in constitutional, electoral and other accountability reforms
- Support to institutional watchdogs who provide input to Parliament (Auditor General's Office (AGO), media, fiscal reform and anti-corruption NGOs, policy think tanks, Investigator General)
- HIV/AIDS workplace programs for Parliament, AGO and other watchdogs
- Parliamentary role in HIV/AIDS policy reforms

**Illustrative Indicators:**

- MPs perceive they have more influence and power (over policy, appointments, fiscal decisions, treaties, etc.)
- Index<sup>43</sup> of adequacy of fiscal oversight review process in Parliament
- Index of Parliamentary Committee capacity (analysis, outreach to stakeholders, resources, authority, performance)
- Number of HIV/AIDS workplace programs delivered by operating unit

---

<sup>41</sup> Notes on Index of Capacities Built: CSO capacities built covers the capacity to define issues, dialogue, develop issue papers, conduct media campaigns. Some of the benchmarks are: a) Targeting timely issues; b) Collecting and systematically analyzing data on issue; c) Formulating good position papers; d) Participatory formulation of position papers; e) Effective coalition building; f) Mobilizes volunteers and resources; g) Media and publicity management; and h) Engaged in new mechanisms for dialogue and policy inputs, for example: participation in Parliamentary Committee hearings,

<sup>42</sup> Depending on funding levels and on results achieved, other activities may include work with the Auditor General, the Investigator General, the Anti-Corruption Commission, Electoral Commission and related Electoral reforms, and independent media.

<sup>43</sup> Notes on Indexes: Indices of Parliamentary and Committee capacity may include any or all of the following benchmarks: a) More effective procedures and systems are in place; Use of facts and analysis to reach positions; Modernized procedures based on other country models; b) Committees consult stakeholders and expert witnesses; c) Estimates (budget) Committee performs expert technical analysis of Budget – Government priorities including anti-corruption reflected in budget, etc.; d) Public Accounts Committee performs expert analysis of audit reports and spending; e) Committees have balanced representation; f) Parliament is more participatory, transparent and democratic; g) Regulations and procedures passed to give greater power sharing among all MPs; h) Greater public and outsider stakeholder access; i) Handbooks and other information available on procedures; and i) Voting records are public.

While not an indicator, measurement of the strengthening of other oversight institutions will be monitored. Indications of greater independence of the Auditor General, ACC, Investigator General, Electoral Commission may include:

- Parliament appoints chief executive
- Internal control over budget and resources
- Have a statutory mandate giving independence
- Findings and reports go to Parliament and/or the public

## **5. LINKAGES**

### **a. Linkages to Other Strategic Objectives**

Increased Private Sector Competitiveness (SO5): SO5 will closely follow, and where appropriate collaborate, with SO8's efforts to assist the GRZ to deal with corruption. Corruption, and the perception thereof, is a major factor limiting domestic and foreign investment in Zambia. Reducing corruption has significant potential to increase investment and competitiveness. The activities of SO8 to stem corruption will benefit investment, especially if the Transparency Corruption perceptions index for Zambia rises to a less corrupt state.

Improved Quality of Basic Education for More School-aged Children, Phase II (SO6): In SO6, IRs support SO8's focus on accountability through the creation of community access to information, strengthening community mobilization and dialogue over critical issues, and the ability of communities and children to assert their rights. SO6 support of MOE restructuring and decentralization also contributes to greater accountability. SO8 will target citizen awareness of petty corruption, and encourage citizens to say no to bribes including those in the public school system.

Two of the IRs in Reduced Impact of HIV/AIDS through Multisectoral Response (SO9) and three sub-IR elements have D/G targets for reducing the impact of HIV/AIDS. Under the SO9 theme of "expanded employer based programs", grants will be provided by SO8 to CSOs in HIV/AIDS and health field, for short term TA and capacity building. The Ministry of Legal Affairs, agencies of the Ministry of Home Affairs, including police, and Parliament and Auditor General will be prime beneficiaries of work place programs, workshops and information campaigns to reduce HIV/AIDS impact in the workplace and to inform of AIDS related issues. SO8 will also advocate for increased public commitment to HIV/AIDS prevention and mitigation efforts from key Government institutions, in addition to support for workplace programs within all Government institutions. SO8 will also facilitate the training of law enforcement agents, judges and magistrates in proper enforcement and interpretation of the law in light of HIV/AIDS.

## **6. COMPLEMENTARITY WITH OTHER DONOR AND GRZ PROGRAMS**

The SO8 program conforms with the stated prime objective of the president, to instill rule of law and to eradicate corruption which is also consistent with PRSP and the GRZ Capacity Building for Good Governance Program, established in 2000 under the leadership of the Ministry of Legal Affairs.

USAID is a participant in the Donor Coordination Group on Citizen's Participation in Governance. Active members in the group, chaired by the Netherlands, are Canada, Finland, Ireland, Sweden, Norway, Netherlands, EU, Frederick Ebert Stiftung, GTZ, India, Britain, Germany, U.S. Embassy, and USAID/Zambia. USAID chairs the donor's sub-group on Parliamentary reform which includes Canada, Ireland, Netherlands, Sweden, FES, Denmark and the EU. The Coordination group ensures that donors are in close collaboration on strategic and operational activities.

## **E. SO9: REDUCED HIV/AIDS IMPACT THROUGH MULTISECTORAL RESPONSE**

### **1. DEVELOPMENT CHALLENGE AND USAID'S COMPARATIVE ADVANTAGES**

**a. The Development Challenge:** The HIV/AIDS epidemic in Zambia is having a devastating impact on virtually all sectors of the society. It is affecting not only the health, but also: 1) the economic well-being of Zambians; 2) social structures at the community and family levels; 3) the private sector; and 4) the ability of the public sector to deliver services in all sectors. To date, Government investment in HIV/AIDS prevention and mitigation outside of the health sector has been limited. A continuing challenge is to expand the multisectoral dimensions of HIV/AIDS program initiatives in ways that strengthen HIV/AIDS responses beyond the health sector, to include education, agriculture, finance and the private sector.

**Macro Impact:** The economic and developmental slowdown at the macro level due to HIV/AIDS is becoming increasingly evident. Mortality and morbidity significantly affect the availability of labor at all levels of society. With a national HIV prevalence rate of 16%, declines in the labor force have resulted in decreased productivity within sectors such as health, education, agriculture and the private sector, greatly reducing the social and economic gains of the past two decades. The vast majority of people living with HIV/AIDS in Zambia are between the ages of 15 and 49, representing the country's core work force. Recent data suggest that the rate of economic growth due to HIV/AIDS has fallen by 2-4% in sub-Saharan Africa. Reliable knowledge of the impact of HIV/AIDS on the national economies and its various sectors and participants is critical for effective national strategic planning but such knowledge is lacking.

**Sectoral Impact:** A series of analyses were conducted to inform USAID/Zambia and other stakeholders about the magnitude and depth of the sectoral impact of HIV/AIDS. Some of what is known is outlined below:

- **Private sector:** HIV/AIDS compromises productivity and profitability, which are the core concerns of both large and small business enterprises. The epidemic hits productivity mainly through needs for increased health care, absenteeism, burial fees, recruitment, training and retraining, organizational disruption, loss of skills and organizational memory. All associated costs place profits at risk and as the impact on households grows more severe, market demand for products and services shrink.
- **Agriculture sector:** The epidemic has reduced the supply of labor and will continue to do so, depleting rural communities of food producers and farmers. HIV/AIDS reduces the productive capacity of the rural poor, limits their ability to buy agricultural inputs and fuels a spiral of acute poverty. The loss of labor also reduces the time spent on maintaining agricultural infrastructure and hinders the medium and long-term sustainability of agriculture. A report from one of USAID's peri-urban project areas suggested that labor days available to an average household had fallen from 800 to 500 per year in recent years and that some farms are abandoned for days due to HIV/AIDS related health problems<sup>44</sup>. Despite the high percentage of Zambians dependent on subsistence farming, which is estimated at 55%; and the threat to agricultural production and rural livelihood, current agricultural policies fail to adequately address the impact of HIV/AIDS on agriculture. Agricultural policies that take into account the effects of the epidemic on this sector will contribute significantly to the mitigation of the disease.
- **Educational Sector:** HIV/AIDS has adversely affected the Zambian educational system in terms of supply of human resources and the future demand for education services. Large increases in teacher deaths contribute significantly to this problem. The number of teachers leaving the system each year due to retirement, illness and death is more than half the number of teachers graduating from teacher training colleges. This is occurring in a system where there are insufficient numbers of teachers in the first place. Frequent teacher absenteeism due to personal/family sickness and/or funerals are also leading to reduced work capacity and general declines in productivity. Similar impacts from death and absenteeism among managers, planners and administrators are of equal concern, impairing the efficiency and effectiveness of the Ministry of Education. The demand for educational services is also suffering, as fewer children are able to

---

<sup>44</sup> DAI, 2002.

afford the costs of attending school. Stagnating school enrollment has resulted from children dropping out of school to work or provide care to sick and dying parents or family members. Due to poverty and food security problems, girls are especially vulnerable to high risk behaviors as they are given the responsibility of acquiring food and other resources to sustain their families. This impact is especially felt by girls and by children who have lost both their parents to HIV/AIDS.

- **Health Sector:** the HIV/AIDS epidemic has further strained an already impoverished and over-extended health care system. The added burden of providing HIV/AIDS prevention and care services has strained the human, financial and structural capacity of the Ministry of Health (MOH)/Central Board of Health (CBoH). The demands of counseling and caring for people with HIV/AIDS has taken a large toll among health workers who suffer from low morale and limited service support. Expenses for medical supplies and treatment for AIDS-related illnesses have risen significantly.

The health sector is facing an added weight of a diminishing pool of health care providers due to absenteeism, burnout, death and emigration. Mortality was the main cause of attrition among nurses. 41% departure from service was due to death, compared to 28% from resignation and 27% from retirement<sup>45</sup>.

- **Democracy and Governance:** Although HIV/AIDS has been recognized at the highest level in Zambia to be a serious problem, there has been no meaningful commitment made to address the problem by political leaders. In addition, Government's inability to fight poverty, cultural stigma and gender disparities, which fuel the spread of HIV/AIDS, undercut responses to fight the HIV/AIDS pandemic. HIV/AIDS has also eroded the scarce human resource base within DG circles including politicians, law enforcement agents, judges, lawyers and magistrates and top Government officials. For example the Zambian Government is spending huge sums of money on by-elections due to deaths of members of Parliament each year.

Those most affected by HIV/AIDS are people and communities who have unequal access to fundamental social and economic rights. The denial of basic rights limits peoples' options to defend their autonomy, develop viable livelihood options and protect themselves, leaving them more vulnerable to both HIV infection and the impact of the epidemic on their lives. Conversely, safeguarding of those rights can enable people to avoid infection or, if they are already infected, to cope more successfully with the effects of HIV/AIDS.

Access to justice and respect for the rule of law are closely linked to protection of human rights through effective and enforced legal frameworks. In Zambia people that are affected by HIV/AIDS such as people living with HIV/AIDS (PLWHA), widows, orphans especially girls, do not have the full protection of the law even though most of the laws that are required to protect them are on the books. The problem is lack of law enforcement. Women and girls are continuously sexually abused and property is grabbed from widows and orphans but protection from the police and courts is limited. The police, courts and prosecutors need special training in gender violence and child abuse, as do medical professionals and educators. Abuses against girls must be investigated and prosecuted.

**Household Impact:** The physical, psychological, emotional and economic toll of HIV/AIDS at the household level has been severe. HIV/AIDS has significantly affected food security and the purchasing power of households throughout Zambia, as the disease strikes men and women in their most productive years. A substantial number of households have been adversely affected with increased financial burdens by the death of one or more of its members, the caring for a chronically ill person or need to take care of additional children.

---

<sup>45</sup> Orobaton et al, 2001, CBoH

**b. Comparative Advantage:** USAID/Zambia has gained useful experience in applying a multisectoral approach to HIV/AIDS prevention and mitigation across all four SOs in the FY1998-2003 CSP (1998-2003). Over the last three years, representatives from all SO teams, as well as USAID/Zambia support offices, have participated in the HIV/AIDS and Orphans Working Group (HOW Group). Through the HOW Group, SO members have been instrumental in mainstreaming HIV/AIDS in their sectors using a low/no-cost approach to create new entry points for prevention and mitigation efforts. This approach provided an additional channel for disseminating HIV/AIDS awareness and behavior change in various sectors. The collaboration among all SO Teams and within the HOW group has introduced a norm of interaction and synergy across USAID/Zambia. This commitment to involve each SO team in analyzing, planning and implementing the national response to the epidemic has provided the fundamental basis for a multisectoral SO and provided USAID with a clear comparative advantage in this area.

In addition, USAID has been supporting the Livingstone District HIV/AIDS Task Force to strengthen its technical and management capacity to plan, coordinate and monitor HIV/AIDS prevention and mitigation interventions in the district. In 2003, USAID expanded this support to all districts in Southern Province. Areas of support to District HIV/AIDS Task Forces include: 1) development of district-wide, inter-sectoral coordinated strategic HIV/AIDS plans and effective implementation strategies; 2) directing resources from various sectors and external sources towards shared priorities; and 3) collective monitoring of achievements in preventing the spread of HIV/AIDS and mitigating the effects of the epidemic on community development. Experience gained in supporting the District HIV/AIDS Task Forces will be used to provide support to other districts in other provinces using a multisectoral approach.

## **2. DEVELOPMENT HYPOTHESIS, STRATEGIC OBJECTIVE AND INDICATORS**

The development hypothesis underlying this strategy is that the devastating impact of the HIV/AIDS epidemic on all sectors requires a multisectoral response to turn the tide against the HIV/AIDS pandemic. Concerted interventions to strengthen capacity and improve policy and regulatory environment at all levels of the society and across all sectors will reduce HIV/AIDS prevalence in Zambia, improve livelihood for PLWHAs, including OVCs, and reduce sectoral impact of HIV/AIDS.

Strategic Objective 9 (SO9), Reduced Impact of HIV/AIDS through Multisectoral Response contributes to the Agency's Strategic Goal 4: World Population Stabilized and Human Health Protected and is the main contributor to the MPP Goal of Humanitarian and Other Transnational Issues. It is also closely linked to USAID's vision of providing hope and better health for Zambians.

Several factors account for USAID/Zambia's adoption of a multisectoral approach in the fight against the HIV/AIDS pandemic. The wide-ranging, devastating impact of HIV/AIDS not only on health, but also on the economic well being of Zambians; the social structures at the community and family levels; the private sector; and the ability of the public sector to deliver services in all sectors, makes a broad multisectoral response not only necessary but also imperative.

USAID/Zambia's multisectoral approach to HIV/AIDS refers to responses to the impact of HIV/AIDS in different sectors. USAID/Zambia's responses are intra-sectoral and inter-sectoral. The **intra-sectoral** response implies where a sector specific SO such as agriculture (SO5), education (SO6), population, health and nutrition (SO7), or governance (SO8) assesses the impact of HIV/AIDS on the sector and undertakes a sectoral reform to reduce the impact of the epidemic on its core business; thus strengthening the sector's abilities to contribute to economic development and HIV/AIDS care and prevention as appropriate to each sector. USAID/Zambia's success of this approach depends on all SOs as these implement activities under each of its respective IRs. **Inter-sectoral** responses to HIV/AIDS will be carried out by SO9 for HIV/AIDS activities that cut across different sectors. SO9 will also integrate activities to address short-term food insecurity of affected vulnerable groups. In addition, it will provide overall coordination, monitoring, evaluation and reporting of HIV/AIDS activities at USAID/Zambia level and appropriate technical assistance to other SOs to implement HIV/AIDS activities.

**Strategic Objective Indicators:** The following indicators have been selected to measure program impact at Strategic Objective level:

- HIV prevalence among youth aged 15 to 24: Expected to decrease to 3% by 2010, from a baseline of 8% in 2001/2002.
- Percent of OVCs receiving support: Expected to increase to 40% by 2010, from a baseline of 6% in 2001/2002.
- Percent of women receiving complete course of antiretroviral prophylaxis: Expected to reach 50% of the relevant group of women by 2010.
- HIV infected persons receiving support: Expected reach 50% of persons infected by 2010.
- Man-hours lost due to HIV/AIDS related problems (disaggregated by sector): TBD

### **3. CRITICAL ASSUMPTIONS**

The achievement of SO9 will depend on the following key assumptions:

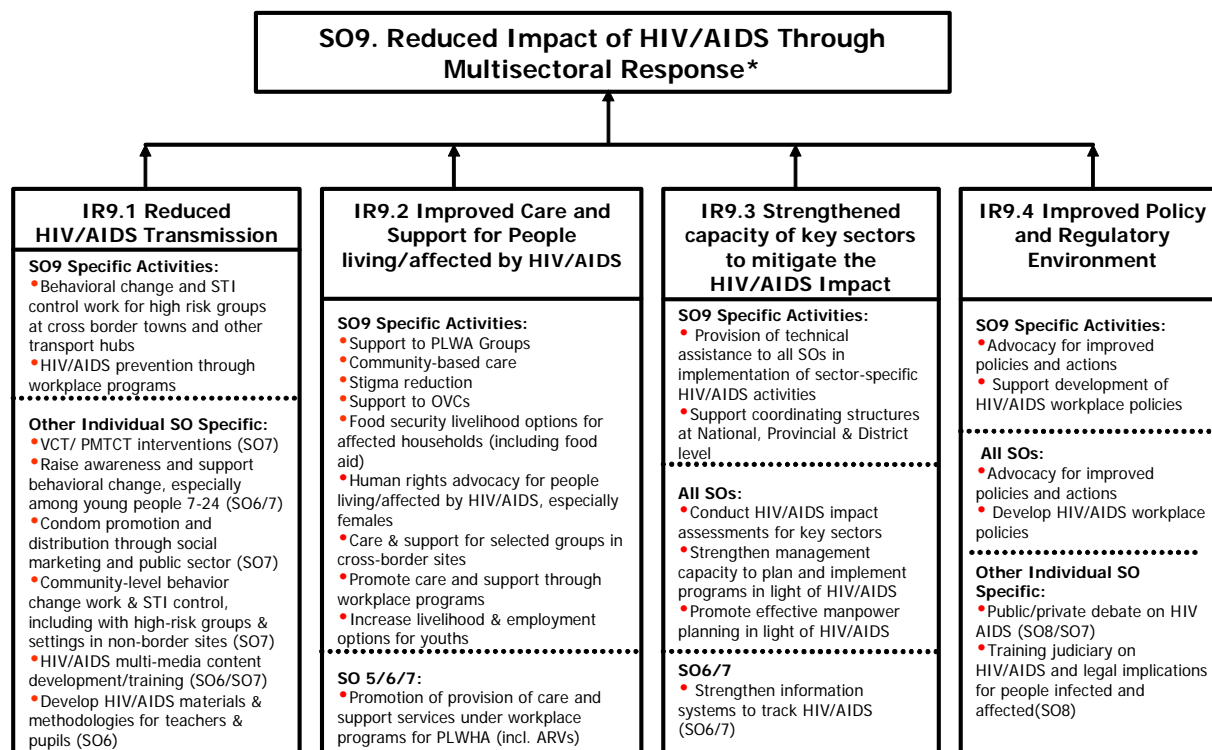
- The GRZ will remain committed to the fight against HIV/AIDS and will strengthen its role in addressing the impact of HIV/AIDS on the Zambia society
- Social and political stability will continue
- Economic situation will stabilize and not continue to worsen
- Food shortages will not be exacerbated by severe drought
- All stakeholders will remain committed to implementing the multisectoral response to HIV/AIDS

### **4. INTERMEDIATE RESULTS, ILLUSTRATIVE ACTIVITIES AND INDICATORS**

Four intermediate results: 1) reduced HIV/AIDS transmission; 2) improved care and support for people living/affected by HIV/AIDS; 3) strengthened capacity of key sectors to mitigate the HIV/AIDS impact; and 4) improved policy and regulatory environment all combine to give the necessary support to enable Zambia to reduce the new rate of HIV/AIDS infections. Realization of SO9 through the four IRs will require a multisectoral response with all the SOs implementing HIV/AIDS activities. In general, SO9 will be responsible for:

- Cross-sectoral intervention such as care of OVCs and community support for affected families, people living with HIV/AIDS, HIV/AIDS workplace programs, support to the National AIDS Council, interventions targeted at high-risk groups at border crossings e.g. commercial sex workers, youth and women, food aid and livelihood options to vulnerable households.
- Technical assistance to other SO Teams in mainstreaming and implementing HIV/AIDS interventions, manpower capacity development, addressing management and planning issues, in their respective SOs.

## HIV/AIDS MULTISECTOR RESULTS FRAMEWORK



The other SOs will implement wide range of other HIV/AIDS activities including, support for treatment, testing and medical care for AIDS patients, VCT/PMTCT services, development of HIV/AIDS multi-media content, improving HIV/AIDS materials and methodologies for teachers and pupils, promotion of public and private debates on HIV/AIDS, and activities aimed at reducing the impact of HIV/AIDS on small and medium business, including farmers and their households. The detailed and specific multisectoral HIV/AIDS activities that will be implemented by each of the SOs including SO9 are discussed below under the four IRs.

**IR9.1 Reduced HIV Transmission:** Strengthening and expanding prevention activities is essential to the reduction of HIV/AIDS impact. There is an urgent need to increase prevention activities that target youth, high-risk sub-populations and HIV/AIDS activities in the workplace. SO9 specific activities under this IR will include the following:

**High-risk sub-populations:** Under the CSP 1998-2003 the Cross-Border Initiative, which largely targets commercial sex workers and truck drivers, will be continued in the CSP 2004-2010. STI services will continue to be provided along with programs to promote condom use and to reduce the number of sexual partners. Voluntary counseling and testing and reproductive health services will also be important components of the program. Linkages and synergies between SO9 and SO7; and other partners will be fostered for a comprehensive continuum of service provision to these high-risk sub-populations. Partnerships with Government under this program will also be strengthened. SO9 will focus on high risk groups in border towns and other transport hubs while SO7 will focus on high risk groups in non-border sites such as fishing camps. The reason why SO9 will focus on high risk groups in border towns and other transport hubs is that work with high risk groups in these sites requires a multisectoral approach due to a high number of actors involved, such as customs officials, health staff, truck companies, clearing agents, etc.



**HIV/AIDS Prevention Workplace Programs:** CSP 1998-2003 activities are expected to expand under the new strategy to ensure more geographic coverage and more diverse sectoral involvement. Larger firms have expressed interest in helping smaller firms at the district level to establish HIV/AIDS prevention activities. To accelerate coverage, larger firms with offices in provinces and districts, such as hotels, banks, petroleum oil companies and the national revenue authority will be targeted to ensure a multiplier effect. Material development, including toolkits, will be critical for implementation of HIV/AIDS activities at workplaces.

Other activities that will contribute to achieving this IR will be implemented by SO6 and SO7. SO6 will develop HIV/AIDS materials and methodologies for teachers and pupils. SO7 will implement the following activities, 1) VCT; 2) PMTCT; 3) condom promotion and distribution through social marketing; and 4) community-level behavior change work and STI control, including work with high-risk groups and settings in non-cross border sites. SO6 and SO7 will also contribute to raising awareness and supporting behavioral change, especially among young people aged 7-24 and developing HIV/AIDS multi-media content, including training. HIV/AIDS prevention activities for school children and youth will be expanded and new activities developed by these two SOs. The use of new entry points will be essential, such as the mobilizing of rural youth within sectors beyond health. More detailed description of activities to be implemented by each SOs are described under each respective SO.

Outlined below are illustrative activities and indicators for IR 9.1.

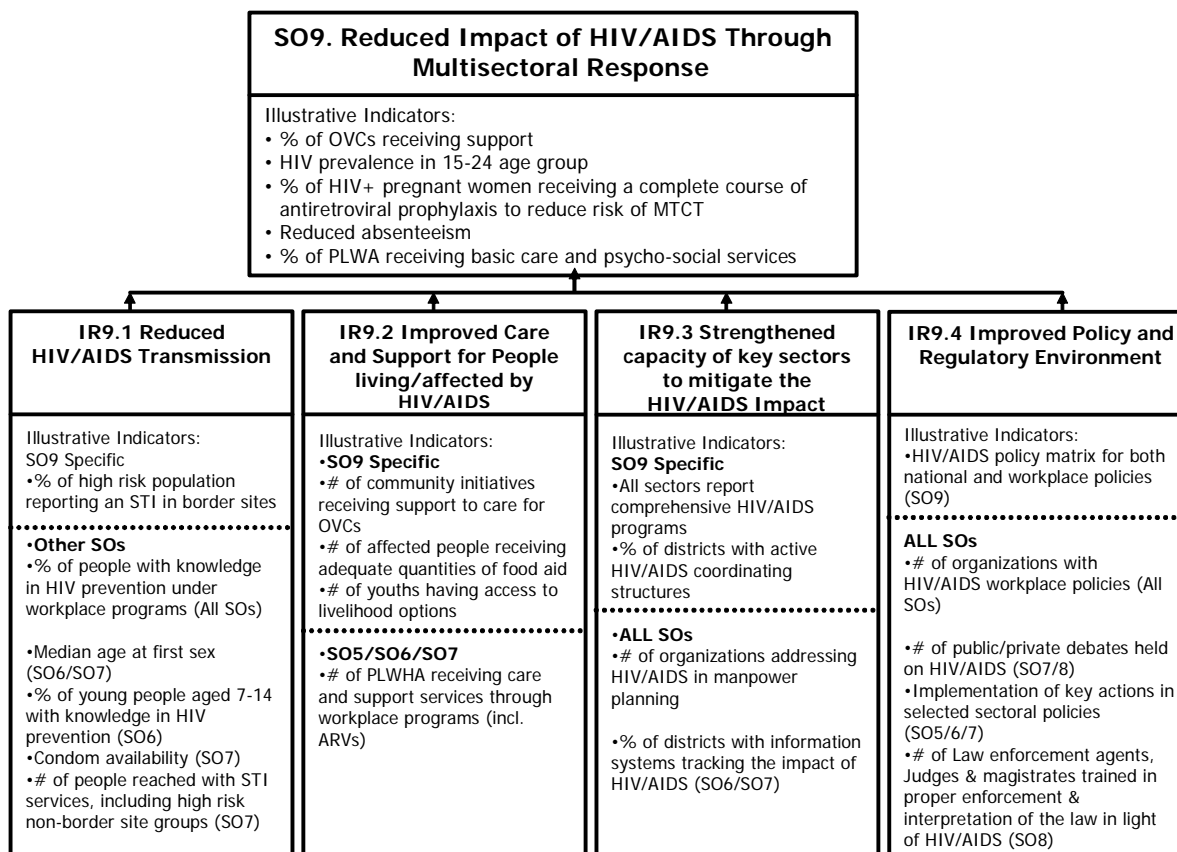
**Illustrative Activities:**

- Behavioral change and STI control work for high risk groups at cross border towns and other transport hubs
- HIV/AIDS prevention through workplace programs
- Develop HIV/AIDS materials and methodologies for teachers and pupils
- Voluntary Counseling and Testing (VCT)/ Prevention of Mother-To-Child Transmission (PMTCT) interventions
- Condom promotion and distribution through social marketing and public sector
- Community-level behavior change work and STI control, including work with high-risk groups and settings in non-border sites
- Raise awareness and support behavioral change, especially among young people 7-24
- HIV/AIDS multi-media content development/training

**Illustrative Indicators:**

- Percent of high risk population reporting an STI in border sites
- Percent of people with knowledge in HIV prevention under workplace programs
- Percent of people reporting taking an HIV test under workplace programs
- Median age at first sex
- Percent of young people aged 7-14 with knowledge in HIV prevention
- Condom availability
- Number of people reached with STI services, including high-risk non-border site groups

## HIV/AIDS MULTISECTOR RESULTS FRAMEWORK



b. IR9.2 Improved Care and Support for People Living/Affected by HIV/AIDS: Improving the well-being of PLWHA, OVCS, communities and households affected by HIV/AIDS, is a very big challenge in Zambia. These sub-populations have created a huge socio-economic burden on the economically active population, which continues to dwindle as AIDS claims their lives. This situation has been worsened by the food insecurity in the country due to the drought and the fact that grand parents, who are not even economically active, are the ones being left to look after orphans. A major constraint to achieving lower levels of HIV infection and to improving care and support is the high level of social stigma in Zambia associated with HIV/AIDS.

Zambia conceives of a continuum of care for PLWHA so that effective care is provided from health facilities to communities and homes. [SO5, SO6, SO7 and SO8 will also promote care and support for PLWHA under workplace programs, including the provision of antiretroviral drugs.] SO9 specific activities under this IR will include the following:

**Orphans and Vulnerable Children (OVCs):** Currently, different agencies and their community partners are engaged in dialogue on community issues but Government leadership is needed to realize a formal policy. USAID and UNICEF will continue to partner annually with the GRZ to hold a National Stakeholder Consultative OVC Conference to provide a forum for exchange of program information, including review of performance milestones/indicators to inform on-going national program planning on OVCs. This support will be expanded to include support for stakeholder meetings at the provincial level. Additionally, situation analyses at the provincial level will be conducted to ensure that key areas for OVC needs are identified and appropriate interventions developed.

At the district and community levels, USAID will continue to support the establishment and strengthening of district and community level coordinating structures for OVC stakeholders. Strengthening communities and households to take care of OVCs will continue to be a critical component of USAID's response. Traditional and local structures like churches and traditional leadership will be mobilized to support orphans and vulnerable children.

Households that are too vulnerable to be engaged in income generation activities will be targeted for support under the food aid program. Some PLWHA and high-risk sub-population are also very vulnerable and unable to find a means of survival. Two program components will be supported for these groups, direct food support for the most vulnerable and initiatives aimed at improving livelihood options. SO9 will work closely with SO5 to ensure that only the most vulnerable are targeted for food aid to avoid distortion of markets.

**People Living with HIV/AIDS (PLWHA):** Stigma remains a major constraint to improving care and support for PLWHA and access to ARVs is limited. Support to PLWHA will include stigma reduction, protection of human rights, and psychosocial counseling. The CSP 1998-2003 care and support program will be expanded both geographically and in programmatic content, to ensure that comprehensive services are provided to PLWHA.

SO9 will contribute towards improved care and support for PLWHA focusing on stigma reduction, legal and human rights. A wide variety of channels will be used, including mass and traditional media, interpersonal communication, national advocacy and social mobilization. Key populations such as political leadership, traditional and religious leaders, communities, individuals and families will be targeted. The campaign will emphasize both high-level advocacy and activist public responses to this issue.

At district/community level, there will be a strong customer and cultural appropriate focus to all activities, including message content and medium depending on target audience (e.g., men, women, youth, local leaders, etc) and issues being addressed and clients' rights. The campaign will emphasize both high-level advocacy and activist public responses to this issue. Lessons learned in working with district and community level positive living clubs for PLWHA, will be adapted for expanded support to PLWHA. Local and culturally appropriate support networks will be identified and strengthened to ensure comprehensive support is provided to PLWHA and affected households and individuals. Faith-based organizations which have been providing care and support to needy individuals and households will be mobilized and strengthened to help them continue providing this type of support.

To address stigma at the community level, faith-based organizations and traditional leaders will be mobilized and engaged in awareness activities. Appropriate trainings and materials, including toolkits, will be developed to help these groups participate in stigma reduction activities. Faith-based organizations and traditional leaders will also play a vital role in advocating for legal and human rights support for PLWHA and affected households.

**Food Aid:** SO9 will use food aid from PL 480 Title II resources to support PLWHA, OVCs, affected communities and households. Food plays a critical role in improving quality of life for PLWHA as well as those households affected by the HIV/AIDS pandemic. Food helps to prolong the life of PLWHA and to mitigate the economic strain experienced by households caring for a chronically ill family member or households surviving the death of a bread winner. Food commodities will be used in two ways: 1) providing supplemental food rations directly to vulnerable households with PLWHA and households keeping orphans such as child headed families or households headed by grandparents that not economically active; and 2) providing livelihood options for vulnerable households. Supplemental rations will help chronically ill beneficiaries continue to live productive lives and care for dependents, while livelihood options, which may include food for training activities that promote conservation farming, dairy production or other enterprises, will help targeted vulnerable individuals to care for HIV/AIDS affected families

**Youth:** Activities that will be directed towards the youth will include provision of livelihood options and access to employment opportunities. SO9 will collaborate with SO5 and the private sector in general to ensure that internship programs are developed. Special emphasis will be placed on giving girls opportunities to acquire skills and hence reduce their vulnerability to HIV/AIDS.

Outlined below are illustrative activities and indicators for IR 9.2.

Illustrative Activities:

- Support to PLHWA Groups
- Community-based care and support
- Stigma reduction
- Support to OVCs
- Food aid and livelihood options for affected households
- Human rights advocacy for people living/affected by HIV/AIDS, especially females
- Care & support for selected groups in cross-border sites
- Promote care and support through workplace programs
- Increase livelihood & employment options for youths
- Promote provision of care and support services under workplace programs for PLWHA (including ARVs)

Illustrative Indicators:

- Number of community initiatives receiving support to care for OVCs
- Number of affected people receiving adequate quantities of food aid
- Number of youths having access to livelihood options
- Number of PLWHA receiving care and support services through workplace programs (incl. ARVs)

**IR9.3 Strengthened Capacity of Key Sectors to Mitigate the HIV/AIDS Impact:** Both private and public sector industries are experiencing severe impacts through labor loss and lowered productivity due to HIV/AIDS. SO9 will work with other SOs to complete sector impact studies in agriculture, health, judiciary and tourism. The education sector will carry out an HIV/AIDS impact study that will measure the effects of the epidemic on teachers and pupils as well as on mid-level management staff in the Ministry of Education. This activity will provide the first systematic national documentation of the HIV/AIDS impact and will form the basis for further development and refinement of HIV/AIDS workplace programs. USAID will encourage and support efforts aimed at strengthening management capacity to plan and implement programs, and promote effective manpower planning in light of HIV/AIDS in key sectors.

HIV/AIDS impact will be reduced through sectoral responses to be implemented by each sector and inter-sectoral responses to be implemented in a coordinated manner by SO9. Efforts will be made to ensure that management within the organizations/ministries each SO will be working with, are trained in capacity development and are mainstreaming HIV/AIDS in their activities. SO9 will provide technical assistance to all SOs to implement sector specific HIV/AIDS activities and also provide support to coordinating structures at national, provincial and district level such as the National AIDS Council and district HIV/AIDS task forces.

Under OVC programming, SO9 will support GRZ to strengthen the National OVC Steering Committee and Secretariat to ensure that OVC programs in Zambia are coordinated. Strategies that respond effectively to the implications of severe labor loss and the decimation of productive generations will be identified. Appropriate labor saving technologies for agriculture will be introduced to the old and the young who may be too weak or too young to work, though yet, having to bear the burden of producing food for surviving family members.

Outlined below are illustrative activities and indicators for IR 9.3.

Illustrative Activities:

- Provision of technical assistance to all SOs in implementation of sector-specific HIV/AIDS activities
- Support coordinating structures at national, provincial and district levels
- Strengthen information systems to track HIV/AIDS
- Conduct HIV/AIDS impact assessments for key sectors
- Strengthen management capacity to plan and implement programs in light of HIV/AIDS
- Promote effective manpower planning in light of HIV/AIDS

Illustrative Indicators:

- Percent of districts with active HIV/AIDS coordinating structures
- Number of organizations addressing HIV/AIDS in manpower planning
- Percent of districts with information systems tracking the impact of HIV/AIDS

**IR9.4 Improved Policy & Regulatory Environment:** Gender, human rights and empowerment issues are of particular concern in a country with a high HIV/AIDS prevalence and a declining economy. Using sex for survival or for educational or professional advancement is becoming a common practice. Rates of infection among young women continue to be a problem, particularly in urban areas, and indicate an urgent need to find more effective ways to empower these women to protect themselves. Older women frequently lose economic assets due to property grabbing following the deaths of husbands who die of AIDS.

Under SO9, a comprehensive educational and advocacy strategy to promote improved policy and regulatory will be developed and implemented in order to effectively address gender, human rights and HIV/AIDS in the Zambian society. Political, traditional and religious leaders and the general population will be targeted at the national and community levels. Materials, along with community and culturally appropriate strategies will be identified for work in this area. At the community level, referral and support networks and structures for abuse cases will be identified and strengthened. Under OVC programming, USAID will continue to work with the Ministry of Sports, Youth, and Child Development to reach final agreement on a national policy and guidelines to ensure that long-term planning on the future for OVCs is put into place.

NGOs working with firms to establish HIV/AIDS workplace policies and programs have proved to be effective but are currently unable to meet the increasing demand for such services. USAID will support efforts to identify additional NGOs at district and provincial levels that can be trained to address this demand and serve within a consortium of NGOs implementing HIV/AIDS workplace initiatives.

Outlined below are illustrative activities and indicators for IR 9.4.

Illustrative Activities:

- Advocacy for improved policies and actions
- Support and develop HIV/AIDS workplace policies
- Public/private debate on HIV AIDS
- Training judiciary and law enforcement agencies on HIV/AIDS and legal implications for people infected and affected

Illustrative Indicators:

- Number of organizations with HIV/AIDS workplace policies
- Number of public/private debates held on HIV/AIDS
- Implementation of key actions in selected sectoral policies
- HIV/AIDS policy matrix for both national and workplace policies
- Number of law enforcement agents, judges and magistrates trained in proper enforcement and interpretation of the law in light of HIV/AIDS

## 5. LINKAGES

### **a. Linkages to Other Strategic Objectives**

Increased Private Sector Competitiveness (SO5): HIV/AIDS prevention activities will support education and training of both private sector/agriculture employers and employees through workplace programs. These programs will contribute to the care and support of PLWHAs through stigma reduction and increased access to ARVs and drugs for opportunistic infections. Prevention teams within key ministries and business associations will be established. SO9 activities in micro-finance and entrepreneurship will support OVCs and families/communities caring for HIV positive members and orphans. The promotion of less labor-intensive crops, technologies and systems will also improve food security for these groups. Impact assessments in the private and agricultural sectors will increase attention and awareness for multisectoral activities.

Improved Quality of Basic Education for More School-Aged Children (SO6): SO6 will continue to play a strong role in promoting prevention activities among students (7 to 14 years) and teachers. The use of IEC materials and life skills training will contribute to increased knowledge and behavior change among students. Similar behavior activities will also be targeted at OVCs through community-based education programs. These education programs will work on increasing the education level of OVCs, thereby potentially expanding their economic earning potential. Through pre-and in-service trainings, teachers will be provided with skills to teach their pupils how to cope with the affects of HIV/AIDS in their lives. The training will also incorporate workplace policies and activities for prevention and coping skills among teachers. Impact mitigation planning and data collection by the Ministry of Education will help strengthen the education sector by broadening its capacity to provide quality education in Zambia.

Improved Health Status of Zambians (SO7): SO7 will work through communities and the health care system to empower Zambians to engage in healthy behaviors to protect themselves from HIV/AIDS. Improved health care will contribute to prevention through strengthening and expansion of VCT and PMTCT services, improved management and treatment of STIs and development of youth friendly reproductive health and HIV/AIDS prevention services. HIV/AIDS workplace activities within the health care system will also be supported. Linkages and synergies between SO9 and SO7 will be fostered for a comprehensive continuum of service provision to high-risk sub-populations. SO 9 will focus on high risk groups in border towns and other transport hubs while SO7 will focus on high risk groups in non-border sites such as fishing camps.

Government Held More Accountable (SO8): Increasing public debate on legislative and policy issues related to HIV/AIDS will continue to be a key activity of focus under SO8. Some of these issues include health insurance, employee rights, confidentiality, stigma, inheritance rights and the protection of minors and OVCs. SO8 will advocate for increased public commitment to HIV/AIDS prevention and mitigation efforts from key Government institutions, in addition to support for workplace programs within all Government institutions. SO8 will also facilitate the training of law enforcement agents, judges and magistrates in proper enforcement and interpretation of the law in light of HIV/AIDS.

## **6. COMPLEMENTARITY WITH OTHER DONOR AND GRZ PROGRAMS**

USAID has been working closely for three years with both the GRZ and other donors to promote effective coordination and support of a multisectoral response to HIV/AIDS. Collaboration with the Government is primarily organized through the National AIDS Secretariat and Council (NAC). The NAC is a body that includes representatives from key line ministries such as the Ministries of Fiance and national planning, Education, Agriculture, Local Government and Housing, Health and Community Development and Social Services, etc. It also includes representatives of civil society and donors. The USAID program under SO9 will support the GRZ's goal to reduce HIV/STI transmission among Zambians and to reduce the socio-economic impact of HIV/AIDS, under the National HIV/AIDS Strategic Framework 2002-2005. The USAID program will also support some key priorities under GRZ's PRSP, such as behavior change communication and strengthened community home-based care to be implemented by NGOs/CBOs. These priorities were also expressed in Zambia's successful application

to the Global Fund for AIDS, Tuberculosis and Malaria, which will provide \$92 million for HIV/AIDS programs over the next five years.

Donor collaboration in Zambia is organized through the UNAIDS Expanded HIV/AIDS Theme Group, the UNAIDS Technical Working Group on HIV/AIDS and through donor membership in the NAC's Technical Working Groups. Donors collaborate closely in several planning and evaluation activities, including donor representation on the Central Coordinating Mechanism for the Global Fund and the joint health sector assessment. Donor collaboration under SO9 will include activities such as IEC for youth, women and high-risk populations, workplace education, community mobilization, NGO networking, capacity-building and strategic planning support, OVCs, teacher education, home-based care micro-enterprise, empowerment of rural women and HIV/AIDS policy development. With substantial increases in resources for HIV/AIDS in Zambia, the need for even closer collaboration with the GRZ and other donors will become critical in order to prevent duplication of effort. USAID will continue to serve as a leader in supporting GRZ, donors, implementing agencies, the private sector and NGOs to improve the working environment for coordination of multisectoral interventions under SO9.

## IV. PROGRAM MANAGEMENT

### A. INSTRUMENTS

USAID will sign Strategic Objective Grant Agreements with the GRZ for each of its five SOs. A variety of instruments will be used to sub-obligate and implement a range of activities under these SOs. USAID will work with ministries/public sector, the private sector, local and international NGOs and PVOs, and community-based organizations.

Implementing partners will be required to identify constraints to women's ability to participate in SO programs, including functional literacy and numeracy, and ensure that their interventions benefit both genders. USAID will also ensure that other cross-cutting themes such as HIV/AIDS, IT and environmental issues are mainstreamed within program interventions when calling for Requests for Proposals (RFP), Requests for Assistance (RFA), Annual Program Statement (APS), etc. by including these themes as criteria for evaluating implementing partner responses. SOs will explore the possibility of using umbrella mechanisms/consortiums as opposed to several small instruments to facilitate program management and reduce the number of management units. Each SO will encourage local and international partnerships and utilize the GDA business model to build local capacity, enhance partner knowledge and benefit from their comparative advantages, increase sustainability, and leverage resources for the new strategy.

A wide-range of community-based actions is included in this country strategy. NGOs have an important role to play, complementing government efforts in their areas of comparative advantage. Nevertheless, achieving an appropriate mix represents a challenge and care will be taken to ensure the most appropriate division of labor between NGO's, government, and other partners implementing USAID-supported activities.

**SO5 Increased Private Sector Competitiveness in Agriculture and Natural Resources:** The SO Team currently expects to implement the program through various implementing mechanisms including contracts and cooperative agreements as well as central mechanisms including IQCs and Leader Associates. All partners will be encouraged to form consortiums with other U.S. and Zambian firms, and/or local NGOs and U.S. PVOs. These services will be procured through RFPs, RFAs, Buyins, Task Orders and other instruments as appropriate. On-going activities undertaken under SO1, but supportive of the new objective will be incorporated into SO5.

**SO6 Improved Quality of Basic Education for More School-aged Children, Phase II:** The SO Team currently expects to implement the program through various implementing mechanisms including contracts and cooperative agreements as well as central mechanisms including IQCs and Leader Associates. All partners will be encouraged to form consortiums with other U.S. and Zambian firms, and/or local NGOs and U.S. PVOs. These services will be procured through RFPs, RFAs, Buyins, Task Orders and other instruments as appropriate. Ongoing activities for SHN, IRI, and EMIS, of SO2's current, successful programs will be incorporated into SO6 and current agreements will be extended through FY2005. As the synergies of technical expertise available through other SOs (e.g., SO7 and SO9) are identified and developed, USAID may use USAID/Washington field support mechanisms for targeted technical assistance for implementation of specific activities (e.g., positive behavior maintenance and change among pupils and teachers regarding HIV/AIDS). Long-term training in the region and US may be provided in instances where expertise is not available locally in education areas directly related to implementation of some aspect of SO6. .

**Sector Program Assistance (SPA):** This is an effective way to leverage major policy implementation in decentralization, and improvements and expansion of selected education delivery systems. The MOE has the financial management and tracking mechanisms in place to handle USAID SPA contributions (see Annex I, Volume II, on SPA Strategy) by following the procedures similar to those currently carried out under the Health SO. Although systems are in place, previous USAID experience with monitoring SPA has shown it to be labor intensive, therefore, SO 6 will include additional technical assistance



(TAACS or PSC) for this purpose. The SPA funding will begin with relatively small amounts (\$ 0.5 million for year one) and increase the amount to coincide with MOE capacity to manage USAID funding.

**SO7 Improved Health of Zambians:** SO7 is planning a new set of procurements for bilateral agreements under the new Strategy. These agreements will be complimented by appropriate central-level activities accessed through Field Support and other central mechanisms. A guiding principle for all partners and units will be collaboration, coordination, and synergy and language to this effect will be included in all solicitations. Another procurement planning principle will be striking a balance between a reasonable number of management units and specific program needs. One major change will be an effort to consolidate the SO's HIV/AIDS activities. As an HIV/AIDS Rapid Scale Up program and with increased resources in this area, SO7 feels strongly that many of the HIV/AIDS activities would benefit from being more formally coordinated and consolidated. Among the benefits of this approach will be better support to the kind of program scale up required, facilitation of reporting to all stakeholders, improved communication and coordination of partners' activities, and reduced management units for the SO.

SO7 is also considering accessing USAID/Washington commodity arrangements for condoms and family planning products. SO7 also intends to continue supporting long-term training in public health, with a focus on institutions in the region and within Zambia.

SO7 intends to continue its support to health services at the district and below through the Sector Program Assistance Agreement (SPA). SO7 will pursue a no-cost extension of this agreement past the current end date of September 30, 2004. USAID/Zambia's ability to join other bilateral donors in directly supporting health services at this level through the district basket mechanism has been very important to the GRZ and they have specifically requested that it be continued. This support has played an important role in the implementation of specific public health interventions. Experience has indicated that a prerequisite for effective delivery of many of these interventions is an adequately funded and functioning health-care system, especially at the primary care level. USAID/Zambia's support through the SPA has contributed materially to strengthening district health services. This has been complimented by capacity-building work at the central, provincial and district levels. Beyond the impact on service delivery, this support has made USAID/Zambia a full and valued participant with government and other major donors in joint planning and oversight of the sector.

**SO8 Government is Held More Accountable:** The SO Team currently expects to implement the program through various implementing mechanisms including contracts and cooperative agreements as well as central mechanisms including IQCs, and Leader Associates as well as inter-agency agreements, such as a Participating Agencies Service Agreement (PASA); cooperative agreements, and possibly grants to Public International Organizations. All partners will be encouraged to form consortiums with other U.S. and Zambian firms, and/or local NGOs and U.S. PVOs. These services will be procured through RFPs, RFAs, Buyins, Task Orders and other instruments as appropriate. USAID's and funds leveraged from other donors for the Stage II Parliamentary Reform Project will be managed either through a grant to a PIO or through an agreement with a U.S. NGO as appropriate.

**SO9 Reduced HIV/AIDS Impact Through Multisectoral Response:** The SO Team currently expects to implement the program through various implementing mechanisms including contracts and cooperative agreements as well as central mechanisms including IQCs and Leader Associates. All partners will be encouraged to form consortiums with other U.S. and Zambian firms, and/or local NGOs and U.S. PVOs. Activities will be implemented for: 1) Multisectoral HIV/AIDS interventions that contribute to systems strengthening for district, provincial and national coordinating structures, workplace programs and TA to other SOs; 2) behavioral and STI control with high-risk groups in border sites and transport hubs; 3) strengthening community responses to support for OVCs, PLHAs and community and home-based care; and 4) provision of food aid and livelihood options to vulnerable households and youths.