

USAID/Zambia
Annual Report
FY 2004

06/01/2004

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Related document information can be obtained from:
USAID Development Experience Clearinghouse
4308 Colesville Road, Suite 210
Silver Spring, MD 20910
Telephone: (301) 562-0641
Fax: (301) 588-7787
Email: docorder@dec.cdie.org
Internet: <http://www.dec.org>

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Zambia

Cover Memo:

Date: 19 December 2003
To: Constance Newman, AA/AFR
From: Helen Gunther, Acting Mission Director, USAID/Zambia
Subject: USAID/Zambia's FY2004 Annual Report

I am pleased to submit USAID/Zambia's FY2004 Annual Report describing program performance in FY2003 and the resource requests for FY2005 and FY2006, the initial years of the new seven-year Country Strategic Plan (CSP) for Zambia.

The main highlight during FY2003 was the approval of our new 2004-2010 CSP. This builds on experience to date and outlines an innovative approach to support Zambia in addressing its challenges and accelerating growth, based on a sustainable development strategy of increased private sector competitiveness in agriculture and natural resources, improved access to and quality of basic education and health services, holding government more accountable and mitigating the impact of HIV/AIDS across all sectors. Other development considerations incorporated throughout each strategic objective include environment, food security, gender and information technology. The Mission conducted several sectoral and mandatory assessments, and consultative stakeholder workshops during the past year to obtain information from lessons learned to provide direction for the new CSP.

During this period, our four strategic objectives have succeeded in making several significant contributions towards U.S. strategic goals. A few examples of the key achievements under the four strategic objectives are briefly cited below:

Economic Prosperity and Security: USAID supported small farmers and small and medium enterprises to increase their incomes by adopting a wide range of improved agricultural technologies; Improved management skills enabled over 50,000 farmers to contribute to household food security and market participation; and, trade capacity building activities contributed towards an increase in non-traditional agricultural and natural resource exports.

Social and Environmental Issues: a) The Interactive Radio Instruction program which focuses on reaching school age children not in school has proven to be a successful national program. In 2003 the program expanded its outreach and introduced messages on HIV/AIDS prevention. The USAID assisted Ministry of Education management information system has for the first time in three years produced reliable timely electronic data on the entire national school system making it possible for the MOE planners to coordinate their efforts with the Ministry of Finance and others.

b) USAID interventions in health and HIV/AIDS continue to show good performance. The 2003 Zambia Sexual Behavior Survey documents a trend toward increasing median age of sexual debut indicating that more adolescents are choosing abstinence and a trend toward being faithful while the Demographic Health Survey documents an increase in reported condom use above expectations; Many behavior change communications activities provided key strategic support to narrow the information gap on HIV/AIDS between urban and rural areas, youth and adults, and rich and poor. Services have expanded for voluntary counseling and testing, prevention of maternal-to-child transmission of HIV, while the number of orphans and vulnerable children receiving support has more than doubled in the past two years. Being a focus country within the President's Emergency plan for AIDS Relief, the country team is planning a major expansion of HIV/AIDS programs with special attention to care and treatment.

Democracy and Human Rights: USAID supported Alternative Dispute Resolution systems are reducing the commercial case backlog and helping to resolve commercial conflict; and mediation has now been institutionalized in the High Court in four principal cities and is contributing to a more efficient dispensation of justice. The Zambian Civil Society is increasingly engaging in public debate to influence policy.

Humanitarian Response: Although Zambia continued to experience a food crisis in FY2003 which started in FY2002, our overall performance this period was laudable. During the food crisis, the U.S. government response was swift, pre-positioning food in a timely manner. US international PVOs distributed approximately 19,745 metric tons to improve the nutritional status of around 900,000 drought and HIV/AIDS affected households in the Southern and Western Provinces.

Management and Organizational Excellence: The mission has implemented several Public/Private Alliances during FY2003. The mission in collaboration with the GDA Secretariat hosted a workshop for the government, private sector and non-governmental organizations to raise awareness and understanding of the concept and practice of public-private partnerships for Alliances. Development alliances will be used as a mechanism for leveraging non-federal resources for our new SOs and will be incorporated as a criterion for evaluation in all its RFAs and RFPs. This will enable the Mission to use its implementing partners to leverage alliance partner resources to enhance total development aid and advocate corporate social responsibility while monitoring the effectiveness of alliances.

I am also pleased to note that Implementation planning for the new CSP, aimed at ensuring smooth transition from the old to the new, is progressing well. However, I would like to highlight a few issues to call to the attention of Agency management and specify the desired Washington follow-up actions:

1) Extension of SOAGs Completion Dates:

a) Increased Rural Incomes of Selected Groups Strategic Objective: SO1 took the lead in the Mission in embracing the Agency's new way of doing business, the Global Development Alliance approach. In 12 months, seven alliances have been forged with a variety of partners and are at different levels of implementation. Despite gaining a high degree of momentum in creating public/private alliances to realize results in increasing incomes of smallholder farmers and SMEs, formalizing these alliances has taken much longer than was initially anticipated. It will not be possible to conclude many key alliance activities by the end of the SO, scheduled to close by September 30, 2004. Consequently, meeting the targeted expenditure level for FY2004 now seems difficult as time was lost (three GDA procurement actions still pending) in the process of concluding procurement and legal actions to put together the alliances. In order to achieve agreed-upon results, as well as ensure smooth transition and SO close out it is necessary to extend this SO to September 30, 2005.

b) Increased Use of Integrated and Child Reproductive Health and HIV/AIDS Interventions: The Sector Program Assistance Agreement (SPAA - 611-0239), implemented under SO3 SOAGs (611-003), was revised in 2003 following AFR Bureau and GC guidance that repayment of U.S. bilateral debt should no longer be a part of the grant disbursement mechanism. USAID negotiations with the GRZ to put a revised disbursement mechanism in place and amend the Agreement took longer than anticipated and this delayed GRZ submissions against Performance Milestones established by the Agreement. Therefore, in order to allow disbursement of funds obligated under SO3 to SPAA (611-0239) and achieve agreed-upon results, it is now necessary to extend SO3 from September 30, 2004 to September 30, 2005. The health sector Program Assistance activity is having a positive impact on the delivery of health services at the district level and below. As noted in the new CSP parameter's guidance cable, USAID Zambia intends to continue funding this Program Assistance (611-239) mechanism under SO7 of the new CSP.

2) Performance Management and Reporting:

a) As per ADS 203.3 the Mission is required to prepare a complete PMP for each SO within one year of approval of the SO. Our SOs were approved in June 2003. We would like to highlight that it would not be possible for the Mission to submit a complete PMP by June 2004 as all our implementing partners may not be on board by this time. The Mission would like to obtain the technical expertise of and ownership by the partners when preparing the PMP. Therefore the mission requests approval to submit the complete PMP at a subsequent date.

b) Data Quality of Annual Reporting: Minor changes and additions to indicators have been made during the year. Some targets for 2003 and 2004 have been revised upwards or downwards, as appropriate. The Mission has conducted data quality assessments on its reported indicators for all SOs but SO4 and believes that its database for results reporting is reasonably sound. Action has either been taken, or is being taken, on recommendations of the assessments. The SO4 will shortly complete its data quality assessment. Some results are reported on a calendar year basis and have been noted as such.

3) Major Resource Issues:

a) Program Resources: Control levels for FY2005 are insufficient to obtain planned performance targets and impact. The Mission has submitted an alternative request to achieve results. In addition to the DA and CSH funds, the Mission requires ESF, PL 480 and funds from Initiatives and other Agency programs to carry out planned activities.

b) OE Resources: The Mission has balanced the tables to meet the FY2004 estimate and FY2005 target levels of \$2.625 million and \$2.836 million (inclusive of Trust funds) respectively, although the required levels for FY2004 and FY2005 are \$3.070 million and \$3.428 million (inclusive of Trust funds). During FY2003 the mission transferred all possible FSN positions from OE to Program funding. Despite lowering the OE costs budget levels still remain insufficient to meet mission requirements.

The Program levels during FY1998 to FY2003 changed from a \$21.555 million budget for FY1998, to \$53.580 million for FY2003, far more than doubling (i.e., an increase of program management responsibilities of 149%), with no corresponding increase in OE resources required to manage the portfolio. During this period, our OE level increased from \$2.357 million to \$2.665 million. The "increase" was only 13% over six years, which does not even keep pace with inflation. Adequate OE resources are vital for the success of the Mission as it enters a challenging strategic transition period.

c) Workforce: Vital USDH positions remain vacant. Absence of a Mission Director has stretched senior management resources within the Mission. The Deputy PHN Officer is still vacant and this is creating difficulties with PEPFAR implementation. Indications from FM suggest that they are having difficulties in filling the Mission's Controller position which will be vacant in summer 2004. Considering that our program levels are approaching \$60 million and perhaps greater with PEPFAR we must have a Controller in the mission.

The Mission will notify the following SOs in this year in the CBJ: (1) Increased Competitiveness of the Private Sector in Agriculture and Natural Resources, (2) Improved Quality of Basic Education for More School Aged Children Phase II, (3) Improved Health Status of Zambians, (4) Government Held More Accountable and, (5) Reduced Impact of HIV/AIDS through a Multi-Sectoral Response.

A. Program Level Narrative

Program Performance Summary:

Country Setting: Zambia's transition to multiparty democracy has been accompanied by fundamental economic reforms in an effort to establish a liberal political economy. The political and economic reform process has been slow and impeded by the country's legacy of authoritarian leadership, historical over-dependency on copper, limited foreign and domestic investment, and corruption. Furthermore, HIV/AIDS has severely impacted both social and economic sectors. Zambia ranks 163 out of 175 countries on the 2003 United Nations Human Development Index. Life expectancy is under 40 years, under-five mortality at 168 per 1000 live births, and Zambia has a high prevalence rate of HIV/AIDS (16% of the adult population), while 73% of the population live below the official poverty line. Zambia's development progress has been constrained by lack of economic diversification, periodic drought and floods and budgetary weaknesses.

The World Bank estimates Zambia's per capita domestic product in 2002 at \$351. External debt in December 2002 is estimated at \$5.419bn, with debt service absorbing 15% of exports. Over 60% of the debt is owed to multilateral institutions. In December 2000, Zambia successfully reached the decision point for Enhanced Highly Indebted Poor Countries (HIPC) debt relief. However, the completion point was deferred for consideration from December 2003 to June 2004. Once the HIPC Completion Point is attained, substantial debt relief and a reduction in Zambia's average annual debt service may be expected.

Zambia has many active non-governmental organizations (NGOs) and civil society groups, several independent newspapers, and radio stations, and two state-owned newspapers and the Zambia National Broadcasting Corporation. Free universal primary education was introduced in 2002. The government's top three priorities are the fight against corruption, promotion of agriculture in a more diversified economy, and combating HIV/AIDS. The Government of the Republic of Zambia (GRZ) has approved a Poverty Reduction Strategy Paper (PRSP), a comprehensive economic and social plan prepared with the participation of donors and other stakeholders. Yet, implementation has been slow due to budgetary constraints. The PRSP emphasizes a vibrant private sector that will contribute to economic and export growth. The Medium Term Expenditure Framework, linked to the PRSP, has been developed to guide the annual budget making process over a three-year time horizon.

The United States' primary national interest in Zambia is economic prosperity to support Zambia's development as a stable, peaceful, and prosperous free market democracy, enhancing the stability of Southern Africa. With ongoing conflict in its largest neighbor (the Democratic Republic of Congo) and political and economic instability in Zimbabwe, a stable, democratic, and prosperous Zambia is important for the United States and the region. As a country with significant natural resources, a market-based economy, and a multi-party democratic political system, Zambia can play a significant role in promoting peace and stability in a region of growing importance to the United States. A peaceful, democratic Zambia will assist in the global war against terrorism by denying terrorists refuge and financial or other support.

Donor Relations: Donor coordination is excellent and USAID has collaborated closely with other donors in implementing health, education, agriculture, and democracy and governance programs. Jointly supported initiatives include the Agricultural Consultative Forum, the Zambia Business Forum, Private Sector Donors' Group, the Agriculture Donors' Group and the Parliamentary Reform Committee. In health and education donors support the national Health Strategic Plan and the Ministry of Education (MOE) Strategic Plan most donors sit on the Health Sector Committee and the Informal Donor Group for Education. Other major bilateral donors and their principal areas of focus include United Kingdom (macroeconomic programs, public sector reform, health and education) Germany (small and medium business development), Norway (rural agribusiness development and the environment), and Japan (health and infrastructure). Multilateral donors include the United Nations agencies, the European Union, the World Bank, the International Monetary Fund, and the African Development Bank.

During the second half of 2002, Zambia experienced a severe food crisis. The U.S. Government (USG) response was swift, pre-positioning food in a timely manner. The World Food Program (WFP) continued distribution of USG commodities, already underway from a previous emergency operation, and was importing more food when the GRZ rejected US relief maize because it could not be certified as free of Genetically Modified Organism (GMO). Before the GRZ ban, US commodities made up 60% of WFPs relief food basket. After the ban, the United States began sending sorghum or bulgur wheat. In all, WFP received/delivered 39,000 metric tons of USG commodities in FY2003. US international PVOs distributed approximately 19,745 metric tons to improve the nutritional status of around 900,000 drought and HIV/AIDS affected households in the Southern and Western Provinces.

USAID will complete implementation of its 1999-2003 Country Strategic Plan (CSP) for Zambia, by September 2004. The four objectives under this strategy focus on increasing rural incomes, improving the quality of basic education for more school-aged children, increasing use of integrated child and reproductive health and HIV/AIDS interventions, and expanding opportunities for effective participation in democratic governance. The USG's contribution to the Global Fund to Fight HIV/AIDS, TB and Malaria complements USAID's programs. In addition, the centrally managed DCHA/PVC Child Survival and Health and Matching Grants programs have funded several PVO's in Zambia. Education activities are complemented by the President's Africa Education Initiative and the Centers for Excellence in Teacher Training programs.

Key Achievements: As highlighted below, USAID's four strategic objective programs in Zambia made significant contributions towards U.S. performance goals.

1. **Increased Rural Income:** USAID supported small farmers and small and medium enterprises have increased incomes to \$5.96 million by adopting a wide range of improved agricultural technologies. Improved management skills enabled over 50,000 farmers to contribute to household food security and market participation. Client outreach of rural non-farm enterprises (RNFE) was over 60,000. Nationwide membership of the Zambia Chamber of Small and Medium Business Association (ZCSMBA) expanded from 7,900 to 8,700, of which women-owned company membership was 43%. Overall, RNFE access to finance from USAID-supported groups totaled \$2,134,679 thereby providing opportunity for the expansion of RNFEs.

Trade Capacity Building: USAID's efforts contributed towards the increase in non-traditional agricultural and natural resource exports to \$296 million. USAID assisted in: 1) preparing safeguards legislation conforming to WTO standards; 2) preparing biotechnology legislation that would attract investment to Zambia; 3) informing the debate on establishing a government Crop Marketing Authority, leading the GRZ to realize its associated high cost and subsequently abandon the idea; 4) informing the Zambian public and private sector stakeholders to take advantage of opportunities under AGOA; and 5) enabling Zambia to move a step closer to breaking into the lucrative US horticultural market through collaboration with USDA's Animal Plant and Health Inspection Service by preparing five pest lists for 10 priority commodities for possible export to the USA.

Food Security: USAID's OFDA contributed to improved food security in Zambia. Three hundred food insecure families were assisted in small scale irrigation development to grow vegetables and maize in the dry season. In addition, 14,500 households in drought hit areas of Southern Province and 31,000 other vulnerable households were assisted with agricultural inputs such as fertilizer and seed as well as training in conservation farming techniques.

2. **Improved quality of basic education for more school-aged children:** The Interactive Radio Instruction program which focuses on reaching school age children not in school has proven to be a successful national program. It is being carried out collaboratively by communities, churches, nongovernmental organizations, the Ministry of Education (MOE), Peace Corps and the Education Development Centre. In 2003 the program expanded its outreach and introduced messages on HIV/AIDS prevention. In the Eastern Province 110 schools implemented USAID-supported health and nutrition interventions which focused on teacher-managed de-worming and eradication of bilharzia infestations, and provision of vitamins. More than 2,000 teachers participated in USAID's school health life skills training program to

enable them to work more effectively with students to explore attitudes and practices to cope better with the threat of AIDS. The USAID-assisted MOE management information system has, for the first time in three years produced reliable timely electronic data on the entire national school system, making it possible for the MOE planners to coordinate their efforts with the Ministry of Finance and others. This information program includes district and school level HIV/AIDS data to help planners understand how the educational system is affected and what must be done. All the collaborating donors supporting the education sector are now utilizing the data generated to allocate their funds.

Other education training: USAID sponsored nine male and seven female participants for higher education programs in public health and agriculture. During the same period, USAID supported and sponsored training programs for 46,989 male and 2,181 females in diverse areas of small business management, agricultural practices and alternative dispute resolution.

3. Increased use of integrated child and reproductive health and HIV/AIDS interventions: The Demographic Health Survey (DHS) indicators for 1996 and 2002 infant and under-5 mortality rates decreased from 109 to 95 and from 197 to 168, respectively. Over 50% of children are fully immunized and virtually all children under 5 received vitamin A supplementation during the national measles immunization campaign. Accomplishments that contributed to these successes included the introduction of vitamin A sugar fortification and supplementation that achieved near universal coverage, improved birth spacing, increased use of insecticide treated bed nets, the introduction of more effective drugs to treat malaria, and widespread use of the home water treatment product Clorin to reduce incidence of diarrhea.

Although HIV sero-prevalence remains high at 16%, the epidemic appears to have plateaued. Between 1996 and 2001/2 total fertility declined from 6.1% to 5.9%; contraceptive prevalence increased from 14.4% to 22.6%; and STI prevalence reduced among HIV transmission sub-populations. The 2003 Zambia Sexual Behavior Survey documents a trend toward increasing median age of sexual debut indicating that more adolescents are choosing abstinence and also documents a trend toward being faithful as well as an increase in reported condom use above expectations. Many behavior change communications activities narrow the information gap on HIV/AIDS between urban and rural areas, youth and adults, and rich and poor. Services have expanded for voluntary counseling and testing, prevention of mother-to-child transmission of HIV: number of orphans and vulnerable children receiving support has more than doubled in the past two years.

Systems and Cross-cutting Activities: The general public was educated on key health issues through a national scale up of radio distance learning to the 300,000 Neighborhood Health Committees (NHCs). NHCs serve as the link between communities, especially in rural areas, and the formal health care system while the Better Health Campaign helps them be more motivated and effective health promoters and community mobilizers. USAID helped GRZ develop and approve a national multisectoral HIV/AIDS policy and continued to strengthen the policy development capacity in the Ministry of Health.

4. Expanded opportunity for effective participation in democratic governance: USAID- supported civil society membership organizations (MO) debated selected public policy issues judged critical to democratic governance and effectively represented citizens' concerns to national and local governments. MOs demonstrated greater influence over government policy directions and made a significant impact on seven policies related to media reform, HIV/AIDS partner notification guidelines to protect civil and human rights, local licensing policy, corruption, and constitutional reform.

The National Assembly committee structure, developed with USAID advice and approved in 2003, has improved the quality of the legislative process and strengthened dialogue between policy-makers and civil society. In the justice sector, USAID helped strengthen the courts capacity to monitor judicial performance and combat malfeasance through the full implementation of an automated criminal case tracking system in three criminal courts. Transparency of the justice system has further increased through the implementation of a Citizen Information Center to allow individuals access to information on the status of criminal cases.

Parliamentary Reform: The donor suggested Parliamentary Reforms Committee is asserting itself in dialogue with the Speaker's Office on reform issues such as sharing of management powers. A detailed parliamentary reform project document has been debated and approved by parliament. The reform plan establishes the principles of a civil society role in the business of the legislature and decentralized internal management within parliament. Pilot constituency offices at 11 sites are giving citizens the opportunity to meet their MPs, and reforms have been debated in civil society and in the press.

Administration of Justice: USAID-supported Alternative Dispute Resolution (ADR) systems are reducing the commercial case backlog and helping to resolve commercial conflict. Mediation has now been institutionalized in the High Court in four cities and is contributing to a more efficient dispensation of justice.

5. Gender: Attention to gender issues has noticeably increased in USAID's programs. Health activities focus on maternal and child's health and thereby include gender concerns across the board. In addition, HIV/AIDS and family planning programs, programs to increase primary school retention of rural girls and a project to involve mothers in rural Parent Teacher's Associations address gender issues.

6. Public/Private Alliances: Seven alliances were implemented during FY2003: 1) Dairy; 2) Warehouse receipts; 3) Small and medium-sized enterprise (SME) development; 4) fresh vegetable exports; 5) Copperbelt Diversification Alliance; 6) CLUSA POTC Alliance-Zambia/Mozambique. The first six alliances will assist in increasing the competitiveness of the agribusiness sector while the Information and Communications Technology alliance will help address the dearth of IT skills in the Zambian government and private sector.

In July 2003, USAID discussed with the Global Development Alliances Secretariat details of a workshop for the Zambian government, private sector and non-governmental organizations to raise awareness and understanding of USAID's concept and practice of public-private partnerships. As implementation of the new CSP for 2004-2010 progresses, USAID will seek to leverage international and local private resources to enhance total development aid and its effectiveness in achieving the objective of uplifting the lives of people in Zambia. The new seven year strategy will build on USAID's experiences to date, and outline an innovative approach to bring "Prosperity, Hope and Better Health for Zambians."

7. Conflict Vulnerability: In 2003, during development of the new strategy, USAID undertook several mandatory and technical analyses. This included an assessment of potential risks that can affect the success of its development program. Several risk factors, including increasing numbers of orphans due to HIV/AIDS, poor governance and corruption, and food insecurity were identified. However, it was determined, based on preliminary findings, that a Conflict Vulnerability Assessment was unnecessary as there was little potential for violent conflict in the country.

Environmental Compliance: Plan for new or amended Initial Environmental Examination (IEE) or Environmental Assessment (EA) actions for fiscal year 2004:

1. Compliance with previously approved IEEs or EAs: All current activities are in compliance with approved IEEs. The SO Teams have effectively used Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP) and Environmental Review Reports. None of the current activities will require amended IEEs in FY04.

2. A new Country Strategic Plan for 2004-2010 has been approved covering five Strategic Objectives, SO5, SO6, SO7, SO8 and SO9. An Environmental Threats and Opportunities Assessment (ETOA) was prepared to inform the new Country Strategic Plan (CSP) running 2004-2010. Five new IEEs as detailed below have been prepared for Bureau Environmental Office (BEO) approval.

3. In keeping with the plan for compliance one Environmental Assessment Capacity Building Program (ENCAP) workshop is planned for FY 2004 to prepare our partners to meet environmental compliance regulations.

611-001 Increased Rural Incomes of Selected Groups:

USAID continued to monitor the implementation of the Cooperative League of the United States of America (CLUSA) Rural Group Business (RGB) Safer Use Action Plan, i.e. mitigation measures and

training in the use of United States Environmental Protection Agency (USEPA) registered least -toxic pesticides, fungicides and herbicides. For activities that are classified under Categorical Exclusion USAID monitored to ensure that they remained within the bounds of Categorical Exclusion.

USAID will ensure that monitoring and environment reviews are done by partners and that they are compliant with sound environmental management requirements. Implementation of PERSUAP recommendations will be closely monitored. An ENCAP workshop will be held for Zambia partners during FY 04.

611-002 Improved Quality of Basic Education: Borehole water quality testing by UNICEF continued. The Mission continued monitoring the activities in the education technical assistance program to maintain Categorical Exclusion. Boreholes which contained high levels of arsenic were stopped from being water sources. Monitoring will continue to ensure that activities remain Categorical Exclusions.

611-003 Increased Use of Integrated Child and Reproductive Health and HIV/AIDS Interventions: The PERSUAP for ITNs was approved by BEO on July-23-02. USAID/Zambia continued to monitor the implementation of the Safer Use Action Plan section of the PERSUAP. It also promoted and encouraged adherence to protocols and standards concerning handling, storage and disposal of medical waste. USAID will continue to monitor conditionalities as elaborated in the PERSUAP. Strategic Objective Teams will continue encouraging, promoting and monitoring adherence to protocols and standards pertaining to medical waste management.

611-004 Expanded Opportunity for Effective Participation in Democratic Governance: All activities fall under Categorical Exclusion and remained so during implementation. Monitoring will continue to ensure that activities remain Categorical Exclusions.

Title II DAP/PAA Activity: Dairy Industry & Dairy Livestock Development, Commodity Storage & Marketing, & Agribusiness Technical Assistance with Smallholder Farmers in Zambia. The IEE was approved by BEO on March-27-03. The Negative Determination with conditions was recommended for a) use of Cattle Dips b) Animal Husbandry and Veterinarian Training Programs/Waste from Health-Care Activities and c) Warehouse Management Training/Use of Pesticides. USAID will ensure that the Safer Use Action Plan section of the PERSUAP is followed by partners during implementation.

611-005 Increased Private Sector Competitiveness in Agriculture and Natural Resources
The IEE for this SO was cleared by the BEO on 10/6/2003 and GC by 11/24/2003.
The SOT will monitor activities approved for implementation by partners to ensure compliance and maintain classification.

611-006 Improved Quality of Basic Education for More School-aged Children (II):
The IEE is still with the BEO. Water quality aspects of this Strategic Objective's activities will be closely monitored. This will ensure that World Health Organization (WHO) standards are respected.

611-007: Improved Health Status of Zambians: The IEE is still with the BEO. USAID will monitor activities approved for implementation by partners to ensure compliance and maintain classification on approved IEE.

611-008: Government Held More Accountable:
The IEE for this SO was cleared by the BEO on 10/6/2003 and GC by 11/24/2003
All activities fall under Categorical Exclusion. USAID will monitor activities approved for implementation by partners to ensure compliance and maintain classification.

611-009: Reduced HIV/AIDS Impact through Multisectoral Response: The IEE for this SO was cleared by the BEO on 10/6/2003 and GC on 11/24/2003. USAID will monitor activities approved for implementation by partners to ensure compliance and maintain classification.

Country Closeout & Graduation: Not applicable.

B. SO Level Performance Narrative:

611-001: Increased rural incomes of selected groups

Performance Goal: Enhanced food security and agricultural development

SO Discussion: The SO's result exceeded expectations as USAID investments made a difference in the lives of the selected rural groups of participating farmers and small entrepreneurs. Following two years of drought, which had greatly hampered the performance of this SO, these small scale farmers adopted conservation farming technologies and diversified their agricultural production base to take full advantage of improved weather conditions and maximize high value production, crop yields and household food security. Non-farm entrepreneurs increased their demand for improved business skills and benefited from USAID initiatives in enhanced financial access and linkages to markets.

USAID helped Zambia increase its non-traditional agricultural and natural resource exports through support for increased understanding of regional and international trade agreements and mechanisms enabling the country to reap the benefits of various regional and international trade arrangements including the Common Market for Eastern and Southern Africa (COMESA), the Southern Africa Development Community (SADC) and the Africa Growth and Opportunities Act (AGOA). Alliances between USAID and traditional and new partners were fostered to promote increased leverage of resources and encourage shared responsibility and achieve greater development impact within the SO. The alliances forged with the private sector were in line with the Agency's new way of doing business and also in line with the Government of the Republic of Zambia (GRZ) policies to encourage private sector development and the GRZ's commitment to the development and diversification of the country's economy.

Achievements and Challenges:

Incomes: USAID supported groups increased their incomes to \$5.96 million in FY2003 from \$4.49 million in FY2002, exceeding the target of \$4.94 million for FY 2003. The increase was mainly due to improved rainfall, wide adoption of improved farming technologies such as conservation farming, use of improved seeds, improved agro forestry fallows and use of drought tolerant seed varieties in low rainfall areas.

Sustainable Agriculture and Natural Resource Production: The adoption of a wide range of improved agricultural technologies and improved management skills benefited 50,466 USAID- assisted farmers, exceeding the target of 48,000). The number of farmers employing conservation farming under the Rural Group Business Program rose sharply from 3,664 in the previous year to 30,802 thereby significantly contributing to household food security and small farmer market participation. In addition to fulfilling their own food security needs, these farmers delivered \$717,001 worth of paprika, soya beans and maize to local markets. USAID assisted 5,589 small scale honey, horticultural and dairy producers under the Zambia Agribusiness Technical Assistance Center (ZATAC) to realize a combined income of \$2.7million, a 677% increase over incomes realized by farmers under the project in the previous year. In terms of reaching out to small scale farmers, over and beyond the results obtained in the country program, support from USAID's OFDA allowed technology outreach to an additional 42,341 smallholder farmers, mainly in drought-hit Southern Province. OFDA funds enabled these additional farmers to employ small scale irrigation, use improved seeds, fertilizers, drought tolerant cropping and conservation farming to increase crop yields and improve their food security situation.

Rural Non-Farm Enterprises (RNFE): Client outreach of RNFEs was 60,603 (target of 55,000). Overall, RNFE access to finance among USAID-supported groups totaled \$2,168,147 exceeding the target by 38%. Among the most notable beneficiaries were marketing groups under the CLUSA Rural Group Business Program who accessed \$718,725 in agricultural inputs for sale to farmers. Other beneficiaries were the participants in the Zambia Agricultural Commodities Agency (ZACA) warehouse receipt program who accessed \$746,980 in bank encashable warehouse receipts against their commodities stored in

ZACA- certified warehouses. Other notable recipients of production finance were members of the Zambia Chamber of Small and Medium Business Association (ZCSMBA). The association expanded its membership from 7,900 to 8,700, re-confirming its position as the major small and medium business chamber in the country. Women-owned companies made up 43% (increased from 39% in FY2002) of the businesses belonging to ZCSMBA. USAID supported ZCSMBA members increased their incomes to \$593,841 (from \$436,320 in FY2002). The Chamber operates through District Business Associations (DBA) in all nine provinces of Zambia, providing fee-based business development services to its membership. Approximately \$129,748 in credit in FY2003 was accessed by 196 DBA members, giving an average financial access of \$662 per successful DBA finance recipient, a significant achievement considering the risk aversion of Zambia's commercial banks towards lending to small entrepreneurs. Farmer groups under USAID's forest management program in Eastern Zambia obtained \$52,534 in agricultural loans.

Improved Trade and Investment: USAID's efforts to promote trade and investment policy reform contributed to an increase in non-traditional agricultural and natural resource exports to \$296 million (against \$250 million in FY2002 and a target of \$275 million). South Africa and the Democratic Republic of the Congo continued to be the country's main markets for agricultural and natural resource exports. To help Zambia deal with unfair trade practices, USAID helped the GRZ prepare draft safeguards legislation that conforms to WTO standards. USAID continued to play a key role in helping Zambian public and private sector stakeholders take advantage of opportunities under AGOA. Through collaboration with USDA's Animal Plant and Health Inspection Service, five pest lists were prepared, enabling Zambia to move a step closer to breaking into the lucrative US horticultural market. As the Government prepared to finalize an Act of Parliament and accompanying regulations for its Biotechnology and Biosafety policy, USAID engaged positively to assist the Government to prepare biotechnology legislation that would attract investment to Zambia. USAID continued its active role in influencing the policy environment in the agriculture sector. Its food security research findings on crop marketing helped to inform the debate on the establishment of a government Crop Marketing Authority and enabled the government to realize the associated high cost of creating such an entity. The GRZ subsequently abandoned the idea.

The Business Forum, established by USAID, continued to play a key role in facilitating public/private sector collaboration by holding three meetings with the head of state during the year. Issues included taxes, interest rates and the general investment climate in Zambia. A significant result of the interventions was the lowering by the Central Bank of the statutory reserves requirements for commercial banks - from 17.5% to 14%, thereby freeing resources for potential lending to the private sector and effecting across the board reduction in interest rates. The Business Forum has gained the confidence and recognition of other donors. The Forum facilitated the Zambia International Business Advisory Council (ZIBAC) meeting which brought eminent British Commonwealth personalities to advise on the country's investment regime. The advice of these eminent persons is likely to lead to positive adjustments in the country's Investment Act, which will attract more foreign investment into Zambia. USAID, the Royal Netherlands Embassy and NORAD helped the Agricultural Consultative Forum (ACF) to continue to be a source of useful information for policy makers in the agricultural sector through provision of advisory notes to the Minister of Agriculture. During the year, the ACF began to transform itself into an independent development organization with equal partner membership from the government, NGOs, donors and the private sector.

Partnership alliances were widely adopted as the preferred way of doing business in the SO. USAID supports alliances in dairy farming, commodity warehousing, information and communications technology skills development, small and medium enterprise (SME) development and smallholder fresh vegetable export program. By the close of FY03, a cumulative sum of \$3.65 million provided to alliance initiatives had leveraged \$7.45 million through partnerships, mainly with the private sector, giving an average USAID- partner resource contribution ratio of 1: 2.04. In the key milk station alliance, a USAID- partner contribution ratio of 1:6 has been leveraged. In this alliance, during FY2003, 1,200 farmers (against 360 in FY2002) directly benefited from the services of country-wide milk collection/cooling centers, which increased from 4 to 10. On average, these smallholder dairy farmers have increased milk production from 5 to 15 liters per cow per day by changing their traditional breed of cattle for a more productive breed. Partners' contributions to this alliance include market linkages and increased access to markets, hi-tech

storage equipment such as mobile refrigeration units, as well as advanced training in milk processing and storing.

USAID-supported farmers, using the Zambia Agricultural Commodities Agency (ZACA) warehouse receipt system, realized collateral of \$746,980 from their stored commodities, an indication that the warehouse receipt system was effectively taking root in Zambia. The collateral management program, which also provides crop marketing options to farmers, is jointly supported through an alliance of USAID, the Royal Netherlands Embassy, and the Department for International Development (DFID) and the Common Fund for Commodities. ZACA certified and issued receipts on stored commodities valued at \$746,980 the receipts were accepted as security against loans issued by local banking institutions. The program has significantly raised the prospects for the expanded use of stored commodities as collateral and increased access to operating capital for agricultural investments.

Implementation Issues: This SO to scheduled to close on September 30, 2004. Despite gaining momentum in creating public/private alliances to realize results in increasing incomes of smallholder farmers and SMEs, formalization of these alliances has taken much longer. Meeting the targeted expenditure level for FY2004 now seems difficult and it will be necessary to extend this SO to September 30, 2005. Among other things, maintain confidence of the stakeholders and partners working with USAID in the alliances and related market linkages activities.

611-001: Increased rural incomes of selected groups

Status: Continuing

Indicator	Weight	Baseline Year	Baseline Year Data	FY 2001 Target	FY 2001 Actual	FY 2002 Target	FY 2002 Actual	FY 2003 Target	FY 2003 Actual	FY 2004 Target	Date Last Quality Assess
Incomes of Selected Groups, \$	5	1997	240000	9347930	8608738	10330486	4489120	4938032	5954787	6252526	August 2002
Non-traditional and Natural Resource Exports, \$mns	5	1997	215	287	300	345	250	275	296	311	August 2002
Number of Farmers Adopting Improved Technologies (Total) No.	5	1997	15000	40000	59071	40000	58769	48000	50466	52000	August 2002
RNFE Access to Finance, \$	4	1997	210000	2808738	2046516	2455819	1307618	1569142	2134679	2276554	August 2002
RNFE Outreach, Number of Clients	4	1997	20000	48000	79719	53000	79749	55000	60603	62000	August 2002
RNFE Sales and Service Revenue, \$	5	1997	240000	6538625	3366106	5049159	2241599	4938032	4457771	4680661	August 2002

611-002: Improved quality of basic education for more school-aged children

Performance Goal: Broader access to quality education with an emphasis on primary school completion

SO Discussion: USAID efforts have exceeded expectations in the pilot phase of the education program and USAID now is positioned to make a long term commitment to the Ministry of Education (MOE). USAID's close, interactive style with the MOE has enabled major improvements in the quality of information generated; successful testing of specific health interventions, expanded outreach services to children not in school, and the mobilization of communities responding to the HIV/AIDS pandemic. Emphasis has been placed on reaching orphaned girls and other vulnerable children with a priority to expand the program and reach as many schools and communities as possible.

Over the past few years, the MOE has made efforts to meet the basic education needs of children. These include: liberalization of participation in the provision of education; allowing civil society to advocate for the education of children; relaxation in regulations requiring the wearing of school uniforms; rehabilitation of schools; and provision of education materials and literacy campaigns. All of these initiatives have demonstrated a positive political will to improve the education sector's performance. The MOE's 2003-2007 Strategic Plan focuses on critical issues which will enable USAID and the MOE to move forward in a coordinated manner.

Achievements and Challenges:

Improved Quality of Learning Environments in Targeted Areas: Interactive Radio Instruction (IRI) was the major intervention which primarily focused on reaching school age children not in school and has proven to be successful. IRI is a national program and a collaborative effort among communities, churches, nongovernmental organizations, the Ministry of Education, Peace Corps and the Education Development Centre. The number of IRI community based centers has risen from 369 in CY2002 to 513 in CY2003 with a corresponding increase in overall enrolment from 11,498 to 19,230 (9,606 girls; 9,624 boys).

Thirty-two percent of the children listening to the education programs are orphans and 48% of these are girls. Only 17% of these participants had ever gone to a formal school. Preliminary data on grade one test scores, in CY2003, indicate that the students are learning. The mean score of the IRI students is 56% compared to the mean score of 47% at formal government-sponsored schools. A score of 50% is considered passing. The challenge now is to continue to upgrade the quality of instruction, integrate the program with the established schools and include distant educational opportunities for the formal school teachers. Field support provided by Youth Net continues to support IRI programs by integrating HIV/AIDS and life skills into radio programs, as well as organizing training mentors and script writers.

The community sensitization and mobilization work in the Southern province that was designed to support girls' education and promote awareness of HIV/AIDS among communities reached a total population of 131,720, including teachers, community leaders and students in nine districts. In total, 363 schools have participated in the program, reaching 137,214 students (67,875 girls; 69,339 boys) in CY2003. This was a substantial increase from the 11,116 student participation (5,468 girls; 5,648 boys) in CY2002. These increases can be attributed to expanded outreach and support provided by the MOE. During CY2003 the USAID/UNICEF Program for the Advancement of Girls Education finalized construction of 35 boreholes and latrines in 35 schools. There remains, however, the need to continue to interact with communities and to support schools and their respective health interventions, as well as upgrade the school environment.

Improved delivery of school-based health and nutrition interventions to support pupil learning: In the Eastern Province 110 schools implemented health and nutrition interventions (compared to 50 in CY2002 and a target of 60). These health interventions implemented by partner organizations focused on teacher managed de-worming efforts and eradication of bilharzia infestations plus the provision of vitamins. The results of these efforts not only indicated improved health of the children but through specifically designed tests, demonstrated significant improvements in the cognitive performance of the students. These results

reinforce the value of cost-effective school managed health interventions. In CY2002 a total of 20,596 students (10,119 girls; 10,477 boys) participated in the second phase of this health program. In CY2003, the program reached a total of 44,267 primary school children (21,333 girls; 22,934 boys), which is more than double the target of 21,000. This increase is due to the acceptance of the program and its rapid expansion of coverage at the request of the MOE. Teachers, community health workers and representatives from the District Health Management Teams, for the first time, are routinely working together to maintain proper health records; monitor the provision of the drugs; and educate parents. The World Food Program and UNICEF are considering replicating this model of assistance.

Improved Information for Education Decision Making: USAID has been uniquely positioned, for the past two years, in providing technical assistance to the MOE to establish a management information system. The achievements to date have been impressive and for the first time ever the MOE has reliable electronic data on the entire national school system. In addition required data are being submitted in a timely manner making it possible for MOE planners to coordinate their efforts with the Ministry of Finance and National Planning and others. All the collaborating donors supporting the education sector are now utilizing the data generated to allocate their funds.

In CY2003 training was provided to strengthen the MOE's institutional capacity for effective provision of management information. For example: six senior key staff received advanced information technology training in South Africa, 40 secretaries at the central level were trained in basic computer skills, and a total 77 provincial and district staff trained in education information management. In addition, the Annual School Census data collection forms have been streamlined in an effort to make the process of submitting information less cumbersome. This will result in improved collection and utilization of the data by the MOE.

A significant achievement has been the establishment of a computer network in the central MOE offices, for the first time linking all six of the key departments. In CY2002, the MOE headquarters was the only unit considered even remotely capable of generating meaningful reports on the status of the education system. In CY2003 the targets for education management units producing Annual School Census reports and managing data effectively were met; this included reporting at the national level, four reports at the provincial level and 19 reports at the district level. A feasibility study has just been completed on how to expand the network throughout all entire nine provinces in the country. This expansion has the potential of making major communication improvements throughout the entire organization.

The national school census indicates that the primary school population (7 to 13 years) in CY2003 is 1,808,090, an increase of more than 76,500 students compared to last year. Girls' gross enrollment ratio has remained steady at 85% compared to 91% of boys. Overall, more students are entering school. USAID support to primary schools has expanded dramatically, reaching 212,624 students in CY2003, compared to 55,156 in CY2002. This increase can be attributed to successful community sensitization programs that promote primary education, particularly for girls. The Net Admission Rate in these schools for grade one, was however, less than expected with a slight decrease from 33% in CY2002 to 31% in CY2003. Thirty eight thousand students (45% girls) completed grade seven in the schools supported by USAID, a completion rate of 63%. This is below the national completion rate of 71%, but a significant achievement considering the programs were operating in remote, hard-to-serve areas.

In an effort to better understand the home environment and its relationship to school participation, USAID completed the first national education survey designed to provide information on the reasons for dropouts, absenteeism and many other issues impacting on actual school attendance. The common reasons for reduced attendance include illness, students not wanting to go to school, missing class because students attended funerals, and inability to pay school fees.

HIV/AIDS Interventions: About 16% of the adult population is infected by HIV/AIDS. In CY2003 approximately 312,365 orphans, country-wide, were enrolled in grades one to seven. These children have lost either one or both parents. The MOE information program, supported by USAID, includes district and school level HIV/AIDS data in an effort to guide planners to understand how the educational system is affected and what is required to be done. USAID is funding a school level assessment on the impact of

HIV/AIDS. Though the study has not yet been finalized, the available information indicates that HIV/AIDS is affecting attendance and educational quality, because students are often forced to stay at home to care for a sick parent or guardian.

The USAID-sponsored teacher training component of the school health program introduces life skills training designed to enable teachers to work more effectively with students to explore attitudes and practices that will enable the children to cope better with the threat of HIV/AIDS. More than 1,000 teachers have participated in this program. As a result, 182,351 students have been reached (89,592 girls; 92,759 boys). Community mobilization campaigns stress the importance of dealing with HIV/AIDS and offer information on prevention (value of abstinence) and protection, especially of children.

611-002: Improved quality of basic education for more school-aged children
Status: Continuing

Indicator	Weight	Baseline Year	Baseline Year Data	FY 2001 Target	FY 2001 Actual	FY 2002 Target	FY 2002 Actual	FY 2003 Target	FY 2003 Actual	FY 2004 Target	Date Last Quality Assess
Net Admission Rate to Grade 1 in Targeted Areas (%)	4	1999	35	35.4	34	35.6	33	35.8	31	36	August 2002
Number of Children Enrolled in Primary Schools on USAID Programs (Total), No.	5	2001	37140	37140	0	48831	55994	165156	212624	244700	August 2002
Number of Children Enrolled in Primary Schools with USAID Programs (Female), No.	5	2001	17830	17830	0	23999	27378	80713	104532	119000	August 2002
Number of Children in Primary Schools with USAID Programs (Male), No.	5	2001	0	19310	0	24832	28616	84443	108092	125700	August 2002
Number of EMIS Units Producing Periodical Reports, District, No.	4	2000	0	0	0	4	0	19	19	47	August 2002
Number of EMIS Units Producing Periodical Reports, National, No.	4	2000	0	1	0	1	1	1	1	1	August 2002
Number of EMIS Units Producing Periodical Reports, Provincial, No.	4	2000	0	0	0	2	0	4	4	6	August 2002
Number of Interactive Radio Learning Centers, No.	4	1999	0	171	169	371	369	500	513	625	August 2002
Number of Schools Delivering Micronutrients, No.	5	2000	0	20	20	40	50	60	110	140	August/ Sept. 2002
Production of Annual School Census Statistical Report, on time, Months Delay	5	2000	12	6	6	3	0	0	0	0	August 2002
Pupils Receiving Micronutrients and Nutrition Interventions	4	2000	0	7000	16869	14000	20596	21000	44267	56000	April 2002

611-003: Increased use of integrated child and reproductive health and HIV/AIDS interventions

Performance Goal: Improved global health, including child, maternal, and reproductive health, and the reduction of abortion and disease, especially HIV/AIDS, malaria, and tuberculosis

SO Discussion: Significant progress has been made in the performance of USAID's HIV/AIDS, child survival and reproductive health activities since the inception of the country program. A comparison of the results of the Zambia Demographic and Health Survey (DHS) 2001/2, released in 2003, with the DHS of 1996, indicates a decline in the total fertility rate from 6.1% to 5.9%; an increase in the contraceptive prevalence rate from 14.4% to 22.6%; and a 15% reduction in the infant and under-5 mortality rates from 109 to 95 and from 197 to 168, respectively. Coverage of cost-effective public health interventions has increased and in many cases exceeds targets. Despite the progress, 16% of Zambian adults are HIV positive, one in six children die before age five, and nearly half (47%) experience chronic malnutrition (DHS 2001/2). Maternal mortality is estimated to be 729 maternal deaths per 100,000 live births (DHS 2001/2). USAID supports GRZ's National Health Strategic Plan and many activities are nationwide in scope.

Achievements and Challenges:

HIV/AIDS: The DHS 2001/2 provides the first HIV prevalence estimate based on a nationally representative survey and stands as a baseline against which future progress can be measured. The documented rate of 16% among adults aged 15 to 49 masks some key differences in population subgroups. The HIV-positive proportion rises with age from a level of 5% among respondents 15-19 years to 25% among those 30-34, before dropping to 17% among age 45-49. Women are more likely to be HIV-positive than men (18% vs. 13%) while HIV prevalence is twice as high in urban areas as in rural areas (23% vs. 11%).

The 2003 Zambia Sexual Behavior Survey (ZSBS) documents a trend toward increasing median age of sexual debut indicating that more adolescents are choosing abstinence. The same survey also shows a trend toward being faithful. In 2003, 29% of men and 16% of women stated they had sex with a non-regular sexual partner in the last 12 months, compared to 39% of men and 17% of women in 1998. The targets for condom use indicators were not met. However, modest gains were made in this area among both men and women. ZSBS reports a trend of increased condom use during the last sexual act with a non-marital, non-cohabiting partner. The DHS also documents an increase in reported condom use with the last non-regular partner since 1996. Among men, this proportion increased from 40 to 44% and among women it increased from 20 to 31%. Condom sales were strong (12.3 million - up from 9.6 million in 2002) and exceeded the target of 10,500,000 units by more than 17%.

Behavior change communication (BCC) activities provided key strategic support for narrowing the information equity gap on HIV/AIDS between urban and rural areas, youth and adults, rich and poor. Five television spots for phase III of the HEART campaign were aired, including two spots on abstinence. The Zambia Partnership on HIV in the Workplace continued to coordinate efforts in reaching companies with BCC materials. USAID initiated support for traditional leaders to take on advocacy activities within their respective chiefdoms. Additionally, targets were significantly exceeded for STI services, which have been continued under USAID's HIV/AIDS Cross Border Initiative. 2,286 truck drivers and 11,795 commercial sex workers were diagnosed and treated for STI, an increase from 1,096 and 5,687 in 2002 respectively.

USAID supports voluntary counseling and testing (VCT) national scale-up with special focus on community mobilization, development of information-education-communication (IEC) materials and training of counselors. USAID has helped put in place a national information system for VCT services. The number of Zambia VCT service sites has increased to 108 in 2003 up from 88 in 2002 and 42 in 2001. A total of 97,783 clients received services in 2003. However, according to the DHS, only 9% of women and 14% of men have been tested for HIV. The continuing challenge is not just to make services

accessible for all Zambians but to overcome barriers like stigma and the perception that it is only worth knowing one's status if treatment is available.

Presidential Initiative funds for Prevention of Mother-to-Child Transmission of HIV (PMTCT) had a dramatic impact in expanding support services: 74 sites received USAID support in 2003 up from 25 in 2002 and six in 2001. Among pregnant women who attended antenatal care at these sites, 37% (6,185 women in 2003 - up from 3,929 in 2002) of new antenatal care attendees tested and received the current USAID standard package of PMTCT services. The package includes infant feeding, counseling and acceptance of an HIV test. This exceeded the target of 35%.

During this reporting period USAID also developed national standards and training materials for clinical care of HIV/AIDS, including ARV therapy and management of opportunistic infections. Additionally, USAID initiated a home-based care program this year to improve the well being of over 6,000 people living with HIV/AIDS (PLWA), and continued its national-level advocacy work to reduce stigma and discrimination for PLWA. USAID program activities expanded coverage of services for orphans and vulnerable children (OVC) from eight districts to 12, and from 30 NGO/CBOs to 62. Additionally, 38 new Multisectoral Community OVC Committees were formed bringing the total number of Committees to 125 in the SCOPE program supported districts. The number of OVC's benefiting from this support totaled 168,781 for FY03. The number of children served met the target. Efforts made this year in expanding coverage of services and building the capacity of the new local NGO/CBOs to provide services will position the program to extend services to even more children in need. USAID's partners assisted communities with priority needs, including increasing household food security through income-generating activities, and maintaining OVC's access to education through strengthening or establishing community schools.

Child Health: During the national measles immunization campaign, children aged six months to five years were also given a vitamin A supplement. This provided nearly universal coverage and exceeded our target of 80%. USAID continues to support vitamin A supplementation through twice-yearly national outreach during child health weeks, and the integration of vitamin A supplementation into routine child health services. For the seventh consecutive year, all domestic sugar in Zambia was fortified with vitamin A. This program may now be considered self-sustaining with no additional technical assistance anticipated from USAID. USAID provided technical support to one of Zambia's largest millers for multi-micronutrient fortification of the Zambian staple, maize-meal. It is hoped that other major millers will begin fortifying next year. USAID hopes to assist the GRZ to leverage additional resources for fortification through the Global Alliance for Improved Nutrition.

The socially-marketed home water treatment product, Clorin, is being promoted to reduce incidence of diarrhea disease year round. Sales continued to climb in all provinces with over 1.75 million bottles sold in CY2003 (annualized from nine months of data), exceeding the target by 35%.

According to the 2003 DHS, only 57% of children are fully immunized by 12 months of age. However, by 23 months, 94% of children have received BCG and 80% have received the recommended three doses of DPT and polio. A national immunization campaign in 2003 achieved measles vaccination coverage of 95% in all provinces and all age groups (six months to 15 years). This year a major cold-chain rehabilitation program was completed under the US-Japan Partnership for Global Health. The challenge will be to improve immunization coverage through the routine child health services.

Malaria: In 2002, after considerable support from USAID to the Ministry of Health to review and update national standards for malaria control, the government announced a decision to switch from chloroquine to more effective anti-malaria drugs and began implementation of a malaria-in-pregnancy prevention package. Nationwide implementation of the new drug policy began in 2003. Guidelines for malaria in pregnancy were disseminated nationwide, and 457 senior managers from all nine provinces and all 72 districts were oriented to the new policy. Ownership of insecticide-treated bed nets (ITN) continues to grow. The GRZ distributed 82,649 ITNs in five-targeted districts during the National Measles Campaign. An additional 385,609 subsidized ITNs were sold in 2003 through USAID-supported social marketing by

Society for Family Health and commercial sales through the NETMARK GDA program, exceeding the target of 300,000 by 28%.

Reproductive Health/Maternal Health: Between the 1996 and 2001/2 DHS surveys, the proportion of married women reporting use of modern contraception increased significantly, from 14% in 1996 to 22.6% in 2001/2, slightly above the target of 22%. Among sexually active unmarried women, over 29% currently use a modern method up from 18% in 1996. Knowledge of contraceptive methods is now almost universal in Zambia and the vast majority of both women and men approve of their use. Although the majority of Zambian women and men prefer large families, almost 27% of currently married women have an unmet need for family planning (17% for spacing and 11% for limiting births). The biggest challenge is increasing access and expanding contraceptive choice for rural women.

Sales of the socially marketed oral contraceptive “Safeplan” exceeded the target by about 21% with an increase from 507,120 cycles sold in 2002 to 694,195 cycles sold in 2003. After many years of discussion and debate, DepoProvera was approved this year by the Ministry of Health and registration by the Pharmacy and Poisons Control Board is expected to be completed in 2004. Challenges for next year include planning for the integration of DepoProvera into the public sector method mix, encouraging the use of autodestruct syringes for injection safety, and improving access to family planning information and services in rural areas.

USAID achieved provincial-level scale-up of post-abortion care (PAC) services in 2003. Service delivery sites are now running in all nine provinces (vs. three in 2001 and six in 2002). Family planning counseling is a key component of PAC. Of the 7,973 PAC clients in CY2003 (projecting from eight months of data), approximately 61% started modern family planning methods subsequent to counseling. The remaining challenge is to ensure appropriate referral of PAC clients to health centers so they continue to access contraceptive supplies and family planning services. The PAC Taskforce is developing guidelines to introduce PAC information and services at district level, including at the health post and community level.

USAID assisted the Central Board of Health to draft and adopt guidelines for infection prevention in health facilities. USAID also supported the revision of the registered midwifery curriculum which is now being implemented in all three schools of midwifery. Schools of midwifery have also been upgraded and midwifery tutors trained in new skills and training approaches. The curriculum for enrolled midwives is currently under review.

Systems and Cross-cutting Activities: The general public was educated on key health issues through the mass-media “Better Health Campaign”. The focus has been on national scale-up of the radio distance learning to the 300,000 Neighborhood Health Committees (NHC). NHCs serve as the link between communities, especially in rural areas, to the formal health care system. The Better Health Campaign helps them be more motivated and effective health promoters and community mobilizers. Topics of radio programs included safe water and hygiene, the national food crisis, malaria in pregnancy and the changes in malaria drug policy, HIV/AIDS prevention, stigma, antiretroviral drugs, VCT and the importance of knowing one’s status, PMTCT, and care and support for people living with HIV/AIDS. These campaigns have been highly successful in increasing knowledge and awareness, and in increasing the sales of health products (e.g. condoms, oral contraceptives, bed nets, and water purification agents).

USAID provided assistance to develop and approve a national multisectoral HIV/AIDS policy and to continue strengthening policy development capacity in the MOH. USAID also supported training in logistics management for all health facilities in 5 provinces, revision of the Integrated Technical Guidelines for frontline health workers, efforts to align performance improvement activities with the annual action plan process, introduction of the Health Management Information System into training institutions, and production of the first national health facility survey since 1995.

During 2003, the GRZ met a performance milestone for establishment of national level health indicators under USAID’s program assistance agreement. USAID subsequently released \$1.6 million for this and other milestones met late in FY 2002 to the Central Board of Health District Basket for delivery of services

to districts and communities. USAID continues to support Zambia's implementation of the Global Fund award and co-represents the bilateral donors on the Country Coordinating Mechanism.

611-003: Increased use of integrated child and reproductive health and HIV/AIDS interventions
Status: Continuing

Indicator	Weight	Baseline Year	Baseline Year Data	FY 2001 Target	FY 2001 Actual	FY 2002 Target	FY 2002 Actual	FY 2003 Target	FY 2003 Actual	FY 2004 Target	Date Last Quality Assess
Condom Use (15-24, Female) (%)	3	1998	20	0	0	0	0	42	34.7	40	April 2002
Condom Use (15-24, Male) (%)	3	1998	26	0	0	0	0	46	40.2	42	April 2002
Condom Use (15-49, Female) (%)	3	1998	24	0	0	0	0	40	34.3	35	April 2002
Condom Use (15-49, Male) (%)	3	1998	33	0	0	0	0	45	41.6	40	April 2002
Contraceptive Prevalence Rate (Modern Methods) (%)	5	1992	9	0	0	22	22.6	0	0	0	April 2002
Median Age at first Sexual Debut (Female) (Age in years)	4	1998	17	0	0	0	0	17.5	17	0	April 2002
Median Age at First Sexual Debut (Male) (Age in years)	4	1998	16	0	0	0	0	18	17.5	0	April 2002
Number of Insecticide-Treated Nets Sold (No.)	3	1998	2500	60000	81000	150000	265000	300000	385609	400000	January 2002
Number of Maximum Brand Condoms Sold (No. in millions)	3	1993	5	9.5	10.1	10.5	9.6	10.5	12.3	12	January 2002

611-004: Expanded opportunity for effective participation in democratic governance

Performance Goal: Measures adopted to develop transparent and accountable democratic institutions, laws, and economic and political processes and practices.

SO Discussion: SO4 is achieving results towards democratic governance in Zambia. Despite just two years of implementation, the cornerstone 'public debate' activity has been very successful in both its civil society and parliamentary reform activities, and alternative dispute resolution (ADR) is established. The 'demand strategy' recommended in 1997 to achieve, in broad rather than specific terms, a more active civil society, was re-established following the SO4 review and refocus of the program in February 2001. In FY2003, seven public policies can be traced to civil society influence, all resulting from differentiated debate topics by USAID supported membership organizations (MO), up from two policies in FY2002.

Zambia maybe unique in Africa in that civil society and the President share the same agenda to fight corruption and hold former leaders accountable for theft of public resources. By 2001 Zambian civil society had become one of the most active in Africa, changing the political map, forcing a president to and placing corruption on center stage. The causes of state-sponsored corruption and abuse of office had been identified and there was general consensus that lasting reforms required a new constitution to rebalance powers away from the presidency as the only sure means to prevent a repeat of the previous decade of abuse of office. Meanwhile, by 2002 a more politically balanced parliament was seeking reforms to become a watchdog over GRZ effectiveness and accountability, following decades of subjugation by the executive branch, while a poorly resourced judiciary had embarked on ADR for caseload efficiency and responsive commercial dispute resolution.

Achievements and Challenges

Public Debate by Membership Organizations (MOs): Policy issues judged crucial by civil society were identified in early in 2002. These included public sector corruption; constitutional reforms to rebalance powers; HIV/AIDS related legal; human rights and justice issues; gender and media reform. At the SO level, in FY2003, seven government policies were influenced by MOs (included are two begun in the previous year), out of a target of 10. Four issues were debated by legislatures (target also 10). Government resistance to civil society influence was greater than anticipated, preventing target achievements. Regarding the targeted number of policies debated in legislatures, the shortfall was due in part to the National Assembly bottleneck over impeachment of the President. Although performance fell short of the two targets, 20 combinations of policy topics were publicly taken on, including five HIV-related, four anti-corruption, four related to constitution, three related to gender, two to media reform, one to human rights, and one to protection of forests. The latter concerned combined issues of corruption, local citizen rights, environmental protection, and timber licensing regulations. The seven policies influenced are: media reform, (ZNBC Act and Independent Broadcasting Authority); HIV/AIDS (partner notification guidelines and prison policy to mitigate spread of AIDS); the timber industry, as noted above; and constitutional reform (revisions to the Inquiries Act and GRZ agreement to reconsider creation of a broad-based Constituent Assembly).

In FY2003, 42 funded MOs engaged in publishing, conducting research, coalition building, policy research, seminars, dialoguing with the public through the media, dialoguing with members of parliament and with parliamentary committees (target 39). During the period under review 306 MOs conducted debate on issues (target 40). When these public consultations in all 72 districts nation-wide, many including radio and television coverage are taken into account, between 100,000 and one million people were involved in these debates. Through the Zambian Institute of Communications (ZAMCOM) journalists were trained in elections and development reporting and other subjects, while MOs received training in information communication technology, financial management, training in policy research and public opinion polling. The public was informed on subjects such as the Public Order Act and other issues related to the selected debate themes.

Numbers cannot capture subtle yet significant achievements. Under media reforms in the legislature, a unique backbench legislative process was tested for the first time with apparent success, since the bills passed. Concerning government-led constitutional reform, the Oasis Forum (a coalition of Catholic and Protestant churches, the law association, and a women's group) through its assertive dialogue with the President directly and through media, influenced the government to reconsider the Inquiries Act so as to allow public access to the report of the Constitutional Reform Commission; Regarding the timber industry, the funded NGO has become a partner with government for policy performance monitoring, and local people feel empowered over their natural resources because the government placed a temporary ban on timber harvesting licenses until fair procedures were established.

Parliamentary Reform: The donors group on parliamentary reform saw a reform opportunity in 2002 following a strong showing of the opposition in the December 2001 elections. Sixteen months later, and after some 10 years of stagnant intent, an institutionalized reform of the legislature is now a fact. The Parliamentary Reforms (standing) Committee is asserting itself in dialogue with the Speaker's Office on reform issues such as sharing of management powers, and a detailed parliamentary reform project document has been debated and approved by parliament. The reform plan establishes the principle of a civil society role in the business of the legislature and states that decentralized internal management must be shared within the institution. Pilot constituency offices at 11 sites are giving citizens the opportunity to meet their MPs and reforms have been debated in civil society and in the press. USAID-supported international NGO has been accepted by the National Assembly and by the donors as the management agency supporting reforms. Reform is integral to the future of the National Assembly of Zambia with the objective to make it an agent of oversight and of citizen voice. Donors who funded Parliamentary Reform Project Stage I (PRP I) sit on the steering committee and will continue in PRP II. USAID has leveraged nearly \$3 million in commitments from other donors for the PRP II three-year project.

Administration of Justice: Mediation case targets were exceeded by 50%, while arbitration targets were fully met. With USAID assistance, mediation has now been institutionalized in the high court in four principal cities of Zambia, contributing to a more efficient dispensation of justice. The positive impact of mediation in reducing caseloads in the high court compelled the government to pass a statutory instrument in September 2002 amending the law and allowing for mediation in employment disputes before the Industrial Relations Court. This Court has been laboring under a heavy caseload with cases being delayed for up to three years from the date of suit to the date of hearing. Since the new law, mediation settlement weeks have been held in the Ndola and Lusaka Industrial Relations Courts. In 2003 1,864 mediation cases (target 1,200) were submitted for resolution. Zambia Federation of Employers, an organization representing employer interests, recognized the value of mediation and has, with the support of the International Labor Organization (ILO), embarked on training its members in mediation gearing them to participate effectively in the mediation of employment matters.

The Zambia Center for Dispute Resolution (ZCDR) undertook activities designed not only to publicize its existence and operations but also to promote the use of arbitration as a means of dispute resolution. ZCDR produced a number of programs on national television and participated in a number of trade exhibitions and trade shows. The Zambia Federation of Employers which had initially declined to be a member, has since requested a seat on the ZCDR board. In FY2003 arbitration cases submitted for resolution were 53 (target 50), all of which were resolved. In FY2003, ZCDR continued to work toward full accreditation by international ADR institutions such as the Chartered Institute of Arbitrators UK, the American Arbitration Association and the International Chamber of Commerce in Paris. ZCDR hosted membership training with the UK Institute, and well over 100 arbitrators have been admitted to full membership. ZCDR has set itself a target of 200 members being internationally certified in three years. ZCDR continued to work closely with the Judiciary to include mediation under its administration. The courts also referred a number of cases to the ZCDR for resolution by arbitration.

Fight against corruption: Although unplanned prior to FY2003, the corruption fight of the GRZ was considered by the United States Government and mission in Zambia to be of vital interest to Zambian democracy and good governance. As a result in November 2002, a USG Anti-Corruption Strategy led to dialogue with the U.S Treasury which committed technical assistance. During FY2003 U.S Treasury,

provided more investigations and prosecution technical assistance to the Zambian corruption task force seeking to prosecute and recover stolen public resources, estimated in the hundreds of millions of dollars. By September 2003, the former president and six alleged co-conspirators are currently on trial for public sector theft and abuse of office. While the final conclusion of these momentous events is down the road, Zambia has already attracted world attention by being one of the first in Africa to seek accountability from a head of state in the court of law.

611-004: Expanded opportunity for effective participation in democratic governance

Status: Continuing

Indicator	Weight	Baseline Year	Baseline Year Data	FY 2001 Target	FY 2001 Actual	FY 2002 Target	FY 2002 Actual	FY 2003 Target	FY 2003 Actual	FY 2004 Target	Date Last Quality Assess
Increased Debate on Target Development Issues, No. of Issues	3	2002	0	0	0	0	0	40	306	45	May 2002
Increased Number of Cases Submitted for Alternative Dispute Resolution (Arbitration), No.	3	1999	0	50	19	40	43	50	61	75	See Reference Sheet
Increased Number of Cases Submitted for Alternative Dispute Resolution (Mediation), No.	3	1999	0	200	453	700	948	1200	1864	2000	See Reference Sheet
Number of MOs Publishing, Conducting Research and Analysis, Dialoging with Govt., No.	2	2002	28	0	0	28	0	39	42	42	May 2002
Number Of Target Public Issues or Policies Influenced by MOs, No.	5	2002	2	0	0	2	0	10	7	18	Commencing
Number of Targeted Issues debated by Legislative Assembly	3	2002	2	0	0	2	0	10	4	12	Commencing

D. Results Framework

611-001 Increased rural incomes of selected groups

SO Level Indicator: Income of Selected Groups

IR1 Increased Agriculture and Natural Resources Production

IR2 Increased Contribution of RNFE's to Private Sector Growth

IR3 Improved Trade and Investment Environment

611-002 Improved quality of basic education for more school-aged children

SO Level Indicator: Girls Retention in Targeted Schools

SO Level Indicator: Net Admissions Rate to Grade 1 in Targeted Areas

SO Level Indicator: Number of Learners in Grade 1 in Target Areas and Centers

SO Level Indicator: Pupil Assessment Scores in Targeted Areas in Eastern Province

SO Level Indicator: Number of Children Enrolled in Schools Affected by USAID Basic Education Programs

SO Level Indicator: Number of Learners in Grade 1 in Targeted Areas and Centers

IR1 Improved Quality of Learning Environments in Targeted Areas

IR2 Improved Delivery of School-based Health and Nutrition Interventions to Support Pupil Learning

IR3 Improved Information for Education Decision making Processes

611-003 Increased use of integrated child and reproductive health and HIV/AIDS interventions

SO Level Indicator: Condom Use

SO Level Indicator: Contraceptive Prevalence (Modern methods)

SO Level Indicator: Median Age at First Sexual Debut

SO Level Indicator: Vaccination Coverage

IR1 Increased Demand for PHN Interventions among target groups

IR2 Increased Delivery of PHN Interventions at Community Level

IR3 Increased Delivery of PHN Interventions by the Private Sector

IR4 Improved Health Worker Performance

IR5 Improved Policies, Planning and Support Systems

611-004 Expanded opportunity for effective participation in democratic governance

SO Level Indicator: Number of Target Public issues or Policies Influenced as a Result Debate Initiated by Membership Organizations

SO Level Indicator: Number of Target Public issues or Policies Influenced as a Result of Debate Initiated by Membership Organizations

IR1 Increased Efficiency of Administration of Justice

IR2 Increased Public Debate

611-XX5 Increased Private Sector Competitiveness in Agriculture and Natural Resources

611-XX6 Improved Quality of Basic Education for More School-age Children Phase II

611-XX7 Improved Health Status of Zambians

611-XX8 Government Held More Accountable

611-XX9 Reduced Impact of HIV/AIDS through a Multi-sectoral Response