USAID | ZAMBIA

FROM THE AMERICAN PEOPLE

Country Development Cooperation Strategy 2011-2015

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Executive Summary

Challenges and Opportunities
Zambia is known for its gentle and peaceful people, incredible natural beauty, fertile soil, and vast mineral wealth. With an increase in copper prices and sound macroeconomic policies, Zambia's economy started rising in the late 1990s and has averaged five to six percent Gross Domestic Product (GDP) growth over the past decade. Impressive macro-level performance, however, belies the reality facing most Zambians. Zambia's new Sixth National Development Plan (SNDP) notes, "the economic growth experienced during the last decade has not translated into significant reductions in poverty and improved general living conditions of the majority of Zambians." This is particularly true for rural Zambians where 80% of the population lives in poverty, of which 63% live below $1.25 per day. Health and education constraints limit the ability of many Zambians to fully participate in economic opportunity. Of Zambians between the ages of 15-49, 14.3% are HIV positive while nearly half of Zambia's children under five are stunted. Barely 20% of Zambia's learners finish secondary school, with girls particularly disadvantaged.

Zambia's Development Strategy
Zambia's long-term development strategy is articulated in its own "Vision 2030: A prosperous middle-income nation by 2030." To reach this objective, the Government of the Republic of Zambia (GRZ) has put into place a series of national development plans. The current Sixth National Development Plan (SNDP) was just released, encompassing 2011 through 2015. The SNDP has three overarching objectives: infrastructure development, rural development, and human development.

The United States Agency for International Development (USAID)/Zambia Country Development Cooperation Strategy (CDCS) directly aligns with Zambia's development goals while supporting U.S. foreign assistance priorities. The CDCS recognizes the cross-cutting nature of Zambia's development challenges through an integrated and focused approach that targets the greatest opportunities for impact and sustainable success.

USAID/Zambia CDCS Results Framework

Goal: Inclusive Prosperity for Zambians by 2030

Development Objective 1: Enabling Governance Environment Improved
Development Objective 2: Rural Poverty Reduced in Targeted Areas
Development Objective 3: Human Capital Improved

The CDCS Goal closely tracks Zambia's own development objectives, which explicitly identify human capital and rural poverty as binding constraints to Zambia's development, while emphasizing inclusivity by ensuring particular attention on rural development challenges.

Development Objective (DO) 1: Enabling Governance Environment Improved
An effective, accountable, and transparent government is the foundation for growth and prosperity. It is the U.S. Mission's top priority in Zambia and is essential to long-lasting results in all development objectives. The objective is to bring about an environment in which the Zambian government provides quality services in a transparent manner, and Zambian citizens expect high standards of government performance and hold under-performing officials accountable. An enabling governance environment

will reduce waste and channel public resources and energies toward productive purposes. USAID will use two contributing intermediate results to operationalize the Enabling Governance Environment Improved DO:

1. Citizen Demand for Transparent Accountable Service Delivery Increased
2. Transparency and Accountability in Government Service Delivery Increased

Development Objective 2: Rural Poverty Reduced in Targeted Areas

Inclusive development requires a focus on rural areas to capture a population that has been excluded from Zambia's recent growth. The CDCS targets specific areas based on need, population density, and probability of success, which will enable USAID/Zambia to leverage limited resources to a greater effect. Targeting rural-based poverty does the most good for the greatest number of Zambians and directly supports the GRZ's own development priorities. As the overwhelming majority of rural poor are smallholder farmers, approaches to achieve DO2 will focus on improving agricultural livelihoods through four intermediate results:

1. Smallholder Agricultural Productivity Increased
2. Expanded Markets and Trade Expanded
3. Natural Resource Management Improved
4. Vulnerable Household Resilience Improved

Development Objective 3: Human Capital Improved

Human capital is a multi-dimensional concept that merges the knowledge, skills, and capabilities that people need for life and work. Human capital refers to education and health levels as they relate to economic productivity. The GRZ places considerable importance on human capital and its role as a prerequisite for Zambia's development under the SNDP. Human capital is a cross-cutting constraint in Zambia, and must be addressed holistically rather than as discrete interventions. Human capital requires an educated populace that is able to make sound decisions that affect the health and welfare of families, and a healthy populace that is able to participate fully in education and economic opportunities. Two essential intermediate results will contribute to the Improved Human Capital development objective:

1. Educational Achievement in Reading and Math Improved; and
2. Health Status Improved.

Both of these intermediate results are supported by several sub-intermediate results:

1. Educational Achievement in Reading and Math Improved: Activities to support this result will focus on four component results:
    - Ministry of Education Systems Strengthened
    - Public and Community School Performance Increased
    - Equitable Access to Education Increased
    - HIV/AIDS Impact on Education Mitigated
2. Health Status Improved: Activities to support this result will focus on three component results:
    - Health Service Delivery Improved
    - Health Systems and Accountability Strengthened
    - Community Health Practices Improved

Linking the CDCS to U.S. Mission Foreign Assistance Priorities

Mission foreign assistance priorities as outlined in the Fiscal Year (FY) 2013 Mission Strategic Resource Plan (MSRP) are:

1. Credibly Democratic and Transparent Government
2. Sustained Economic Growth Reduces Poverty and Promotes Stability
3. Improved Educational Achievement in Reading and Math
4. Healthier Zambians and Sustainable Health Care Systems
5. Zambia is a Strong, Reliable Partner in Achieving Regional and Global Peace and Security
6. Increased Electronic Outreach Spotlights Shared Policy Interests

USAID/Zambia's development objectives and assistance programs contribute directly to U.S. foreign assistance priorities and, in many cases, are the primary means of achieving them. As other U.S. Government agencies strive towards these assistance priorities, their efforts also link and contribute to USAID development objectives.

Supporting USAID Forward

The USAID/Zambia CDCS both supports and relies on the operating principles of USAID Forward, with particular attention to the following areas:

- Implementation and Procurement Reform: USAID/Zambia will significantly increase the use of local implementing partners. Local capacity constraints are a challenge, and make the need for ensuring appropriate resources and management for capacity building of potential partners' administrative and financial management imperative. All DO assistance programs focus on increasing local capacity of government, civil society, and the private sector. USAID will assess financial management capacity of GRZ institutions and investigate prospects of host country contracting. USAID/Zambia is already supporting the Zambia Local Partners Capacity Building Program (LPCB) to develop effective institutional strengthening and grant management that will enable Zambian Civil Society Organizations (CSOs) to increase administrative and organizational capacity and improve service delivery, while increasing opportunities for direct support.
- Strengthening Monitoring and Evaluation: USAID/Zambia will expand the application of independent performance evaluations, and strengthen data collection and monitoring systems.
- Innovation, Science, and Technology: Development programming will support innovative approaches to development problems through grant funds and by supporting targeted pilot interventions. Support to agricultural research institutions will help Zambian institutions seek home-grown solutions to Zambian development challenges.

Departure from Previous Strategy Period:

- A cross-cutting governance program. Governance will now be incorporated into all programmatic sectors to leverage resources within other sectors and link sector investments to government effectiveness and accountability. Failure to address the cross-cutting impact of governance will impair the sustainability of U.S. foreign assistance investments in other sectors.
- Program-wide geographic focus. Past strategic plans failed to coordinate at geographic levels, missing opportunities to integrate multiple sector approaches necessary to effectively address cross-cutting constraints. Geographic focus supports focused and concentrated programming.
- Narrow value chain focus to those with specific impact on household food security and poverty

alleviation. Previous approaches targeted value chains and export markets that did not reach down to smallholder farmers.

- Title II humanitarian assistance program eliminated. These resources supported vulnerable household programs in Southern and Western Provinces to increase their economic resilience through conservation farming and market linkages. USAID will remain engaged with the GRZ Disaster Management and Mitigation Unit to ensure disaster support when and where needed.
- Education programs focus on two or three of the worst performing provinces, including Eastern Province rather than five, as originally planned. Out-year resource assumptions will limit geographic scope though programs will continue to emphasize national-level system impact in addition to a particular focus at district and school levels.

A Focus on Results

The USAID/Zambia CDCS assumes increasing budget pressure tied to an increased focus on results. The development objectives articulate USAID/Zambia accountability with implementation taking on a greater emphasis on partner performance and results-based programming. USAID/Zambia's programs and projects will be subject to increased emphasis and rigor in performance monitoring and evaluation. USAID/Zambia will expect increased accountability and performance from host government-sector counterparts and implementers while supporting, wherever possible, increased alignment and harmonization with the GRZ and other donor partners.

The USAID/Zambia CDCS represents an opportunity to better align U.S. foreign assistance resources and substantial technical knowledge toward the challenges that Zambia faces. The USAID/Zambia team is proud to present this innovative approach as an investment in U.S. foreign assistance priorities and Zambia's future.

1. Development Challenges and Opportunities

Introduction

Zambia is known for its gentle and peaceful people, incredible natural beauty, fertile soil, and vast mineral wealth. Over a third of Southern Africa's groundwater resides under Zambia[1], and surface water constitutes 20% of the country's area.[2] Though land-locked, Zambia is surrounded by eight bordering countries, representing a huge regional market for its goods and services. After decades of declining post-independence economic performance, Zambia's economy started rising in the late 1990s and has averaged five to six percent Gross Domestic Product (GDP) growth over the past decade. Zambia's 2009 Gross National Income (GNI) per capita stood at $960, approaching lower middle-income status. Noting "the marked improvement in Zambia's economic performance since 2003, driven by improved macroeconomic stability, economic liberalization, rising private investment and production in the mining sector, and more recently, a strong agricultural performance," Fitch Ratings recently awarded Zambia a B+ credit rating, enabling Zambia to move forward on plans to sell $500 million in dollar-denominated sovereign bonds later in 2011.

Impressive macro-level performance, however, belies the reality facing most Zambians. Zambia's 2010 Human Development Index (HDI) value of 0.395 places it in the Low Human Development category and ranks it 150th out of 169 countries. Zambia joins the Democratic Republic of Congo and Zimbabwe as one of only three countries in the world to maintain an HDI lower today than in 1970. The 2010 HDI makes it clear that a high level of sustained GDP growth is not enough to lift people out of poverty, while Zambia's new Sixth National Development Plan (SNDP) also notes, "the economic growth experienced during the last decade has not translated into significant reductions in poverty and improved general living conditions of the majority of Zambians."

Zambia's Development Strategy

Zambia's long-term development strategy is articulated in its own "Vision 2030: A prosperous middle-income nation by 2030." The objectives within the Vision 2030 include reduced national poverty, reduced income inequities, access to safe potable water and improved sanitation, access to education, and equitable access to quality health care. To reach this vision, the Government of the Republic of Zambia (GRZ) has put into place a series of national development plans. The current Sixth National Development Plan (SNDP) was just released and encompasses 2011 through 2015.

The SNDP's strategic foci are informed in part by, and consistent with, the 2009 World Bank constraints analysis[3] and a follow-on analysis prepared for Zambia's Millennium Challenge Corporation Compact proposal submission. The SNDP has three overarching objectives:

1. Infrastructure development – Identified by the GRZ review of the Fifth National Development Plan (FNDP) as a major constraint, the SNDP will address:
    a. Transport, including roads, bridges, air, water, and rail and border infrastructure;
    b. Information and Communication Technology (ICT), including "backbone" infrastructure, digitalization, next generation networks, and centers of excellence;

[1] Zambia Fifth National Development Plan, 2006-2010.
[2] Commonwealth Forestry Association. Retrieved May 16, 2011. http://www.cfa-international.org/zambia/introduction%20to%20zambia.htm
[3] World Bank, *What are the Constraints to Inclusive Growth in Zambia?* Report No. 44286-ZM. (2009)

   c. Energy, including power generation, transmission, distribution, and alternative technology; and,
   d. Water supply and sanitation, including reticulation systems, dams, pipelines, and boreholes.

2. Rural development – Emphasis on rural development continues the theme from the previous national strategy, including the GRZ's own conclusion that rural economic growth continues to lag behind urban-based growth in construction and retail, and growth in the extractive sector. Recognizing agriculture's potential to offer the greatest economic opportunity for the greatest number of Zambians, the SNDP will focus on:
   a. Stimulating agriculture productivity and promotion of agro-business;
   b. Improving the provision of basic services such as water and sanitation, health, education, and skills development; and,
   c. Investing in key economic infrastructure, including feeder roads, water canals, tourist access roads, and electricity access.

3. Human development – The SNDP recognizes human capital's catalytic role in poverty reduction and economic development and will focus on:
   a. Skills development;
   b. Improving labor productivity;
   c. Increasing access to health;
   d. Increasing access to higher and tertiary education; and,
   e. Facilitating the distribution of skilled labor within and across sectors throughout Zambia.

The SNDP identifies five sectors of the Zambian economy as essential for broad-based economic growth. The development of these sectors, augmented by human capital improvement through investment in health, education and skills development, and water and sanitation, are intended to diversify Zambia's economy and improve "livelihoods for the vast majority of Zambians." The sectors are:

1. Agriculture, Livestock, and Fisheries – Investments in this sector will address high poverty levels in rural areas where the majority of households are dependent on agriculture. Efforts will focus on crop productivity and diversification, livestock and fisheries production, and improved marketing and value chains.
2. Tourism – Investments will particularly address the greater Livingstone area, the Northern Province, and Kafue National Park through improved infrastructure, regulatory environment, and human capacity to enhance service delivery. The Kafue National Park is targeted for investment under the GRZ's Millennium Challenge Corporation (MCC) planned compact funding.
3. Manufacturing – The GRZ seeks to attract manufacturing sector investment through an improved regulatory and business environment.
4. Energy – The GRZ will work to rationalize electricity tariff structures and improve electricity transmission infrastructure.
5. Mining – With growth averaging nine percent per annum over the past decade, mineral extraction dominates Zambia's economy and is expected to remain the major driver of Zambia's economic growth. The GRZ will redesign policies to encourage continued private sector investment and will seek to exploit spillover effects from related infrastructure expansion to benefit other sectors of the economy.

Governance, HIV/AIDS, gender, nutrition, disability, environment, and disaster risk management are addressed by the SNDP as cross-cutting issues linked to the achievement of the SNDP's broader development objectives.

Performance under the SNDP will be monitored through key performance indicators (KPIs) that track infrastructure and human capital development (see Annex 4). The SNDP recognizes the need to oversee government programs through improved monitoring and performance evaluations. The SNDP will enforce multi-level performance audits to identify issues that threaten SNDP goals. In addition, the SNDP will measure economic management, budget execution, public financial management, and rural development.

Development assistance is a vital financing source for the SNDP. Total resources for the SNDP over the five year period are projected at $28 billion. Donor resources are estimated at 8.6% ($2.3 billion) of the total resource envelope for the same period. Within the context of donor-host engagement, Zambia's Aid Policy formalizes GRZ's preferences for aid delivery and implementation modalities, most notably the encouragement of donors to move toward direct budget support. The United States joins eleven other bilateral donors, the European Commission, the United Nations system (includes all UN agencies working in Zambia), the World Bank, and the African Development Bank in a Joint Assistance Strategy for Zambia (JASZ) to better align donor strategies with GRZ development priorities and improve aid delivery through a division of labor(see Annex 5). The JASZ is currently under revision by donors to produce a JASZ II that will align with the new SNDP. Currently, the United States leads donors in the Agriculture, Health, and HIV/AIDS sectors, and is an active participant in the Private Sector Development, Education, Governance, Macroeconomics, Tourism, Environment, Gender and Water sectors. China is a significant financer of Zambia's mining and infrastructure development (notably energy linked to mining requirements and mining concessions) but is conspicuously absent from the formal division of labor under the JASZ.

ZAMBIA
International boundary
Province boundary
National capital
Province capital
Town, village
Main road
Secondary road
Railroad
Airport
UNITED REPUBLIC OF TANZANIA
DEMOCRATIC REPUBLIC OF THE CONGO
ANGOLA
MOZAMBIQUE
ZIMBABWE
NAMIBIA
BOTSWANA
NORTHERN
NORTH-WESTERN
COPPERBELT
CENTRAL
LUSAKA
EASTERN
WESTERN
SOUTHERN
Lusaka
Ndola
Kabwe
Mongu
Livingstone
Kasama
Mansa
Solwezi
Chipata
Lilongwe
Mbeya
Pweto
Kolwezi
Likasi
Lubumbashi
Kasenga
Luwingu
Mpika
Mkushi
Kapiri Mposhi
Chingola
Kitwe
Luanshya
Mufulira
Chililabombwe
Mwinilunga
Zambezi
Kabompo
Lukulu
Kaoma
Senanga
Shangombo
Kalabo
Mulobezi
Sesheka
Katima Mulilo
Kalomo
Choma
Zimba
Sinazongwe
Mazabuka
Monze
Chirundu
Kariba
Chinhoyi
Chilanga
Kafue
Rufunsa
Luangwa
Petauke
Nyimba
Chadiza
Katete
Mchinji
Mwenzo
Isoká
Chama
Mzuzu
Lundazi
Serenje
Chisomo
Mukopa
Mboroma
Mumbwa
Chunga Camp
Namwala
Kataba
Mavua
Chavuma
Kasempa
Mutanda
Solwezi
Mpulungu
Mporokoso
Nchelenge
Kawambwa
Chipili
Samfya
Mayuka
Mwenzo
Tunduma
Mbeya
Kapiri Mposhi
Lake Tanganyika
Lake Mweru
Lake Bangweulu
Lake Kariba
Lake Malawi
Zambezi
Luangwa
Kafue
Luapula
Lake Rukwa
Lake Mweru Wantipa
Lake Bangweulu Swamp
Lake Kampolombo
Lake Tanganyika
Lake Malawi
Lake Kariba
Lake Mweru
Lake Rukwa
Lake Mweru Wantipa
Lake Bangweulu
Lake Kampolombo
Lake Tanganyika
Lake Malawi
Lake Kariba
Lake Rukwa
Lake Mweru

Total official development assistance for 2010 accounted for 14.5 percent of the total GRZ budget, a figure that is likely to decline to 7.7 percent in 2011.[4]

Facilitating Factors and Obstacles to Zambia's Development

Macroeconomic Fundamentals: After completing a reform program as a Heavily Indebted Poor Country (HIPC) and qualifying for the Multilateral Debt Relief Initiative (MDRI) in 2005 and 2006, respectively, Zambia turned around its image from a poor performing country to a country with good economic indicators and several years of strong economic growth.[5] Macroeconomic performance, coupled with consistent, rapid growth in mining, construction, telecommunications, and tourism, helped spur GDP growth of over five percent per year for the decade ending in 2010.[6] Macroeconomic indicators are punctuated by a marked improvement in the World Bank's Doing Business Report, which placed Zambia among the top ten reformers in 2010.[7]

Stability: After 47 years of independence, and with over 40 ethno-linguistic groups, Zambia has experienced relative stability that sets it apart from its neighbors, most notably Angola, the Democratic Republic of Congo, and Zimbabwe. Under continuous civilian rule since independence, Zambia has enjoyed the succession of political power through voting since multi-party democracy was introduced in 1991, though not without controversy.

Mining: Natural resources figure prominently in Zambia's development planning. Mining remains Zambia's greatest source of earnings, and attracts high levels of investment from China, Switzerland, the United Kingdom, Canada, Australia and other countries. Unfortunately, Zambia's dependence on mining, without pursuing previous plans to diversify the economic base, means most Zambians are not benefited by mining-led economic growth and are vulnerable to volatile commodity price swings. Nonetheless, regulatory and policy changes envisioned under the SNDP offer the promise of considerable resources to drive broad-based economic growth.

Arable Land: In addition to minerals, Zambia possesses vast tracks of arable land along with significant groundwater and surface water resources. According to the Zambia National Agricultural Policy (2004 – 2015), Zambia's vast resources give it the potential to expand agricultural production. Of Zambia's total land area, 58% is classified as medium to high potential for agricultural production. In addition, average rainfall in Zambia is suitable for a wide range of crops, fish, and livestock. However, only about 14% of agricultural land is currently used. Zambia has the best surface and underground water resources in Africa and its underground water aquifers are excellent prospects for irrigation programs. However, Zambia's water resources are largely unexploited; "Zambia possesses between 423,000–523,000 hectares of irrigable land, of which between 100,000–150,000 hectares is actually irrigated."[8]

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[4] Mfula, Chris. "Zambia says reduced donor funds won't derail budget." Reuters 9 October 2010. Retrieved May 16, 2011. http://af.reuters.com/article/topNews/idAFJOE69807V20101009.

[5] For example, inflation in the early 1990s was over 180% but has now returned to single digits, while the government budget deficit halved as a share of GDP between 2003 and 2006.

[6] CIA World Factbook 2010.

[7] World Bank, *Doing Business 2010, Reforming Though Difficult Times.* (2009).

[8] USAID Land Tenure and Property Rights Portal, Country Profile: Zambia. August 2010. Retrieved May 17, 2011. http://usaidlandtenure.net/usaidltprproducts/country-profiles/zambia.

Because most of Zambia's poor are dependent on rain-fed subsistence agriculture, programs that target agriculture development can potentially lift the most Zambians out of poverty. Zambia's renewed participation in regional development dialogue through the Comprehensive Africa Agriculture Development Programme (CAADP) demonstrates positive GRZ engagement in agriculture-led development. The GRZ signed its CAADP Compact in January 2011, setting the stage for additional GRZ investments and policy change.

From an operational perspective, the SNDP and its development hypothesis provide a solid foundation for USAID development assistance. The SNDP articulates findings and approaches that are consistent with those of USAID and other donors. It provides a platform for USAID to effectively employ its comparative advantages in a concentrated and focused manner against identified constraints.

The Millennium Development Goals (MDGs) for Zambia provide a cross-cutting perspective of Zambia's performance over time.

MDG1: Eradicating extreme poverty and hunger	Extreme poverty declined from 58% in 1991 to 51% in 2006 (the last year of Living Conditions Monitoring Survey available), improving towards the target of 29%.
MDG2: Achieving universal primary education	Primary school completion rates increased from 64% in 1990 to 93.2% in 2009.
MDG3: Promoting gender equality and the empowerment of women	The gender parity index for education improved from 0.90 in 1990 to 0.87 in 2009, while for 15 to 24 year-olds as a group parity remained unchanged at 0.80 from 2003 to 2005.
MDG4: Reducing child mortality	The number of under-five deaths dropped from 191 per 1,000 live births in 1992 to 119 per 1,000 live births in 2007, against a target of 64.[1]
MDG5: Improving maternal health	Zambia's target is 162 deaths per 100,000 live births. In 1996, the rate was 649 deaths per 100,000 live births, decreasing to 591 in 2007.[1]
MDG6: Combatting HIV/AIDS, malaria, and other diseases	The national HIV prevalence rate among adults (15-49 years) declined from 15.6% in 2001-2002 (Zambia Demographic Health Survey) to 14.3% in 2009 (ZCR), while the target is to keep it below 16%.
MDG7: Ensuring environmental sustainability	The percentage of land covered by forests in Zambia decreased from 59.8% in 1992 to 56.4% in 2005 (MDG Report).
MDG8: Developing a global partnership for development	During the last few years, Zambia has regained macroeconomic stability, brought inflation down to single digits and consistently had growth rates over 5%.

Zambia's performance against the MDGs is a mixed picture. With four years remaining until 2015, the only MGD goal certain to be achieved is MDG2: Universal primary education. Other goals pose serious challenges for Zambia as well as donors. Progress against the MDG goals, as well as Zambia's own national development plans (and donor plans), run up against constraints that must be considered in development planning. Constraints range from policy choices to institutional and personal capacity.

Governance: Governance is regarded as a binding constraint to Zambia's development. The World Banks cites "weak governance and in particular poor government effectiveness [as] factors behind the coordination failures observed in Zambia, and are … major obstacles to inclusive growth."[9] Zambia's own SNDP links governance to development outcomes: "Good governance remains the cornerstone for prudent management of public affairs and ensuring that development outcomes benefit the people of Zambia."

Role and Status of Women: Even though women constitute 51% of the Zambian population, they are underrepresented in many areas of socio-economic activities. Women in Zambia have lower levels of education, limited access and control over production resources, face a high maternal mortality rate compared to other countries, and are most affected by poverty and HIV/AIDS. Zambian women are on average poorer than men with 70% of the female-headed households being poor, compared to 63% of the male-headed households. In education, there are gender imbalances. Despite gender parity at primary level, there is a higher drop-out rate for girls from grade 5, when girls are 12-14 years old.

In the health sector, the maternal mortality ratio, though improving, remains high at a rate of 591 deaths per 100,000 live births.[10] Women's vulnerability to HIV/AIDS is a consequence of cultural practices such as polygamy and sexual cleansing. The dual legal system, of customary and statutory law, also contributes to these inequities and to a high incidence of gender-based violence. As a result, Zambia ranks 150th of 169 countries on the United Nations Development Programme (UNDP) Gender Inequality Index, revealing large discrepancies in conditions for women and men.[11]

Climate Change: Climate change is one of the most serious threats to Zambia's environment, agriculture, human health, and its overall social and economic development. Deforestation, arid conditions, recurrent droughts, and floods have contributed to make Zambia one of the countries most vulnerable to the effects of climate change. Specifically, agriculture, which is second only to the mining sector, contributes 20% to the GDP and consists of about 60% of the total labor force in Zambia, is one of the most threatened sectors in the wake of climate change. Zambia's heavy dependence on rain-fed agriculture, coupled with limited technical and financial resources, potentially makes climate change one of the most critical and costly issues affecting national development processes in Zambia. The climate of Zambia generally follows a pronounced gradient characterized by semi-arid conditions in the south and increasing precipitation in the north. Thus, water becomes one of the most important factors influencing agricultural decisions for the smallholder farmers in southern Zambia.

Notable among the climate change related effects haunting rural farming communities in Zambia are unfavorable climatic conditions (shortened rainy season, recurrent and prolonged droughts and frequent floods), outbreaks of livestock and crop disease, and pests (specifically quelea birds and insects). Unfavorable environmental and climatic episodes often lead to loss of life and assets, and food insecurity thus exacerbating rural poverty.[12]

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[9] World Bank, *What are the Constraints to Inclusive Growth in Zambia?*
[10] Zambia Demographic and Health Survey, 2007.
[11] http://hdrstats.undp.org/en/indicators/68606.html
[12] Participatory Ecological Land-Use Management (PELUM) Association of Zambia, *The Impacts of Climate Change, and Coping Strategies of Small Scale Farmers in Central and Southern Zambia*. *See also,* Environ. Res. Lett. 4, *Climate volatility deepens poverty vulnerability in developing countries* (2009), which attributes approximately 12% of Zambia's poverty in 2001 to extreme climate.

The Zambia FAA 118-119 Analysis identifies key threats to Zambia's environment. These are primarily human-caused and include agriculture, charcoal production, illegal off-takes, mining operations, and poor governance. The 2010 Zambia Environmental Threats and Opportunities Assessment (ETOA) points out that climate change is a threat magnifier, making Zambia's natural resources more vulnerable.

Institutional Capacity: CDCS implementation, including under USAID Forward, will be challenged by low absorptive and weak organizational capacity of local Zambian partners. While Zambia has a robust roster of CSOs[13], they generally operate under considerable constraints such as poor skills base, poor organizational foundation, and inadequate grant and resource management ability. Zambian CSOs tend to be concentrated in urban areas, are heavily reliant on donor funding, maintain weak dialogue with government, and operate in an uncertain regulatory environment.[14] CSOs are mostly focused on service delivery with little capacity or inclination toward advocacy.

Zambian Government effectiveness is hampered by capacity limitations that include "weak organizational systems; inadequate and unreliable policy-cum-planning database; and poor financial management and accounting systems that tended to threaten accountability." These limitations have encouraged donors to either include capacity-threatening 'gate-keeping' functions in their aid support or simply work around the government system altogether by creating parallel project management and implementation systems and structures.[15]

U.S. Role: Total official development assistance (ODA) to Zambia in 2010 was $877 million.[16] The U.S. Government's share was 30%, making the United States the largest bilateral donor in Zambia, with USAID managing the bulk of those resources.

Most USAID resources are project-based though USAID does support modest non-project assistance Sector Wide Approaches (SWAp) in Health and Education with disbursements tied to prior attainment of agreed-upon benchmarks by the GRZ. In spite of the GRZ's stated preference for budget support, the amount of USAID's resources and the leadership that USAID and the United States Government (USG) bring to the sector groups, especially in Health and HIV/AIDS, has convinced the GRZ to include USG-funded project assistance as aligned with GRZ aid policy and programs.

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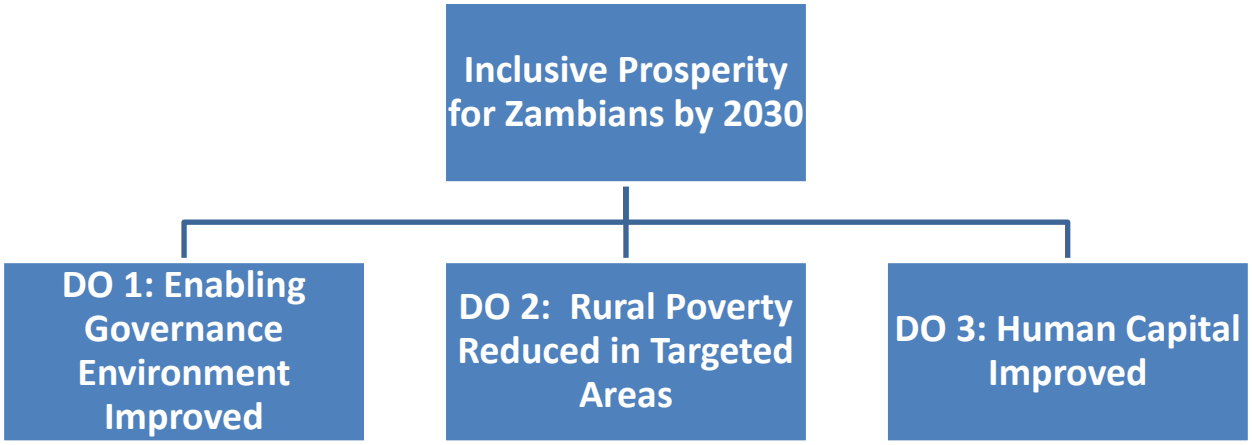
[13] Use of the term, civil society organizations, includes nongovernmental organizations, faith-based and community development organizations, and other similar non-state actors.
[14] CIVICUS, *The status of civil society in Zambia: Challenges and future prospects* (2010).
[15] Oxford Policy Management, *Evaluation of the Joint Assistance Strategy for Zambia (JASZ), 2007 – 10*. (2010)
[16] Dr. Situmbeko Musokotwane, Minister of Finance and National Planning. 2011 Budget Address. Delivered to National Assembly. October 8, 2010

2. USAID/Zambia CDCS Results Framework



Background

United States foreign assistance to Zambia predates Zambia's independence through economic support under economic cooperation agreements with the United Kingdom. USAID has maintained a presence in Zambia for 34 years, supporting and implementing programs targeting economic growth, health, education, democracy and governance, and humanitarian assistance. Since 1953, the United States has invested more than $2.5 billion dollars in official development assistance to Zambia.[17] Over the years emerging challenges, such as HIV/AIDS have gained attention through increased resources and changes to strategic priorities. Throughout, USAID strategies and programs have consistently concentrated programs within sector- and initiative-driven strategic objectives.

Since at least the early 1980s, USAID and its donor partners have consistently applied foreign assistance resources to Zambia's development challenges, including smallholder productivity, rural income generation, improved health, and improved education. While these approaches have clearly helped those beneficiaries close to implementation, they have not led to the sustainable or systemic changes that are required to move Zambia forward. USAID/Zambia's Country Development Cooperation Strategy seeks to better understand what is holding Zambia back and what USAID, the Zambian Government, and the donor community need to do differently to turn Zambia's development around.

Country Development Cooperation Strategy and the USAID/Zambia Response

USAID/Zambia's Country Development Cooperation Strategy looks beyond the functional objectives outlined in the foreign assistance standardized program structure and incorporates cross-cutting perspectives and objectives that allow alignment across sectors to achieve results that are larger than any one sector alone. The USAID/Zambia CDCS results framework and strategy embrace the ideals espoused by the CDCS guidance. Because Zambia's development problems are complex, USAID must devise development solutions that focus on integrated results from a variety of sectors in a concerted focus on key development objectives.

[17] *U.S. Overseas Loans and Grants: Obligations and Loan Authorizations July 1, 1945 – September 30, 2009*. And, FACTSInfo for FY 2010.

Within the last five years, a wealth of research has been directed at Zambia's development challenges. Political economy analyses by the United Kingdom, the Netherlands, and the World Bank have identified institutional inefficiencies, entrenched power dynamics, poor governance, and systemic/endemic corruption as key constraints to effective delivery of basic services. Analysis has moved gender equity from an ancillary afterthought to a central issue in the success of all development programs. Constraints are intertwined, representing not a simple cause and effect model, but a far more multidimensional challenge.

2.1 The Zambia CDCS Goal: Inclusive Prosperity for Zambians by 2030

Zambia's long-term development strategy is articulated in its "Vision 2030: A prosperous middle-income nation by 2030." The objectives within the Vision 2030 include reduced national poverty, reduced income inequities, access to safe potable water and improved sanitation, access to education, and equitable access to quality health care. The CDCS Goal closely tracks Zambia's own development objectives, while emphasizing inclusivity by ensuring particular attention on rural development challenges, which have facilitated Zambia's current state of inequitable growth.

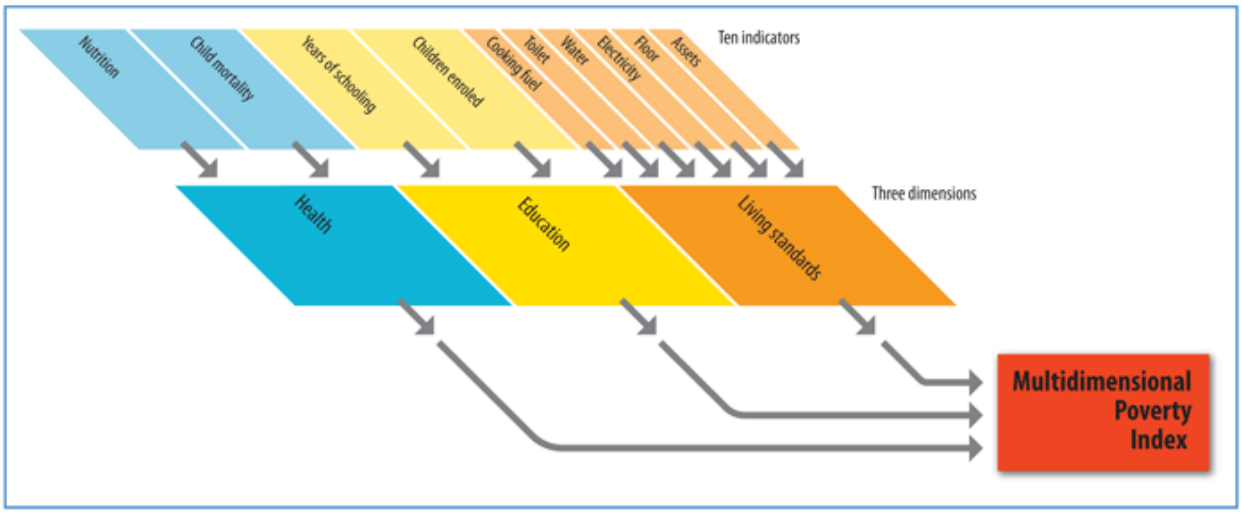
The Zambia CDCS works toward its goal through an integrated, multi-sectoral development approach comprised of three cross-cutting development objectives. The CDCS directly aligns with and supports Zambia's development approach, which explicitly identifies human capital and rural poverty, along with infrastructure, as binding constraints to Zambia's development. Zambia's development strategy, as well as the CDCS, regards human capital and rural poverty constraints and approaches as multi-dimensional and multi-sectoral.

Illustrative CDCS Goal Indicators:[18]

- Multidimensional Poverty Index (MPI) ranking; identifies deprivations and their intensity at the household level in education, health, and standard of living. Rather than measuring standard of living by per capita GNI, the MPI measures a range of deprivations with which poor households typically contend.
- Life expectancy at birth; measures the average period a person may expect to live. All Development Objectives and assistance programs will have a direct or indirect influence on life expectancy. An improved enabling governance environment (DO1) will ensure government is responsive to the needs of citizens and that increase the efficiency with which government funds are applied to basic service delivery. A reduction in rural poverty (DO2) will enable rural families to better provide for their own livelihood and nutritional needs. An improvement in human capital (DO3) will enable Zambians to make better-informed choices and lead healthier lives. Though life expectancy will be influenced by myriad factors outside of U.S. assistance, all programs will contribute to a longer life expectancy.

[18] Indicators represent highest level outcomes and are not intended to be indicative of the full spectrum of interventions that will be undertaken in Zambia or to imply that USAID's interventions are necessarily expected to be the dominant contributing factor in determining their values. Rather, they represent a core set of descriptors, the values of which will set the strength of Zambia's transformational development process in context.

MPI—three dimensions and 10 indicators



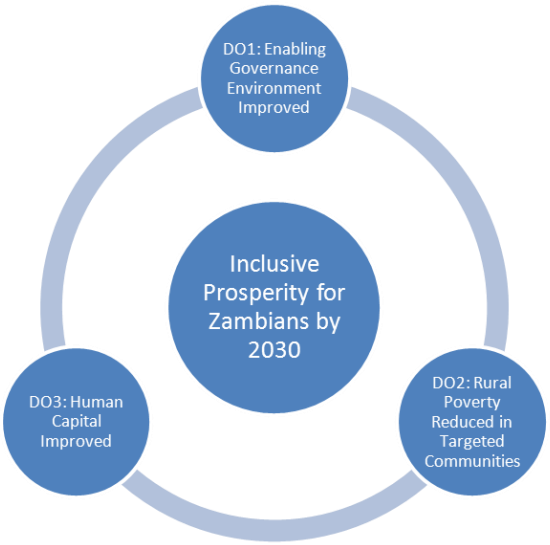
Note: The size of the boxes reflects the relative weights of the indicators.

Source: Alkire and Santos 2010.

2.2 The USAID/Zambia CDCS Results Framework

The USAID/Zambia CDCS results framework was developed following an exhaustive, highly interactive process that involved all USAID staff, other U.S. Government agencies, the GRZ, donors, implementing partners, and stakeholders. The CDCS incorporates the results of a considerable array of studies, evaluations, and analyses, by USAID and many other sources. (See CDCS Addendum: List of Sources) The strategic approach considers the work of other partners and the GRZ and integrates closely with initiatives that include Feed the Future (FTF), the Global Health Initiative (GHI), and the Global Climate Change Initiative (GCC). The CDCS and its development objectives represent USAID's considerable comparative advantages, anticipated funding, and Mission foreign assistance priorities. The development objectives closely align with Zambia's development priorities and approaches and are based on synergistic approaches that effectively link sectors, reflecting the intersecting nature of Zambia's development challenges.

Linking USAID/Zambia Goal with Cross-Cutting Development Objectives:



USAID will work to achieve the CDCS goal through three Development Objectives (DO):

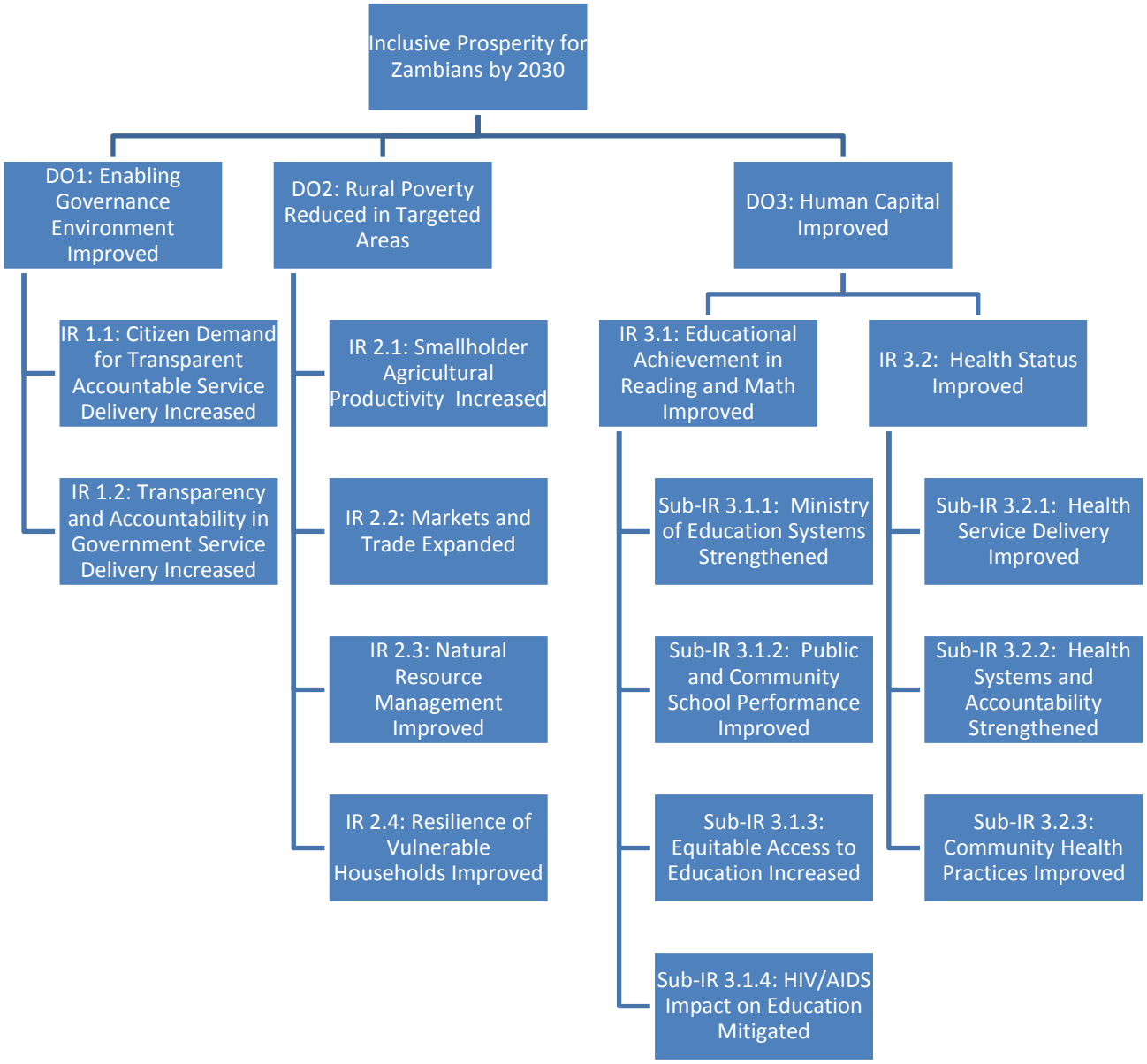
- DO1: Enabling governance environment improved;
- DO2: Rural poverty reduced in targeted areas; and,
- DO3: Human capital improved.

Each DO contributes toward the CDCS goal but also reinforces the other DOs. The underlying development hypothesis is based on the recognition that multidimensional development challenges require multidimensional development approaches. With a clear understanding of the binding development constraints and the need to operate in a focused and concentrated fashion, the CDCS articulates an approach that will leverage sectoral success for broader and more sustainable outcomes. The CDCS, like the SNDP, focuses on rural poverty and its multiple dimensions that include malnutrition, poor education, poor health, poorly functioning institutions of governance, and limited or no market access further constrained by low household agricultural productivity. To attain inclusive development that reaches the majority of Zambians, the range of knowledge, skills, and capacities that Zambians need for life and work – in other words, their human capital – depends on a foundation of education and health. The Zambian State holds the monopoly on both and must increase its performance as well as its accountability to Zambian citizens as a service provider. An educated and healthy populace is better able to participate in the political process, especially at the service delivery-level, where most Zambians interact with the Government.

Targeting rural-based poverty presents the opportunity to do the most good for the greatest number of Zambians, and directly supports the GRZ's development priorities. Raising rural incomes and increasing crop diversity through agriculture-based growth will allow smallholder families to meet their dietary needs. Increased income will allow smallholder families to better access health care and education opportunities. Improved nutrition will reduce stunting and improve cognitive function, thus improving health and education performance. Improved health and education, in turn, remove human capital constraints to smallholder productivity. Reduced poverty in female-headed households contributes, in part, to improved health, education, and economic status for those families.

By simultaneously concentrating resources on governance, health, education, and rural smallholder poverty, USAID will address the multidimensional nature of Zambia's binding constraints in a manner that leverages each objective to support the mutual attainment of the others.

The USAID/Zambia CDCS Results Framework:



2.3 DEVELOPMENT OBJECTIVE 1 (DO1): ENABLING GOVERNANCE ENVIRONMENT IMPROVED

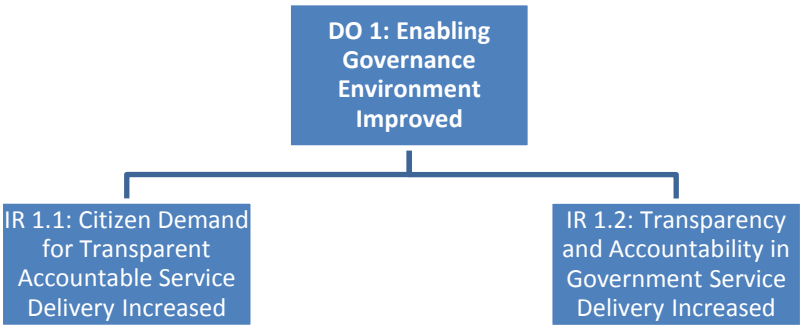
An effective, accountable, and transparent government is the foundation for growth and prosperity. It is USAID/Zambia's top priority and is essential to long-lasting results in all development objectives. The Government of Zambia must respond to citizens' needs and develop and apply policy based on rational judgments of cost and benefit rather than political expediency. Citizens must be able to ascertain how well their elected officials and government are performing and demand a high standard of performance. The objective is to foster an environment in which the Zambian government provides quality services in a transparent manner, and Zambian citizens who expect high standards of government performance and hold under-performing officials accountable. An enabling governance environment will reduce

waste and channel public resources and energies toward productive purposes. Weak governance and, in particular, poor government effectiveness are cited by the World Bank as a binding constraint on Zambia's development and a critical factor behind market coordination failures.[19]

An enabling governance environment will reduce rural poverty by smoothing economic transactions and reducing losses due to corruption and poor policy. As the economy is freed from distorting policies and informal taxation, rural residents will have more freedom and options to make rational investments.[20]

An enabling governance environment will contribute to strengthening human capital by improving the efficiency and responsiveness of key government services in health and education. As government improves management and adapts to citizens' demands, Zambians' own abilities and productivity will benefit.[21]

Development Objective One: Enabling Governance Environment Improved



Identified Challenges and Opportunities: Lack of transparency and accountability in Zambia is a well-documented constraint to development. The World Bank cites "weak governance and in particular poor government effectiveness [as] factors behind the coordination failures observed in Zambia, and are … major obstacles to inclusive growth."[22] Corruption disproportionately penalizes the poor in Zambia, according to surveys conducted in 2003 by the University of Zambia. The 2010 Ibrahim Index lists Zambia as 16th out of 53 African countries in terms of governance quality. Constraints within government service delivery sap government effectiveness and impede progress by facilitating waste and corruption, precisely where most Zambian citizens interact with government institutions and where the most essential and basic services are provided. Zambia was ranked 101 out of 178 countries by Transparency International's Perceptions of Corruption index for 2010. Zambia's own SNDP links governance to development outcomes: "Good governance remains the cornerstone for prudent management of public affairs and ensuring that development outcomes benefit the people of Zambia." The SNDP supports enhanced integrity, accountability, and transparency in public and private bodies.

Gender Equity: Although Zambia is a signatory to the Convention on the Elimination of All Forms of Discrimination against Women (1980), and has various laws and regulations on the books to outlaw

[19] World Bank, *What are the Constraints to Inclusive Growth in Zambia?*
[20] ODI Briefing Paper, March 2006.
[21] UNESCO: *Education for All Global Monitoring Report, 2009: Chapter 3: Why Governance Matters*.
[22] Ianchovichina and Lundstrom, "What Are the Constraints to Inclusive Growth in Zambia," World Bank

discrimination and enshrine equal rights, women in Zambia still face legal and institutional challenges. Law enforcement is inconsistent, and traditional structures, practices, and customary law often trump statutory law. As a result, women generally find greater constraints to accessing government services and are more likely to experience government business processes that exploit women's increased vulnerability to gender inequities.

Legal and Policy Framework: Achievement of DO1 does not require legal and policy reform but is designed to work within existing frameworks. Zambian law generally provides for oversight but is lacking in application and enforcement. Rather than working to reform existing policies and laws, DO1 will address institutional culture and business processes and citizens who do not hold their elected officials and government workers to account, which contributes to an environment of impunity. Institutional strengths include many of the laws already on the books, which provide a *de jure* foundation for change. Weaknesses include norms among government officials and weak demand for accountability among citizens.

DO1 Development Hypothesis: Governance constraints directly impact the efficiency of service delivery. Lack of transparency and accountability divert necessary and already scarce resources away from Government performance toward non-productive and unsustainable ends. If Zambian citizens and civil society are aware of government service delivery obligations and their right to demand transparent and efficient service, they are better able to hold institutions to account. At the same time government institutions must undertake a concerted effort to reform business practices to improve efficiency and quality of service and reduce opportunities for rent-seeking behavior. Doing so will better position them to meet standards of service and satisfy citizen demand. Government, in turn, is better able to play an enabling role in addressing constraints to Zambia's development, including education, health, and functioning markets.

Operational Approaches to Achieve DO1: The Enabling Governance Environment Improved DO will be operationalized through two contributing intermediate results (IR): 1) Citizen Demand for Transparent Accountable Service Delivery Increased, and 2) Transparency and Accountability in Government Service Delivery Increased. Activities to achieve DO1 and associated IRs will not only include those directly funded through the Governing Justly and Democratically objective, but will largely draw from other sector-specific funds. Transparency and accountability within government service delivery in those areas that have the most significant impact on the poor will improve citizen perceptions of government performance brought about through improved service delivery.

1. **Citizen Demand for Transparent Accountable Service Delivery Increased:** Activities to support this intermediate result will work with CSOs to increase their institutional capacity and capacity for advocacy. CSOs that aim to represent citizen interests are a main channel through which USAID seeks to increase demand for improved governance and service delivery. USAID projects will make citizens aware of their rights, and encourage them to expect responsible performance in government services. USAID will seek to develop channels through which citizens can participate in oversight of government service delivery. For example, work with parent-teacher associations is increasing the ability and willingness of communities to engage head teachers and district education officers to improve learning. This is a grassroots political process that

increases community skills and encourages citizens to take part in the political domain, affecting service delivery and government performance. FTF policy advocacy will help align GRZ agricultural development resources in ways that more directly benefit smallholder farmers and encourage the private sector involvement in agriculture, rather than towards serving narrow political interests.

2. **Transparency and Accountability in Government Service Delivery Increased:** Activities to support this result will work directly with GRZ service delivery institutions to improve financial management, administration, and technical capacity in sectors relevant to other Development Objectives. USAID will leverage and link to sector specific resources from other programs and initiatives, particularly under the Global Health Initiative to supplement governance funding to achieve this result. Health and education programs will work directly to increase technical capacity for improved service delivery, and administrative and financial management to improve institutional efficiency and sector governance of both the Ministry of Health and Ministry of Education. Feed the Future resources will leverage policy change to increase the effectiveness of public resources devoted to agricultural development. In particular, USAID will support the development of a CAADP Country Investment Plan that reflects the policy conditions and reforms necessary for private sector investment. Democracy and Governance funds will support additional efforts for transparency and accountability within targeted government institutions and office systems. One example of such efforts is business process reengineering, helping government units refine their workflow to increase efficiency and reduce opportunities for rent-seeking. USAID will target institutions based on their links to DO activities and influence on ability to achieve DO and IR-level results.

Beneficiaries and Geographic Focus: DO1 activities are largely aimed at central government institutions and Zambian CSOs. Where sub-national institutions are targeted, USAID will focus on Eastern Province to the extent possible to complement and support other sector activities there. DO1 activity beneficiaries are citizens who receive transparent and accountable government services, and Zambian institutions which have increased administrative and management capacity and are better able advocate for constituents.

Beneficiary Profile DO1:

After three years of hard work, Prosper Chanda was ready to register his own sign-writing business. Prosper expected the registration process to be long and expensive. Then, Prosper learned of the new customer service business registration center, opened by the Patents and Companies Registration Office with support from USAID. Prosper registered his business, Katetebo Enterprises, in only one day, without having to hire a middleman or pay a bribe. He also received clear guidance on how to keep his registration current. Now, as a registered business owner, he has access to financial loans and business development services. By improving government business processes, USAID is improving Government service delivery, increasing responsiveness to citizen demand, and increasing accountability.

Host Country Contribution: Host country resource contribution is not directly relevant to success in this objective. Host country commitment, on the other hand, is critical. USAID does not expect or depend on leveraging GRZ funds; but close cooperation and motivation to reform within partner institutions is imperative. USAID will, however, seek to leverage these funds through a close collaboration with other donors. Several other donor agencies have a keen interest in similar governance initiatives, especially in improved financial and procurement systems at the sectoral level. USAID will seek opportunities to both build on the work of others and leverage their resources to achieve mutual objectives.

Technology and Innovation: Transparency and accountability problems in government institutions generally do not depend on technological solutions, but depend on motivation and institutional and political culture. However, technology can help facilitate change. Electronic records and performance data can facilitate management decisions. Computers and websites are a platform where citizens and advocacy groups can access data, communicate, and share information. Without the will to improve accountability and transparency, technology is impotent. But technology can be used to leverage a will to increase transparency and accountability. For example, the Education Management Information System compiles management and performance data on schools throughout Zambia; this information is available on request, and is summarized in an annual Statistical Bulletin. This allows parents and advocacy groups more closely track school management and improves oversight. One way technology can be used in governance is through business process reengineering. Automating specific processes can eliminate waste and opportunity for rent-seeking.[23] GRZ interest and ability to adopt and maintain such technologies will be paramount in selection of approaches. Government ownership of business process re-engineering is critical for sustainability of reforms.

Departure from Previous Strategy Period (What USAID is doing differently): The previous democracy and governance strategy directly addressed accountability by enhancing the rule of law and by promoting effective oversight institutions. The strategy aimed to strengthen parliament in its role as an oversight institution, as well as reform the criminal justice system, policies and laws, though resource limitations precluded a focus on the latter. After taking into account Zambia's political economy, and currently projected funding levels, and the involvement of other donors in this sector, the new governance strategy will focus less on direct confrontation of poor governance symptoms and more towards improving poor governance through incremental improvements within government service delivery institutions themselves.

- Focus on key service delivery and civil society partners: Priority program interventions will extend to a limited number of government ministries and local partners to expand synergies with sectoral programs.
- Integrate governance into sectoral programs: Governance will now be incorporated into all programmatic sectors. Sector specific programs will address governance and accountability within government service delivery institutions.
- Leverage sectoral resources: Treating governance as an essential cross-cutting them will leverage resources within other sectors and will ensure the effective use of U.S. foreign assistance investments in those sectors by linking to government effectiveness and accountability.

[23] Though limited in duration and scope, the Zambia MCA Threshold Project demonstrated that improvements in business processes removed opportunities for rent-seeking behavior.

Implementation: USAID will improve the enabling governance environment through both direct activities and as part of specific sector strategies. Direct activities will likely be implemented through contracts or cooperative agreements, and in all cases, will incorporate local capacity building. USAID will seek partnerships with other donors to possibly co-fund activities that benefit shared objectives. Coalitions of cooperating partners in the past have jointly funded several governance programs including the Public Expenditure Management and Financial Accounting (PEMFA) program (led by the United Kingdom's Department for International Development (DFID) and the European Commission), procurement reform, and support to civil society.

Illustrative DO1 Indicators:

- DO1 Illustrative Indicators:
    - Governance Rating: Baseline 3.8, illustrative 2015 target 4.2 (ADB, measures public sector management and institutions) (National)

- IR1.1 Illustrative Indicators:
    - Number of USG Assisted CSOs that engage in advocacy and watchdog functions
    - Percent of USG-supported service delivery points with sustainable stakeholder input mechanisms

- IR1.2 Illustrative Indicators:
    - MCC Ruling Justly indicators
    - Government institutions pass USAID financial risk assessment

Illustrative DO1 Evaluation Approaches:

- Efficiency:
    - To what extent do business process reforms remain in place after project completion? Measures sustainability of investments.

- Development Hypothesis:
    - To what extent does citizens' participation in government oversight influence government performance and accountability?

- Impact:
    - What is the impact of improved government service delivery on citizens' perception of corruption?

2.4 DEVELOPMENT OBJECTIVE 2 (DO2): RURAL POVERTY REDUCED IN TARGETED AREAS

Though Zambia's GDP grew at a remarkable rate during the past decade, this growth has been concentrated in the urban areas and in just a few sectors (urban construction, retail sales, and mining), benefiting only a small segment of Zambian society. Eighty percent of rural Zambians are poor, while 64% fall below the $1.25 per day threshold.[24] DO2 addresses inclusivity by focusing on rural areas to capture a population that has been excluded from recent growth. DO2 targets specific geographic areas based on need, population density, and probability of success, which will enable USAID to leverage

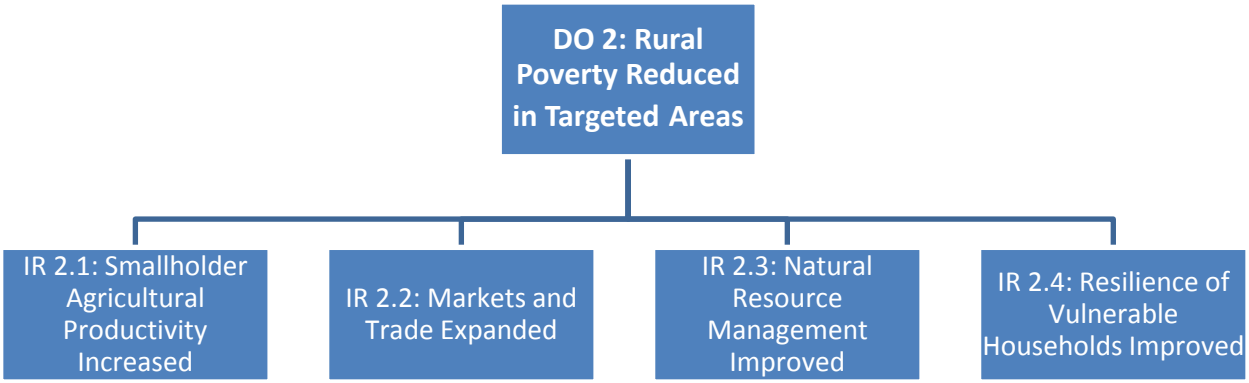
[24] Central Statistical Office, *Living Conditions Monitoring Survey*, 2006.

limited resources to a greater effect. Targeting rural-based poverty will reach the greatest number of Zambians and directly supports the GRZ's own development priorities.

A reduction in rural poverty will enable Zambians to increase political participation and demand improvements in governance. Studies and experience around the world have shown an emerging middle-class as being linked to increased political awareness and participation.[25]

Reduced rural poverty improves human capital. Increased incomes enable households to invest in family health and welfare. When families are not desperately poor they can afford the opportunity cost of allowing their children to attend school.[26]

Development Objective Two: Rural Poverty Reduced in Targeted Areas



Identified Challenges and Opportunities: DO2 responds to challenges outlined in Zambia's SNDP and builds on Zambia's own commitments to address these challenges. The SNDP identifies nutrition and food security as primary objectives and agricultural development as a way to achieve these objectives. It seeks to achieve a "well-nourished and healthy population by 2030," specifying five nutrition and food security targets, including a target to increase the GDP agriculture contribution from 16% to 20% by 2015. Zambia's Comprehensive Africa Agriculture Development Programme (CAADP) Compact, which was signed on January 18, 2011, defines the GRZ plan and commitment to agricultural development in greater detail. Specific constraints to agricultural livelihoods include poor productivity among smallholders, limited market access for inputs and farm produce, a policy environment that distorts incentives in production and marketing, and production patterns that degrade the environment. The DO2 approach and USAID's assistance program align directly with Zambia's CAADP compact and address demonstrated constraints to smallholder agricultural development.

Zambia's land use patterns and lack of effective land management have led to one of the highest deforestation rates in the region. It is estimated that the average deforestation rate in the Southern African Development Community (SADC) region is about 0.6% per year. Deforestation is highest in

[25] Cohen J. *Social, Emotional, Ethical, and Academic Education: Creating a Climate for Learning, Participation in Democracy, and Well-Being*. Harvard Educational Review Vol. 76 No. 2, 2006

[26] UN Commission on Population and Development, 2009

Zambia and Malawi where it is estimated at 2.4%.[27] Between 1990 and 2010, Zambia lost 6.3% of its forest cover or around 3,332,000 hectares, putting it fourth place, behind Brazil, Indonesia, and Sudan, in the top 10 countries for deforestation. Traditional land use practices include frequent burning and mono-cropping. Most households depend on charcoal or firewood for energy needs. These practices are degrading the land and are making smallholder households increasingly vulnerable to environmental shocks.

Gender Equity: Gender roles in Zambian society result in a general imbalance in women's economic activity participation. Women provide approximately 70% of the country's smallholder agricultural labor force,[28] yet do not benefit from productive assets control. Sixty percent of households below the national poverty line are headed by women.[29] Despite their prominent roles in agricultural and household nutrition, women are marginalized in Zambian agricultural markets. Though they make up a vast majority of the agricultural workforce, women's control of income from the sales of agricultural produce is often limited. Though 24% of farm households are headed by women, independent production is constrained by a lack of access to land, credit, technology, education information, and labor. Female-headed households have significantly less land than male-headed households. In 2006, the difference in land holdings between male and female-headed households was 20-25 % (0.5-0.7 less hectares for female-headed households).[30]

DO2 will seek to alleviate gender disparities in the targeted areas using a multi-level approach. Investments in staple food value chains will seek to reflect local women's cultivation preferences and promote labor reducing technologies, as well as ensure equal opportunities in markets and trade. Programs will support women's leadership roles in agriculture, women's production, and trade organizations, where appropriate. Under DO2, USAID will test and possibly scale up household models that promote more equitable gender and intergenerational outcomes in terms of incomes, assets, and nutrition, as well as reducing domestic violence. Finally, women's access to resources, such as land rights, will be examined to promote greater opportunities.

Legal and Policy Framework: Policy challenges exacerbate constraints to Zambia's agricultural development. Agricultural policy is highly politicized and is designed as much for political gain as for national benefit. Public spending in agriculture is overwhelmingly directed toward maize production and marketing, and is aimed primarily at relatively wealthy farmers who are capable of producing a marketable surplus of grain. Procurement and distribution of maize through the Food Reserve Agency (FRA), and input subsidies through the Farmer Input Support Program (FISP), account for over 39% of the 2011 total agricultural budget.[31] Studies in other countries suggest that agricultural subsidies provide the lowest returns in terms of productivity growth, compared to long-term investments in roads, research and extension, education, and irrigation. Disproportionately channeling money into maize subsidies limits the GRZ's ability to invest in public goods that can raise productivity and benefit a

[27] FAO 2001.
[28] Henry Machina: *Women's Land Rights in Zambia: Policy Provisions, Legal Framework and Constraints*. May 2002, and WLSA, 2001 p 16
[29] Zambia Fifth National Development Plan, 2006-2010.
[30] Jayne, T.S. et. al. *Access to Land and Poverty Reduction in Rural Zambia: Connecting the Policy Issues*. Food Security Research Project. Working Paper No. 34. October 2008
[31] Dr. Situmbeko Musokotwane, Minister of Finance and National Planning. 2011 Budget Address. Delivered to National Assembly. October 8, 2010

larger share of the Zambian population.

DO2 seeks to promote rational agriculture policy through policy research and reform advocacy. Entrenched interests will resist change, but DO2 programs and the Enabling Governance Environment development objective will seek to increase citizen demand for agricultural policy that is based on empirical evidence and cost-benefit calculations rather than pandering to those with political connections. USAID will continue to support the GRZ in the CAADP process in developing an ambitious but realistic Country Investment Plan by the end of 2011. Specific policy goals include helping the GRZ pass and implement market-based legislation including the Agriculture Marketing Bill and the Agriculture Credit Act, as well as fertilizer distribution program reform and an increased private sector role in agriculture.

DO2 Development Hypothesis: The majority of Zambians sustain themselves through smallholder agriculture. Eighty percent of rural Zambians are poor while 64% fall below the $1.25 per day threshold. Targeting rural-based poverty presents the opportunity to do the most good for the greatest number of Zambians, and directly supports the GRZ's development priorities. Raising rural incomes and increasing crop diversity through agriculture-based growth will allow smallholder families to meet their dietary needs. Increased capacity to manage natural resources will reduce CO2 emissions from deforestation and forest degradation. Increased income will allow smallholder families to better access health care and education opportunities. Improved nutrition will reduce stunting and improve cognitive function, thus improving health and education performance. Improved health and education, in turn, remove human capital constraints to smallholder productivity. Reduced poverty in female-headed households contributes, in part, to improved health, education, and economic status for those families.

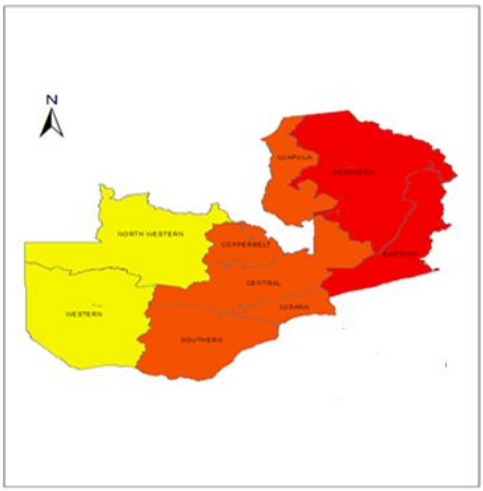
Operational Approaches to Achieve DO2: Because rural poverty is a complex issue, the CDCS will approach the Rural Poverty Reduced DO through four intermediate results: 1) Increased Smallholder Agricultural Productivity, 2) Expanded Markets and Trade, 3) Improved Natural Resource Management, and 4) Improved Vulnerable Household Resilience. Resources devoted to these activities will largely be funded through the Feed the Future Initiative and the Global Climate Change Initiative.

1. **Smallholder Agricultural Productivity Increased:** Smallholder production per hectare is less than 15% that of commercial farmers. This difference is attributed to inadequate or poorly-timed inputs such as fertilizer, lack of access to improved technologies, absence of extension services, and poor or no access to markets. Activities to support this result will increase application of improved techniques such as conservation

Feed the Future in Zambia

Zambia's Eastern Province has the highest percentage of extreme poverty (17%), one of the highest percent of children who are underweight (14%), and the highest rate of stunting (18%) in the nation. This is despite having great potential for agriculture. USAID-Zambia FTF activities will prioritize Eastern Province.

Childhood stunting in Zambia by Province.



farming and improved seed and smallholder focused research. Access to productive inputs will increase via improved production credit with an emphasis on gender equity in access to productive inputs and assets.

2. **Markets and Trade Expanded:** Activities to support this result will improve commercial linkages between smallholders, processors, and traders by increasing the quality of smallholder produce and improving value added processing. Investments will scale up a successful private input dealer model in which community associations pool resources to procure veterinary and other services, and enable small holders in remote areas to access crop inputs from private dealers. In particular, USAID plans to support several public-private partnerships that will support USAID Forward objectives through Zambian organizations, including microfinance institutions, private traders and processors. Gender equity in value chain participation as well as appropriate value chains for female participation will be targeted where possible. Other donors' support for infrastructure development will augment this effort.

3. **Natural Resource Management Improved:** The sustainable use of natural resources, particularly forest resources, is an obstacle to Zambia's inclusive development. Global climate change will also affect the country's natural resources and needs to be taken into account in all productive activities, particularly agriculture. Activities to support this result will address drivers of deforestation, and support the GRZ's Reducing Emissions from Deforestation and forest Degradation (REDD+) policies and strategies. Zambia GCC funding will support activities that meet guidelines described for Sustainable Landscapes (SL) and Low Emissions Strategy Development (LEDS) funding; will build institutional capacity to monitor and control emissions, and support community-based efforts to reduce deforestation and forest degradation. GCC resources will indirectly contribute to FTF objectives, particularly the long-term sustainability of rural incomes, but will focus directly on specific GCC objectives including reducing emissions, decreasing deforestation, and reducing forest degradation. GCC/SL funds will support pilot activities for the GRZ REDD+ strategy and policy development. These will include developing sustainable supply chains for charcoal and models for community natural resource management in the same or adjacent areas of FTF activities. GCC/SL funds will support the development of alternative energy sources, policy reforms to encourage natural resource management and benefit sharing; and local level monitoring, reporting, and verification (MRV) systems linked to national level frameworks. MRV systems will support future potential payments for reduced emissions from deforestation or forest degradation.

4. **Vulnerable Household Resilience Improved:** Many of Zambia's rural poor, especially women, face constraints that impair their ability to connect to value chains and, therefore, present a particular challenge for addressing smallholder productivity, household nutrition, and income opportunities. Many vulnerable smallholder households are female-headed and most have either lost family members to HIV/AIDS, are caring for orphans from other family members, or both. Rural fertility in Zambia is among the highest in the world. Large families constrained within a fixed farm size limit the ability of households to produce enough for their own consumption, let alone for sale. Large families limit women's productivity, who

must also manage other household functions. In addition to HIV/AIDS, other infectious diseases limit household production and divert scarce income, time, and energy. Activities to support this result will work to increase livelihood options, mitigate the effect of HIV/AIDS on agricultural livelihoods, and improve household nutrition.

Beneficiaries and Geographic Focus: A limited geographic focus and concentrated effort is necessary to maximize benefit. The activities directly supporting DO2 will target smallholder farmers in Eastern Province and peri-urban areas in the Lusaka and Central provinces. These areas were selected based on a range of criteria: the regions contain a significant share of: 1) Zambia's smallholder population, 2) people living in poverty, and 3) underweight children. In addition, the regions show potential for agricultural diversification and for commercial activity, such as intact transport links to key markets. Eastern Province was selected as the focus area for the oilseeds, legumes, and maize interventions. It hosts 240,000 poor smallholders (15% of Zambia's total) among a total of 1.6 million people. Fourteen percent of Zambia's underweight children under age five (39,700 children) live in the Eastern province and 23% of households are single-female headed. Selected peri-urban districts near Lusaka (in the Lusaka and Central provinces) were chosen to host horticulture interventions. This region has a large base of small-scale peri-urban producers (40,500) who face significant income improvement potential. Value-added processing centers already exist (e.g., canning for vegetables) and offer potential for out-grower schemes. In addition, this region provides the opportunity to better link Eastern farmers to Lusaka markets. There is a robust marketing link for legumes and bulk commodities and sufficient processing demand to eventually source from Eastern farmers.

Beneficiary Profile DO2:

Smallholder cattle farmers once had a term for selling their cattle,' Saka Yamali,' meaning, bag of money. But, for a long time, buyers became unwilling to purchase smallholder cattle because of their poor health and breeding. Then, a USAID-funded program developed the Herd Health Plan, a successful preventative veterinary program. Smallholder farmers pay a nominal fee to access veterinary services at a centralized location in their area. With healthier herds, cattle farmers are reaping dramatically higher profits from selling their cattle. "At first I didn't want to sell," said Wisdom Shambosha, a smallholder farmer, "but after seeing the sale prices, I wanted to bring my best cattle. I got double the price I would get selling within the community!" Farmers are now eager to put their animals on the Herd Health Plan and commercial buyers are taking notice. These rural farmers' livelihoods are improving. Thanks to USAID, the days of 'Saka Yamali' are back.

Host Country Contributions: The CAADP compact outlines in broad terms Zambia's pledge to agricultural development. The compact commits the GRZ to investing 10% of its national budget in the agriculture sector and also outlines reforms of the fertilizer support and maize purchase programs. During the next step in the CAADP process, the GRZ will develop a CAADP Country Investment Plan that will outline in detail the government's contributions to the agriculture sector. According to the GRZ roadmap the Country Investment Plan should be completed by December 2011. If the GRZ remains firm in these commitments it will greatly improve USAID's ability to achieve the development objective.

Technology and Innovation: Innovation is a key focus throughout Zambia's agriculture program, building upon and expanding an impressive track record of innovation in the country's agricultural sector. Current successes include using e-vouchers for fertilizer distribution on a pilot basis, the provision of price information through mobile phones, and a private stockist agent model that has already had considerable success, proving to be both effective and sustainable. The FTF program will promote innovation in agricultural technologies such as drought-tolerant maize, bio-fortification, and management of aflatoxin in groundnuts. The strategy will also provide grants to support approaches to test and scale up innovative change agent models at the household level, such as positive deviance for improved nutrition.

Departure from Previous Strategy Period (What USAID is doing differently): During the previous strategic planning period, the main focus of economic growth programs was private sector competitiveness in agriculture and natural resources. Previous programs tested models such as linking private veterinary services to smallholder livestock producers, increasing export competitiveness of Zambian agro-processing firms, and helping out-of-work mining household reestablish farming activities. Though the new strategy retains the focus on the private sector as an avenue for sustainability, the Feed the Future initiative has brought the focus to smallholder farming households and their food security. The new program will build on successful pilots and innovations from earlier efforts.

- Value Chain Focus: Fewer and specified value chains based on direct impact on household food security and poverty alleviation; rather than under the previous strategy when they were chosen according to commercial potential.
- Elimination of non-emergency Title II funds: During the previous strategy period, USAID/Zambia was applying monetized Title II funds to assist vulnerable households. These resources are no longer available as of FY 2012 and are not included in out-year budget assumptions.
- Geographic focus on Eastern Province, contiguous districts, and peri-urban areas around Lusaka: Previous economic growth programs were widespread, across Lusaka, Southern, Copperbelt, North Western, Western, Eastern, and Central Provinces, limiting focus and impact.

Implementation: Activities in support of DO2 will include both contracts and assistance approaches. An Annual Program Statement will solicit innovative ideas for helping vulnerable households participate in agricultural development. USAID will use multilateral institutions such as the Consultative Group on International Agricultural Research to conduct pro-poor research and development. USAID will seek partnerships with private sector institutions to help smallholder farmers increase productivity and access markets. Increasing and utilizing local capacity will further the objectives of USAID Forward and support efforts toward sustainable outcomes.

Illustrative DO2 Indicators:

- Illustrative DO2 Indicators:
    - Prevalence of stunted children: Baseline 49.5%, illustrative 2015 target 45% (Eastern)
    - Agricultural GDP growth rate: Baseline 2%, illustrative 2015 target 8% (National)
    - Women's empowerment index: Baseline pending, illustrative 2015 target increase of 10% over baseline (Eastern)
    - Quantity of greenhouse gas emissions: Baseline pending, illustrative 2015 target reduction of 10% from baseline (National)

- Illustrative IR 2.1 Indicators:
    - Gross margin per unit land/labor
    - Area cultivated under improved practices
    - Number of farmers who have applied new technologies (by sex)

- Illustrative IR 2.2 Indicators:
    - Value of incremental sales
    - Value of agricultural and rural loans
    - Value of new private sector investment

- Illustrative IR 2.3 Indicators:
    - Number of institutions with improved capacity to address climate change
    - Number of policies addressing global climate change developed or adopted
    - Number of people with increased capacity to adapt to global climate change

- Illustrative IR 2.4 Indicators:
    - Prevalence of households with moderate or severe hunger
    - Number of months of household food security (reduction in number of *hunger months*)

Illustrative DO2 Evaluation Approaches:

- Efficiency:
    - What is the economic rate of return for various smallholder crop productivity technologies?

- Development Hypothesis:
    - Does increasing smallholder maize productivity lead to crop diversification (by income/land/asset class of smallholders and crop diversification definitions)?

- Impact:
    - What is the impact of bio-fortified crop expansion on nutritional outcomes (specifically orange maize and orange-fleshed sweet potato)?

2.5 DEVELOPMENT OBJECTIVE 3 (DO3): HUMAN CAPITAL IMPROVED

Human capital is a multi-dimensional concept that merges the knowledge, skills, and capabilities that people need for life and work. Human capital refers to education and health levels as they relate to economic productivity. "The long-term economic growth and political, social, and environmental

stability of nations is dependent upon a population which is healthy, productive, and literate. These aspects of the 'human side' of development are inherent to any integrated, long-term development program."[32] A stock of healthy, well-educated citizens is a national asset and a prerequisite for sustainable growth and prosperity.[33] The GRZ places considerable importance on human capital and its role as a prerequisite for Zambia's development under the SNDP:

> Despite human development playing an important catalytic role in poverty reduction and economic development, the quality of human capital continued to be low. […] The poor state of health of the population, as evidenced by health indicators which though improving are still poor as well as limited access to water and sanitation, adversely affected productivity across most sectors, especially in agriculture which in turn adversely impacted on growth and social development. [*sic*][34]

Human capital is a cross-cutting constraint in Zambia. It is a function of factors that must be addressed holistically rather than as discrete interventions. As a catalyst, human capital requires an educated populace that is capable of embracing new technologies while also able to make sound decisions that affect the health and welfare of families and economic livelihoods. Education is not sufficient if health impairments, such as stunting, which limit cognitive function and classroom performance, or HIV/AIDS, which prevents attendance or full participation. Gender inequities, including gender-based violence, male preference, and early pregnancy constrain girls' ability to attend class, limiting, in turn, their ability to productively contribute to economic growth.

Research shows a link between poor health status, poor nutrition and lowered political participation, apathy, and more generally negative views toward the political process.[35] Improvement in human capital through investments in education will contribute to an enabling governance environment through citizens who are more aware of their rights and more able to advocate for them. Education is foundational to human development and linked to democratic governance, "often a key factor in transforming individuals from 'subjects' to citizens – allowing them to participate meaningfully in the political life of their countries."[36]

Improvement in human capital will contribute to reduced rural poverty by providing rural residents better livelihood options. A higher functioning and capable labor force is necessary to absorb and apply new productive technology, not only in agriculture, but in off-farm employment as well. For example, Zambian farmers with greater levels of education tend to use more total plant nutrients per hectare than those with less education, resulting in higher productivity.[37] Loss of labor due to illness directly impacts Zambian households' ability to earn a living, while treating sick family members also drains valuable resources that could be applied to more productive uses. Healthy behaviors, preventative healthcare, and improved treatment will increase Zambians' ability to work.

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[32] USAID CDIE, *The 1993 PRISM Analytical Framework: A User's Guide.* Old but still holding true.

[33] Edward Glaeser et al, 2007. NBER Working Paper No. 12128: 2007. *Why does democracy need education?* Journal of Economic Growth, Springer, vol. 12(2), pages 77-99

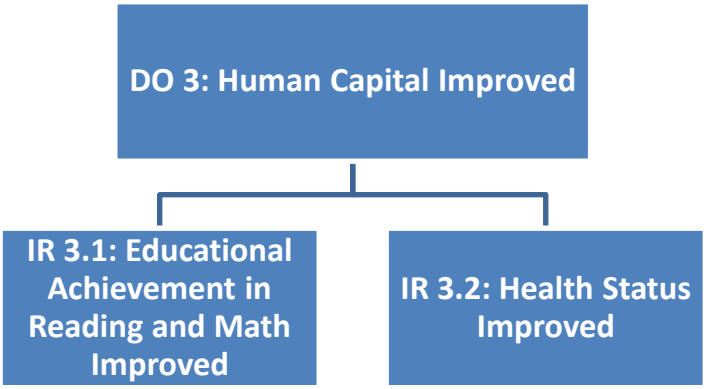
[34] SNDP: 2.3, Social Developments and Constraints to Growth.

[35] *See, for example,* Peterson, Steven A., *The health of the polity: Results from a national sample*, Politics and the Life Sciences, Vol. 10, No. 1, Aug 1991.

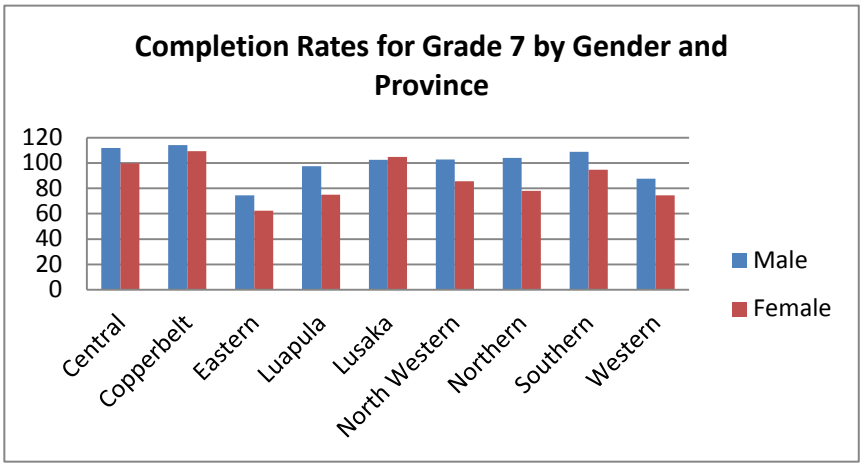
[36] USAID Education Strategy 2011- 2015

[37] Adopting improved farm technology: a study of smallholder farmers in Eastern Province, Zambia IFPRI, 1991.

Development Objective Three: Human Capital Improved



Identified Challenges and Opportunities: Lack of human capital is a constraint to Zambia's competitiveness and growth. Low levels of human capital drag down labor productivity and prevent broad based growth. Research shows, almost universally, that education is a prerequisite to lifting people out of poverty. Although Zambia has made great strides towards improving access to basic education, education quality in Zambia remains a significant challenge. There is a high level of teacher absenteeism, learning tools are in short supply, and schools are over-crowded and lack basic sanitary facilities. As a result, national test scores at Grade 5 level are still poor and literacy remains low. The education system is overly centralized and poorly managed, resulting in inefficient utilization of resources towards areas of greatest need. Fully one-third of all students are still served only by non-ministry "community" schools, which often utilize cheaper untrained teaching labor.



Health problems have a direct impact on productivity and human capital in Zambia. The World Bank notes that "improving quality and access to…health services is essential if the poor are to benefit from future growth of the non-farm economy." "Health is another important dimension of employability and its poor status in Zambia is a constraint to productive employment for many poor."[38] High rates of infectious diseases drain labor capacity because the sick are unable to work. Disease also drains household resources as families are forced to pay for treatment. According to the Malaria Foundation International, each bout of malaria causes its victim to forgo, on average, 12 days of productive output. The 2007 Demographic and Health Survey (DHS) set Zambia's HIV rate at 14.3%, and total fertility rate is very high at 6.2. The risk of mortality in infancy and early childhood is greater for higher-order births and closely-spaced births, and when the mother is over age 40. Children from large families access less schooling, while larger birth cohorts detract from the quality of schooling by diluting government

[38] World Bank, *What are the Constraints to Inclusive Growth in Zambia?*

expenditure per pupil.[39]

Gender Equity: Gender inequity is very apparent in measures of education and women's health in Zambia. Female literacy in Zambia is estimated at 59.8% compared to that of males 82%.[40] Six out of ten married girls, aged 15–19, cannot read at all.[41] Only 22% of boys and 17% of girls complete grade 12, although this is an improvement from 17% and 11.6% respectively in 2004. The 48% female pass rate for grade 9 and grade 12 exams lags behind the 56% male pass rate.[42] Adolescent pregnancy is the number one reason girls discontinue their education in Zambia.[43] Women's health is hindered by gender inequities in the household. In many Zambian societies women's use of health services is dependent on acquiring permission from men and their ability to secure sufficient resources for treatment. Maternal mortality is high at 591 per 100,000 live births and only 47% of births are attended by skilled care providers.[44] Fertility levels correlate highly with educational attainment. Women with tertiary education had a total fertility rate of 3.9 compared with 6.1 for women with no schooling.[45]

DO3 will seek to achieve gender equitable outcomes. Education activities will aim to achieve equal access to, and performance in, basic education. Health interventions will often target men and women in different ways to achieve a common objective. For instance, activities to reduce gender-based violence will empower women, establish safe houses and encourage men to be positive role models for youth. Activities to promote family planning will target both men and women, but in different ways, to account for gender roles in family planning decision-making. Some health interventions are directed primarily towards women, such as reducing maternal mortality. Though these activities will primarily benefit women, they will have a positive effect on Zambian's health status on the whole.

Legal and Policy Framework: DO3 is not premised on the need for any particular legal and policy reform but is designed to work within existing frameworks. However, implementation of activities to support health outcomes will benefit from an improved policy environment where activities can focus on high risk groups. The health program will also complement the strengths and weaknesses of the Ministry of Health, in particular helping the Ministry address accountability, financial management, human resources and logistical management retention. USAID/Zambia's education program is designed to complement institutional strengths and bolster institutional weaknesses of the Ministry of Education that ultimately lead to poor performance in math and reading. Improvements to management systems at the central level will focus on improving accountability and management capacity. At the same time, programs will build capacity at provincial and district levels which are more directly engaged with citizens and pupils. The new Education Act includes provisions for the finance and legal recognition of community schools. This act will give the community school sector an advocacy platform and much needed government support.

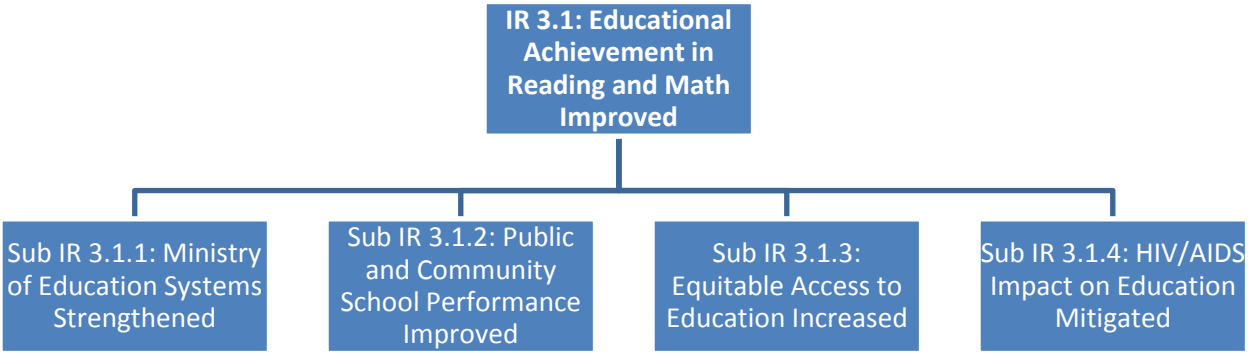
DO3 Development Hypothesis: Human capital is a cross-cutting constraint in Zambia. It is a function of factors that must be addressed holistically rather than as discrete interventions. As a development

[39] John B. Casterline: *Determinants and Consequences of High Fertility: A Synopsis of the Evidence,* June 2010
[40] UNDP fact sheet Zambia 2005
[41] Population Council Child Marriage Report Zambia
[42] 2009 Education Statistical Bulletin MOE
[43] Ministry of Education Bulletin 2010.
[44] UNICEF Zambia Statistics Report
[45] Zambian census data, 2000

catalyst, human capital requires an educated populace that is capable of embracing new technologies while also able to make sound decisions that affect the health and welfare of families and economic livelihoods. Yet an education is not sufficient if health impairments such as stunting limit cognitive function and classroom performance, or HIV/AIDS prevents attendance or full classroom participation. Gender inequities, including gender-based violence, male preference, or early pregnancy constrain the ability of girls to attend class, limiting, in turn, their ability to productively contribute to economic growth.

Operational Approaches to Achieve DO3:
The Improved Human Capital development objective will be operationalized through two contributing intermediate results: 1) Educational Achievement in Reading and Math Improved; and, 2) Health Status Improved. Each of these intermediate results is supported by several sub-intermediate results.

IR 3.1: Educational Achievement in Reading and Math Improved:



IR 3.1 Development Hypothesis: Zambians, especially Zambia's youth, must acquire the knowledge and skills necessary to be productive workers, make sound health and welfare decisions, and participate in the democratic process. Zambia has already made tremendous strides toward ensuring universal access to basic education. Nonetheless, education quality remains low. Improving the quality of primary education requires increased emphasis on basic reading and mathematics skills, in addition to strengthening education policy and management. Increasing access to education and mitigating the impact of HIV/AIDS on education outcomes further support improved educational attainment. Evidence shows that there is a strong relationship between education and health and that healthy decisions are promoted by education and economic growth.

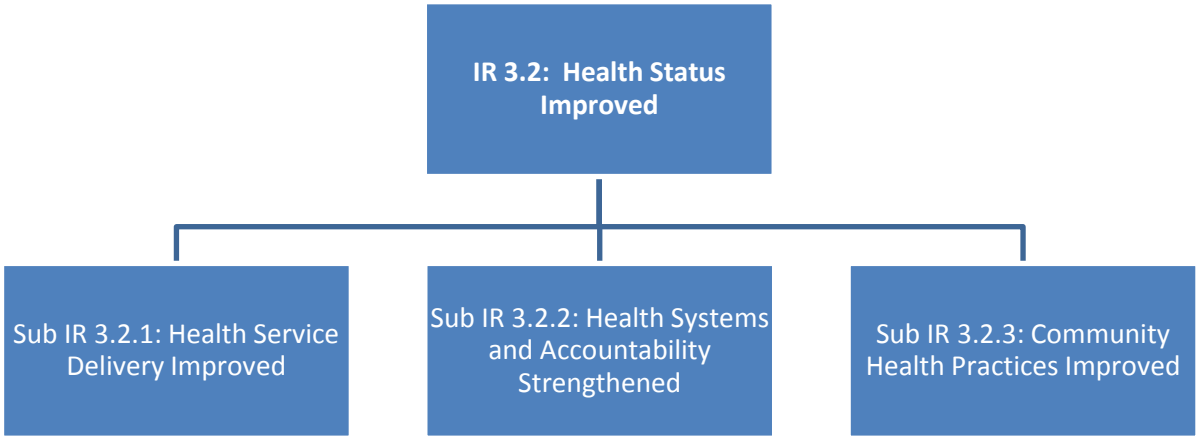
Activities to support this result will focus on four component results:

- **Ministry of Education Systems Strengthened:** Assistance activities will work with the Ministry of Education to improve education system management. The USAID and Ministry partnership will implement new management practices in schools and link these interventions to transparent financial and management information systems to improve decision making and resource allocation. As the Ministry connects resource allocation to learner performance, more resources will reach schools and teachers will be better able to apply innovative and locally appropriate methodologies for improved math and

reading.

- **Public and Community School Performance Increased:** Assistance activities will work with the Ministry of Education to strengthen school management and governance, institute assessments and performance standards for quality assurance, and engage Parent Teacher Associations to encourage community involvement and oversight. School management and oversight reforms will improve learner outcomes in reading and math through greater accountability for results and parents increasingly enabled to take a more active role in their children's education.
- **Equitable Access to Education Increased:** Assistance activities will work to provide disadvantaged and vulnerable groups the same opportunities to participate and excel through access to quality education. USAID will support safe water and improved sanitation facilities in schools. This will benefit all children but will have a particular impact on female students who are particularly disadvantaged by a lack of water and sanitation facilities in schools. Assistance activities will also strengthen support to orphans and vulnerable (OVC) children and support equity policy measures. Equitable and inclusive academic institutions with environments conducive to learning will stimulate academic performance in foundational subjects such as reading and mathematics.
- **HIV/AIDS Impact on Education Mitigated:** The HIV/AIDS pandemic has devastated the Zambian education sector and has had a resoundingly negative impact on teacher and learner performance. Assistance activities in support of this result will help the Ministry institutionalize and take over financial responsibility for an HIV/AIDS workplace policy, strengthen HIV/AIDS education for learners, and integrate interventions – such as counseling and testing (C&T), palliative care, HIV prevention and remedial instruction – for those affected by the disease. Healthier and more productive administrators, teachers and learners will stimulate improved academic performance in critical subjects such as reading and mathematics.

IR 3.2: Health Status Improved:



IR 3.2 Development Hypothesis: The long-term development of Zambia is dependent on a healthy and productive population. Poor nutrition, disease, and high fertility all contribute to constrain individual productive capacity. Poor health, especially during youth, depletes productive human capital. HIV/AIDS, for example, reduces savings and investments in productive physical capital among the poor while reducing their present productive capability. Health status, then, is a strong determinant of the base of human capital as well as directly linked to the productive and income-generating capacity of a targeted population. Improved health status is vital to smallholder productive capacity. It is a determinant of a learner's performance in school. Improved health status reduces household and government expenditures on health care, freeing resources for more productive investments. Improved health status thus contributes to human capital as well as rural poverty reduction. Improved health status is supported through improved health service delivery, strengthened health systems and accountability, and improved community-level health practices.

PEPFAR Wrap-around Activities

USAID/Zambia has long recognized the cross-cutting nature of the HIV/AIDS epidemic in Zambia and has used PEPFAR resources to target HIV within other development assistance sectors. Mitigating the impact of HIV on the education sector, helping households affected by HIV participate in agricultural development and advocating to end the marginalization of people living with HIV and AIDS are key components of various sector strategies. The CDCS continues with this approach and, where appropriate, will incorporate PEPFAR funds into DO1 and DO2 activities.

Activities to support this result will focus on three component results:

- **Health Service Delivery Improved:** Geographic access to healthcare varies greatly between urban and rural areas: 99% of urban households reside within five kilometers of a health facility, compared to 50% of rural households. Assistance activities will work with the Ministry of Health to improve the quality of care provided by institutions, as well as their ability reach Zambians. Activities under this intermediate result will focus on increasing access to health services, improving services quality, and improving utilization of clinical services.
- **Health Systems and Accountability Strengthened:** In the current Zambian health system, there are bottlenecks in implementation, such as inadequate and inequitable distribution

of health workers at the primary care level, both in numbers and in skill mix. Human resources in health is considered to be in crisis, characterized by high vacancy rates, high rates of staff turn-over (especially in rural areas), skewed staffing patterns, and general dissatisfaction among health workers with their working environment and service conditions. The health sector human resources situation has not improved over the past five years and remains alarmingly poor, with just 50% to 60% of the established posts staffed. The number of doctors in Zambia declined by 56% between 1999 and 2002 due to death and emigration. The health system also suffers from poor integration and coordination of health programs with vertical programs like HIV/AIDS and malaria, which end up competing for attention from health facility staff. The Ministry of Health's financial and accounting systems need to be developed in order to improve management of donor funds and commodities, as demonstrated by the recent misappropriation of resources from the Global Fund to Fight AIDS, Tuberculosis and Malaria.[46] USAID/Zambia activities to improve health systems and accountability will include improving human resource capacity and management, drug logistics, monitoring systems, and capacity to conduct research and develop new interventions.

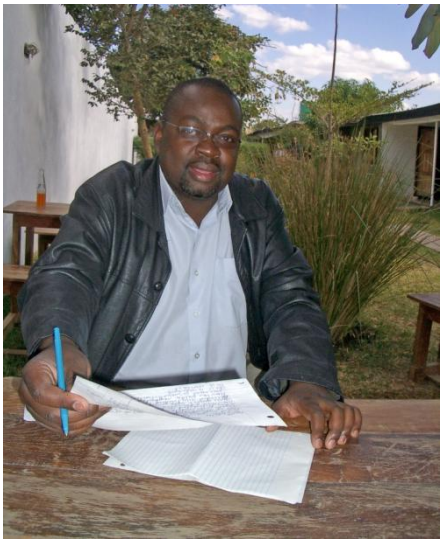
- **Community Health Practices Improved:** Assistance activities will work with community organizations to reach citizens and increase their knowledge of preventive behaviors and healthy practices. Healthy living and disease prevention is more cost effective than treatment. By increasing Zambian's preventive behaviors, activities will reduce the burden on the health care system. Activities in support of this result will focus on orphans and vulnerable children to ensure their inclusion within the health care system, and essential nutrition actions designed to improve nutrition at key stages in childhood development.

Beneficiaries and Geographic Focus: Activities in support of DO3 target the national level while providing focus to specific areas and communities. National level assistance and activities are largely aimed at the Ministry of Education and Ministry of Health, which contribute directly to human capital, and are the main government institutions devoted to service delivery. USAID will complement these institutional support programs with focused and targeted community interventions. However, resource levels will determine the reach of local-level activities. Given the expected resource base in health, many activities, such as commodity procurement, will be national in geographical scope, touching districts across the country. For other areas, efforts will instead focus on Eastern Province to complement and support other sector activities in that target area. The water and sanitation activities will focus on Eastern Province with possible expansion into Northern and North Western Provinces as funds allow.

Beneficiaries will include national level institutions and rural communities. Target beneficiaries in health represent myriad groups including pregnant women, children, adolescent males and females, and adult males and females. Certain health services are not segregated by beneficiary type; though specific activities may target certain population groups (like sexually active women for certain forms of contraception, HIV positive individuals for anti-retroviral therapy, and expectant mothers for Prevention of Mother to Child Transmission services, etc.). Target beneficiaries in education include primary school

[46] See *Country Audit of Global Fund Grants to Zambia*, The Global Fund to Fight AIDS, Tuberculosis and Malaria, 2010. http://www.theglobalfund.org/documents/oig/GF_CountryAudit-GF-Grants-Zambia_Report-GF-OIG-09-015.pdf

students, orphans and vulnerable children, and community school learners.



Beneficiary Profile DO3:

Dr. Abel Shawa is the first Zambian doctor to serve in the remote district of Isoka, in Zambia's Northern Province. Previously, doctors in Isoka were recruited from other countries and were difficult to retain. "The community wanted a doctor who speaks their language. They are very happy since I have come. My culture is their culture. We have a very personal contact," says Dr. Shawa. Recruiting medical doctors to remote districts has long been a problem in Zambia. USAID is supporting the Ministry of Health to attract and retain doctors such as Shawa in remote and disadvantaged districts. As the sole physician in the district, Shawa contributes to maternal and newborn survival and has introduced ARV services for HIV/AIDS patients. USAID and the Ministry of Health are partners in improving Zambia's human capital.

Host Country Contributions: GRZ contributions are critical to the achievement of DO3. Health and education services are primarily a government responsibility in Zambia. Zambia's 2011 budget allocated 8.6% of the national expenditure to health, and 18.6% to education (roughly $385m and $832m respectively).[47] DO3 and assistance strategies are predicated on Zambia's own health and education development strategies. Achievement of DO3 depends on the GRZ remaining committed to its plans and continuing to devote resources to the sectors according to their stated intentions.

Recent proclamations by the GRZ and language in the SNDP reveal a renewed emphasis on quality and education outcomes as measured by learner performance in lieu of the former focus on access goals. Shifting emphasis and funding from infrastructure to educational quality improvements will require a coordinated approach between the Ministry of Education, donors, and various stakeholders. Budget allocations will need to reflect this change in emphasis. Resources should be linked to performance targets by province.

The GRZ has been increasing its funding of the health sector over the last three years, however, it is estimated that donor contributions in health are 150% that of the entire Ministry of Health's own yearly budget. In light of shrinking aid levels, the GRZ must realign resources to take more ownership of health systems (e.g. increased contributions for the purchase of antiretroviral drugs) in order to attain and sustain objectives under its own strategy and those of DO3.

Technology and Innovation: There are multiple opportunities to use science, technology, and game-changing innovations in the education and health sectors. Information and ICT (information and communications technologies) for education is an immediate area for exploration. For instance, USAID/Zambia has invited a private sector technology company to work with USAID and the Ministry of

[47] Musokotwane, Situmbeko MP. 2011 Budget Address. National Assembly. Lusaka, Zambia October 2010.

Education to incorporate technology in education. In water and sanitation, appropriate technology, such as hand-washing stations and hand-drilled boreholes are providing water to local communities at a fraction of the cost of conventional boreholes, and with locally manageable maintenance requirements.

Many proven health technologies and practices have already been demonstrated as effective in other countries. Application of these practices is the main constraint in Zambia. However, the health sector is often on the leading edge of science and technology. As new procedures and protocols are designed, USAID will integrate them into program activities. USAID will also look to home-grown innovations, as well as those from within the region, to improve the quality, effectiveness and sustainability of our activities.

Departure from Previous Strategy Period (What USAID is doing differently): During the previous strategic planning period, the main focus of education and health programs were improved basic education quality and improved health status, respectively. The new DO3 aligns these two programs to foster coordination and shared results.

- Increased geographic focus: Education activities will focus on two or three of the worst performing provinces rather than five. Eastern Province will be a priority among them. Health and HIV/AIDS activities will increasingly focus programs in geographic locations to the extent possible.
- Completion of the Women's Justice and Empowerment Initiative (WJEI): The new DO does not include stand-along WJEI funding. Gender Based Violence (GBV) programs will continue through an allocation of GHI (President's Emergency Plan for AIDS Relief (PEPFAR)) funding. GBV program considerations will also be weaved into a wider range of HIV activities.

Implementation: A range of implementation mechanisms are planned. These include contracts and grants/cooperative agreements with both international and local entities. Programs that support GRZ ministries will be staffed by local professionals embedded in the institution. Such programs will transfer skills to ministry staff to strengthen institutional capacity and promote sustained improvements in service delivery performance. USAID will seek partnerships with other donors and the private sector to co-fund activities with shared objectives. Direct grants to government may be possible through Fixed Amount Reimbursement Arrangements to support specific, discrete actions that contribute to the objective. In light of recent GRZ financial system reform efforts, USAID expects that over the course of the strategy GRZ systems can be used in discrete actions and potentially even wider ranging programs, thus further supporting the objectives of USAID Forward.

<u>Illustrative DO3 Indicators:</u>

- Illustrative DO3 Indicators:[48]
    - Life expectancy at birth: Baseline 48 male, 52 female, illustrative 2015 target 55 male 58 female (National)
    - Test scores on Grade 5 National Assessment in reading and math: Baseline pending first test scores, illustrative 2015 target 15% increase over baseline (National)

[48] Sharp, Andrew. The Development Of Indicators for Human Capital Sustainability. Centre for the Study of Living Standards. Retrieved June 22, 2011. http://www.csls.ca/events/cea01/sharpe.pdf

- Illustrative IR3.1 Indicators:
    - Number of elementary schools in target areas implementing learner performance improvement plans
    - Results from Early Grade Reading (EGRA) and Early Grade Math (EGMA) Assessments in target areas
    - Results from Grade 9 end of year exams

- Illustrative IR3.2 Indicators:
    - HIV prevalence among adults age 15 – 49 years
    - HIV prevalence among young men and women aged 15-19 (proxy for incidence)
    - Contraceptive prevalence rate
    - Under-five child mortality rate
    - Stunting in children under five years
    - Malaria prevalence in children under 5
    - Percentage of males and females aged 15-49 who ever received an HIV test in the last 12 months and know their results

Illustrative DO3 Evaluation Approaches:

- Efficiency:
    - To what extent does USAID's embedded approach in the Ministry of Education contribute to improved Ministry capacity, sustainability of reform measures and learner performance?
    - Does the data available from the new essential medicines logistics system result in more efficient procurement (cost savings)?

- Development Hypothesis:
    - To what extent does school-based learning assessment agenda and methodology improve teacher effectiveness and learner outcomes?
    - Do household interventions have an impact on overall health status?

- Impact:
    - What is the impact of improved water and sanitation facilities and hygiene education in schools on learner performance, particularly for girls?
    - What is the impact of a new essential medicines logistics system on health care worker job satisfaction and health facility utilization?

2.6 Linking the CDCS to U.S. Mission Foreign Assistance Priorities

Mission foreign assistance priorities are outlined in the FY 2013 Mission Strategic Resource Plan:

- Goal #1: Credibly Democratic and Transparent Government
- Goal #2: Sustained Economic Growth Reduces Poverty and Promotes Stability
- Goal #3: Improved Educational Achievement in Reading and Math
- Goal #4: Healthier Zambians and Sustainable Health Care Systems

- Goal #5: Zambia is a Strong, Reliable Partner in Achieving Regional and Global Peace and Security
- Goal #6: Increased Electronic Outreach Spotlights Shared Policy Interests

USAID/Zambia's development objectives and assistance programs contribute directly to U.S. foreign assistance priorities and, in many cases, are the primary means of achieving them. As other U.S. Government agencies strive towards these assistance priorities, their efforts also contribute to USAID development objectives:

DO1: Enabling Governance Environment Improved

A credibly democratic and transparent government is the number one foreign assistance priority for the U.S. Mission and several different activities support an improved enabling governance environment in Zambia. The Department of State is consistently engaging GRZ counterparts to encourage responsible and transparent governance. At every opportunity, diplomatic efforts, including public diplomacy, advocate for a free press and vigorous civil society. The Public Affairs Section engages local media to help improve the quality and professionalism in their reporting. An independent and high quality media is critical to sustaining good governance. The U.S. Treasury provides direct technical expertise to help Zambia establish a single treasury account system which will support cash forecasting, improved investment and debt management, reduced borrowing costs, and improved fiscal governance. Improved public expenditure management is a critical aspect of combating corruption and improving the delivery of public services. The Millennium Challenge Corporation (MCC) contributes to an improved governance environment through its requirement for continued eligibility against indicators that demonstrate responsible governance.

DO2: Rural Poverty Reduced in Targeted Areas

Sustained economic growth and poverty reduction is the number two priority for the U.S. Mission and several activities across agencies contribute to the objective. Since 2002, the GRZ has banned the import and use of genetically modified (GM) seeds and crops. GM seeds are a key technology that would increase smallholder productivity. The Department of State actively engages the GRZ on allowing GM seeds. At the same time, the U.S. Department of Agriculture will continue to work with the GRZ on the revision of sanitary and phytosanitary regulations to smooth the flow of goods into and out of Zambia and potentially open new markets for Zambian smallholders. Peace Corps volunteers work directly with smallholder farmers to increase household nutrition and income through greater use of aquaculture. Mission efforts also include pressing for policy reforms to increase government accountability and attract private investment for transport, energy, and other infrastructure development. The Public Affairs Section U.S. Speakers Program has brought an American food security expert to give presentations to government and civil society stakeholders and promote pragmatic agricultural policy. Future guest speakers could continue dialogue on topics relating to poverty and food security.

USAID/Zambia will also identify opportunities for regional collaboration. For example, collaboration with USAID regional missions in Southern and East Africa to support efforts with Common Market for Eastern and Southern Africa (COMESA) and SADC, such as harmonizing trade standards, regional commodity exchanges, and trade policy. Opportunities to leverage Tanzania’s substantial investment in its Southern Corridor (Southern Agricultural Growth

Corridor of Tanzania (SAGCOT)) will be explored as well as collaboration with Mozambique, Malawi, Tanzania, and Zambia in USDA-funded Aflasave research on aflatoxin reduction.

The Millennium Challenge Corporation Kafue National Park Community Economic Development Project will increase incomes derived through sustainable nature-based tourism by improving access to and within Kafue National Park, building the capacity for improved park and wildlife management, and increasing the benefits from tourism and diversified livelihood activities to communities adjacent to Kafue National Park.

DO3: Human Capital Improved

As learning achievement and healthier Zambians are the number three and four priorities for the U.S. Mission, respectively, USG agencies coordinate activities to leverage resources and talent to improve Zambia's human capital. U.S. Treasury support for the single treasury account system will streamline and make GRZ finances more transparent. The Ministry of Finance recently moved over 150,000 government employees from a cash disbursement system for paying wages to direct deposit. This critical improvement will not only save over $700,000 of administrative costs per month, it will also help alleviate one of the leading causes of teacher and health worker absenteeism: leaving work – often for days at a time – to collect salaries.

Peace Corps volunteers work in education, not only filling local staffing gaps and mentoring students, but also sharing skills and improving local teaching capacity. Volunteers organize GLOW camps (Girls Leading Our World), which teach young women how they can work to be leaders within their communities. Peace Corps volunteers train village health workers and promote HIV/AIDS prevention messages and healthy behaviors within remote rural communities where HIV misinformation and stigma are most prevalent.

U.S. diplomatic efforts will support USAID human capital efforts by increasing host country support for U.S. foreign assistance activities and by promoting the importance of good health and quality education to improve the quality of life for Zambians. Public Affairs programs highlight educational exchanges and emphasize U.S. educational opportunities. Further, diplomatic efforts will encourage greater commitment and ownership by the GRZ in health and education, especially in effective service delivery, transparency, and accountability.

The U.S. Centers for Disease Control and Prevention (CDC) is working to build implementation capacity and well as building Zambia’s laboratory, research, strategic information and epidemiological capacity related to HIV, tuberculosis (TB), and malaria within the Ministry of Health. The National Institutes for Health has a number of research projects underway in Zambia. The U.S. Department of Defense collaborates with the Zambian Ministry of Defense to implement HIV initiatives. HIV is a regional pandemic, requiring regional efforts to reduce HIV transmission across borders, such as the USAID Regional HIV/AIDS Program, to complement national efforts

The MCC program as proposed includes a push to improve drinking water supply and sanitation in Lusaka. Low lying and densely populated areas of Lusaka experience annual flooding and outbreaks of water borne disease. A large-scale program to improve Lusaka’s sanitation infrastructure will improve the health of Zambians.

2.7 Aid Effectiveness Principles

USAID/Zambia's development objectives and their supporting foreign assistance activities align with Paris Declaration on Aid Effectiveness principles.

- **Ownership:** All development objectives conform to Zambia's own development priorities for poverty reduction outlined in the SNDP and other sector national plans. All development objectives seek to improve Zambian institutions and capacity, in particular effective service delivery, increased transparency, and accountability.
- **Alignment:** The CDCS and development objectives correspond with GRZ development objectives. USAID resources are implemented through grant agreements between USAID and the Ministry of Finance and National Planning. This arrangement allows the Ministry to track USAID's development resources and programming and ensure correlation with government priorities. At the working level, USAID assistance in Zambia is aligned with the National Health Strategic Plan, National HIV/AIDS Strategic Framework, National Malaria Strategic Plan, education sector National Implementation Framework, and the Zambia CAADP Compact for agricultural development. By aligning with these Zambian-owned sector development plans, USAID complements Zambian objectives.
- **Harmonization:** Development assistance to Zambia is organized within a division of labor outlined in the Joint Assistance Strategy for Zambia, which includes all major donors. At the working level, USAID and other U.S. Government agencies actively participate in multiple Sector Advisory Groups (SAGs), which meet to coordinate planning and approaches, share information, and avoid duplication. The United States is currently a lead donor in Agriculture, HIV/AIDS, and Health. The United States is an active donor in private sector development, education, gender, governance, macroeconomics, tourism, water, and the environment.
- **Results:** All USAID development objectives will be accompanied by a rigorous Performance Management Plan that will focus on development results and methods of measurement. USAID will conduct a thorough impact analysis within each development objective portfolio and conduct independent evaluations of development activities. Performance management will comply with the new USAID Monitoring and Evaluation Policy.

2.8 USAID Forward

USAID/Zambia is actively pursuing the objectives of USAID Forward and will include these principles in development assistance programming.

- <u>Implementation and Procurement Reform</u>: USAID/Zambia will seek to significantly increase the use of local implementing partners. Local capacity constraints are a challenge, and make the need for ensuring appropriate resources and management for capacity building of potential partners' administrative and financial management imperative. All DO assistance programs focus on increasing local capacity; of government, civil society, and the private sector. Efforts to improve accountability and transparency within health and education service delivery institutions will improve the potential for use of Zambian government systems. USAID will assess financial management capacity of GRZ institutions and investigate prospects of host country contracting. USAID/Zambia is already supporting the Zambia Local Partners Capacity Building Program to develop effective institutional strengthening and grant management that will enable

Zambian CSOs to increase administrative and organizational capacity and improve service delivery, while increasing opportunities for direct support.

- Strengthening Monitoring and Evaluation: USAID/Zambia will expand the application of independent performance evaluations, and strengthen data collection and monitoring systems. This is discussed further in Section 3, Monitoring and Evaluation, below.
- Innovation and Science and Technology: Development programming will support innovative approaches to development problems through grant funds and by supporting targeted pilot interventions. Support to agricultural research institutions will help Zambian institutions seek home-grown solutions to Zambian development challenges.

2.9 Presidential Initiatives

USAID/Zambia manages and implements programs that support three Presidential Initiatives, which account for the majority of U.S. foreign assistance resources expended in Zambia:

- **Feed the Future (FTF):** FTF funds make up the bulk of the resources devoted directly to DO2. FTF will focus on Eastern Province and several contiguous districts, and in peri-urban areas of Lusaka. Highest level FTF objectives include increased food security and agricultural productivity among smallholders. FTF objectives will benefit from Global Health Initiative funding in nutrition, and in the longer term, from increased educational attainment. USAID/Zambia recently submitted its multi-year Feed the Future strategy for Washington review. The FTF approach provides a foundation for cross-sectoral geographic focus and program integration. See Annex 9: Feed the Future Multi-year Strategy for more detail.

- **Global Health Initiative (GHI):** USAID/Zambia GHI resources are allocated between several program elements of DO3: HIV/AIDS, Tuberculosis, Malaria, Maternal and Child Health, Family Planning and Reproductive Health and Nutrition. The U.S. Government Global Health Initiative Strategy guides GHI programming, and will be supplemented by a Zambia-specific GHI strategy by December 2011. The USAID/Zambia BEST Action Plan will be a foundational resource for programmatic direction in the GHI strategy. All GHI programs will be implemented through DO3, and all USAID health funding, with the exception of water and sanitation, is channeled through GHI.

- **Global Climate Change (GCC):** GCC resources will be channeled through DO2 and will assist the GRZ to establish monitoring systems to track deforestation as a first step towards accessing resources and technical assistance under the UN's Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (REDD+) program. Activities to address drivers of deforestation such as charcoal production will complement FTF conservation agriculture efforts and serve as pilots to strengthen community rights and management of forest resources.

2.10 Human and Institutional Capacity Development

The CDCS development objective programs all place a strong emphasis on Human and Institutional Capacity Development. For Zambia to achieve the ultimate goal of the CDCS and its own national development goals, local capacity development, individual and institutional, must be a priority. Each development objective program has identified institutional weaknesses within relevant stakeholders. CDCS assistance programs are focused around building local capacity rather than providing direct

assistance. USAID assistance will build the capacity of Zambian government institutions, including the Ministries of Health and Education, both at the central level, focusing on management and administration, and at the local level, focusing on technical capacity and service delivery. USAID assistance will build capacity of Zambian civil society organizations and strengthen their ability to responsibly manage donor resources. USAID will also partner to build capacity of private sector institutions, research institutions to enhance their ability develop pro-poor technologies, and business institutions along selected value chains that benefit the poor.

2.11 Political Economy Considerations

The USAID/Zambia CDCS is built around political economy considerations to inform development objectives and the assistance agenda. USAID/Zambia commissioned a political economy analysis to identify and better understand the drivers and constraints to development in Zambia. This analysis will be adapted for sector use and will become an ongoing part of the activity design process at sectoral and project level. USAID/Zambia's development objectives and assistance programs work both within this political economy environment and, at the same time, seek to change it. While not directly challenging the client-oriented networks that frame the system, activities will help refine management systems within GRZ ministries and improve technical capacity and service delivery.

3. Monitoring and Evaluation (M&E)

The USAID/Zambia CDCS mirrors the Agency commitment to rigorous monitoring and evaluation. As USAID/Zambia embarks on a new strategic planning cycle, this renewed emphasis on monitoring and evaluation poses an opportunity to invest in all actions to demonstrate the efficacy of USAID's approaches to the GRZ and the American taxpayer. The results framework developed for this CDCS places central emphasis on program outcomes, while the results chain that has been developed ensures alignment with the SNDP and the donor division of labor. The scope and resources for USAID programs in Zambia have increased dramatically in recent years. USAID/Zambia's M&E systems and objectives will align with the increasingly evidence-based and adaptation focus. For example, the Mission's Feed the Future strategy builds its M&E plan around increasing methodological rigor to increase accountability and testing concrete hypotheses.

The results framework indicators directly attribute results to USAID interventions. USAID/Zambia is committed to implementing operational research, managing for results, evaluation, and local capacity building. Doing so creates conditions crucial for achieving development success. This model will ensure that the CDCS works as a "living strategy," providing guidance and reference points not only for implementation, but also for learning and course correction, as needed.

Operations Research/Development Research/Development Analysis

This will be a response to development research questions from USAID/Zambia (and from GRZ through consultation with USAID/Zambia) to examine the efficacy of new products and processes or to test development hypotheses. USAID will examine the feasibility of controlled longitudinal studies to test these designs, which may also test questions of best practice, causalities, and cost effectiveness. A key component will be the development of skills and capacity within the GRZ to enable it to take on greater responsibility and leadership in this area.

Managing for Results
The focus will be on results, monitoring, and performance management plans. It is intended that a performance management system that incorporates monitoring, data quality assessments, data collection and evaluation of programs/projects and/or individual activities will be developed. This system consists of three parts: (i) a Management Information System (MIS), (ii) Geographic Information System (GIS), and (iii) Performance Management Plan (PMP). USAID/Zambia is already investigating "cloud-based" approaches to enable greater cross-functionality and transparency among U.S. Government agencies, the GRZ, donors, implementing partners, and civil society.

Baseline information for inclusion in the PMP will come from both existing sources of information and dedicated baseline studies. USAID will conduct baseline studies for FTF and GCC investments as well as for DO1. DO3 baseline information for education will be drawn from Early Grade Reading/Math Assessments (EGRA/EGMA) in line with the new USAID Education Strategy. Current implementation and analysis is being conducted with the Examinations Council of Zambia, a parastatal division of the Ministry of Education. DO3 baseline information for health will be drawn from the Health Management Information System, established within the Ministry of Health through earlier USAID investments.

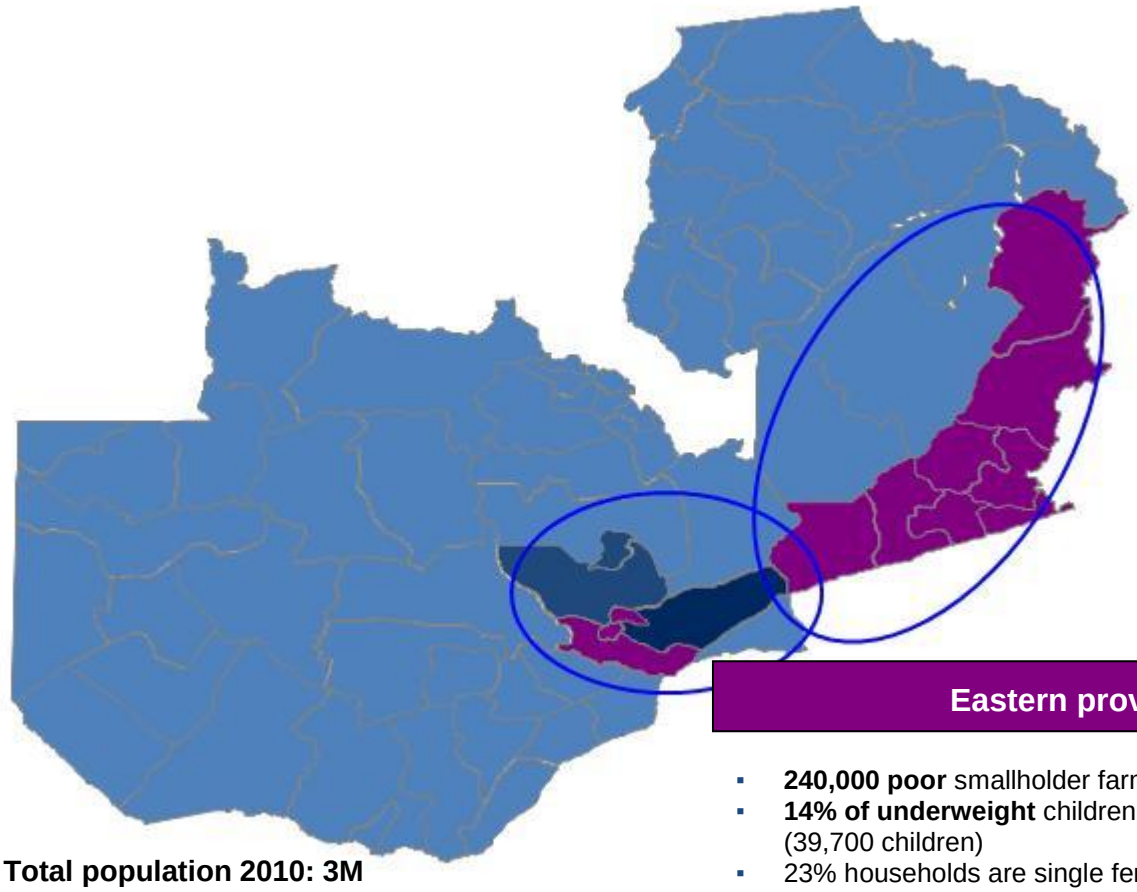
Evaluations
Evaluations will serve as a vital component of program-level appraisals. Strategically targeted impact evaluations will identify gaps in quality and make data available for improving implementation, assessing impact, and subsequently informing program and strategic adjustments. Evaluations will serve as the evidence base for supporting testable hypotheses throughout the CDCS Results framework. The CDCS establishes up front anticipated evaluation approaches that will be referred to in the course of strategy implementation. Evaluations will reflect the new Agency M&E policy, including increased independence of evaluation teams and findings. Implementing the M&E policy will incur additional program costs and will also impact staff considerations for the Program Office, which is task with overseeing and leading the new M&E policy at the Mission.

Evaluations will also serve as a means of verifying progress towards DOs and the CDCS Goal Statement. USAID will conduct an evaluation at the end of the second year of the strategy period to track progress and validate (or disprove) development approaches. The PMP will outline in more detail plans to track progress towards the CDCS Goal and Development Objectives.

Local Capacity Building
Although Zambia has a full array of formal institutions characteristic of an ostensible liberal democracy, a priority expressed in the SNDP is to make those institutions more service-oriented and accountable to the people. The CDCS will leverage USAID Forward to develop, wherever feasible, institutional capacity while targeting specific interventions. A local capacity building plan and strategy will support partnerships with Zambian public, private, civil society and community-based institutions. Ultimately this will lead to increased local organization implementation and ownership and will be funded more frequently through prime grant and contract instruments.

6. CDCS Annexes

Annex 1: Zambia's CDCS Focus Areas



Eastern province

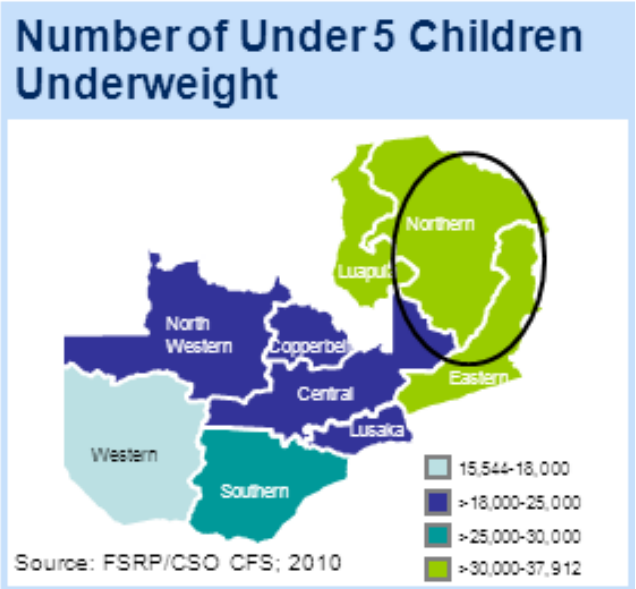
- **240,000 poor** smallholder farmers (1.4M people)
- **14% of underweight** children under 5 in Zambia (39,700 children)
- 23% households are single female headed
- **Transport corridor** Lusaka-Lilongwe-Nacala
- Diversified agriculture base
- **Highest childhood mortality** of all provinces, 75 of 1000
- 3rd highest fertility, 7.1
- **Lowest grade 7 and 9 completion rates**
- Lowest gender parity index, 62.6%

Total population 2010: 3M

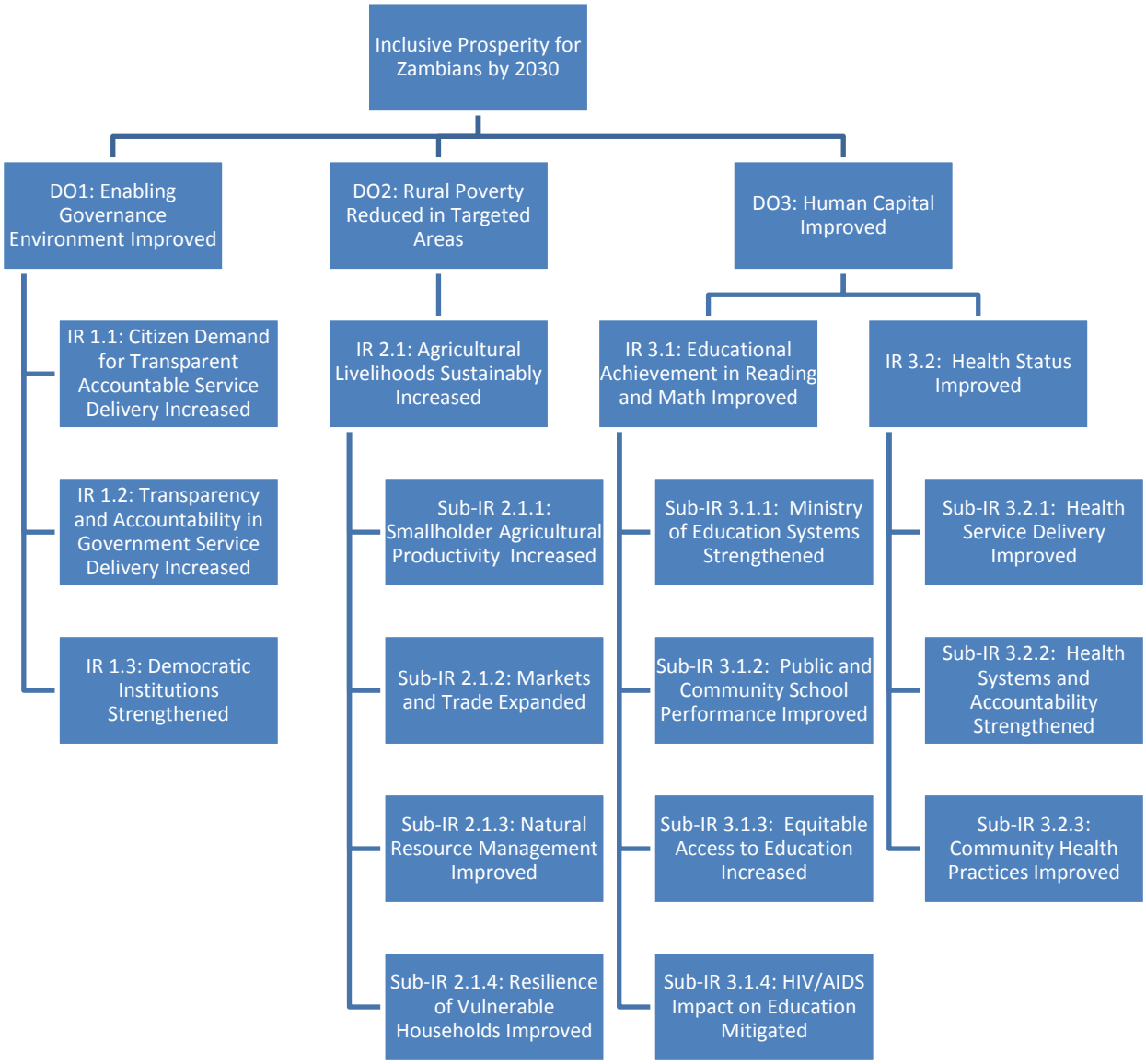
- Eastern (all): 1.7M
- Lusaka/central (selected districts): 1.3M

Total population 2015: 3.5M

- Eastern (all): 2.0M
- Lusaka/central (selected districts): 1.5M



Annex 2: CDCS Results Framework



Annex 3: SNDP Summary and National Key Performance Indicators

Summary: Sixth National Development Plan of Zambia
Sustained economic growth and poverty reduction

From the SNDP: *The theme of the SNDP is "sustained economic growth and poverty reduction". The objectives of the SNDP are to accelerate: infrastructure development; economic growth and diversification; rural investment and poverty reduction and enhance human development. The SNPD is aimed at actualizing the aspirations of the Vision 2030 of becoming "a prosperous middle-income nation by 2030". The SNDP contains only sector programs that have been identified as critical to achieving the overall objectives of the Plan including: Economic and Social Developments; Infrastructure; Human Development; Growth sectors; Support sectors; Regional Development and Monitoring and Evaluation Institutional Arrangement. Cross-cutting issues such as Governance, HIV/AIDS, Gender, Disability, Nutrition, Environment and Disaster Risk Management have been mainstreamed. The SNDP will seek to attain the following objectives: accelerate infrastructure development, economic growth and diversification; promote rural investment and accelerate poverty reduction and enhance human development by focusing on policies, strategies and programs that will contribute significantly to addressing the challenges of realizing broad based pro-poor growth, employment creation and human development.*

The SNDP puts a great deal of emphasis on infrastructure improvements. Agriculture, tourism, manufacturing, mining and energy are targeted for growth. Basic services such as water and sanitation, health, and education are recognized as focal points for development. Objectives within the USAID sectors of interest are:

- Health: To provide cost-effective, quality and gender responsive primary health care services for all; To increase access to quality, specialized referral medical care for all; To improve the availability and distribution of qualified health workers in the country; To ensure availability and access to essential drugs and medical supplies; To provide infrastructure conducive for the delivery of quality health services; To ensure the availability of adequate, appropriate and well-maintained medical equipment and accessories in accordance with the Basic Health Care Package; and To promote access to quality health care services through alternative ways of health care financing.
- Education: To increase access, efficiency and equity to quality Early Childhood Care and Development Education (ECCDE) and Basic Education; To increase access, efficiency and equity to quality High School Education; To increase the number of qualified and competent teachers in schools; To increase access, participation and equity in the provision of quality universal education; To increase efficiency and equitable access to quality Basic Skills and Technical Education, Vocational and Entrepreneurship Training (TEVET); To increase adult literacy; To expand and improve infrastructure, and To review the curriculum at all levels to make it relevant and responsive to national aspirations and educational needs.
- Water and Sanitation: Five objectives divided between Water Resource Management and Development, and Water Supply and Sanitation.
- Agriculture, Livestock and Fisheries: The eight objectives are distributed between Crops and Livestock and Fisheries. The objectives are intended to achieve national and household food security while maintaining environmental sustainability. To commercialize agriculture, the SNDP

includes objectives to promote the development of competitive, efficient and transparent public and private sector driven marketing system for agricultural commodities and inputs and to expand both domestic and international market access

- Commerce and Trade: To increase the volume of exports in regional and international markets; to stimulate the growth of domestic trading sector and increase trade in services; and to secure and facilitate improved market access for locally produced goods and services.

Cross-cutting issues have also identified specific targeted objectives with detailed strategies, although these strategies are not accompanied by identification of responsible party. The following objectives have been identified:

- Governance: To enhance governance and increase access to civil and criminal justice; to facilitate the promotion of human rights; to promote broad-based participation in public affairs; and to put in place effective mechanisms that prevent corruption.
- HIV/AIDS: To reduce the rate of new infections every year (HIV Incidence); to expand access to appropriate care, support and treatment for people living with HIV and AIDS, their caregivers and their families, including services for TB, sexually transmitted infections (STIs) and other opportunistic infections; to provide improved social support services for orphans and vulnerable children, people living with HIV and their caregivers and families; and to strengthen the capacity for a well-coordinated and sustainably managed HIV and AIDS multi-sectoral response.
- Gender: To develop gender responsive policies and legal framework; to enhance capacity of women to participate in national development; and to strengthen institutional capacities for effective gender mainstreaming.
- Nutrition: To improve the nutritional status of the Zambian population through the provision of quality nutrition services and increased availability, access and utilization of quality and safe foods.
- Disability: To enable persons with disabilities participate fully in all aspects of life; o ensure that health services are accessible to persons with disabilities; o ensure persons with disabilities have access to quality rehabilitation services to attain their full functional capacity; o provide inclusive education and skills training at all levels; and to create equal employment opportunities for persons with disabilities in decent employment.
- Disaster Management: To mainstream disaster risk management in priority sectors and to build capacity for disaster management.
- Environment: To strengthen policy and legal framework for effective environmental management; to strengthen environmental protection and management, and to promote effective management of the environment and natural resources in key sectors.

Regional objectives have also been identified by province.

Improvements to the Plan over the Fifth National Development Plan include a program implementation monitoring matrix in each sector identifying specific outputs with Key Performance Indicators (KPIs) designated at outcome/impact levels to evaluate results in the different sectors.
The SNDP assumes continued stable GDP growth of 6-7 percent per year throughout the term of reference. Domestic revenues as a share of GDP are expected to increase to an average of 18.6 percent from the FNDP target of 17.7 percent while grants from donors are expected to reduce from an average

of 3.3 percent of GDP in 2010 to an average of 2.1 percent over the SNDP period. It should be noted that actual 2010 revenues only reached 15.9% - well short of what was targeted for 2010.

While necessary anticipated budget figures are noted in the SNDP, the plan does not mandate actual budget priorities. For example, while the education budget for 2010-11 has increased, the health budget has essentially been cut by over-reliance on donor funding without an increase in GRZ contribution, and agriculture support was also reduced as a percent of the overall budget. Specific budget items for cross –cutting themes are lacking, though gender received its first small but noteworthy budget line item in 2011.

SNDP National Key Performance Indicators

National Key Performance Indicators	**Baseline**	**2011**	**2012**	**2013**	**2014**	**2015**
Percentage of SNDP annual Budget allocation released	-	100%	100%	100%	100%	100%
Percentage of Key Performance Indicators reported on annually	-	-	Increase	Continued increase	Continued increase	90
Gini Coefficient (Zambia/Rural/Urban)	Z = 52.6	Z = 50.0	-	Z = 45.0	-	Z = 38
	R = 43.5	R = 42.0	-	R = 41.0	-	R = 40
	U = 46.8 (2006)	U = 44.0	-	U = 43.0	-	U = 42
Rate of Growth in :						
a) Agriculture	7.2	1	1.5	2	2	2
b) Energy	6.8	2.5	2	6.9	6.4	2
c) Construction	9.5	15	16	16	16	16
d) Tourism	-13.4	13	10	12	14	16
Total national electricity generation (MegaWatts)	1,918	1,998	2,358	2,478	2,892	2,912
Percentage of Households with access to electricity (Zambia/Rural/)	Z = 22	Z = 32.2	Z = 34.7	Z = 37.2	Z = 39.5	Z = 41.7
	R = 3.5	R = 5.0	R = 7.5	R = 10	R = 12.5	R = 15
Hectares of land under irrigation	170,000	173,000	176,000	179,500	183,500	187,500
Percentage of rural households within two Km of all season passable road	-	Continued increase	Increase	Continued increase	Continued increase	80
Forest Plantation Expansion (Ha)	60,000	65,000	70,000	75,000	80,000	85,000
(Proportion of Households living between 0-5 km of a basic school)	Z = 83.5	84.8	86.1	87.4	88.7	Z = 90
	R = 79.6	80.7	81.8	82.8	83.9	R = 85
	U = 91.4 (2006)	92.1	92.8	93.6	94.3	U = 95
Literacy Rates (of population aged 15+), male: female	-	42	-	45	-	50

National Key Performance Indicators	Baseline	2011	2012	2013	2014	2015
Proportion of the population (male; female) with access to safe water supply (%) (a) Rural	53	61	65	69	73	75
(b) Urban	74	75	76	77	79	80
Proportion of Urban population (male: female) with access to adequate sanitation (%) (a) Rural	33	43	48	53	58	60
(b) Urban	37	44	48	52	56	60
Proportion of Households living between 0-5 km of a health facility	Z = 68.1	68.5	68.9	69.2	69.6	Z = 70
	R = 54.5	55.6	56.7	57.8	58.9	R = 60
	U = 93.0(2006)	93.8	94.6	95.4	96.2	U = 97
Life Expectancy at birth Male	48		50		53	55
Female	52		54		55	58
Immunization Rates	55.0(2007)	-	56	-	58	60
Infant Mortality Rate (per 1000)	70 (2007)	69	68	67	66	65
Child Mortality Rate (per 1000)	52 (2007)	50.2	49	47	45.4	45
Maternal Mortality Ratio (per 100,000)	591 (2007)	375	321	267	213	159
Stunting Prevalence amongst Children Under Five disaggregated by gender (%)	45 (2007)	42	39	36	33	30
Underweight Prevalence (%)	15	14	13	12	11	10
Wasting Prevalence amongst Children Under Five	5.2 (2007)	5	-	4.8	-	4.5
Unemployment	15	14	13	12	11	10
(a) Total Employed (% of Labour force) – male: female	84	85	86	87	89	90
(b) Formal Employment (as a % of Labour force), – male: female	8.5	12.5	14.5	16.5	18.5	20
(c) Informal Employment (as a % of Labour force), – male: female	64.7	60	58	55	53	50
Percentage of Aid on budget	-	-	Increase	Continued increase	Continued increase	-
Percentage of aid disbursed annually according to commitments reflected in MTEF	-	-	Increase	Continued increase	Continued Increase	100
Percentage of aid disbursements released according to agreed schedules (GBS and SBS, within the agreed quarter)	-	-	Increase	Continued increase	Continued Increase	100%

Annex 4: Donor Division of Labor

Sector from the Six National Development Plan	ADB	CHINA	EC	IMF	UN SYSTEM	WORLD BANK	DENMARK	FINLAND	GERMANY	IRELAND	JAPAN	NETHERLANDS	NORWAY	SWEDEN	UK	USA	INDIA	COMESA/SADC
Poverty Reduction Budget Support	●					●		●	■			▼	●	●	●			
Agriculture	●		●		●	●		●			●		●	L		L		ß
Local Government and Decentralization			ß		●	ß			■	●	▼	ß						
Education	ß	●	ß		●	L	●		ß	■	●	■	ß		Ø	●		
Energy	●		ß		●	L					●	ß	ß	■				ß
Gender					L	ß				●		●	●		ß	●		
Governance			●		●	●	●	ß	●	●		●	●	▼	■	●		
Health	ß		●		■	●	▼			Ø	●	●		L	■	●		
Housing						Ø								▼				
HIV/AIDS					L	●			ß	L	●	●	ß	●	■	L		
Macro-economics	●		■	●	●	L	●	●	●	●		●	●	●	■	●		
Private Sector Dev.	●		●		●	L		●			●	■		Ø	●	■		ß
Social Protection	ß				■	ß				●					■			
Science & Tech.					●	Ø											ß	
Tourism	ß					L					●					●		
Water	L		▼		●	●	●		■	▼	●	▼			ß	●		
Transport	●		▼			L	●		▼		●		▼					ß
Environment	ß				L	L	●	L					●			ß		
Total lead	-		2	-	5	5	1	1	2	2	1	2	-	3	5	3	-	-
Total active	6		4	1	9	6	5	3	2	5	9	5	4	2	1	7	-	-
Total background	3		3	-	-	4	-	1	2	-	-	2	3	-	1	-	1	4

Legend: L Chair or Primary Lead ■ Other Lead or Co-Chair ● Active ß Background/New Entrant ▼ Phasing out Ø Fully phased out.

Annex 5: CDCS Gender Analysis Summary

Gender inequity is a significant constraint to inclusive prosperity in Zambia. The principle of gender equality is not addressed effectively in the Republican Constitution due to contradictions inherent in the Constitution itself. Zambia's constitution permits a dual legal customary and statutory law system. The multiplicity of ethnic origin and the use of two often contradictory legal systems impacts significantly on the ways in which women and men access and control assets, and the ability to derive benefits from their work. For example, while Article 11 prohibits discrimination on the basis of sex, Article 23(4) negates this provision by allowing the application of customary law - which is grounded in patriarchal norms and values, in matters of personal law. This results in biases against women in various laws including marriage laws, land law, and the Intestate Succession Act. Although statutory law takes precedence over customary law, the fact that many people live in rural and traditional settings gives customary law primacy in large parts of the country. Because the practices and procedures remain unwritten and subjective, magistrates (nearly all male) often use their own judgment when deciding such cases.

The Gender Inequality Index for Zambia is 0.752, ranking it 124th out of 137 countries based on 2008 data. This index takes into account a Family Code rating of 108/112 (Zambia is polygamous), a Physical Integrity rating of 60/114 (Zambian women are poorly protected), and an Ownership Rights rating of 111/122 (Zambian women's rights to property are almost non-existent). Zambia scores relatively well in terms of Son Preference (1/122) and Civil Rights (1/122) – female infanticide is rare and women are allowed freedom of dress and movement.

Other key indicators are equally disturbing – only 15% of parliamentary seats are held by women - barely 26% of adult women have a secondary or higher level of education compared to 44% of adult men, and female formal labor market participation is 60% compared to 79% for men. Rural poverty in Zambia is approximately 80%, with 68% of total population living below the national poverty line. While only 25% of households are headed by women nationwide, 60.4% of households living below the poverty line are those headed by women. Zambia exhibits high fertility rates (from 5.9 in 2002 to 6.2 in 2010; rural fertility at 7.5 is among the highest in the world). Maternal mortality is high at 591 (8 women and 48 newborns die *per day* due to complications arising from pregnancy and child birth) and only 47% of births are attended by skilled care providers. In rural areas the percentage of young women aged 15 to 19 giving birth is actually increasing, from 6.6 percent in 2002 to 8.3 percent in 2007.

Zambia's HIV epidemic has stabilized at a high prevalence of 14.3%. Adult HIV prevalence remains higher among women (16.1%) than men (12.3%) and among young people aged 20–24, women are more than three times as likely as men to be infected with HIV (16.3 percent vs. 4.4%), despite nearly equal risk knowledge and frequency of reported condom use.

While over 95% of girls have access to basic education, male completion rates for grade 9 (57%) exceed that of female (48%) and less than 25% of girls complete secondary school. Subsequently, literacy rates of women (60%) lag behind that of males (82%) and six out of ten married girls aged 15–19 cannot read at all. Zambian census data shows that any level of education attainment reduces Total Fertility Rate

(TFR). For instance, women with tertiary education had a TFR of 3.9 compared with TFR of 6.1 for women with no schooling.

Gender-based violence (GBV) critically constrains the ability of USAID Zambia reach its overall Development Objectives. Forty-seven percent of Zambian women have suffered GBV, and 62% of both young Zambian men and women think it is acceptable for a man to hit his wife.

There a strong need for strategies to focus on promotion of couples Voluntary Testing and Counseling , engaging women's partners in prevention of Mother-to-Child Transmission (PMTCT), advocating against harmful social/gender norms, screening and counseling for GBV, and assessing and identifying gender norms that support negative HIV behaviors and outcomes. Programming will also target community mobilization, provision of post-exposure prophylaxis to rape victims, and the promotion of healthy male norms and male-friendly HIV/AIDS services. The Zambia BEST Action Plan is a wide-ranging strategy which targets issues of particular concern to women, particularly in their maternal role. Access to contraception and male peer-to-peer counseling also hope to reduce fertility and encourage male participation in family planning.

Sustainable rural livelihoods programs are taking a variety of approaches to correcting gender inequities in economic development. USAID's social marketing program is working to gender-sensitive its work, and has just commenced a gender audit. Agriculture programs address many of the gender-based constraints identified in the Gender and Value Chain report. Conservation farming programs, value chain enhancement, alternative livelihood programming and HIV/AIDS mitigation will all take gender equity into account when programming is planned and implemented. A large scale review of gender in Zambian agriculture has been considered in designing this programming.

Annex 6: MDG Performance[49]

The Millennium Development Goals (MDGs) for Zambia provide a cross-cutting perspective of Zambia's performance over time.

- MDG1: Eradicating extreme poverty and hunger – Extreme poverty declined from 58% in 1991 to 51% in 2006 (the last year of Living Conditions Monitoring Survey available), improving towards the target of 29%. Extreme poverty, however, is much higher in rural areas at 67%, compared to 20% in urban areas. The prevalence of underweight children declined from 22% in 1991 to 14.6% in 2007, showing progress toward reducing hunger, with a goal of 11%.

- MDG2: Achieving universal primary education – Net enrollment of children in primary education increased from 80% in 1990 to 101.4% in 2009. Primary school completion rates increased from 64% in 1990 to 93.2% in 2009. The main challenges remaining are education quality, gender equity, low secondary school completion (17.4% of girls in 2009), and teacher training and retention.

- MDG3: Promoting gender equality and the empowerment of women – The gender parity index for education improved from 0.90 in 1990 to 0.87 in 2009, while for 15 to 24 year-olds as a group parity remained unchanged at 0.80 from 2003 to 2005. With customary law allowing early marriage, young girls are often confronted with teenage pregnancy, higher rates of HIV/AIDS, and domestic and gender-based violence. Women also face barriers to equitable disposition of marital assets and land ownership.

- MDG4: Reducing child mortality – The number of under-five deaths dropped from 191 per 1,000 live births in 1992 to 119 per 1,000 live births in 2007, against a target of 64.[50] Infant mortality is also declining, falling from 107 per 1,000 live births in 1992 to 70 per 1,000 live births in 2007, against a target of 36.

- MDG5: Improving maternal health – Zambia's target is 162 deaths per 100,000 live births. In 1996, the rate was 649 deaths per 100,000 live births, decreasing to 591 in 2007.[51] In 1992, 50.5% of births were assisted by a skilled health worker, improving to 46.5% in 2007.

- MDG6: Combatting HIV/AIDS, malaria, and other diseases – The national HIV prevalence rate among adults (15-49 years) declined from 15.6% in 2001-2002 (Zambia Demographic and Health Survey) to 14.3% in 2009 (ZCR), while the target is to keep it below 16%. Women still have a higher prevalence rate than men (16.1% in women, 12.3% in men) (ZDHS), and the urban population has rates twice as high as the rural population (19.7% vs. 10.3%) (National AIDS Council). The rate of contraceptive prevalence increased from 11.6% in 1992 to 24.6% in 2002 (MDG Report). HIV incidence in adults aged 15-49 years has halved since 1990 and is estimated to be at a stable level at 1.6% in 2009 (ZCR). Treatment has been scaled-up, covering 70% of all

[49] UNDP Zambia. *MDG Progress Report 2008*. Retrieved May 17, 2011. http://www.undp.org.zm/index.php?option=com_content&view=article&id=5:mdgs-progress-reports&catid=3:publications&Itemid=5.
[50] Zambia Demographic and Health Survey (ZDHS), 2007.
[51] ZDHS, 2007.

people living with HIV/AIDS (PLWHIV) eligible for anti-retroviral therapy (ART), while prevention efforts have increased coverage of PMTCT to 65% (MOHART). However, only 25% of adult Zambians tested for HIV, 17% of male adults are circumcised, and condom use is only 44% (MTS). Tuberculosis notification rates have been declining steadily since reaching a peak of 545 per 100,000 people in 2003-04 to 425 per 100,000 people in 2009 (GTC). The target of TB treatment success rate of 85% in the new smear positive TB patients was attained in 2007 and reached 86% in 2008 (GTC). Important progress has been attained in malaria, as the proportion of children under 5 who sleep under an insecticide-treated net has soared from 6.5% in 2001-2002 to 41.1% in 2008 (National Malaria Control Center). Discrimination and stigmatization against people with HIV threaten fundamental principles and rights at work, and undermine efforts for prevention and care.

- MDG7: Ensuring environmental sustainability – The percentage of land covered by forests in Zambia decreased from 59.8% in 1992 to 56.4% in 2005 (MDGR). With regards to sustainable access to drinking water and sanitation, the proportion of households that have access to safe water has increased from 47% in 1996 to 60% in 2006 (MDGR), while the goal is 75.5%. Additionally, the share of the population with access to improved sanitation shrank from 74% in 1991 to 63.9% in 2006 (MDGR). Since the trends exhibited by some of these indicators go in the direction opposite to the MDG targets, this goal remains a challenge.

- MDG8: Developing a global partnership for development – During the last few years Zambia has regained macroeconomic stability, brought inflation down to single digits and consistently had growth rates over 5%. The Highly Indebted Poor Country Initiative (HIPC) and Multilateral Debt Relief Initiative (MDRI) were contributing factors. The stock of external public debt dropped from $6,005 million in 1999 to $934 million in 2006 (MDGR). However, external public debt since 2006 has increased to $1,521 million in 2009 (BOZ). In 2010, Zambia is considered the sixth best country in Africa to do business (WB). This context has attracted significant foreign direct investments (FDI). From 1995 to 2005, the country received an annual average of $211 million of FDI, and from 2006 to 2009, the figure rose to $960 million (UNCTAD). Similarly, Official Development Aid (ODA) increased from $475 million in 1990 to $1,086 million in 2008 (Organization of Economic Cooperation and Development). Socioeconomic development has been fostered because of these flows. The number of cell phones per 1,000 people soared from 0.7 units in 1997 to 143.7 in 2006 (CAZ). However, much needs to be done in terms of competitiveness, as Zambia is ranked 115 out of 139 (WEF).

Annex 7: Feed the Future Multi-year Strategy Executive Summary

The goal of Zambia's FTF strategy is to sustainably reduce poverty and under-nutrition in target areas – reducing the number of people living in poverty by 340,000 (9%) and the number of underweight children under age five by 3,500 (11.6%) by 2015. The objective of Mission Lusaka's FTF strategy – diversification of production, incomes, and nutrition – is based on the hypothesis that diversification of staple production and consumption will increase food security and rural incomes, and contribute to a reduction in child under-nutrition.

Following this hypothesis, the FTF invests in Value Chain Upgrading, with funding for increasing agricultural productivity, expanding markets and trade, increasing private sector investment in agricultural activities, and enhancing on- and off-farm jobs. The FTF invests in Agricultural Research and Development, collaborating with GRZ-funded research centers and other partners to address low productivity of maize, low productivity and limited production of groundnut, widespread aflatoxin contamination, and high prevalence of Vitamin A deficiency in rural Zambia. Under the Policy analysis core investment area, funds support research, policy analysis, outreach and training, specifically for the public policy leaders engaged in the CAADP process. Under Economic Resilience, funds support the Zambia Economic Resilience Program for Improved Food Security, which will enhance coping skills, build assets, and increase rural incomes among Zambia's most vulnerable households.

Zambia's FTF funding is concentrated in Zambia's Eastern Province, chosen because of its high number of smallholder farmers, number of people living in poverty, and number of underweight children; a portion of funding (for horticulture value chains) is targeted for Lusaka Province, which is contiguous with Eastern Province in the south-east region of Zambia.

Contact the Bureau of Food Security for the full USAID/Zambia Feed the Future Multi-year Strategy