

USAID/Zambia

Annual Report

FY 2005

December 17, 2004

Please Note:

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Zambia

Cover Memo

Date: December 17, 2004
To: Lloyd Pierson, AA/AFR
From: Jim Bednar, Mission Director, USAID/Zambia
Subject: USAID/Zambia's FY2005 Annual Report

I am pleased to submit USAID/Zambia's FY2005 Annual Report (AR) describing program performance in FY2004. In summary, we are progressing well, producing results and implementing an innovative and rapidly expanding portfolio. In accordance with AR guidance to report on the following items:

- (1) We propose no changes to the approved FY 2004-2010 Country Strategic Plan (CSP).
- (2) Minor changes are made to the presentation of information for Strategic Objective 4 (Government) indicators.
- (3) Space, staffing and Operating Expense constraints are major concerns addressed in the resource request.
- (4) There will be four Congressional Notifications this year: for Strategic Objectives 5 (Economic Growth); 6 (Education); 7 (Health); and 8 (Democracy and Governance).
- (5) Evaluations conducted in FY 2004 are listed at the end of this memorandum.
- (6) We actively encouraged new and local partners, particularly by SO 5 which initiated two competitive procurements in FY 2004 in order to attract a wider variety of qualified U.S. and local partners.

FY 2004 was a year of transition for the Mission. The FY 2004-2010 CSP was initiated and many new staff, including myself, joined the Mission by mid-summer. A new multi-sectoral approach to reducing the impact of HIV/AIDS was launched under a Strategic Objective fully funded by the State Department's Office for Global AIDS Coordination (S/OGAC) to implement the President's Emergency Plan for AIDS Relief (PEPFAR). S/OGAC provided \$49.3 million to the Mission in FY 2004, with \$59.6 million anticipated in FY 2005 and similar or higher levels expected in FY 2006 and FY 2007. With FY 2004 funds, the Mission successfully rolled out seven major cooperative agreements, rapidly putting teams on the ground to start implementing activities.

While there is no question of the central importance of addressing the HIV/AIDS crisis, it is imperative that USAID receive appropriate resource levels needed to continue the Mission's work in areas other than HIV/AIDS. With the increased resources coming to Zambia under PEPFAR it becomes even more important to continue strong support to other key public health issues in Zambia. Malaria is the number one killer and is responsible for more illness than any other single disease. USAID/Zambia needs to maintain, and increase if possible, the FY 2004 levels for malaria. Similarly, the importance of providing services for family planning and the prevention of sexually-transmitted infection services is increased in a high HIV-prevalence country such as Zambia. An increase in Population funding would allow USAID/Zambia to do more to meet these needs. In both education and the health sector, PEPFAR funds have been provided at the cost of DA or CSH funding. PEPFAR, DA or CHS funds are not interchangeable. However, the education and health sectors have both taken DA and CSH funding cuts in their overall program budgets, which we request be restored in FY 2006.

Recently, Zambia was identified by the Millennium Challenge Corporation (MCC) as a threshold country for possible funding by the Millennium Challenge Account (MCA). This presents a unique and exciting opportunity for the GRZ and USAID. The GRZ has begun to collaborate with USAID on the development

of a proposal for MCA threshold funding which will help accelerate Zambian reforms that are necessary for it to become eligible for the MCA program.

USAID/Zambia's program portfolio has grown by nearly 200% between FY 2001 and FY 2005. Some additional program-funded technical staff has been approved. The program size and complexity merits the creation of a deputy mission director position, as proposed in this submission. The MCA Threshold designation will further increase the responsibilities of Mission senior management. Zambia's program and staff size clearly justifies the deputy mission director position when it compared with similar sized USAID programs in neighboring countries that have deputy directors.

With the new staff, the Mission has reached a critical space situation. At present, we are doubling up technical staff in existing offices, maximizing use of cubicles, and eliminated all conference room space except for the safe-haven room which can seat 25. The anticipated new Embassy compound is likely to be further delayed beyond FY 2008. Therefore, we are seeking approval to modify the existing building or find other alternatives to ensure we have an effective, safe, and pleasant working environment for everyone.

Additional staff and space require additional Operating Expense resources. We have done our utmost to use program funds, negotiate reasonable ICASS costs, and increase our efficiency with information technology. We, however, must have some temporary relief in our FY 2005 OE and seek a small increase to cover construction costs and the new deputy mission director position. The costs associated with the conversion to the Phoenix financial system are also included as part of the increased OE requests for FY 2005 and FY 2006.

I am confident we will be able to continue to deliver an array of priority programs in Zambia, with concrete and significant results if we are given the staff, program and OE resources as requested. Following are a few results that underscore the effectiveness of Mission staff in their efforts to ensure objectives are being met and the people of Zambia and the U.S. tax payers are being served effectively:

USAID is leader in the fight against HIV/AIDS in Zambia. USAID supported increasing community participation in HIV prevention; voluntary counseling and testing; stigma reduction; care and treatment. USAID strongly supported the establishment and development of voluntary counseling and testing (VCT) sites. USAID plays a critical role in HIV prevention and behavior change among the general population, youth, and high risk groups. VCT information and commodities management has been greatly improved by the training of district and provincial information officers, Zambian Defense Force health workers and counselors systems and cross-cutting activities. USAID is a key stakeholder in the support for Orphans and Vulnerable Children (OVCs), supporting 257,000 OVCs in 2004 alone. In close collaboration with The Ministry of Sports, Youth and Child Development, UNICEF and DFID, USAID spearheaded a National OVC Situation Analysis. USAID has quickly taken on technical leadership in palliative care for people living with HIV/AIDS (PLWHAs) through home-based and hospice care. All Mission SOs have effectively integrated specific assistance activities to mitigate and stop the effects of HIV/AIDS. The GRZ, private sector, local communities, and school children are all being encouraged to take personal and collective responsibility for reducing the pandemic through different, targeted activities.

During FY 04, the innovative Warehouse Receipt Program was successfully launched with the support of the Development Credit Authority (DCA) and the Zambia Agricultural Commodity Agency (ZACA). Together, they have stimulated commercial bank lending by using certified warehouse receipts that are issued to farmers, traders, millers and other commercial depositors of grain as collateral for increased access to operating capital for agricultural investments. Four of the largest banks in Zambia are already participating in this DCA program. The facility has attracted increased volumes of certified warehouse capacity. The volume of certified space has increased from 20,000 tons in 2003 to 105,000 tons in 2004, a 425% jump. At the close of FY04, a total of 54,000 square meters of certified warehouse space was occupied. Overall, the system will support the expansion of the number of small producers and traders formally conducting business in commodities that meet rigorous standards and result in enhanced competitiveness of Zambia's agricultural sector.

Public/Private Alliances: During the review period, USAID raised the awareness and understanding of the public-private partnerships and possible Global Development Alliances (GDAs) among stakeholders. USAID supported alliances in 6 key economic sectors: dairy, commodity warehousing, SME development, smallholder fresh vegetable exports, information communication technology, and diversification in the Copperbelt province. The seventh alliance, a regional program on cooperative business development, operates in both Zambia and Mozambique. The Mission was selected for a world wide pilot audit by the Office of the Inspector General (OIG) on the concept of GDAs because of the diversity and success of the GDAs being implemented in Zambia. Among its preliminary findings, the OIG commended the Mission for its having successfully integrated the GDA concept into its portfolio.

In accordance with the AR guidance for this year, the Mission is reporting on the strategic plan for FY 2007. The activities noted for FY 2007 were reviewed by the SO teams to ensure there were no mitigating factors that would alter the FY 2004-2010 CSP. Conditions and forecasted economic, political, and social trends remain consistent with the CSP hypothesis. Therefore, no mid-CSP corrections are identified for FY 2007. However, the Mission does emphasize the point that SO 6 (Education) and SO 7 (Health) will lose some of their ability to focus on the core activities noted in the CSP because PEPFAR funding and related activities will replace some critical core activities noted by these two SOs in the CSP during FY 2006. The curtailment of some activities as a result of PEPFAR imperatives and funding are noted in the alternate resource requests.

The only other minor changes noted in this AR are with a few of the indicators that were previously reported by SO4 (Government) as cumulative results for multiple years. This report has revised the reporting to indicate accomplishments by each year. We hope this will be less confusing and provide more useful information.

The Mission conducted 25 evaluations and assessments during FY 2004:

SO3 Health

- 1) Community Partnerships Case Study Report: Documentation and Evaluation of the Zambia Integrated Health Project (ZHIP)'s community strengthening interventions.
- 2) Impact of the Helping Each Other Act Responsibly Together (HEART) Campaign: Evaluations of the outcomes of Phase III of the Campaign.
- 3) National Malaria IEC Strategy.
- 4) Zambia Integrated Health Project Final Report: Impact Evaluation of Service Delivery and IEC Interventions.
- 5) Client Flow of New Start voluntary counseling and testing Center in Lusaka during the First Two Years of Operations.
- 6) Analysis of Reproductive Health Issues and Condom Use among Youths in Zambia: Findings from Multi-Round Surveys.
- 7) HIV/AIDS Risk Behavior among the Uniformed Personnel in Zambia. Findings from Qualitative Research.
- 8) Delayed Sexual Debut Concept Testing Survey: Findings from a Qualitative Study.
- 9) The Effects of Religious Affiliation on Sexual Initiation and Condom Use of Young Zambian Women. (Draft Report).
- 10) Zambia National Evaluation of Safe Water Systems (SWS) Survey.
- 11) District Approaches to Integration of Reproductive Health Services.

- 12) ART Site Preparedness Assessment.” Rational Pharmaceutical Management+ (RPM+).
- 13) The Costs of Anti-Retroviral Treatment in Zambia.
- 14) Promoting Rational Use of Drugs Assessment in Lusaka District.
- 15) Prevention of Mother to Child Treatment Information and Commodity Site assessment.
- 16) Antimicrobial Resistance Rapid Assessment.” RPM+. September 2004.

SO2 Education

- 17) Report of Year 3 biomedical and cognitive survey results, final report of School Health Nutrition biomedical and cognitive interventions over the three-year period.
- 18) Assessment on current IT capacity of the Ministry of Education.
- 19) Final External Evaluation, overall impact of the Education Management Information Systems project.
- 20) Final EMIS Project report by AIR.
- 21) SIAPAC/MOE HIV/AIDS Impact Assessment: “Impact Assessment of HIV/AIDS on the Education Sector in Zambia,”
- 22) An evaluation of the Ambassador’s Girl Scholarship Program.

SO4 Democracy and Governance

- 23) Parliamentary constituency office assessment.
- 24) Anti corruption legal assessment.

I look forward to discussing the program and our resource request with you and AFR staff and appreciate the bureau’s continued support.

Sincerely,

James Bednar
Mission Director,
USAID/Zambia.

A. Program Performance Summary

Program Narrative (FY 2004): Zambia's transition to a multiparty democracy and market-based economy continues to progress slowly; but positively. During the 1990s, the Government of the Republic of Zambia (GRZ) implemented a sweeping program of liberalization and deregulation, eliminating most major market distortions in an attempt to arrest and reverse the economic decline. Unfortunately, these efforts have been impeded by the country's legacy of corruption and limited foreign and domestic investment. Until recently, this has been accompanied by poor performance of the copper sector. As a result, per capita income plummeted from US\$752 in 1965 to US\$351 in 2002.

Since 1999, the economy has been experiencing a modest recovery with positive per capita GDP increases of 1.4 percent annually. Poverty reduction, however, remains a challenge due to a heavy debt burden, weak institutional capacity, and ineffective public spending. The trend in the majority of the Millennium Development Goals (MDGs) established by the United Nations Development Program (UNDP) has moved in the wrong direction over the past decade. In 2000, an estimated 73 percent of the population lived below the official poverty line compared to 70 percent in the early nineties. The impact of the HIV/AIDS pandemic further undermines steps to reduce poverty. Zambia ranked 163 out of 175 countries in the 2003 UNDP's Human Development Index indicating a static position from its 2002 rating. The agricultural sector continues to be central to the Zambian economy with more than 67% of the workforce in agriculture, forestry and fisheries. Constraints in agriculture include high transportation costs; weak market infrastructure; uneven production and inconsistent quality; lack of access to market information, inputs, and credit; and cyclical drought.

In addition heavy external debt burden slows Zambia's development further, with \$6.45 billion in external debt as of December 2003. The debt is owed primarily to multilateral institutions and bilateral creditors. Zambia was approved for debt relief under the World Bank's enhanced Heavily Indebted Poor Country Initiative (HIPC) in 2000. Under this initiative, the government expects to successfully implement and monitor the International Monetary Fund's Poverty Reduction Growth Facility (PRGF) and reach the HIPC completion point in early 2005. Should the government attain the completion point, an estimated \$3.8 billion of foreign debt would be cancelled, allowing resources to be channeled to productive sectors.

The GRZ continues to implement the Poverty Reduction Strategy Plan (PRSP 2002-2004) and the Transitional National Development Plan (TNDP 2003-2005), two comprehensive economic and social plans drawn up with the participation of donors and other stakeholders. Implementation of the PRSP/TNDP programs has been slow due to GRZ budgetary constraints. As the PRSP comes to an end this year and the TNDP in 2005, the GRZ plans to develop a National Development Plan (NDP) which will cover the period 2006-2010, linked to the GRZ Medium Term Expenditure Framework (MTEF).

In 2004, the GRZ took steps to decentralize its functions following the approval of the Decentralization policy by Parliament. This was aimed at improving communications between government institutions and Zambian citizens. Zambia has many active non-governmental organizations (NGOs) and civil society groups, and several independent newspapers and radio stations, two state-owned newspapers and the government-owned Zambia National Broadcasting Corporation. According to the 2004 budget pronouncement the current government's top three priorities were the fight against corruption; promotion of economic growth with focus in the area of agriculture, tourism and small scale mining; and combating HIV/AIDS.

The United States' primary national interest in Zambia is to support Zambia's development as a stable, peaceful, prosperous, and 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. Zambia will assist in the global war against terrorism by denying terrorists refuge and financial or other support.

In November 2004, Zambia was selected as a “Threshold Country” by the Millennium Challenge Corporation (MCC). During FY 2005, GRZ will submit a proposal for funding from the Millennium Challenge Account (MCA) to assist the GRZ develop policy, regulatory or institutional reforms to improve country performance with respect to one or more of the MCA indicators. Moving it closer to being eligible to become an MCA recipient country.

As the 1998-2003 USAID CSP comes to an end USAID has started the implementation of its 2004-2010 Country Strategic Plan (CSP) for Zambia. The five objectives under this strategy focus on increasing private sector competitiveness in agriculture and natural resources, improving the quality of basic education for more school-aged children, improving health status for Zambians, expanding opportunities for effective participation in democratic governance, and reducing the impact of HIV/AIDS through a multisectoral response. 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.

Regional programs: USAID/Zambia has been collaborating with the REDSO and RCSA to implement a number of regional programs. One such program is the African Growth and Opportunity Act program being implemented by the regional competitive hubs in Botswana and Kenya with the Zambian private sector. The regional agriculture trade expansion support program has initiated interventions to assist local coffee growers, to enter the international specialty coffee market. The program encourages increased formal cross border trade in corn, livestock dairy products.

The regional Famine Early Warning System Network program, apart from providing useful information on local commodity prices and the national food security situation, has initiated a program to monitor informal cross border trade flows within the eastern and southern Africa region covering main cross border crossings in Zambia.

Donor Relations: Donor coordination is extensive with USAID collaborating 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, 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. The most challenging area for coordination is HIV/AIDS where 29 donors are helping Zambia defeat the pandemic.

Key Achievements: USAID’s five strategic objective programs in Zambia made significant contributions towards achieving U.S. performance goals.

Increased Rural Incomes Of Selected Groups: USAID supported groups increased their incomes to \$8.1 million in FY2004 from \$5.96 million in FY2003, exceeding the target of \$6.2 million for FY 2004. Combined with good rainfall, USAID programs encouraged the wide adoption of improved farming technologies such as small-scale irrigation, conservation farming, and rural milk collection centers. Client outreach to Rural Non-Farm Enterprises (RNFE) with business training and other business development services was 64,106 (target of 62,000). Among the most notable beneficiaries of USAID leveraged finance were marketing groups under the Cooperative League for United States of America (CLUSA) Rural Group Business Program who accessed \$2,060,000 in agricultural inputs for sale to farmers.

During the year, USAID programs assisted the GRZ and a variety of key stakeholders in the grain trade

sector to conclude a widely accepted Agricultural Marketing Plan. This plan will significantly assist Zambian agricultural producers with their marketing efforts. A draft input market plan was also concluded. This plan, if adopted, will encourage the GRZ to embrace private sector participation in agricultural input marketing to replace a state-run monopoly. Additionally, USAID supported the establishment of the Zambia Business Forum, a working group that represents the country's main business associations. In 2004, the forum increased its role in facilitating public/private sector collaboration, working with the GRZ and the private sector to conclude the Private Sector Development Plan (PSDP) which provides a solid framework for addressing issues that constrain private investment and trade in Zambia.

Partnership alliances were widely adopted as the preferred way of doing business. USAID supports alliances in dairy farming, commodity warehousing, information and communications technology skills development, small and medium enterprise (SME) development, and the smallholder fresh vegetable export program. A regional Global Development Alliance (GDA) funded jointly with USAID/Mozambique and the GDA Secretariat initiated an activity to promote business development in eastern Zambia and the Nampula Province of Mozambique.

USAID's CARE Community Based Natural Resources Management Program assisted 7,067 households living in game management areas around the Kafue National Park. They were trained in sustainable agricultural and natural resource enterprise activities. This training helped them earn \$246,292. Although this earning level was 5% lower than last year, the performance indicates the importance of the program in providing sustainable alternative income to this community. This has dissuaded them from engaging in illegal poaching activities of animals in the game management areas.

Improved quality of basic education: The Interactive Radio Instruction (IRI) program remains the key intervention designed to reach school age children who are not enrolled in government schools. The IRI is a Ministry of Education (MOE) program and a collaborative effort among communities, churches, nongovernmental organizations, the Peace Corps and the Education Development Center. The IRI program has rapidly grown in popularity, particularly in community schools countrywide. Further, the number of IRI centers has increased from 513 in FY03 to 647 in FY04, with a corresponding increase in enrolment from 19,230 children in FY03 to 38,513 children (19,101 girls; 19,412 boys) in FY04. Of the 647 centers, 188 are community schools using IRI methodology.

USAID assisted the MOE with information technology systems. This assistance helped MOE establish access to the internet and improve inter-office communication via email and information sharing. A standard computing platform was established throughout two provinces (Eastern and Southern), consisting of 19 district and two provincial offices each of which received two computers along with related supplies. Additionally, the program introduced the Education Automated Statistical Information System Toolkit. This system is the backbone of the ministry's ability to collect, manage, disseminate and use Zambia's timely educational data for effective decision-making and planning.

The recently completed USAID funded Impact Assessment of HIV/AIDS on the Education Sector has become a key reference document for MOE and donors, providing information on how HIV/AIDS currently impacts on the educational system. Community mobilization campaigners continued to be the primary activity supported by USAID. Families are encouraged to recognize HIV/AIDS and use the information to prevent infection, especially among children.

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

USAID continued to support vitamin A supplementation through twice-yearly national Child Health Weeks. The July 2004 campaign reached 92% of children 6 to 59 months old, substantially exceeding the target of 80%. A recent study noted that 5% of children surveyed had "Vitamin A" deficiency in 2003, down from 12% in 1997. This is substantially attributable to the success of Child Health Weeks.

As leader in the fight against HIV/AIDS, USAID supported increasing community participation in HIV prevention; voluntary counseling and testing; stigma reduction; care and treatment. USAID strongly supported the establishment and development of voluntary counseling and testing (VCT) sites. There are now 250 VCT sites throughout the country and 139,402 clients received services in FY 2003. VCT

information and commodities management has been greatly improved by the training of district and provincial information officers, Zambian Defense Force health workers and counselors systems and cross-cutting activities.

A 24-hour toll free HIV/AIDS Talk-line averaging about 500 calls per day was launched to provide information, counseling and referrals to assist clients in accessing services for prevention, treatment and care throughout the country. Contributing to Sexually Transmitted Infectious (STI)/HIV prevention, 13,302,576 condoms were distributed, exceeding the target by 10%. Community outreach and advocacy programs reached at least 300,000 people with (IEC) messages through small grants to local NGO's and Faith Based Organizations. High risk and border populations (commercial sex workers and their clients) were reached with prevention messages and condoms, while STI management was provided to over 11,200 women (greatly exceeding the target of 6,500) and more than 2,100 men.

Expanded opportunity for effective participation in democratic governance: During the period under review 69 Membership Organizations (MO) participated in debate on a variety of government regulatory and policy issues. According to an evaluation of the Public Debate program, five million Zambians were reached over three years, mostly through radio and TV debates. This process 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.

Arbitration case targets were fully met, and mediation case targets exceeded the previous year by over 100%. Success in mediation can be attributed to the courts because they are taking full responsibility for the caseload resolution system introduced by USAID in 1999.

Parliamentary Reform: The Anti-Corruption Initiative (ACI) and the Fight against Corruption project funded the baseline study of Parliament and corruption indicators for Democracy and Governance Strategic Objective. The data emerging from the baseline suggests that USAID has made an important contribution to the anti-corruption fight and to strengthening parliament. The GRZ anti-corruption fight has focused on grand corruption and abuse of office, recovery of public assets and prosecution of former leaders.

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. 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 are all addressing gender issues.

Public/Private Alliances: During the review period USAID continued to raise awareness and understanding of the public-private partnerships among stakeholders. USAID supported alliances in 6 key economic sectors. The seventh regional alliance on cooperative business development operates in both Zambia and Mozambique. The mission was selected for a world wide pilot audit on the concept of GDA's due to the diversity of Zambia GDAs.

Environmental Compliance:

Plan for new or amended IEE or EA actions for fiscal year 2005: Planned Reg. 216 actions are listed in FY05 planned actions below. None of the current activities will require amended IEEs in FY05. A new Country Strategic Plan for 2004-2010 was approved covering five Strategic Objectives. Five new IEEs were prepared for these SOs and were approved by BEO.

1. Compliance with previously approved IEEs or EAs: All current activities are in compliance with approved IEEs. The SO Teams have effectively used the Pesticide Evaluation Report, the Safer Use Action Plan (PERSUAP) and Environmental Review Reports. None of the current activities require amended IEEs in FY05.

2. A new Country Strategic Plan (CSP) 2004-2010 has been approved covering five Strategic Objectives; Increased Private Sector Competitiveness in Agriculture and Natural Resources (SO5); Improved Quality

of Basic Education (SO6); Improved Health Status of Zambians (SO7); Government made more Accountable (SO8) and Reduced HIV/AIDS through Multisectoral Response (SO9). An Environmental Threats and Opportunities Assessment (ETOA) was prepared to inform the five new IEEs were prepared for Bureau Environmental Office (BEO) approval.

3. A workshop is planned for FY 2005 in compliance with the Environmental Assessment Capacity Building Program (ENCAP) 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, which provides mitigation measures and training in the use of United States Environmental Protection Agency (USEPA) registered least-toxic pesticides, fungicides and herbicides. USAID monitored activities that are classified under Categorical Exclusion to ensure that they remained within the bounds of the 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.

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 07/23/02. 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. No action is anticipated.

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 to Smallholder Farmers in Zambia. The IEE was approved by BEO on 03/27/03. 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 11/24/03. An Environmental Threats and Opportunities Assessment (ETOA) was prepared to inform the new Country Strategic Plan (CSP).

The negative determination with conditions was recommended for some activities in: increased access to markets; enhanced value-added production and technologies; increased access to financial and business development services; and pesticide use in any production enterprise. A deferral was recommended for timber, mining, and GMO activities. The SOT will monitor activities approved for implementation by partners to ensure compliance and maintain classification by approved IEE. For any pesticide use proposed, the PERSUAP (32 Zambia1_SO1_Crop_PERSUAP.doc, 2/26/02) will be amended and submitted for BEO's approval. ENCAP training for partners is planned.

611-006 Improved Quality of Basic Education for More School-aged Children (II): The IEE was approved by BEO on 03/06/2004. A negative determination with Conditions was recommended for: development/minor construction and use of zonal resource centers; and construction of boreholes and latrines. Water quality aspects of this SO's activities will be closely monitored. This will ensure that, World Health Organization (WHO) standards are adhered to and the location of latrines and boreholes is done properly. ENCAP training for partners is planned.

611-007: Improved Health Status of Zambians: The IEE was approved by BEO on 01/13/04. A Negative Determination with conditions was recommended for; production and distribution of point-of-use water purification solution; promotion of insecticide-treated mosquito nets (ITNs) and malaria control and clinical and community health service delivery (generation, management and disposal of medical waste) implementation. The SOT and partners approved monitoring activities to ensure compliance and maintain classification in accordance with the IEE. ENCAP training for partners is planned.

611-008: Government Held More Accountable: The IEE was approved by BEO on 10/06/03. All activities fall under Categorical Exclusion and remain so during implementation. The SOT and partners will continue to monitor activities to ensure compliance and maintain classification by the approved IEE. ENCAP training for partners is planned.

611-009: Reduced HIV/AIDS Impact through Multisectoral Response: The IEE was approved by BEO on 10/06/03. A negative determination with conditions was recommended for activities involving HIV/AIDS testing. The SOT and partners will continue to monitor activities to ensure compliance and maintain classification by the approved IEE. ENCAP training for partners is planned.

B. SO Level Performance Narrative:

611-001: Increased rural incomes of selected groups

Performance Goal: Enhanced food security and agricultural development

SO 04 Performance Overview: The SO continued to exceed its targets. This is due, in part, to two consecutive years of good rains. USAID support for farm technology assistance enabled small-scale farmers to take full advantage of the favorable weather conditions to maximize production, enhance crop yields, and ensure near-term 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.

04 SO Performance:

Increase Private Sector Growth:

The Zambia Business Forum, a working group that represents the country's main business associations, established with USAID support, continued to play a key role in facilitating public/private sector collaboration. It worked with the GRZ and the private sector to conclude the Private Sector Development Plan (PSDP) aimed at addressing issues that constrain private investment and trade in Zambia.

Rural Non-Farm Enterprises (RNFE): Client outreach to RNFEs with business training and other business development services was 64,106 (target of 62,000). Overall, RNFE access to finance among USAID-supported groups totaled \$2,999,997 exceeding the target of \$2,227,554 by 26%. Among the most notable beneficiaries of USAID leveraged finance were marketing groups under the Cooperative League of United State of America (CLUSA) Rural Group Business Program who accessed \$2,060,000 in agricultural inputs for sale to farmers.

The 8,700 member Zambia Chamber of Small and Medium Business Association (ZCSMBA) realized net incomes of \$668,783 (up 11% from \$593,841 in FY03) from the activities of its district business association (DBA) members. Women-owned companies made up 45% (increased from 43% in FY2003) of the businesses belonging to ZCSMBA. Approximately \$77,126 in credit in FY2004 was 262 DBA members, giving an average of \$402 per successful DBA finance recipient. This was a significant achievement considering that many of Zambia's commercial banks still consider lending to small entrepreneurs a risky venture.

Increase Agricultural Productivity:

USAID supported groups increased their incomes to \$8.1 million in FY2004 from \$5.96 million in FY2003, exceeding the target of \$6.2 million for FY 2004. The increase was mainly due to improved rainfall, wide adoption of improved farming technologies such as small-scale irrigation, conservation farming and the emergence of rural milk collection centers helping farmers get their milk to market.

The adoption of a wide range of improved agricultural technologies and improved management skills benefited 62,737 USAID assisted farmers, (exceeding the target of 52,000). The number of farmers using yield enhancing technologies made a significant contribution towards the national food security. The number of farmers employing conservation farming methods under the Rural Group Business Program rose from 30,802 in the previous year to 44,581. This increase significantly contributed to household food security. In addition to fulfilling their own food security needs, these farmers delivered \$1,173,140 worth of soya beans, sun flower and corn to markets and processors

Increase Participation in Global Trade and Investment:

USAID interventions in policy and trade helped Zambia increase its non-traditional agricultural and natural resource exports to regional and international markets such as the Common Market for Eastern and Southern Africa (COMESA), the Southern Africa Development Community (SADC), the European Union (EU) and the US market through the Africa Growth and Opportunities Act (AGOA). Implementation of

Global Development Alliance activities with public and private sector partners continued in a manner that was consistent with USAID initiatives and the Government of the Republic of Zambia (GRZ) policies to encourage private sector development and diversification of the country's economy. USAID's slow provision of resources to some of the alliance activities was an issue that required concerted attention.

USAID's efforts to promote trade and investment policy reform contributed to an increase in non-traditional agricultural and natural resource exports to \$404.7 million (up 37% from the FY 2003 level of \$296 million, and 30% higher than the FY2004 target of \$311 million). South Africa and the Democratic Republic of the Congo continued to be the country's main markets for agricultural and natural resource exports. USAID helped Zambian stakeholders draft WTO-compliant legislation which dealt with unfair trade practices. This legislation was passed by the Zambian Parliament. USAID continued to play a key role in helping Zambian public and private sector stakeholders take advantage of opportunities under the AGOA. Zambian stakeholders were assisted to collaborate with USDA's Animal Plant and Health Inspection Service (APHIS) to develop risk assessments on pests that affect fresh produce. These assessments will eventually help Zambia enter the lucrative US horticultural market.

Strengthen the Financial Sector's Contribution to Economic Growth:

The Zambia Agricultural Commodities Agency (ZACA) warehouse receipt system is a partnership which began in 2003 and brings together farmers, traders and bankers. The value of deposited commodities within this alliance was worth \$1,170,000, at the close of FY 2004. This dramatic growth since its inception in 2003 is an indication that the warehouse receipt system is effectively taking root in Zambia. This collateral management program also provides crop marketing options to farmers. It is supported through an alliance of USAID, the Royal Netherlands Embassy, and the International Fund for Agricultural Development (IFAD), the GRZ, and the Commonwealth Fund for Commodities. Under the Investment Fund in the USAID supported Zambia Agribusiness Technical Assistance Center (ZATAC), producer groups accessed \$421,456 in credit for their production and marketing activities. This was higher by 10% from last year.

Improve Sustainable Management of Natural Resources and Biodiversity Conservation:

USAID's CARE community based natural resources management Program assisted 7,067 households living in game management areas around the Kafue National Park. They were trained in sustainable agricultural and natural resource enterprise activities. This training helped them earn \$246,292 from their efforts and dissuaded them from engaging in illegal poaching activities of animals in the game management areas.

Promote Public-private Alliances as a Principal Business Model:

Partnership alliances were widely adopted as the preferred way of doing business. USAID supports alliances in dairy farming, commodity warehousing, information and communications technology skills development, small and medium enterprise (SME) development, and the smallholder fresh vegetable export program. A regional Global Development Alliance (GDA) funded jointly with USAID/Mozambique and the GDA Secretariat initiated an activity to promote business development in Eastern Zambia and Nampula Province of Mozambique. According to the Memoranda of Understanding a cumulative sum of \$5.5 million provided by USAID to alliance activities had leveraged \$26 million in cash and in-kind resources through partnerships, mainly with the private sector, giving an average USAID-partner resource contribution ratio of 1:5, by the close of FY04. USAID partners include mining companies, agribusinesses, banks, other donors, and farming communities.

Improve Economic Policy and Governance:

Overall, USAID continued its active role of working to influence the policy environment in the agriculture sector. During the year, USAID programs assisted the GRZ and a variety of key stakeholders in the grain trade sector to conclude a widely accepted Agricultural Marketing Plan. This plan will significantly assist Zambian agricultural producers with their marketing efforts. A draft input market plan was also concluded, if adopted, this will encourage the GRZ to embrace private sector participation in agricultural input marketing.

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 04 Performance Overview: The quality of education in Zambia has been steadily declining for many years. The Government has acknowledged that the educational system is in a crisis and has set out to redress the situation. The focus, though painfully slow, is on rehabilitating existing schools, increasing availability of text books, promoting community involvement and establishing cost-effective distance learning systems. The strategy designed to achieve these results is the decentralization of the educational system in an attempt to broaden participation and accountability. Planning and management capacities, however, still need to be enhanced to make the basic education system more efficient and effective. In addition, HIV/AIDS infections are having an impact in the schools resulting in increased teacher absenteeism, doubling up of classes and reduced instructional time.

This situation is further aggravated because there remains a severe shortage of teachers in the schools due to funding shortages and poor management. There is also an influx of orphaned children as a consequence of AIDS related deaths among parents, placing additional responsibilities on the schools. Many children in the country suffer from malnutrition and stunting as a result of inadequate nutrition or chronic infections over a long period. Schistosomiasis, for example, is endemic in Zambia causing children to feel lethargic and sick. Literacy levels for children ages 7-10 are low: only 19 percent of the children can read. Teachers are coping with large classes of 50 to 70 students and have few opportunities to up-grade their own skills. There are more than 250,000 eligible primary school children (7-13 years), in the country that do not have access to education and are severely restricted. In spite of the various challenges USAID supported initiatives have had a positive impact.

04 SO Performance:

Improve the Quality of Basic Education:

USAID, until late in FY04, was implementing three separate pilot projects designed to position USAID strongly within the Ministry of Education (MOE). Based on the positive results of the pilot projects, USAID recently committed to long term support for outreach services to children who cannot attend school. USAID also agreed to continue providing technical assistance to the MOE to support the development of the education information systems and with policy reforms. The MOE and USAID objective is to expand programs and services to a national level. USAID support has also focused on field testing and replication of specific school health interventions and mobilization of communities to mitigate the impact of HIV/AIDS. USAID also supported teacher training and the provision of scholarships for orphaned children.

Improved Quality of Learning Environments in Targeted Areas: The Interactive Radio Instruction (IRI) program remains the key intervention designed to reach school age children not enrolled in formal government schools. The IRI is a MOE program and a collaborative effort among communities, churches, nongovernmental organizations, the Peace Corps and the Education Development Center. The IRI program has proven its success through its growth in popularity particularly in community schools countrywide. The number of IRI centers increased from 513 in FY03 to 647 in FY04, with a corresponding increase in enrolment from 19,230 children in FY03 to 38,513 children (19,101 girls; 19,412 boys) in FY04. Of the 647 centers, 188 are community schools using IRI methodology. This increase in enrolment means that more than 39,000 children who don't have access to government schools are receiving an education. For these children, it is their only opportunity to learn.

The population of grade one learners in IRI centers has increased approximately 95 percent from 12,641 in FY03 to 24,609 in FY04. The increase in both female and male learners at grade one is 98 percent and 91 percent respectively. The number of learners who had attended regular schools before joining the IRI centers in FY04 was 8,063 (4,005 females and 4,058 males) representing 21 percent of the total learners. Over 34 percent (13,188 children) of the total population of learners are orphans (single/double). Of these, 6,635 are females and 6,553 are males. The number of double orphaned learners is 4,583,

representing 12 percent of the learners. The IRI centers are providing learning opportunities for a greater number of orphaned and vulnerable children who would normally not have access to education. The main challenges under this activity are to continue to upgrade the quality of instruction, improve learning assessment and extend the program to government and community schools.

Community Sensitization and Mobilization Campaign (CSMC) for girls' education and HIV/AIDS awareness expanded to all 661 basic schools and 67 community schools in the Southern Province, reaching a total of 116,275 students (56,590 females, 59,685 males). This is more than a 50% increase from the FY03 achievements. This result shows that more communities are actively promoting the participation of girls in schools and are also receptive to interventions for mitigating HIV/AIDS. The primary reason for this increase was due to the excellent cooperation of the MOE at the district level and high level of community participation.

Improved information for education decision making: USAID support of the first phase of the management information system was completed and an amplified program was started in March 2004. The USAID supported program enhanced the MOE's information technology infrastructure by establishing access to the Internet. It allows, for the first time, use of e-mail and provides the means for effective information access and sharing. A standard computing platform was established throughout two provinces (Eastern and Southern), consisting of 19 district and two provincial offices each of which received two computers along with related supplies.

Additionally, the program introduced the Education Automated Statistical Information System Toolkit. This toolkit is the backbone of a system that enables the MOE to collect, manage, disseminate, and use Zambia's educational data for effective decision-making and planning. This program successfully carried out a work plan with the Examinations Council of Zambia to develop a testing instrument to be used at the Grade 4 level in all government schools. By the end of the program's second year, all provincial and district offices within Eastern and Southern Provinces received improved information technology equipment, and training for educators and statisticians in the use of both computers and the Data Dissemination Module for census data end-users.

These district-level accomplishments were complemented at headquarters with improved and timely collection, cleaning, and distribution of census data and an unprecedented range of data reports. The program also began work on the design of the 2004 Annual School Census questionnaire. Major efforts were made in the development of a single questionnaire for all educational levels. A second national level training was conducted in 2004 to facilitate the distribution of the new census forms and to instruct representatives from basic and secondary schools, and community and IRI centers on how to complete the questionnaire correctly. At present, however, only 19 of the targeted 47 districts are able to produce regular education reports and only four of the provinces out of the targeted six can provide summary reports. A major effort will be required to ensure that all targeted districts are reached. Since March the new program initiatives have been focused on preparation of a statistical bulletin that summarizes the MOE's achievements over the past two years. It has proved more difficult than expected to decentralize responsibilities to the MOE's provincial and district offices due to limited capacity to absorb new responsibilities.

More students are entering school. The national school census indicates that the total primary school population (7 to 13 years) in FY04 is 1,819,732, (almost 20% of the total population of Zambia) an increase of more than 140,000 students compared to FY03. This result shows that USAID education programs are reaching approximately 27 percent of the total primary school population in Zambia. Girls' net enrolment ratio has remained steady at 86.6% compared to 87.1% of boys. USAID supported primary schools have more than doubled their enrolments, reaching 487,593 primary students in FY04 compared to 212,624 students in FY03. This jump is attributed to the expansion of the community public awareness program to promote primary education for girls. The Net Admission Rate for grade one in the USAID supported schools in FY04 is 38%, a significant increase from FY03 of 31%. The large increase compared to previous years could be attributed to the 2002 Free Basic Education policy implemented by Ministry of Education. Approximately 232,607 students (68% girls; 81% boys) completed grade seven in FY04 in the schools supported by USAID, a total completion rate of 75%.

Reduce Transmission and Impact of HIV/AIDS:

HIV/AIDS interventions: The adult HIV prevalence rate is 16% with one million people living with HIV infections. As of 2003, there were an estimated 800,000 children who have lost one or both parents due to AIDS. HIV/AIDS impact on teachers' attendance is particularly severe and is undermining the quality of education. It is estimated that one out of every four primary school teachers is HIV infected. The USAID funded Impact Assessment of HIV/AIDS on the Education Sector was recently completed, providing the MOE and donors with information on how HIV/AIDS currently impacts on the educational system. The USAID-supported community mobilization campaign has encouraged families to recognize HIV/AIDS and use the information provided to prevent infection, especially among children.

USAID and other donors began planning the implementation of an HIV/AIDS workplace program for MOE employees late in 2004. This initiative, funded by The President's Emergency Plan for AIDS Relief (PEPFAR) is designed to increase the staff acceptance and use of Voluntary Counseling and Testing (VCT) services and Anti-Retroviral Therapy (ART).

USAID maintained the Ambassador Girls' Scholarship Program (AGSP) and took the initiative to include PEPFAR funds to support school level HIV/AIDS interventions and expanded the provision of scholarships. At present the USAID Africa Education Initiative (AEI) funds support 693 orphaned children (620 girls) in grades eight to twelve.

The AEI supported training for 1,650 teachers (950 pre-service; 700 in-service) and trained 93 lecturers in three Teacher Training Colleges in Southern and Eastern Provinces. This training dealt with issues of girls' education, HIV/AIDS and life skills; reviewed relevant policies and introduced specific teaching materials. In-service teachers and college lecturers participated in the provision of school health training, organization of community awareness and HIV/AIDS mitigation.

USAID's education program has added Sector Program Assistance (SPA) in an effort to improve the quality of support to the MOE. The SPA supports the MOE's achievement of specific institutional reforms consistent with the MOE's own strategic plans. The SPA complements policy related activities designed to help increase the MOE's capacity to review and implement policies that focus on decentralization and special issues such as HIV/AIDS, school health, and nutrition. The education program takes into account the fact that despite the MOE's efforts to reform the education system and the 2002 GRZ policy to provide free basic education, a significant percentage of school-aged children are not in school due to lack of learning facilities, poverty, and cultural practices that keep girls, especially, out of school.

Improve Child Survival, Health and Nutrition:

Improved delivery of health and nutrition interventions to support pupil learning: Teacher-managed deworming of students, eradication of bilharzia infestation plus the provision of vitamins have been the primary focus of the USAID supported partner organization. These low-cost, school-managed interventions have been very popular with communities, school personnel and students. In FY04 a total of 306,815 primary school students (151,267 girls 155,554 boys) from 555 schools participated in the school health program, over by five times the planned target of 140 schools and 56,000 students. This significant increase is evidence of the growing popularity and acceptance of the program and demonstrates the willingness of the teachers, school administrators and the District Health Management Team to work collaboratively. In FY04, the Schistosomiasis Control Initiative (SCI) was also initiated in the Southern Province in conjunction with the community sensitization and School Health program. The SCI program began in 60 schools in three districts reaching 14,666 community members on how to prevent and treat schistosomiasis.

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 04 Performance Overview: This past year has been one of transition with the launching of Zambia's new Country Strategic Plan FY 2004-2010. Most of the activities under Strategic Objective 3 ended and new activities began under Strategic Objective 7, Improved Health Status of Zambians. Work in HIV/AIDS prevention, care and treatment expanded in response to the urgency and severity of the epidemic and the vastly increased funding from the President's Emergency Plan for AIDS Relief.

USAID continued to show strong results in the health sector. In HIV/AIDS, the number of national HIV Counseling and Testing service sites more than doubled. In 75 Prevention of Mother to Child Transmission (PMTCT) service sites directly supported by USAID, 60,367 women received counseling and testing and 12,227 HIV+ women received a complete course of ARV prophylaxis. USAID technical assistance also facilitated expanding the number of districts to begin treating malaria with new, more effective, Artemisinin-based Combination Therapy (ACT). One of the key results during this reporting period is the finding from a national vitamin A survey that showed a reduction of more than 50% in severe vitamin A deficiency among children during the past six years. This impressive decline is substantially attributable to the successful vitamin A supplementation program, which receives significant USAID support. Children with improved levels of vitamin A are much less susceptible to malaria, measles, diarrheal diseases and acute respiratory infections

04 SO Performance:

Build Health Systems Capacity:

USAID technical assistance provided substantial assistance to the Ministry of Health and Central Board of Health to strengthen policies, planning and support systems for the improved delivery of public health services. Numerous capacity building activities assisted a transition from annual to multi-year planning; developed planning guidelines for all levels of the health system; improved financial management in five provinces, and trained professionals in logistics management for all district hospitals. Capacity in policy development and management has been greatly strengthened. In addition, Health Management Information Systems (HMIS) training materials have been developed for the nation's pre-service training institutions, and in-service training systems have been supported at the provincial and district levels. With USAID assistance, all HMIS reports are now published in a timely manner for distribution to the Health Sector Committee and more relevant reports are being used for sector-wide decision-making

In the area of drug management, USAID supported the Second National Workshop on Rational Use of Drugs. USAID facilitated the development of a national working group to produce a strategy to deal with the potentially looming problem of drug resistance. Also during FY 2004, the GRZ met three performance milestones in the areas of essential health care package impact and financial reporting, accountability, and management under USAID's Sector Program Assistance (SPA) agreement. USAID subsequently released \$1.4 million to the Central Board of Health District Basket for delivery of services to districts and communities. The SPA agreement was also successfully extended through FY2010.

Reduce Unintended Pregnancy and Improve Healthy Reproductive Behavior:

During FY2004, USAID increased access to expanded methods of contraception, especially for rural women. A wide variety of health education materials were developed including innovative radio and video programs. Clinicians in eight rural districts received IUD insertion training and have been providing services through mobile clinics. Socially marketed oral contraceptive sales increased by 2.3% to reach their target of 712,500. Depo Provera was approved and registered by the Pharmacy and Poisons Control Board. USAID is procuring an initial supply of Depo Provera for the public sector. This increased access to a wider choice of contraceptives will help ensure that Zambians have the ability to plan the size and timing of their families.

Reduce Transmission and Impact of HIV/AIDS:

USAID/Zambia has been a leader in the fight against HIV/AIDS. Significant accomplishments were made prior to receiving the first President's Emergency Plan for AIDS Relief funding in February 2004. USAID supported increasing community participation in HIV prevention, voluntary counseling and testing, stigma reduction, and care and treatment. USAID continued its strong support to Prevention of Mother to Child Transmission (PMTCT) services, directly enabling 60,367 women to receive services through 75 sites. The number of women who received a complete course of ARV prophylaxis doubled in 2004 reaching 12,227 women, up from 6,185 in 2003. In FY 2004 the national training curriculum on PMTCT was finalized and 1,207 health workers were trained to deliver PMTCT services. In addition, a PMTCT patient education video and brochures were completed, and PMTCT information segments were incorporated into print, radio and television health education campaigns as well as distance education for Neighborhood Health Committees. These activities have contributed significantly to reducing the number of infants born with HIV and to prolong the life of mothers.

Under the pre-Emergency Plan funding program, USAID strongly supported the scale-up of voluntary counseling and testing (VCT) sites. There are now 250 VCT sites throughout the country (compared to 108 in 2003) and a total of 139,402 clients received services in FY 2004, up from 97,783 in 2003. VCT information and commodities management has been greatly improved by the training of district and provincial information officers, Zambian Defense Force health workers and counselors. The system can now produce reliable reporting on national VCT data and has been expanded to include PMTCT data and reporting, with more people accessing VCT, knowing their status and taking measures to prevent HIV infections and re-infection.

USAID provided technical assistance to the Central Board of Health to facilitate the process of procurement of anti-retroviral drugs using GRZ and Global Fund money. USAID funds contributed to the completion of the national training package for treatment with anti-retroviral therapy and HIV/AIDS related opportunistic infections, and supported the initial training of trainers. To reduce medical transmission of HIV, one hundred fifty health care workers were trained in the national infection prevention guidelines in 7 of 9 provinces.

A 24-hour toll free HIV/AIDS talk-line was launched to provide information, counseling and referrals to assist clients in accessing nation-wide services for HIV/AIDS prevention, treatment and care. The talk-line receives about 500 calls per day. USAID partners assisted with the distribution of 13,302,576 socially marketed condoms, exceeding the target of 12,000,000. Community outreach and advocacy programs reached at least 300,000 people with health education messages through small grants to local NGO's and Faith Based Organizations. High risk and border populations (commercial sex workers and their clients) were reached with prevention messages and condoms, while STI management was provided to over 11,200 women (greatly exceeding the target of 6,500) and more than 2,100 men (exceeding the target of 1,250). With this intervention, more people involved in high-risk behavior are taking measures to prevent HIV infections and re-infection.

Phase Four of the Helping Each Other Act Responsibly Together (HEART) multi-media campaign for youth was launched. It included a local language radio component to achieve greater impact among rural youth. Impact analysis conducted in 2003 and reported in FY 2004 indicated positive impressions among approximately 53 percent of viewers. The analysis indicated that viewers took at least one preventative action as a result of exposure to the campaign. Viewers were 1.7 times more likely to report current abstinence; and 1.9 times more likely than non-viewers to have used a condom, thus helping prevent the spread of HIV among the critical but difficult to reach youth population.

USAID sponsored the first national workshop for traditional leaders on HIV/AIDS, bringing together 110 chiefs, 240 headmen and other village representatives to discuss ways to guide future mitigation of HIV/AIDS efforts by traditional leaders. Through this innovative effort, 60 Chiefdoms received small grants to conduct HIV/AIDS activities. USAID work with traditional leaders has an influence on cultural practices and beliefs that fuel the HIV epidemic and has been a true catalyst for other donor involvement.

Home-based care for people living with HIV/AIDS was dramatically increased. Psychosocial and community support, income generating activities, and referral systems reached nearly 8,000 people far exceeding the target of 3,000. These activities make a significant difference in the quality of life for people living with HIV/AIDS. Workplace programs were strengthened in 211 small businesses within the first five months of implementation, ahead of the target of reaching 400 businesses in the first year. These programs provide basic HIV/AIDS information, business planning, and information on legal rights issues, important steps toward reducing stigma and ensuring human rights and dignity.

USAID provides substantial support to orphans and vulnerable children (OVCs). Support for OVCs was provided in 130 communities, reaching over 232,300 children in FY 04, exceeding the target of 200,000. Activities included education, psychosocial and economic support through grants to local organizations. One hundred and three Child Rights Clubs were established in seven provinces to help guarantee that the rights of children, including freedom from sexual and gender based violence.

Training was conducted for political, civic, traditional, and religious leaders to help them become strong advocates in the fight against HIV/AIDS in one province that was targeted for strategic planning. Finally, USAID provided support to the National AIDS Council to build and strengthen their capacity to design and manage all aspects of an effective HIV/AIDS program at the national, provincial and district level.

Improve Access to Clean Water and Sanitation:

USAID plays an important role in providing clean water to millions of Zambians. In FY 2004, sales of the socially marketed home water treatment product Clorin reached 1.78 million units, exceeding FY2003 sales figures and topping their target of 1.66 million units. Information, education and communication messages concerning safe drinking water and sanitation were disseminated to communities throughout Zambia, helping to prevent diarrheal and other water-borne diseases.

Prevent and Control Infectious Diseases of Major Importance:

USAID continues to be the largest donor for malaria control in Zambia and has been supporting the National Malaria Control Program to roll out the expansion of the new Artemisinin-based Combination Therapy (ACT) from 7 to 28 Districts. A system to track drug utilization and compliance has been introduced nation-wide and more than 300 health workers have been trained in malaria clinical case management. National insecticide treated bed net (ITN) policy guidelines have been developed and distributed. The guidelines will improve market targeting and delivery mechanisms that will provide affordable or free nets to vulnerable groups including pregnant women, children under five, and people living with HIV/AIDS. The growth of a sustainable commercial ITN market continued to expand with 133,093 nets sold through the NetMark GDA project. Although the target was set at 150,000, manufacturing problems and stock-outs precluded reaching that figure. In an effort to boost sales in the coming year, NetMark plans to market to workplaces and factories. They will add a third distributor and increase radio and television promotion. An additional 139,608 subsidized ITNs (Mama-Safenite) targeted at pregnant women and child under 5 were sold at public sector clinics, falling short of the target of 170,000 nets, mainly due to saturation in the market during the previous period. In order to increase coverage in the coming year, new provinces and districts will be added to the current sales network. USAID also provided technical support in planning, training, evaluation and safe use of pesticides for the roll-out of the national Indoor Residual Spraying program.

Improve Child Survival, Health and Nutrition:

USAID continues to support vitamin A supplementation through bi-annual national Child Health Weeks. The most recent Child Health Week in July 2004 reached 92% of children 6 to 59 months old, substantially exceeding the target of 80%. A recent study noted that 5% of children surveyed had vitamin A deficiency in 2003, down from 12% in 1997 thus contributing to better child health and reduced mortality. This is in part attributable to the success of the national vitamin A supplementation program over the past six years. The impact assessment also showed that anemia in children aged 6 to 59 months decreased from 65% in 1998 to 53% in 2003. The level is expected to remain at least as low in 2004 since the intervention is continuing. Technical assistance from USAID helped Zambia achieve complete immunization coverage of 73% for children 12 to 23 months. This has remained relatively stable over the last 5 years and still falls short of the target of 80%. With additional funding from the Global

Alliance for Vaccines and Immunization, Zambia should be moving forward to achieve their target.

Improve Maternal Health and Nutrition:

USAID has actively supported the strengthening of maternal and neonatal health services. Work on national policies and guidelines, improvement of pre-service education and strengthening mid-wife training are all ongoing. Post-abortion Care (PAC) services are now available in seven out of nine provinces. Sixty-six percent of the 8,000 PAC clients seen in FY 2004 (vs. 60% in 2003) started a modern family planning method after receiving counseling. A maternity counseling kit was finalized and is now ready for national distribution. Finally, partners worked to strengthen integration of maternal health services and the prevention of mother to child transmission of HIV/AIDS.

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 04 Performance Overview: USAID's Democracy and Governance (DG) effort has by necessity two perspectives: a quantitative one which abides by formal numerical performance criteria; and a qualitative, descriptive perspective. The numerical data justifies claims of success under the USAID PMP system, but qualitative assessments in this sector may be the more informative and realistic. The baselines for the Parliamentary Reform project were recently established because the activity is a bridge between the measures in the past strategy, Democracy and Governance "increased public debate" and the new strategy Democracy and Governance "Parliament is an effective watchdog institution". Planning for this activity began in 2003 and implementation began in 2004. Although no numerical data on progress exists, all five donors agree that hope and expectations among Zambians remain high. The fight against corruption offers the same hope, though with reduced confidence, depending on events at any given time.

04 SO Performance:

Strengthen Democratic National Governance Institutions:

Public Debate: The three-year cumulative target of assisting with 11 policy debates was achieved in FY 2004. The policy themes were: corruption, HIV, gender, electoral, constitutional and media reforms. Funding for the debates on policy was provided through sub-grants that were made to Civil Society Membership Organizations (MOs). The number of membership organizations participating in debates through FY 2004 (cumulative) was 375. This is 22% more than FY 2003. This activity began in FY 2002. Based upon the exceptional success of 2003 (target 40 vs. 306 actual), the Mission had revised and over-estimated the cumulative target number of policy debates through FY 2004. Although the focus on policy debates will end in FY 2005, the activity is successfully transitioning into support for public advocacy for more accountable government. Seventy-five of the debates were conducted in FY2004, clearly indicating an acceptance of public debate by Parliament to inform national policy decisions. The number of issues debated in legislatures was less than expected because much of the legislative machinations are within Parliamentary political processes and not within direct control of USAID and its partner.

Improve Justice Sector/Legal Framework:

Administration of Justice: Arbitration and mediation targets were again met or exceeded in the year. Arbitration case targets were fully met, while mediation case targets were exceeded by over 100% (compared to 50% over target in FY 2003). Success in mediation can be attributed to the courts taking full responsibility for the caseload resolution system introduced by USAID in 1999. Due to the success of mediation in resolving disputes in the High Court and the Industrial Relations Court, the Judiciary has taken steps to extend mediation to the Subordinate Court. The Subordinate Court is a step lower than the High Court in the judicial hierarchy and equally faces huge caseloads. Subordinate courts are located in over 70 districts around the country. They will greatly contribute to the further development of the Alternative Dispute Resolution (ADR) approach once fully operational. In early years, performance estimates were too optimistic, but as ADR has become institutionalized in the courts, the benefits exceeded expectations. Based upon these successes, the indicator target was increased by 40% and fell short of by only one ADR.

Promote and Support Anti-Corruption Reforms:

Anti-Corruption Initiative (ACI) and the Fight against Corruption program: USAID ACI funding has been integrated with the parliamentary reform objectives. It is managed by PACT the cooperating agency in accordance with USAID financial rules but is a holistic multi-donor supported project because PACT also manages other donors' contributions and the project as a whole. ACI provides assistance to Parliamentary fiscal committees in fighting corruption. During FY 04, the ACI developed and conducted tailor-made seminars to MPs on corruption. These were the first in a series of workshops to train MPs in the budget process and public dialogue on a comprehensive anti-corruption strategy. ACI conducted the baseline study for Parliament. The Institute for Democracy in South Africa surveyed citizens, MPs and parliamentary civil society stakeholders in Zambia using the same social science survey methodology in

Afrobarometer, and where possible extracting existing Zambian Afrobarometer data from prior survey years 1999 and 2003. Data emerging from the baseline suggests that USAID is making an important contribution to the anti-corruption fight as well as helping with establishing parliamentary baselines. The GRZ anti-corruption fight, as discussed above, has focused on grand corruption and abuse of office, recovery of public assets and prosecution of former leaders. Recovery of locally-acquired assets is about \$20 million, however no international assets have been returned and prosecutions have so far achieved only one conviction of a minor figure.

Strengthen Civil Society:

USAID has been able to assist a variety of MOs influence policy and promote political and economic reform during FY 2004. One sub-grantee was invited to collaborate with the Ministry of Lands to develop a “Zambia Land Alliance” policy which will provide women with fair access to land.

Another sub-grant was used to help an MO draft a bill to reform the electoral process. This same MO was a member of the GRZ Electoral Reform Technical Committee (ERTC). The draft electoral reform bill prepared by the MO substantially influenced recommendations made by the ERTC for electoral reform. A third MO submitted a position paper to the ERTC which contained specific recommendations to mitigate the negative effect of the Public Order Act which enables the police to serve as an instrument of the state to impose severe restrictions on public gatherings. Thanks to these two USAID assisted MOs, the ERTC recommendations are now considered an important impetus for substantially revising the law by removing constitutional and other legal articles that interfere with free and fair elections.

A draft municipal bylaw to prevent guest houses from becoming brothels was also debated by an MO. Although the debate failed to change the law, it did sensitize and influence attitudes in one council.

Eleven 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 during FY 2004. According to an evaluation of the Public Debate program, five million Zambians were reached over three years, mostly through radio and TV debates.

Civil society has also shown public discomfort, questioning government’s motives. The baseline research includes a question, “How often in the past year have you had to pay a bribe?” The 2003 Afrobarometer used the same question, which shows that petty corruption is stable or in the case of police, rising in the past year. It becomes clear if citizens are to be included, the fight against corruption must address their routine experience with petty corruption: paying bribes to get a child into school (11% of those surveyed in both years), obtain a document (12% both years), or avoid a problem with the police (11% in 2003 rising to 18% in 2004). The current public image, that the fight against corruption has little to do with their lives, may be changed if civil society were encouraged to address the issues and policy options for fighting petty corruption. This may only be addressed through greater tax revenues which are used to pay a more live-able wage to the average minor official or police.

Improve Economic Policy and Governance:

The Zambia Center for Dispute Resolution (ZCDR), which is responsible for arbitration, has developed a plan for alternative funding that may lead to sustainability. USAID support for this activity ends in FY 05. The ZCDR publicizes its operations and participates at various business fora and trade shows. The last training program for arbitrators was over subscribed as a result of their successful promotion efforts. The center has continued to develop its library with the intention of making it the foremost resource for both legal and ADR material. The fees collected for the use of the library and other ZCDR services will contribute toward meeting the Center’s administrative expenses.

611-005: Increased Private Sector Competitiveness in Agriculture and Natural Resources

Performance Goal: Close, strong, and effective U.S. ties with allies, friends, partners, and regional organizations.

SO 04 Performance Overview: USAID's Increased Private Sector Competitiveness was launched during the year. The key focus areas of the new Strategic Objective are access to markets for producers, expanded use of value added technologies by enterprises, access to finance, business development services, and developing an enabling environment for growth. Implementation Issues: Increased Private Sector Competitiveness is part of the new USAID country strategic plan which commenced in FY 2004. Therefore, the number of activities initiated was limited to the Initiative to End Hunger in Africa (IEHA) through the Development Credit Authority and the Zambia Trade and Investment Enhancement (ZAMTIE) project (biotechnology) were initiated. The bulk of the activities will be initiated during FY05 after completion of procurement related.

04 SO Performance:

Strengthen the Financial Sector's Contribution to Economic Growth:

During FY 04, the Warehouse Receipt Program was successfully launched. This program is supported by the Development Credit Authority (DCA) and the Zambia Agricultural Commodity Agency (ZACA). Together, they have been able to stimulate commercial bank lending by using certified warehouse receipts that are issued to farmers, traders, millers and other commercial depositors of grain as collateral for increased access to operating capital for agricultural investments. Four of the largest banks in Zambia are already participating in this DCA program. The facility has attracted increased volumes of certified warehouse capacity. The volume of certified space has increased from 20,000 tons in 2003 to 105,000 tons in 2004, a 425% jump. At the close of FY04, a total of 54,000 square meters of certified warehouse space was occupied. Overall, the system will expand the number of small producers and traders formally conducting business in commodities that meet rigorous standards and result in enhanced competitiveness of Zambia's agricultural sector.

Improve Economic Policy and Governance:

USAID organized a Parliamentarian Round Table Meeting aimed at helping policy makers become more aware of biotechnology issues. USAID assisted these policy makers with the drafting of a National Biosafety Framework that is scheduled to be presented to Parliament later in the year.

Improve Sustainable Management of Natural Resources and Biodiversity Conservation:

A workshop was held for local print and electronic media editors. It helped create an awareness of science, technology, and biotechnology issues among editors, enabling them to improve their abilities to educate the public on these issues.

611-006: Improved Quality of Basic Education for More School-age Children Phase II

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

SO 04 Performance Overview: USAID support to the education sector includes both technical assistance and direct support to schools and communities. Emphasis is on increasing children access to education and upgrading school services through the provision of school health, policy reform, teacher training and capacity development.

04 SO Performance:

Improve the Quality of Basic Education:

USAID's support to the Ministry of Education is currently undergoing a shift from short term pilot interventions to long term commitments based on the results achieved during the past year. This transition has just started and consequently there have not yet been any specific accomplishments. USAID will continue to support the Interactive Radio Instruction program in an effort to provide and increase access to education for a larger number of children that are currently excluded from the formal school system. Preparation of the required work plans and hiring of key personnel are underway. In addition, USAID has recently committed to enhancing technical support to the MOE focused on policy research and management guidance as well as continuing to build capacity in data collection and analysis.

Reduce Transmission and Impact of HIV/AIDS:

During 2004, USAID began implementing an HIV/AIDS workplace program for MOE employees funded under the President's Emergency Plan for AIDS Relief. This program is designed to increase the use of voluntary counseling and testing (VCT) services and antiretroviral drug therapy.

611-007: Improved Health Status of Zambians

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 04 Performance Overview: This past year has been one of transition with the launching of Zambia's new Country Strategic Plan FY 2004 -2010, in which most of the activities under Strategic Objective 3 were transferred to Strategic Objective 7, Improved Health Status of Zambians. Bilateral projects under SO3 came to a close and the health portfolio was consolidated into four new projects, three of which were awarded by the end of the reporting period with the fourth awarded in October 2004. In addition, a select number of Field Support partners were extended. Work in HIV/AIDS prevention, care and treatment greatly expanded in response to the urgency and severity of the epidemic and the vastly increased funding from the President's Emergency Plan for AIDS Relief. Emergency Plan funded activities are incorporated into the scope of each of the new projects with one award entirely focused on HIV/AIDS. SO7 was just starting up and awards for new activities under the SO were made at the very end of the FY2004, there are no results for most program areas in this FY. Ongoing and closing programs results are reported under SO3. However, Emergency Plan Track 1.5 HIV/AIDS performance is reported here.

04 SO Performance:

Reduce Transmission and Impact of HIV/AIDS:

During this reporting period, most HIV/AIDS activities were implemented under SO3 using FY03 CSH and PMTCT funding. However, the Emergency Plan, through Track 1.0 and Track 1.5, provided FY04 funds to expand some activities begun under SO3.

Access to public sector HIV counseling and testing was increased to cover an additional three districts, resulting in an additional 7,088 people receiving services and 62 additional people being trained. USAID also supported the New Start VCT Center in Lusaka and the opening of a second Center in Kitwe. A total of 9,200 people received VCT services from New Start during this period. Prevention of Mother-to-Child Transmission was expanded to 9 new sites in the Eastern Province; during this period, 60 health workers were trained, and 499 clients received services as programs began initial service delivery. High-risk groups, including commercial sex workers and their clients, were reached in non-border sites with the result of 581,000 additional socially-marketed condom sales and 67,000 people reached with prevention messages.

Work was also focused on strengthening health systems to support the national ART program and the nine provincial hospitals that served as initial and referral ART sites. During this period, the national Health Management Information system was adapted to include key HIV/AIDS indicators, 64 specialists received training, and the new system is being used in all provincial hospitals; national ART standards of practice and training materials were developed for laboratory and pharmacy staff and 32 staff from 11 major hospitals were trained; and human resource needs for ART service

611-008: Government Held More Accountable

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

SO 04 Performance Overview: The USAID democracy and governance objective in Zambia supports law, policy and institutional reforms to enable more accountable government. Core activities focus on civil society demand for transparency, public sector accountability, and help to strengthen oversight institutions.

04 SO Performance:

Improve Justice Sector/Legal Framework:

An interagency agreement with US Treasury was signed late in FY2004; hence no progress report will be made. Using the grant from the USAID Administrator to the President of Zambia, USAID contracted local legal consultants to study legal system impediments to corruption prevention, as an input to the US Treasury corruption prevention project. Four legal instruments were identified for further development: asset forfeiture, whistleblower legislation, anti-money laundering, and a financial intelligence unit act.

Strengthen Democratic National Governance Institutions:

Parliamentary Reform: Zambia's Parliamentary Reform Project (PRPII) is a five-donor three-year \$4.5 million project with the objective to increase power sharing; strengthen representation, and build the capacity of fiscal committees to oversee government money management. The PRPII began in FY 2002, it is a bridge between SO4 (parliament as the prime institution of public debate) and SO8 (the prime watchdog institution over the executive). The project continues to show positive signs of successful parliamentary reform. It is still early in the time frame of institution building. Its record is riddled with disappointment and failure." (pp 181-182). Power sharing between the Speaker, MPs and civil society may become a reality if the draft legislation passes the House in November 2004. Both the Parliamentary Service Commission bill and the Standing Orders bill were drafted by the parliamentary management team and await action by the Speaker (who must approve submission of a bill for a vote in the House, and who stands to lose power by these bills).

Promote and Support Anti-Corruption Reforms:

USAID assistance is helping fiscal committees acquire skills to act as watchdog over government finances. The committees questioned the national budget recently and new constituency offices represent a significant move toward parliamentary decentralization and establishing an instrument by which MPs dialogue with constituents first hand. This new activity is helping to overturn the elitist image of Parliament. The pilot constituency offices project was evaluated by USAID's partner. The evaluation helped the Reforms Committee choose the most cost-effective plan for 20 additional offices. An unexpected result is that constituency offices are acting as community development outreach facilities, with the potential to serve other development activities such as HIV/AIDS. They will provide a valuable resource of constituency opinions that will help MPs develop their policy and legislative positions. Donors continue to sit on the Project Steering Committee which requested that PACT prepare a proposal for other donors to contribute to setting up 150 constituency offices. The involvement of the National Assembly in management detail is strong, implying heavy commitment. The Reforms Committee (to which the project steering committee reports) has stated that it will also prepare a bill to amend the Constitution to strengthen Parliament's autonomy. This is a bold decision in the midst of heated debate over constitutional reform. The challenge remains for the Speaker to be convinced that this is a good thing even though he will lose power if the bill is signed into law.

USAID provided funding to the World Bank to conduct New Partnership for Africa's Development (NEPAD) seminars. The seminars were provided to Parliamentarians from Zambia and other countries to help them become more accountable to their constituencies.

611-009: Reduced Impact of HIV/AIDS through a Multi-sectoral Response

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 04 Performance Overview: The strategic objective nine (SO9) was introduced to the USAID mission on October 1, 2003 as a result of the new Country Strategic Plan FY 2004 – 2010. The objectives of SO9 are to reduce the impact of HIV/AIDS in Zambia by: expanding community and employer based HIV/AIDS programs; providing care and support for people living with HIV/AIDS (PLWHAs), including orphans and other vulnerable children (OVCs); reducing HIV transmission through cross-border initiatives for High Risk groups; and strengthening HIV/AIDS coordinating structures such as the National AIDS Council. The SO also continued to manage Strategic Objective Three (SO3) funded activities which now fall under the SO9 portfolio. These include SCOPE OVC, Corridors of Hope cross-border initiative, Family Support Units for children living with HIV/AIDS; the SUCCESS home-based care project, the Policy Project and BIZAID HIV/AIDS workplace program. During the first year of implementation, SO9 made significant progress towards reducing the impact of HIV/AIDS by significantly increasing the number of programs and service delivery sites at the community level. Two new projects were competitively awarded: RAPIDS and SHARe. RAPIDS focuses on care and support for People Living with HIV/AIDS, support for OVCs, and youth livelihood. It is expected that RAPIDS will be working in 44 out of 72 districts within all 9 provinces by the sixth year of the project. SHARe strengthens the capacity of HIV/AIDS coordinating structures such as the National AIDS Council (NAC) along with provincial and district HIV/AIDS task forces. The project is expanding HIV/AIDS private and public sector workplace prevention, care and treatment programs, and improving policy and regulatory environment and leadership commitment. The Emergency Plan provided significant funding to the SO through tracks 1.5 and 2.0 to expand services geographically and in terms of types of services as summarized below.

04 SO Performance:

Reduce Transmission and Impact of HIV/AIDS:

The President's Emergency Plan for AIDS Relief (PEPFAR) funding enabled USAID to implement many new initiatives during FY 2004. USAID expanded support to OVCs under the SCOPE OVC project with Emergency Plan funds. The program provided 17,586 OVCs with Insecticide Treated Nets (ITNs) to prevent malaria. This accomplishment is well above the target of helping 5,000 OVCs. In accordance with given targets, 1,200 primary and secondary school OVCs were given scholarships to enable them to continue with their education. 1,336 OVCs participated in special psycho-social support programs. This was below the target of 2,400. However, this activity also trained 1,201 parents/guardians on how to meet psychosocial needs of OVCs. Care for children living with AIDS has been a neglected area of focus in Zambia. USAID expanded the Family Support Unit (FSU) model for children living with AIDS to the Arthur Davison Children's Hospital in Ndola and Livingstone General Hospital in Livingstone. This project was originally implemented at University Teaching Hospital. The FSU activity provides psycho-social support to children living with HIV/AIDS and their parents/guardians. This expansion resulted in 583 children living with HIV/AIDS and 931 parents receiving psychosocial support, academic support for children in school, counseling for older children, and child development through recreation and play therapy.

USAID, DFID, and UNICEF supported the Zambian government to update the 1999 Situational Analysis on Orphans and Vulnerable Children. The updated situation analysis will enable key stakeholders to identify trends and patterns in the OVC crisis; assess progress that was made towards the improvement of the wellbeing of OVCs since 1999; and, use this information in policy and programmatic decision-making. The updating of the OVC situational analysis coincided with the Rapid Assessment, Analysis and Action Planning Process (RAAP) for Africa initiated jointly by UNICEF and USAID, which identified and summarized all current interventions for OVCs in African countries including Zambia; and characterize the level, type, and source of external support available in Zambia. While the OVC RAAP has been completed, the Situational Analysis is expected to be completed by December 2004.

SO9 partners worked with two of the largest private sector employers in Zambia: Konkola Copper Mines (KCM) and Dunavant Cotton to prepare the workforce for “ARV treatment readiness”. This intensive effort was a successful challenge with a mere 5 months of implementation. Partners trained 8,272 people against a target of 5,900 in peer education, community-care giving, and voluntary counseling and testing. HIV/AIDS awareness sessions were held for 5,219 employees and 182,759 community members. The targets were for 13,000 employees and 105,000 community members. VCT services were established in 9 KCM clinics. However, access to VCT for Dunavant Cotton employees and community members was a serious challenge which kept the number of employees/community members in the two companies receiving VCT services in the last two months of the program to 1,343, below the very ambitious target of 5000. It is expected that with systems for mobilization and services in place, this number will increase rapidly.

The Corridors of Hope Program (formerly Cross Border Initiative) expanded to three new sites bringing the total number of sites from 7 to 10. This completed the introduction VCT in all 10 sites, according to plan. Using the Corridors of Hope (CoH) drop-in clinic model, three new sites initiated activities and services to prevent STI/HIV among commercial sex workers and their clients. This activity included condom distribution and social marketing, STI management, and behavior change communication. CoH worked with 8 trucking companies to develop HIV/AIDS workplace policies, developed a new behavior change campaign and materials (posters, pamphlets) targeted at truck drivers, and trained 57 employees as peer educators. During the first quarter of the three new sites and the truckers’ campaign, the CoH reached 29,111 high risk individuals through one-to-one counseling, 16,731 people through drama shows. CoH also distributed 4,860 pieces of information, education, and communications material to help inspire behavior change. For the first time, the program provided HIV counseling and testing for 451 people. This accomplishment was very close to the target of reaching 500 sex workers and male clients. A total of 1,026 individuals (913 females and 113 males) were treated with STIs in the new sites which achieved the target of 1,000 men and women. In addition, 20 health care providers received follow up training on STI management and 21 were trained in HIV testing.

Protect and Increase the Assets and Livelihoods of the Poor During Periods of Stress:

USAID through the ESF funds provided technical support to the National Food and Nutrition Commission (NFNC) and other partners to address issues related to HIV/AIDS, nutrition, and food security. The Food and Nutrition Technical Assistance Project (FANta) completed an assessment of existing capacities and gaps in Zambia, prioritization of activities for technical support, completion of national guidelines on nutrition for PLWHAs, and an assessment and recommendations on appropriate foods, including specialized food products, for PLWHAs and Antiretroviral Therapy (ART) clients in Zambia.

The SUCCESS project, which is aimed at improving the quality of life for PLWHAs, was further expanded using the Emergency Plan Funds by adding a food component to the home-based program and block grants to faith-based hospices. As a result of this expansion, SUCCESS provided sub-grants to 14 out of a targeted 15 hospices and nutritional supplements through 4 dioceses which reached 15,607 PLWHAs. This was well above the plan to reach 7,600 PLWHA. The Policy Project reached another 505 PLWHAs with palliative care against a target of 1,100 through support to ZINGO and 10 other faith-based organizations in the Southern Province. Initiating sub-grants took longer than anticipated. 165 advocates (mainly religious leaders) were trained to promote human rights for PLWHAs and increase use of palliative care services.

For the next fiscal year, USAID will seek to improve the quality of life for people affected/infected by HIV/IDS such as OVCs and PLWHAs through the new RAPIDS Projects. The SHARe project will increase workplace based HIV/AIDS activities; strengthen HIV/AIDS coordinating structures such as the National AIDS Council and District HIV/AIDS Task Forces; improve the HIV/AIDS regulatory and policy environment; and, strengthen performance monitoring and evaluation systems of the national HIV/AIDS programs.

