



REPUBLIC OF ZAMBIA

## MINISTRY OF NATIONAL DEVELOPMENT PLANNING



# MID-TERM REVIEW OF THE 7TH NATIONAL DEVELOPMENT PLAN (2017-2021)



Republic of Zambia

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# **Mid-Term Review of the 7th National Development Plan (2017-2021)**

Ministry of National Development Planning  
Lusaka

October, 2020





# Foreword and Acknowledgements

## Foreword by the Minister



The Seventh National Development Plan (7NDP) aims to accelerate development efforts towards Vision 2030 without leaving anyone behind. The Goal of the Plan is to create a diversified and resilient economy for sustained growth and socio-economic transformation. The transformation is to be driven by agriculture, tourism and mining, while also investing in areas of energy, infrastructure, information and communication technology, commerce and trade, water resources development, research and development and creating an enabling governance environment to support the economic diversification and national development efforts. These efforts are to be complemented by interventions that are expected to generate improved human capital, while addressing poverty, vulnerability and inequality which have the potential to undermine the transformation gains that the country envisions by 2030.

The aspiration to attain the developmental agenda articulated in the 7NDP necessitated the establishment of a framework that ensures effective oversight, coordination and execution of planned interventions. The Presidency, under the oversight of His Excellency, President Edgar Chagwa Lungu, has been providing policy oversight on 7NDP implementation through periodic

Cluster engagements. The National Development Coordinating Committee, in collaboration with the ministries responsible for National Development Planning and Finance oversees the technical aspects of planning, financing, implementation, monitoring and evaluation. Further, in the spirit of promoting integrated development that leaves no one behind, the Cluster Advisory Groups, Provincial Development Coordinating Committees, District Development Coordinating Committees and Ward Development Committees have taken up the responsibility of ensuring the participation of all relevant stakeholders, including cooperating partners, civil society, the private sector, academia and community-based groups representing the wider Zambian society. This framework has been effective in ensuring integrated development coordination, supervision, implementation and monitoring and evaluation, among the various stakeholders in the country. The 7NDP Implementation Plan with its specific outcomes, associated outputs, programmes and resource outlays anchors the development trajectory to be followed by the country to attain the planned five Strategic Development Results. It also forms a basis for the assessment of progress being made during the process of plan implementation.

In November 2019, the Mid-Term Review of the 7NDP was commissioned for the purpose of assessing progress made mid-way through the implementation of the Plan. The results are expected to generate lessons to inform the remaining period of 7NDP implementation. The findings of the Mid-Term Review (MTR) reveal that an appreciable measure of progress was recorded across all the five Pillars of the 7NDP. A few targets of the Plan had already been attained and a number of outcomes were on track to be attained by 2021, some were partially on track while others were off track. There are also a number of valuable lessons



learnt with regard to implementing agencies doing more with less resources and beneficiaries experiencing improvements in public service delivery. Multidimensional Poverty Analysis also revealed declining trends in levels of deprivation of households in basic services, such as education, water and sanitation, energy for lighting, health and access to finance.

The challenge of attaining more robust socio-economic transformation across the entire spectrum of society, however, still remains a challenge for the country to overcome in the medium term. This entails adopting new and responsive strategies to mitigate the impact of external factors, such as climate change, energy deficits, a slow-down in foreign direct investment inflows and livestock diseases that have negatively impacted some of the key development areas of the Plan. Agriculture, water resources and energy were among those negatively affected. The

exchange rate fluctuations as a result of global developments have also negatively affected the country's macroeconomic foundation. The MTR also reveals best practices in terms of 7NDP coordination and implementation mechanisms which are worth replicating to optimise the results of the Plan by 2021. The country remains committed to continue on the development trajectory set out by the 7NDP while adapting to global emergencies such as the COVID-19 pandemic. All stakeholders are, therefore, urged to scale-up efforts in support of attaining the transformative agenda outlined in the 7NDP by 2021.

Hon. Alexander Chiteme, MP  
**Minister of National Development Planning**

October, 2020

## Acknowledgements



The Government of the Republic of Zambia, in its development agenda, prides itself in promoting values that support consultative development approaches enabling citizen participation, transparent and independent evaluation practice, and continuous knowledge and evidence generation to support informed policy-making and development delivery. This is important for the country to learn lessons on what works, avoid adopting detrimental development approaches and apply continuous improvements in the implementation of development interventions.

The Mid-Term Review (MTR) of the Seventh National Development Plan (7NDP) was a consultative process that involved the engagement of various stakeholders at ward, district, provincial and national levels. The MTR also captured the views of a wide spectrum of institutions and key informants from the Government, the private sector, cooperating partners, and civil society, including organisations representing special groups, such as children, the youth, women and persons with disabilities.

Gratitude is extended to all the stakeholders who participated in the 7NDP mid-term evaluation process and those who provided technical and

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**Permanent Secretary**  
**Development Cooperation,**  
**Monitoring and Evaluation**

financial support without which the evaluation would not have been possible. The MTR process entailed setting aside time to discuss development outcomes and experiences and providing valuable information and data that formed the evaluation findings compiled in this report.

Special appreciation goes to the Cluster Advisory Groups, Provincial Development Coordinating Committees, District Development Coordinating Committees and Ward Development Committees for effectively participating in the evaluation.

The various ministries, provinces and agencies are also commended for providing valuable information and sharing experiences with regard to implementation of national development interventions. The Reference Group that provided technical guidance and review of the report are commended as well as the two experts, Dr. Nedy Matshalaga and Mr. Chibamba Mwansakilwa, who facilitated the review process.

Special thanks are extended to the United Nations in Zambia and particularly, the United Nations Children's Fund and the United Nations Development Programme for providing financial and technical support to the review process.

Chola J. Chabala (Mr.)  
**Permanent Secretary**  
**Development Planning**  
**and Administration**

October, 2020





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**T** **TOGETHER**

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**A** **ACHIEVE**

**M** **MORE**

**THER**

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**VES**

**Abbreviations and  
Acronyms**

## Abbreviations and Acronyms

7NDP	7th National Development Plan
AIDS	Acquired Immunodeficiency Syndrome
ART	Anti-Retroviral Therapy
AU	African Union
CAG	Cluster Advisory Group
COMESA	Common Market for Eastern and Southern Africa
CP	Cooperating Partner
CSO	Central Statistical Office
CSO	Civil Society Organisation
DDCC	District Development Coordinating Committee
EU	European Union
FDI	Foreign Direct Investment
FISP	Farmer Input Support Programme
FSP	Food Security Pack
GBV	Gender-Based Violence
GDP	Gross Domestic Product
GRZ	Government of the Republic of Zambia
HIV	Human Immunodeficiency Virus
ICT	Information and Communication Technology
IJCS	Industrialisation and Job Creation Strategy
IRSDP	Indicative Revised Strategic Development Plan
KM <sup>3</sup>	Million Cubic Metres
KPI	Key Performance Indicator
KRA	Key Result Area
KV	Kilovolt
LCMS	Living Conditions Monitoring Survey
LFS	Labour Force Survey
M&E	Monitoring and Evaluation
MCTI	Ministry of Commerce, Trade and Industry
MDG	Millennium Development Goal
MNDP	Ministry of National Development Planning
MPI	Multidimensional Poverty Index
MPSA	Ministries, Provinces and other Spending Agencies
MSME	Micro, Small and Medium Enterprise
MT	Metric Tonne
MTR	Mid-Term Review
MW	Megawatt
NDCC	National Development Coordinating Committee
NDP	National Development Plan
NTE	Non-Traditional Export



OSBP	One Stop Border Post
PDCC	Provincial Development Coordinating Committee
PLHIV	People Living with HIV
PPCR	Pilot Programme for Climate-Resilience
PPP	Public-Private Partnership
PRSP	Poverty Reduction Strategy Paper
PTR	Pupil to Teacher Ratio
PWAS	Public Welfare Assistance Scheme
R&D	Research and Development
RIA	Rapid Integrated Assessment
RISDP	Regional Indicative Strategic Development Plan
SADC	Southern African Development Community
SCT	Social Cash Transfer
SDG	Sustainable Development Goal
SME	Small and Medium Enterprise
SNDP	Sixth National Development Plan
TAZARA	Tanzania-Zambia Railways
TEVET	Technical Education, Vocational and Entrepreneurship Training
ToC	Theory of Change
UN	United Nations
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNICEF	United Nations Children's Fund
USD	United States Dollar
VAT	Value-Added Tax
WARMA	Water Resources Management Authority
WASH	Water, Sanitation and Hygiene
WDC	Ward Development Committee
ZABS	Zambia Bureau of Standards
ZAMPHIA	Zambia Population-Based HIV Impact Assessment
ZamStats	Zambia Statistics Agency
ZDHS	Zambia Demographic and Health Survey
ZIPAR	Zambia Institute for Policy Analysis and Research
ZRA	Zambia Revenue Authority
ZRL	Zambia Railways Limited







# Executive Summary

## 1.0 Introduction

The Seventh National Development Plan (7NDP) was launched in 2017. The Plan, which is to be implemented from 2017 to 2021, is a successor to the Revised Sixth National Development Plan, 2013-2016. The Plan has five Strategic Development Areas or Pillars namely: (i) Economic Diversification and Job Creation; (ii) Poverty and Vulnerability Reduction; (iii) Reducing Developmental Inequalities; (iv) Enhancing Human Development; and (v) Creating a Conducive Governance Environment for a Diversified and Inclusive Economy.

A major departure of the 7NDP from the preceding national development plans is its focus on the integrated approach and a strong alignment to the Sustainable Development Goals (SDGs) and other global and regional agreements. The Zambian Government, using the Rapid Integrated Assessment (RIA) methodology<sup>1</sup>, systematically mainstreamed the SDGs into the 7NDP result areas; thus the 7NDP is 86 percent aligned to the SDGs.

<sup>1</sup> The Rapid Integrated Assessment Tool has been developed by the United Nations for assessing the extent to which countries align their national plans or development strategies to the SDGs. Zambia's RIA Report was produced in 2017.

In 2019, a Mid Term Review (MTR) of the 7NDP was commissioned by the Government, in collaboration with national stakeholders and cooperating partners. The objectives of the MTR were to:

- (i) assess relevance of the 7NDP Implementation Plan (7NDP-IP) to other development priorities at national, regional and global levels;
- (ii) assess the effectiveness and efficiency of the management structures of the 7NDP; and
- (iii) assess the progress made at mid-term (2019) towards achievement of the planned 7NDP results.

This summary focusses on the findings of the MTR; Other MTR details, such as background information, are presented in the main body of the report.



## 2.0 Summary of Key Findings

### 2.1 Relevance

To a large extent, the 7NDP was aligned to national, regional and global development priorities. At national level, the five Pillars of the Plan were designed to contribute to the attainment of the Vision 2030. At regional level the Plan was aligned to the Southern African Development Community (SADC) Revised Indicative Strategic Development Plan, 2015-2020. At continental level, it was aligned to the African Union Agenda 2063. The Government made it a top priority to align its 7NDP priority outcomes to the SDG targets to ensure that the national development agenda moves in tandem with global development trends.

### 2.2 Effectiveness of Coordination Structures

To support the implementation of the 7NDP, the Government instituted coordination structures at national, provincial, district and sub-district levels. Although these structures handle different responsibilities, their goal is to support the achievement of planned objectives. The structures are the National Development Coordinating Committee, Cluster Advisory Groups, Provincial Development Coordinating Committees, District Development Coordinating Committees and Ward Development Committees.

The MTR established that the structures were functional both at national and sub-national levels, albeit with room for improvements, especially at ward level. In line with the 7NDP's participatory approach to development, non-state actors, who included civil society organisations, the private sector, and cooperating partners (CPs), participated in the formulation and tracking of progress on the 7NDP.

The 7NDP adopted an integrated approach which placed emphasis on various sectors sharing common objectives, to work as clusters rather than as stand-alone entities. The MTR noted that the integrated approach was operationalised at almost all levels. Good progress was observed at the national level where clusters met more frequently than at the sub-national level. Moreover, provincial and district coordination structures had also adopted the integrated approach through the revision of their sub-committees to align them to the 7NDP Pillars. However, institutionalisation of the integrated approach was yet to take root at the sub-district level as the Ward Development Committees were just being operationalised at mid-term.

The integrated approach fosters team work among clusters, contributes to reduction in duplication of efforts across the Pillars and further encourages implementation approaches based on achieving higher impact with less resources. However, the MTR noted that full adoption of this approach was hampered by the slow pace of actualisation of the integrated budgeting system based on the outcome areas of the 7NDP. The current budgeting process is still predominantly sector-based.

The MTR, therefore, recommends that the Government should: (i) strengthen the cluster approach across all the dimensions of 7NDP management including resource planning, programme implementation, monitoring, evaluation and reporting; (ii) strengthen vertical linkages between national and sub-national levels and streamline reporting formats; (iii) establish effective feedback mechanisms between national and sub-national levels; (iv) allocate adequate resources to support coordination mechanisms, meetings, monitoring and reporting processes; (v) restructure the national budgeting system to

entrench integrated and results-based budgeting for the clusters; and (vi) finalise legal frameworks that are supportive of the integrated approach, for instance the National Planning and Budgeting Bill.

## 2.3 Effectiveness of 7NDP Outcome Results

### 2.3.1 Pillar 1: Economic Diversification and Job Creation

The performance of Pillar 1 was partially on track.

#### a) Outcome 1: A Diversified and Export-Oriented Agriculture Sector

The performance of the outcome was off track owing to poor performance in a number of indicators when compared against the 2019 and 2021 targets. Crop production and productivity decreased at mid-term on account of poor rainfall, crop infestation, electricity deficits, and reduced funding towards implementation of programmes. Highlighting the extent to which the sector was dependent on rainfall, the prolonged dry spells in the 2017/2018 and 2018/2019 farming seasons seriously affected production in the Southern, Western and parts of Lusaka and Central Provinces, reducing crop production in 2019 by an average of between 19 and 40 percent. The dry spells also affected the quantity of pasture and forage available for grazing and consequently livestock production in the country.

Unlike crops and livestock, the fisheries sub-sector registered growth due to an enabling environment provided by the Government that attracted increased investments and entry of players in the sub-sector. Total production of aquaculture increased from 30,258 metric tonnes (MT) in 2016 to 36,105 MT in 2019, while total production of capture fisheries increased from 85,000 MT to 91,342 in 2019. The value-added for aquaculture similarly increased from 4.2 percent

to 5.8 percent. Production in agriculture, livestock and fisheries was affected in one way or another by the challenges alluded to above, causing agricultural exports to reduce. However, due to increased surveillance and treatment of livestock diseases by the Government, the incidence of livestock diseases such as East Coast Fever and Trypanosomiasis reduced.

#### b) Outcome 2: A Diversified and Export-Oriented Mining Sector

The performance of the outcome was partially on track. During the period under review, production of gemstones declined. Total kilogrammes of emeralds/beryl produced declined by 56.5 percent while amethyst, quartz, garnet, and aquamarine recorded a marginal drop. Total metric tonnes of industrial minerals produced also declined by more than 50 percent. In contrast, total production of base metals in metric tonnes, increased by 14.6 percent in the same period while the total kilogrammes of precious minerals produced almost doubled at 96 percent.

In general, not much was achieved with regard to promoting the exploitation of other minerals such as gemstones and industrial minerals. This was due to inadequate funding to conduct geological exploration to provide geological information on possible occurrences of minerals. However, there were signs that diversification into production of other minerals other than copper was beginning to take root as evidenced by the increase in the contribution of gemstones and precious minerals to total mineral exports. The share of gemstones and precious mineral exports increased from 0.2 percent and 1.3 percent in 2015 to 0.9 percent and 2.1 percent in 2019, respectively. This was attributed to an increase in the number of miners entering the sector and efforts by the Government to formalise mining operations for gemstones and precious minerals.



The mining sector was faced with challenges of informal mining activities. The majority of small-scale/artisanal mines were not licenced and lacked capacity (financial and skills) to engage in safe mineral mining operations. Reduced funding limited the presence of the Ministry responsible for coordinating the sector at the local level, coupled with policy inconsistencies by the Government in managing the sector. To improve monitoring in the sector, there is need to strengthen regional offices by employing more staff of various mining expertise. Against this background, the MTR recommends: (i) enhanced stakeholder engagement for improved policy formulation and effective management of the sector; (ii) close government collaboration with all relevant organisations in the sector, such as the Miners' Association of Zambia; and (iii) consistent and coherent policies that provide incentives for the actors to invest more and to ensure sustainable mining.

### c) Outcome 3: A Diversified Tourism Sector

The performance of the outcome was off track. However, progress was recorded in two indicators: the number of self-sustaining national parks increased from three at baseline to five in 2019 and annual earnings from leisure tourism by domestic tourists visiting for leisure/holidays increased from USD 12.5 million to USD 33.7 million in 2019 against a target of USD 32.7 million in 2021. The rest of the indicators, namely: number of new private investment into the Northern and Southern Circuits, heritage sites developed across the country, international tourist arrivals, average spending for leisure tourism per tourist visit and annual tourism earnings from international leisure tourism, were either partially on track or off track.

The results show that little was done to promote tourism-related infrastructure and diversification of tourism products. As such most of the tourism

sites in the country largely remained inaccessible, limiting the number of tourist visits to the sites. In addition, owing to the slow implementation of the animal restocking programme, the animal population in some of the parks had reduced. In its quest to secure additional resources to restock and better manage national parks, the Government Piloted Public-Private Partnership (PPPs) in the sector. Nevertheless, little was achieved because of the unfavourable terms and conditions of PPP agreements which limited revenues that could flow to the Government for re-investing into the sector. Against this background, the Government should complete the on-going infrastructure development programmes and upscale works to other areas in need of modern infrastructure. To mobilise adequate resources to finance projects, the Government should enhance the utilisation and effectiveness of PPPs to diversify sources of finances.

### d) Outcome 4: Improved Energy Production and Distribution for Sustainable Development

The performance of the outcome was partially on track. Despite some findings being on track, most of the indicators were either partially on track or off track, while a few were not assessed due to missing data. Some progress was achieved with regard to enhancing the electricity energy mix to reduce over-dependence on hydro-generated electricity. The share of electricity generated from hydro sources declined to 80 percent from 84.5 percent in 2016, while other sources such as coal and solar increased their shares in the mix. The progress was, however, not significant enough to cushion the impact of climate change, in particular low rainfall and the slow pace of diversification in electricity generation sources. As a result, the country continued to experience energy deficits that resulted in electricity supply rationing to all consumers.

Other notable results included the proportion of households connected to the electricity supply, which increased from 31.4 percent in 2015 to 32.8 percent in 2019, reduction in electricity transmission losses and the period for businesses to get connected to the power grid (down from 117 days in 2017 to 90 days in 2019).

#### e) Outcome 5: Improved Access to Domestic, Regional and International Markets

The performance of the outcome was on track. Despite the decline in the economy, international trade as a percentage of gross domestic product increased from 73.5 percent in 2015 to 76 percent in 2019 against a target of 80 percent in 2021. The percentage share of total exports in total trade also grew from 41.5 percent to 51.1 percent, against the target of 60 percent for 2021.

The good performance was attributed to the Government's trade facilitation efforts through, among other initiatives, establishment of regional and international bilateral engagements, removal of non-tariff barriers to trade, construction of One Stop Border Posts, simplification of trade regimes, improving logistics management and development of trade facilitating legislation. These efforts saw the country's exports to the dual market of SADC and the Common Market for Eastern and Southern Africa improve from 8.3 percent in 2017 to 16.7 percent in 2019. Nevertheless, exports to the European Union and Switzerland declined on account of reduced global demand for raw materials and failure by some of the local manufacturers to produce quality products that meet sanitary and phytosanitary conditions in high value markets. Meanwhile, the share of exports to China increased, driven by that country's demand for copper.

Other discernible challenges in the sector were supply-side constraints including limited access

to credit, low technical and entrepreneurial skills, small size and fragmentation of Zambian firms and significant fluctuations of the Zambian Kwacha against other currencies. Taken together, the challenges constrained the ability of local producers to engage in sustainable production of quality export products. Thus, the Government should enhance the provision of capacity support (e.g. training) to local businesses to build their capacity in production and quality management.

#### f) Outcome 6: Improved Transport System and Infrastructure

The performance of the outcome was partially on track. The number of passengers transported by air increased by 13 percent between 2016 and 2019 and the number of passengers transported by rail increased by 83.2 percent. Cargo transported by road increased from 24,206,223 in 2016 to 42,555,910 MT in 2019, while rail cargo increased from 762,410 in 2016 to 1,315,140 MT in 2019. The increase in the volume of rail cargo during the period under review was attributed to Zambia Railways Limited (ZRL) which recorded growth due to, among other factors: (i) the response by the market to Statutory Instrument No. 7 of 2018 which stipulates that 30 percent of all heavy cargo should be transported by rail; (ii) an increase in traffic of commodities such as sulphur, coal and copper cathodes and the execution of capacity building strategies such as the acquisition of rolling stock equipment; and (iii) the acquisition by ZRL of additional rolling stock from Transnet and Trans-Zambezi. In addition, improvements in the road sector leading to the opening up of new routes and an increase in the number of players accounted for the growth in road cargo.

In contrast the quantity of air cargo and number of road passengers declined. Lack of a national airline and reduced global demand for commodity exports in 2019 were cited for the poor



performance of the air cargo indicator. In general, the poor performance of some of the indicators was attributed to the slow implementation of the identified strategies. Against this background, the MTR recommends speeding-up implementation of programmes.

#### **g) Outcome 7: Improved Water Resources Development and Management**

Notwithstanding the indicators that were not assessed due lack of data, the MTR found the outcome performance to be partially on track. Delayed implementation of programmes due to reduced funding, lack of modern technology and tools for water management, and limited structure at sub-national level for institutions mandated to manage water, had an adverse impact on performance. Hence, the Government should consider increasing support (materials, staff and finances) towards the water sector. In addition, given the major resource requirements for some of the programmes for the outcome and the shrinking fiscal space, there is need to scale-down on some output results and focus on priority ones.

#### **h) Outcome 8: Enhanced Information and Communication Technology**

The performance of the outcome was on track, except that the impressive performance in the provision of and access to Information Communication Technology (ICT) services was more in urban areas, while rural areas lagged behind. All ICT indicators, assessed against their 2016 baseline, registered good progress: (i) the number of mobile internet users per 100 inhabitants increased from 32.2 in 2016 to 60.3 percent in 2019 against a target of 80 in 2021; (ii) the percentage of mobile geographical coverage increased from 84 percent in 2016 to 86 percent in 2019 against a target of 96 in 2021; (iii) the

percentage of households that own at least one mobile phone increased from 64.5 in 2016 to 73.6 percent in 2019 against a target of 100 percent in 2021; (iv) the percentage of individuals that use mobile money services increased from 14.0 percent in 2016 to 29.5 percent in 2019 against a target of 50 percent in 2021; and (v) the number of fixed internet users per 100 inhabitants increased marginally from 0.22 in 2016 to 0.3 in 2019 against a target of 5 in 2021.

One out of the six indicators could not be assessed due to lack of data. Therefore, in the remaining two years of 7NDP implementation, the Government should consider implementing policies and programmes that provide incentives to service providers for investing in rural areas to increase provision of and access to ICT services in these areas.

#### **i) Outcome 9: Enhanced Decent Job Opportunities in the Economy**

The performance of the outcome was off track. However, with the exception of financial and insurance services, employment marginally increased in agriculture, forestry and fishing, manufacturing, electricity, gas, steam and air conditioning supply, construction, information and communication, and arts, entertainment and recreation. This modest performance of the employment variable was largely due to the slump in the domestic economy.

The MTR further found that the proportion of employed persons in the formal sector decreased from 36.9 percent in 2017 to 31.6 percent in 2018. The share of females in formal employment decreased from 30.8 in 2017 to 23.8 percent in 2018 while the proportion of males in formal employment decreased from 40.8 in 2017 to 36.4 percent in 2018. Nonetheless, indicating progress in diversifying employment sources, the findings

were that the proportion of employed people in professional fields, art, entertainment and crafts, and the service sectors in general increased.

The MTR noted that despite implementation of some of the planned programmes, unemployment levels in the country remained high due to a number of both labour and industry-related challenges. Among other things, the MTR recommends the following: (i) improve the quality of education to emphasise practical skills for skills development; (ii) enhance promotion of entrepreneurship to increase employment creation; (iii) increase budgetary allocation to the education sector for skills development; and (iv) implement macroeconomic policies that support rapid economic growth to stimulate employment.

#### **j) Outcome 10: Enhanced Research and Development**

The MTR failed to assess the performance of the outcome indicators for Enhanced Research and Development due to lack of data. The outcome had eight indicators for the Plan period. However, the Plan had no budget and responsible sectors to implement and report on R&D programmes and projects. Nevertheless, the MTR noted some R&D efforts in some specific sectors driven mostly by CPs. Against this background, the MTR recommends refinement of the design of the Implementation Plan to ensure that R&D is mainstreamed across all the Pillars to enhance R&D funding and implementation.

### **2.3.2 Pillar 2: Poverty and Vulnerability Reduction**

The performance of Pillar 2 was partially on track.

#### **a) Outcome 1: Enhanced Welfare and Livelihoods of the Poor and Vulnerable**

The performance of the outcome was partially on track. Poverty headcount reduced from 50 percent in 2014 to 44 percent in 2018. Confirming the reduction in the incidence of poverty, the Multidimensional Poverty Index reduced from 0.28 to 0.25. The proportion of extremely poor households participating in at least one social assistance and one livelihoods and empowerment programme increased from 27 to 38 percent. The proportion of extremely poor households receiving benefits from the Social Cash Transfer programme was 47.7 percent in 2019, up from 41 percent at baseline (2016). The proportion of extremely poor households receiving benefits from the livelihood and empowerment programmes, such as the Farmer Input Support Programme, was 44 percent in 2019. Despite more households having been enrolled on various social protection programmes, beneficiaries were not paid on time and in full due to reduced and delayed funding from the Government and CPs. Further, the proportion of workers in the informal economy that contribute to social security schemes marginally increased from 0.6 in 2017 to 0.8 in 2019. In this regard, a notable development was the introduction of the National Health Insurance Scheme in 2019.

The MTR recommends improvement in funding and other logistical support towards social protection programmes.





### b) Outcome 2: Climate Change and Disaster Risk Reduction

The performance of the outcome was on track. The level of resilience to climate change impact attained for both human and biophysical systems increased from Low at baseline in 2016 to Medium in 2019 against a target of High in 2021. The percentage of households with early warning information increased from 20 percent at baseline in 2015 to 83 percent in 2019, surpassing the set target of 80 percent for 2021. Further, the proportion of risks addressed based on the national information system increased from 60 percent in 2015 to 82 percent in 2019.

The high performance of the indicators was attributed to efforts by the Government and CPs to improve the metrological infrastructure in the country. However, selected policy documents did not have a high degree of cohesion regarding climate change issues. Against this background, there is need to improve coherence of policies and strategies on climate change across all the sectors and departments.

### c) Outcome 3: Reduced HIV/AIDS Prevalence

The performance of the outcome was on track. The rate of new HIV infections dropped by more than 41 percent and by 2017, approximately 800,000 people who were living with HIV were on life-saving anti-retroviral therapy (ART). In addition, a good proportion of identified strategies were implemented despite the shrinking fiscal space. Due to the Government's policy on Universal HIV Routine Testing and Treatment adopted during the period under review, relatively more people were tested, and this contributed to reduction in the prevalence of HIV from 11.6 to 11.1 percent among adults aged 15-49.

### 2.3.3 Pillar 3: Reducing Development Inequalities

The majority of outcome indicators under this Pillar had data gaps; therefore, it was difficult to determine the overall performance of the outcome. However, 13 outcome indicators were on track, five were partially on track and 10 were off track. The performance of some indicators is outlined below.

- a) **Access to electricity:** Access to electricity in rural areas fell far behind the set targets with the country most unlikely to achieve the 7NDP targets. Access to electricity by urban households was partially on track and the country is likely to meet the 7NDP targets. Despite the poor performance for rural access to electricity, the Government made good progress on three mini-grid projects.
- b) **Access to health facilities:** The 2018 Zambia Demographic and Health Survey noted that 26 percent of households reported challenges in accessing health care facilities, of which 43.4 percent were from rural population. Notwithstanding, a nationwide programme was underway to establish about 650 rural health posts by 2021, with more than half the number already constructed in various rural parts of the country.
- c) **Households with access to at least one mobile phone:** There was significant progress in the coverage of the population with access to mobile phones. The percentage of households who owned a mobile phone stood at 88.1 and 61.6 percent in urban and rural areas, respectively.
- d) **Early Childhood Education attendance rate:** The attendance rate significantly increased from 29.8 percent in 2015 to 51.1 percent in 2019, thereby exceeding the 2021 target of 50 percent.

- e) **Primary school net enrolment rate:** The primary school net enrolment rate reduced from 90 percent in 2016 to 83 percent. The net enrolment rate for female learners in primary school dropped from 89 percent to 85.8 percent; the male learners' net enrolment rate dropped from 90 to 81.4 percent.
- f) **Secondary school net enrolment rate:** The net enrolment rate for secondary schools reduced from 40 to 20.2 percent
- g) **Primary school completion rates:** The primary school completion rate reduced from 90 to 67.5 percent.
- h) **Access to titled land:** The proportion of women with access to titled land slightly increased from 30 percent in 2016 to 32 percent.
- i) **Proportion of women in the Cabinet:** The proportion of seats held by women in the Cabinet remained static at 34.4 percent against a 7NDP target of 50 percent.
- j) **Proportion of women in the Parliament:** The proportion of women parliamentarians remained low at 19 percent from a baseline of 17 percent in 2016 against a 7NDP target of 50 percent.
- k) **Proportion of women representation in local governance:** The proportion of women representation in local government rose from 10 percent (2016) to 38 percent against a 50 percent target for 2021.
- l) **Proportion of parliamentary seats held by youths:** The proportion of parliamentary seats held by youths has remained static at 2.4 percent since the launch of the 7NDP.

**Key recommendations include:** (i) institute governance and administrative reforms to complement the National Gender Policy in actualising equal representation at all levels of decision-making and participation in socio-economic, cultural and governance spheres; (ii) institute affirmative actions to scale-up efforts in promoting rural access to services, for example, through establishment of more mini-grids to connect rural areas to electricity; (iii) increase the coverage of mobile phone connectivity; and (iv) increase access to secondary and tertiary education for rural school learners, especially females.

### 2.3.4 Pillar 4: Enhancing Human Development

The performance of Pillar 4 was on track.

#### a) Outcome 1: Improved Health and Health-Related Services

The performance of the outcome was partially on track.

- i) **Outcome indicators on track:** Performance on access to ART across sub-population groups was on track. The proportion of persons living with HIV who are on ART increased from 70.6 to 93 percent in 2019; the proportion of children living with HIV and accessing ART increased from 76 percent in 2016 to 89 percent 2019; the percentage of HIV-infected pregnant women on ART also increased from 89 percent in 2018 to 96 percent 2019 against a target of 100 percent in 2021; the proportion of facilities with no stock-out of tracer drugs and vaccines increased from 97.3 percent in 2016 to 100 percent; and the nurse to population ratio improved from 1:1,366 at baseline to 1:743, surpassing the 7NDP 2021 target of 1:995. Similarly, the prevalence rate of under-five children who are wasted decreased from 6 percent in 2014 to 4 percent in 2019.



**ii) Moderately performing outcome indicators:**

Outcome indicators that performed moderately include maternal mortality and infant mortality rates and doctor/population ratio. The doctor to population ratio slightly improved from 1:10,886 to 1:7,908 against a 2021 target of 1:5,900; maternal mortality rate reduced from 398/100,000 in 2014 to 278/100,000 in 2018; infant mortality rate marginally decreased from 45/1,000 in 2016 to 42/1,000; stunting prevalence for under-five children, underweight and wasting prevalence also decreased.

**iii) Outcome indicators off track:** The prevalence rate of HIV slightly reduced from 11.6 in 2016 to 11.1 in 2019. The proportion of eligible people covered by health insurance stood at 12 percent in 2019 against the 2021 target of 100 percent.

Against this backdrop, the Government should consider mounting an innovative programme which can address the high rates of maternal mortality, maintain and scale-up programmes for addressing childhood mortality and strive towards operationalisation of policies and legal frameworks to enhance insurance coverage.

**b) Outcome 2: Improved Education and Skills Development**

The performance of the outcome was partially on track. The performance of the sub-sectors under this outcome were as follows:

- Early childhood, primary and secondary education: off track
- Tertiary education (including technical education, vocational and entrepreneurship training (TEVET)): on track

Some details of performance are outlined below.

**i) Early Childhood Education (ECE):** The participation rate in ECE slightly increased from 24 percent in 2016 to 29.4 percent in 2019; the country is unlikely to meet the 50 percent target set for 2021.

**ii) Primary education:** The pupil to teacher ratio (PTR) for Grades 1-7 deteriorated; the percentage of children with a minimum proficiency in reading and mathematics reduced; the transition rate for Grades 7 to 8 also reduced.

**iii) Secondary education:** The PTR slightly improved for Grades 8 to 9, while that for Grades 10 to 12 deteriorated. The net enrolment rate for secondary schools also reduced.

- The proportion of schools implementing sexuality education increased, meeting the Plan-end target at mid-term. Literacy rates for those aged 15 years and older also increased, surpassing the 7NDP target for 2021. The MTR equally notes very good performance with regard to the proportion of institutions accessing electricity, internet, and basic hand washing facilities.

**iv) Tertiary education:**

**a. Outcome indicators on track:** The proportion of learners in universities graduating in Science, Technology, Engineering and Mathematics (STEM) increased, making the country more likely to reach the 2021 targets. Enrolment in TEVET across all categories (overall, male, female) indicates good performance; the country has surpassed the set targets for 2021 and exceptionally good performance for female enrolments was noted. The performance on the pass rate at completion for TEVET surpassed the end-target of the Plan.

**b. Moderately performing and off-track indicators:** The number of innovation products developed remained static at four and the country is unlikely to meet the 7NDP end-target of 12 innovation products. However, the country had created an enabling policy and infrastructure environment to facilitate take-off for innovation products development. The proportion of learners in TEVET institutions graduating in STEM slightly increased but the school attendance rates for tertiary learners aged 19 to 22 years was off track. .

**Key recommendations include:** (i) increase access to ECE particularly in rural settings; (ii) enhance literacy levels for primary level pupils; (iii) provide infrastructure in secondary education to increase participation levels; and (iv) develop strategies to increase the proportion of learners in TEVET institutions graduating in STEM.

### c) Outcome 3: Improved Access to Water Supply and Sanitation

The performance of the outcome was on track. The performance of the outcome indicators for water and sanitation was high. All sanitation indicators (total, rural and urban) are on track, having already reached the 2021 targets, at mid-term, or surpassing them.

i) **Proportion of households with access to improved drinking water:** All outcome indicators on access to improved drinking water performed well, putting the country on track to meeting the 2021 set targets. The proportion of households accessing improved drinking water increased by 12.4 percentage points. The proportion for both rural and urban areas increased by 24.4 and 3.9 percentage points, respectively.

ii) **Proportion of households with access to sanitation:** The outcome indicator performed very well with some indicators surpassing the end-7NDP set targets. Thus, the proportion of households with access to improved sanitation more than doubled, increasing from 25.4 percent in 2017 to 54.4. In urban areas, the proportion of households with access to basic sanitation increased phenomenally by 143.2 percentage points, compared to almost 30 percentage points recorded for rural areas. In addition, the proportion of households whose garbage is disposed of through improved methods improved.

iii) **Percentage of a representative sample of water points that meets Zambia Bureau of Standards (ZBS)/WHO Standards:** The percentage of a representative sample of water points that met ZBS/WHO standards increased from 64 percent at baseline (2017) to 100 percent, meeting the target of 100 percent set for 2021.

However, the noted challenge that may impact water and sanitation outcomes is the limited research in water supply and sanitation.

**Key recommendations include:** (i) improvement of the governance of the water management sector; (ii) enhancement of research in water and sanitation; and (iii) development of modalities for engagement of PPPs to enhance investments in the outcome area.

### 2.3.5 Pillar 5: Creating a Conducive Governance Environment for a Diversified Economy

The performance of Pillar 5 was partially on track.



### a) Outcome 1: Improved Policy Environment

The performance of the outcome was partially on track.

- i) **Statistical Capacity Index:** The Statistical Capacity Index for Zambia increased from 52 to 62.5, surpassing the 7NDP 2021 target of 60. The growing capacity of the Zambia Statistical Agency and the continued implementation of the National Statistical System contributed to this positive improvement.
- ii) **Proportion of formal jobs:** The proportion of formal jobs increased slightly, from 24.8 percent in 2017 to 28.5 percent in 2019, against a set target of 40 percent.
- iii) **Government Effectiveness Index:** The performance of Zambia's Government Effectiveness Index had dropped to 0.56 from a baseline value of -0.55 against a 7NDP target of 0.55.

### b) Outcome 2: Improved Transparency and Accountability

The performance of the outcome was off track.

**Corruption Perception Index:** The Corruption Perception Index for Zambia worsened from 38/100 in 2016 to 35/100, indicating that Zambia is unlikely to meet the targeted Corruption Perception Index score of 50/100. Despite the low rating on corruption perception, the Government had partially strengthened public financial management systems through various approaches. For instance, in addition to the 46 institutions already on the Integrated Financial Management Information System (IFMIS) platform at baseline, the Government by mid-term had rolled-out the remaining seven ministries, provinces, and other spending agencies onto

the IFMIS, marking completion of the migration process.

### c) Outcome 3: Inclusive Democratic Systems of Governance

The performance of the outcome was off track.

- i) **Proportion of women in the Parliament:** The proportion of women parliamentarians increased from a baseline of 18.1 percent in 2016 to 19 percent at mid-term against a 7NDP target of 50 percent. Most by-elections fielded female candidates, leading to a marginal improvement in the percentage of women in the Parliament during the period under review. The next elections are scheduled for 2021, presenting an opportunity to significantly increase the proportion.
- ii) **Percent of women in decision-making positions in the public sector (Director, Permanent Secretary level):** The percentage of women in decision-making positions in the public sector only increased by 1 percent from a baseline of 27 percent to 28 percent at mid-term against a 7NDP target of 50 percent.

### d) Outcome 4: Improved Service Delivery

The performance of the outcome was off track.

- i) **Proportion of population satisfied with service delivery:** This indicator can only be recorded when the country commissions a specific survey on population satisfaction with public service delivery. However, the Government had successfully developed nine service delivery charters by 2018.
- ii) **Ease of doing business ranking:** Zambia is ranked 85 among 190 economies in the ease of doing business, according to the World

Bank annual ratings. The rank improved to 85 in 2019 from 87 in 2018.

### e) Outcome 5: Improved Rule of Law, Human Rights and Constitutionalism

The performance of the outcome was partially on track.

- i) **Rule of Law Index:** Zambia's Rule of Law Index increased from -0.25 in 2016 to 0.47 at mid-term, surpassing the planned 7NDP end-target of 0.25. Another notable achievement was the development of the Legal Aid Policy in 2018, aimed at facilitating access to justice.
- ii) **Backlog of cases:** The backlog of cases from the Small Claims Courts to the Constitutional Court remained high, at between 16 and 65 percent, with the country being off track with respect to the 2021 target of reducing the backlog of cases to 10 percent across all levels of the court system.
- iii) **Ratio of full-time lawyers per 10,000 population:** The proportion of full-time lawyers increased from 59 percent in 2016 to 89 percent in 2019 against a set target of 100 percent, an indication that the country was likely to meet its 2021 target.
- iv) **Voice and Accountability Index:** The Voice and Accountability Index worsened from -0.11 in 2015 to -0.30 at mid-term, against a 7NDP target of 0.25.

### f) Outcome 6: Enhanced National Values, Principles and Ethics

The performance of the outcome was on track. It was observed that the outcome was not supported by outcome indicators. Therefore, the MTR used

the output indicators provided to assess the performance of the outcome.

- i) **Policy on national guidance implemented:** The review noted that the country had achieved at least 50 percent towards the development of a policy on national guidance.
- ii) **Guidance on values and principles implemented:** About 50 percent of the processes towards development and implementation of guidance on values and principles were underway.
- iii) **Communication and advocacy strategy in place:** Progress towards development of a communication and advocacy strategy had been made. Consultations with stakeholders estimated the performance around this indicator to be at 50 percent.
- iv) **Number of dialogue platforms established and operationalised:** The country had established five out of the planned five dialogue platforms by 2018, from 0 at baseline. In addition, a church-state dialogue forum was effectively formed at national level and to a limited extent at sub-national level.

The MTR noted that operationalisation of the Decentralisation Policy has remained slow. A clear and effective road map for the implementation of decentralisation in the remaining two years of the Plan is recommended. There is also need to improve the delivery of justice by ensuring a significant reduction in the backlog of court cases.

## 2.4 Efficiency and Financing of the 7NDP

### 2.4.1 Performance of the 7NDP Budget

- a) Annual budgets were not fully aligned to planned programmes in the 7NDP. At



mid-term, the annual budget was not comprehensively aligned to the 7NDP in terms of planned 7NDP outlays and annual budgets. This led to a lack of cluster-disaggregated financing data, limiting the analysis of the budget performance. The total 7NDP planned budget in 2018 was K39.7 billion; in 2019 the total 7NDP planned budget was K42.9 billion while the annual approved budget was K25.1 billion.

- b) Budget disbursements towards 7NDP Pillars were very low. In 2018, a total of K27.4 billion was released for the five Pillars of the 7NDP. Of this amount, almost 60 per cent was for Pillar 4 (Enhancing Human Development), with the balance shared among the other four Pillars. In 2019, a total of K7.1 billion or 28.2 per cent of the approved annual budget was released. Of this amount, K2.9 billion or 41.4 per cent was for Pillar 1 (Economic Diversification and Job Creation) leaving the balance for Pillars 2 to 5.

The poor performance of the 7NDP budget during the period under review could be attributed to the following: (i) non-alignment of the annual budgets to planned programmes in the 7NDP, resulting from limited consultations between the Ministry of Finance (MoF) and the Ministry of National Development Planning (MNDP) during the process of developing the annual budgets and annual plans; and (ii) undesirable macroeconomic situation arising from high indebtedness. Therefore, reduced funding had significantly slowed the implementation of programmes, diminishing the likelihood of achieving planned 7NDP outcomes.

However, Pillar 2 (Poverty and Vulnerability Reduction) had an exceptionally high annual budget allocation. In 2018, K6.7 billion was

allocated in the approved annual budget, of which 73.1 per cent was released. The budget for the 7NDP was K1.6 billion. In 2019, the approved allocation stood at K 3.3 billion against the 7NDP budget of K2.7 billion and the Pillar received 54.4 percent of the approved budget. This outturn was attributed to the high level of support from CPs.

### c) Recommendations

The MTR recommends the following to improve the performance of the 7NDP budget:

- i) Alignment of the annual budgets to the 7NDP annual plans;
- ii) Diversification of modalities of financing projects and programmes.

### 2.4.2 Financing of the 7NDP

The 7NDP has outlined several financing sources. Key among them are domestic revenue, foreign borrowing, grants from CPs, and others such as joint ventures, private sector investments and PPPs. The financing performance at mid-term is outlined below.

- a) **Performance of domestic revenue was impressive at mid-term:** Domestic revenue collections in 2019 were above target by 7.8 percent at K60.5 billion against the target of K56.1 billion.
- b) **PPPs were still in infancy stage:** PPPs had not been fully exploited as a financing option during the first half of 7NDP implementation. Even in sectors where it is economically viable for the private sector to invest, the participation of the private sector was very low.

**c) Performance of external grants was poor:**

In 2017, grants amounted to K466.62 million against a target of K2.23 billion. In the first half of 2018, grants reduced by 82.6 per cent to K212.6 million against a target of K1.22 billion. In 2019, grants stood at K840.0 million against the target of K1.92 billion.

**d) External borrowing was high:**

To meet the shortfalls in the funding requirements of 7NDP programmes, particularly infrastructure projects, the Government heavily depended on debt financing. External debt stock rose from USD 8.7 billion in 2017 to USD 11.2 billion in 2019. MTR findings also indicated that domestic borrowing was on an upward trend.

**e) There were challenges in resource mobilisation:**

The MTR noted lack of cohesion among government ministries when engaging CPs in financing the 7NDP. However, it was recognised that the Government was in the process of establishing a Public Investment Planning Framework to strengthen public project planning and resource mobilisation.

The MTR recommends the following to improve resource mobilisation for the 7NDP:

- i) Harmonise and streamline the roles of departments involved in development coordination to better engage and manage relationships with CPs to effectively mobilise resources around priority areas of the national Plan;
- ii) Complete and operationalise the Public Investment Planning Framework to strengthen the project management function of the public sector;
- iii) Enhance the effectiveness of PPPs to diversify sources of finances. There should be more

sensitisation of the private sector on their roles in PPPs. In addition, more resources (finances and personnel) should be allocated to the PPP Unit to enhance its effectiveness.

## 2.5 Design, Planning, Monitoring and Evaluation

### 2.5.1 Design

The MTR notes that the 7NDP was well-designed with a robust results framework but suggests that the key performance indicators could have been designed as intermediate impact results. Hence there is need to develop an overarching impact result responding to an inclusive diversified economy. In this regard, it is noted that the Zambia Statistics Agency was already working on an index that would measure an inclusive diversified economy.

The development of the results matrix was participatory and knowledge on the various levels of results of the 7NDP was high. A review of 7NDP monitoring and evaluation information suggests an evaluability rating of about 95 per cent. Furthermore, outcome indicators were aligned to the SDGs. Focus was on those SDG targets and outcome indicators that could be tracked in-country. Utility of the results framework and reporting on results gradually improved with stakeholder awareness of the results framework.

### 2.5.2 Planning

The MTR observed that though the Plan was well-structured and coherent in its articulation of the development deliverables, implementation and reporting templates for the 7NDP did not seem to have been designed to systematically capture progress of Plan implementation at sub-national level.





Suggestions for strengthening planning processes for the 7NDP include: (i) unpacking national level targets for sub-national levels; (ii) development of performance indicators for sub-national levels; (iii) strengthening capacities of sub-national levels to develop sub-plans; (iv) development of appropriate reporting templates for sub-national levels and; (v) development of guidelines for the development of provincial and district level plans.

### 2.5.3 Monitoring and Evaluation

The assessment noted a relatively good monitoring and evaluation system of the 7NDP, but with room for improvement. The Plan is monitored quarterly through the coordination structures and the MNDP produces annual progress reports. In addition to the MTR, an end-term evaluation is planned for after 2021. The MTR noted the importance of strengthening monitoring and evaluation (M&E) capacities at all levels, especially at provincial, district and sub-district levels. It observed inability to report on some of the indicators in the M&E framework, indicating the need for strengthening statistical capacities across various agencies generating data and information to support M&E. There is also need to continuously invest in strengthening the National Statistical System to ensure periodic undertaking of important national surveys to produce timely data.

### 2.6 Sustainability

The PPP modality of financing was noted to be a potential driver of sustainability of 7NDP implementation. However, it was noted that this financing modality was more suitable for infrastructure development, especially in

health and education, but not for others such as rural electrification. Further, mobilisation of resources for implementation of the 7NDP at provincial and district level through investment and tourism expositions, offers an opportunity for sustainability in financing the Plan. Fundraising of development resources at sub-national levels is also key in contributing to the implementation of the Plan. Capacities of institutions and structures for coordinating the Plan at national level had been enhanced; the same should be cascaded to sub-national structures, particularly Ward Development Committees.

### 2.7 Strategic Positioning

The performance of outcome results remains below expectations and though decentralisation has the potential to unlock development opportunities at sub-national level, at mid-term, the process of decentralisation, especially fiscal decentralisation, was slow.

Against this backdrop, the following should be considered: (i) across all Pillars, retain outcome results of the 7NDP while rationalising priority outputs which can significantly contribute to the attainment of set outcome results; (ii) strengthen coordination structures of the Plan, especially at sub-national structures for enhanced delivery of planned results; thus, the Government should invest in planning and monitoring systems for provinces and districts; (iii) adopt an integrated and results-oriented budgeting system; (iv) invest in the National Statistical System, to create a sound basis for planning and measurement of development results and; (v) scale-up efforts towards full decentralisation.





# Introduction

## 1.1 National Development Planning in Zambia

In recognition of the importance of national planning in priority setting, resource allocation and development, Zambia has consistently undertaken national development planning since independence in 1964. Since 1964, the country has developed and implemented seven national development plans (NDPs). Shortly after independence, the Government of the Republic of Zambia (GRZ) formulated a one-year Transitional Development Plan (TDP) which was implemented from 1964 to 1965. The TDP has been followed by eight NDPs, which are:

- a) First National Development Plan, 1966-1971;
- b) Second National Development Plan, 1972-1976;
- c) Third National Development Plan, 1979-1983;
- d) Fourth National Development Plan, 1989-1993;
- e) Fifth National Development Plan, 2006-2010;
- f) Sixth National Development Plan, 2011-2015;
- g) Revised Sixth National Development Plan, 2013-2016<sup>2</sup>;
- h) the current 7NDP, 2017-2021.

Besides the NDPs, the country has had sectoral plans and national policies to complement the NDPs or as alternative development guiding frameworks in the absence of the NDPs. For instance, following the transition from the one-party state to multi-party democracy in 1991 and because of the need to liberalise the economy, the Government embarked on economic reforms pursued under the Structural Adjustment Programme. This led to the abandonment of the Fourth NDP which was to be implemented from 1989 to 1993. From 1993 to 2001, there was

absence of comprehensive national development planning, resulting in the Government's concentration on short-term needs that largely represented narrow sectoral interests<sup>3</sup>. To address the challenges that were associated with sector-based planning, such as lack of coherence among the plans, the Government reverted to national development planning by launching the Poverty Reduction Strategy Paper, 2002-2004 (PRSP). The Transitional National Development Plan, 2003-2005<sup>4</sup> (TNDP) was also formulated and was implemented concurrently with the PRSP. Table 1 outlines the main thrusts of each of the plans, from 1965 to 2020.

The 7NDP was launched on 21st June 2017 and is being implemented from 2017 to 2021. The 7NDP departs from previous sectoral-based planning to an integrated (multi-sectoral) development planning approach under the theme "Accelerating development efforts towards Vision 2030 without leaving anyone behind".

The goal of the 7NDP is to create a diversified and resilient economy for sustained growth and socio-economic transformation driven by, among others, agriculture, mining and tourism. Furthermore, this Plan responds to the Smart Zambia Transformation Agenda 2064 and embeds in it the economic transformation necessary for the actualisation of a Smart Zambia. The 7NDP has outlined five Key Strategic Development Areas also known as development Pillars, namely (1) Economic Diversification and Job Creation; (2) Poverty and Vulnerability Reduction; (3) Reducing Developmental Inequalities; (4) Enhancing Human Development; and (5) Creating a Conducive Governance Environment for a Diversified and Inclusive Economy.

<sup>2</sup> During the course of implementation of the Sixth NDP 2011-2015, there was a change of government which necessitated the NDP to be aligned to the manifesto of the new government. Therefore, the Revised Sixth National Development Plan was formulated and implemented from 2013 to 2016.

<sup>3</sup> These included the Agriculture Sector Investment Plan, the Road Sector Investment Plan and the Basic Education Sub-Sector Investment Programme, among others.

<sup>4</sup> Nakase Takafumi (2007). Review of the Fifth National Development Plan, Provincial Development Plan and District Development Processes.



**Table 1: National Strategic Plan Framework, 1965-2020**

<b>NDP</b>	<b>Main Thrust</b>
Transitional Development Plan, 1964-1965	Eradication of the negative aspects of colonial legacy and introduction of a welfare state
First National Development Plan, 1966-1971	Diversification of economy; increased employment opportunities; development of infrastructure and new sources of energy
Second National Development Plan, 1972-1976	Regional development; reduction of regional inequalities; expansion of agriculture
Third National Development Plan, 1979-1983	Rural development and diversification programme; education expansion; capacity building
New Economic Recovery Programme, 1987-1989	Reduction of dependency on foreign aid for self-sustenance
Fourth National Development Plan, 1989-1993	Growth driven by the country's own resources
Sector Specific Plans, 1990-2002	Achievement of identified sector-specific objectives
Poverty Reduction Strategy Paper, 2002-2004 (PRSP) /Transitional National Development Plan, 2003-2005	Facilitation of re-introduction of national development planning to achieve broad-based economic development
Fifth National Development Plan, 2006-2010	Promoting pro-poor growth-oriented agriculture, rural development and manufacturing for creation of employment and income opportunities for the poor
Sixth National Development Plan, 2011-2015 (SNDP)	Attainment of sustained economic growth and poverty reduction by accelerating infrastructure development; economic growth and diversification; rural investment and poverty reduction; and enhancement of human development
Revised SNDP, 2013-2016	Realignment of the SNDP to emphasise the priority of the new government (Patriotic Front) on public capital investments and job creation to achieve more inclusive growth
Seventh National Development Plan, 2017-2021 (7NDP)	Creation of a diversified and resilient economy for sustained growth and socioeconomic transformation driven by, among others, agriculture, tourism, manufacturing and mining; focus on integrated multi-sectoral as opposed to sectoral development approach

## 1.2 The Report of the Mid-Term Review of the 7NDP

This report presents the findings of the Mid-Term Review (MTR) of the 7NDP. The MTR was commissioned by the Government in close collaboration with national stakeholders and development partners. The Ministry of National Development Planning (MNDP) coordinated the processes for conducting the review. The report summarises the two areas of the 7NDP evaluation: (i) performance of the 7NDP on the planned

results; and (ii) the effectiveness of the processes for coordinating the implementation of the Plan. The Outcome Evaluation focused on assessing the degree to which the Plan contributed to the attainment of planned programme outcomes across the five 7NDP Pillars, while the Process Evaluation focused on assessing effectiveness and efficiency of the coordination structures, highlighting what is working, what is not working and how challenges can be rectified. The MTR was undertaken by a team of independent consultants comprising an international consultant and a

national consultant between November 2019 and February 2020. The review process was coordinated by the Ministry of National Development Planning in collaboration with a multi-sectoral Reference Group appointed by the Cabinet Office to provide technical support to the process (see Annex).

### 1.3 Objectives of the 7NDP MTR

The MTR was conducted in fulfilment of the requirements of the country's Planning and Budgeting Policy, the National Monitoring and Evaluation Policy and the 7NDP Monitoring and Evaluation Plan. The review findings are intended to provide the relevant stakeholders with results from the 7NDP implementation at mid-term (by June 2019), to inform the strategic focus and implementation of development interventions in the remaining period of the 7NDP and to provide input into the development of future national plans.

The specific objectives of the MTR were to:

- a) Assess the effectiveness and efficiency of the coordination and management structures of the 7NDP;
- b) Assess the relevance and strategic alignment of the 7NDP coordination mechanisms and structures to the achievement of 7NDP outcomes and the sustainable development goals (SDGs);
- c) Ascertain the progress made in the five Strategic Development Areas to streamline and coordinate annual planning, resource allocation, implementation sequencing and monitoring of progress and evaluation of results;
- d) Identify and articulate factors explaining the progress made and challenges faced;
- e) Identify and document any capacity issues in the management and coordination of 7NDP implementation, monitoring, evaluation, and reporting;
- f) Examine the effectiveness of the Theory of Change (ToC) of the 7NDP and explore the underlying conditions necessary to bring about the anticipated economic diversification, job creation and social and governance outcomes as elaborated in the 7NDP and the National Performance Framework for the Vision 2030;
- g) Assess the progress made so far towards achievement of the development results of the five Strategic Development Areas (Pillars) of the 7NDP;
- h) Document key milestones achieved that need to be scaled-up or replicated across the 7NDP Pillars and highlight any unintended results (positive or negative) of the various 7NDP policies and programmes and key challenges that need to be addressed to optimise results from the 7NDP;
- i) Review the relevance, effectiveness, efficiency of strategies, programmes and programme outputs, while also assessing the relevance and adequacy of the indicator framework to effectively measure progress and assess attainment of set outcomes and impacts;
- j) Assess performance of the 7NDP (outcomes and impact) at mid-term against the Implementation Results Framework, i.e. assess the progress made so far towards achievement of the development results of the five Strategic Development Areas (Pillars) of the 7NDP;



- k) Document best practices, lessons learnt and make recommendations with respect to the above objectives.

#### 1.4 Organisation of the Report

The report describes the 7NDP Mid-Term Review process and presents the findings on planned outcome<sup>5</sup> at mid-point of implementation. The report is structured as follows: Chapter 1 consists of the Introduction to the report; Chapter 2 presents the Country Profile prior to and during

7NDP implementation; Chapter 3 outlines the Scope and Methodology of the MTR. Key findings of the MTR are detailed from Chapter 4 to 12 broken down as follows: Chapter 4 – Relevance of the 7NDP; Chapter 5 – Effectiveness of the 7NDP Coordination Structures; Chapter 6 – Effectiveness of 7NDP Planned Outcome Results; Chapter 7 – Efficiency and Financing of the 7NDP; Chapter 8 – Planning, Monitoring and Evaluation; Chapter 9 – Sustainability; Chapter 10 – Lessons Learnt; Chapter 11 – Strategic Positioning; and Chapter 12 – Conclusion and Recommendations.

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<sup>5</sup>This is complemented by analysis of output performance, based on planned programmes and strategies implemented to contribute to the attainment of planned outcomes.







## 2.0 Country Context

## 2.0 Country Context

Zambia recorded significant socio-economic development during the two decades prior to the 7NDP. Gross domestic product (GDP) grew at an annual average rate of 7.4 percent between 2005 and 2014, while end-year inflation dropped to single digit levels. Between 2014 and 2016, GDP growth averaged 3.6 percent.

At the start of 7NDP implementation in 2017, the economy experienced a downward trend with a worsening macroeconomic environment. Economic growth was down to an average of 2.9

percent with inflation averaging 8.6 percent. The budget deficit increased from 7.8 percent in 2017 to 9.1 in 2019. The decline in economic growth was in the main due to declining copper prices on international markets and output<sup>6</sup>, decreased production because of widespread drought and power generation deficits, volatile exchange rate movements and high fiscal deficits<sup>7</sup>. The widening of fiscal deficit was due to higher expenditures relative to revenues mostly on account of capital expenditure overruns (see Table 2).

**Table 2: Trends in Key Macroeconomic Indicators**

Indicator/Year	2014	2015	2016	2017	2018	2019
GDP growth rate	4.7	2.9	3.8	3.5	4.0	1.4
Inflation rate (end year)	7.9	21.1	7.5	6.1	7.9	11.7
Budget deficit	5.2	15.3	10	7.8	7.6	9.1
FDI growth rate	* -	2.9	3.8	3.5	* -	* -

\*confirmed figures for growth rate for 2018 and 2019 were not available.

Source: MNDP, computed data from various Government statistical sources.

Development assistance to Zambia from the Organisation for Economic Cooperation and Development-Development Assistance Committee member countries significantly declined. In 2015, total bilateral and multilateral aid fell to USD 572 million and USD 311 million, respectively. In 2017, grants amounted to K466.62 million against a target of K2.23 billion and during the first half of 2018, grants at K212.63 million were below the budget target due to lower inflows, especially for project support<sup>8</sup>. In 2019, grants stood at K840.0 million against the target of K1.92 billion. Thus, the role of the private sector and South-South Cooperation became increasingly prominent as

alternative sources of development finance. About 80 percent of aid had been in the health and other social sectors and the waning assistance was filled by increased domestic revenue, FDI and credit from international markets.

Total revenue to GDP ratio increased from 16 percent in 2013 to 20.1 percent in 2016, and to 20.4 percent in 2019. The increased revenues were anchored on domestic revenues which increased by 29.6 percent between 2017 and 2019. Value-Added Tax (VAT) collections grew by 16.8 percent while non-tax revenue, which includes mining royalties, grew by 49.8 percent. As a result of

<sup>6</sup>Copper and other commodity prices were generally lower during the first eight months of 2019 due to a fall in global demand. Copper prices averaged USD 6,091 per metric tonne compared to USD 6,723 per metric tonne over the corresponding period in 2018.

<sup>7</sup>In an effort to address the infrastructure gap as a binding constraint to growth, starting in 2011, the Government took an expansionary fiscal stance by borrowing from both external and domestic sources to invest in infrastructure.

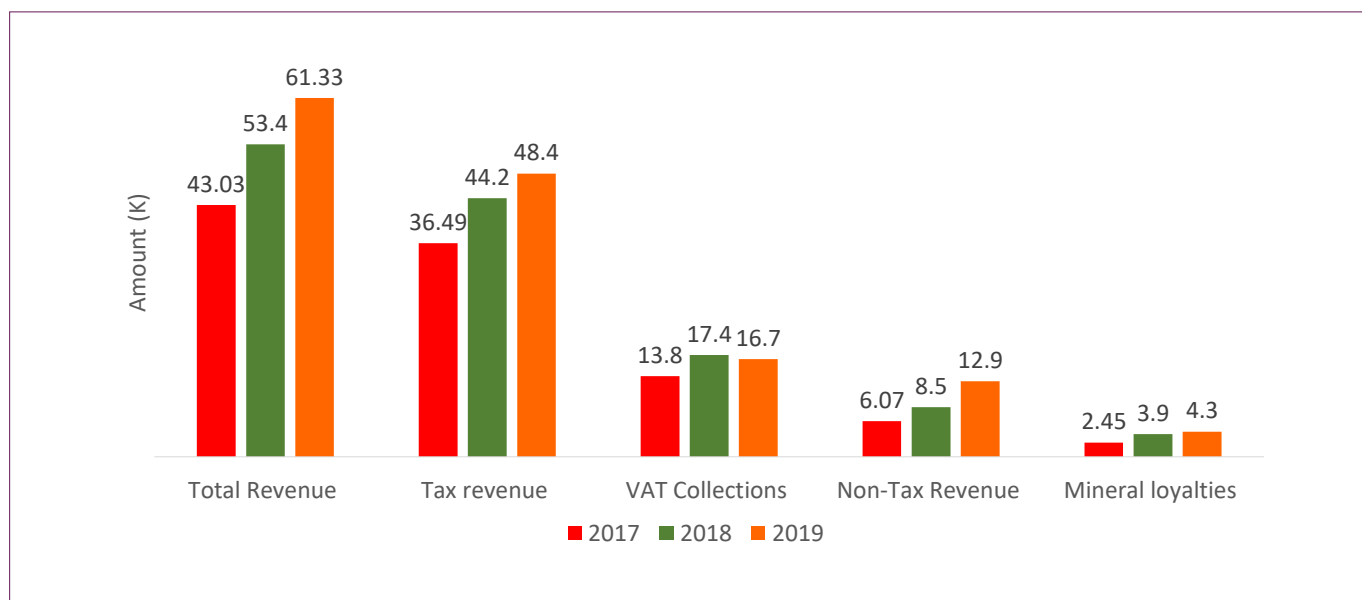
<sup>8</sup>Ministry of Finance (2018). Mid-Year Economic Report.



improved tax compliance by mining firms, mining royalties were up by 43 percent. For the period January to December 2019, revenues and grants,

at K61.33 billion, exceeded the target by 5.7 percent while expenditures including amortisation, at K96.6 billion, were above target by 11.3 percent (see Figure 1).

**Figure 1: Revenue Collection, 2017-2019**



Source: Ministry of Finance

Despite the notable economic gains and positive performance of (domestic) revenues prior to and during the first half of 7NDP implementation, there was still scope for additional resources to reduce the high poverty rates, especially in rural areas given the stark developmental inequalities that existed between the urban and rural regions. In the midst of plenty for 20 percent of the population who accounted for 60 percent of total national income<sup>9</sup>, Zambia, as at 2015, had headcount poverty of around 54.4 percent nationally; 76 percent in rural areas and 23.4<sup>10</sup> percent in urban areas. The inequalities increased both economically and socially, as indicated by the Gini coefficient which increased

from 0.60 in 2010 to 0.69 in 2015, much higher than the African average of approximately 0.43<sup>11</sup>. In addition, there have been high gender inequalities and joblessness. Unemployment was at 10.2 percent in 2017<sup>12</sup>. Although all nutrition status indices (stunting, wasting and underweight) improved between the period 2014 to 2018, the nutrition status remained above the World Health Organisation recommended thresholds, with levels of stunting, wasting and underweight among children under 5 years in 2018 still high at 35 percent, 4 percent and 12 percent, respectively (Zambia Demographic and Health Survey – ZDHS - 2018).

<sup>9</sup>Zambia-United Nations Sustainable Development Partnership Framework, 2016-2021 (2016) shows that the top 20 percent of the population in that income bracket accounted for 60 percent of the total country's expenditure or national income in 2015.

<sup>10</sup>Central Statistical Office (2016). 2015 Living Conditions Monitoring Survey Key Findings.

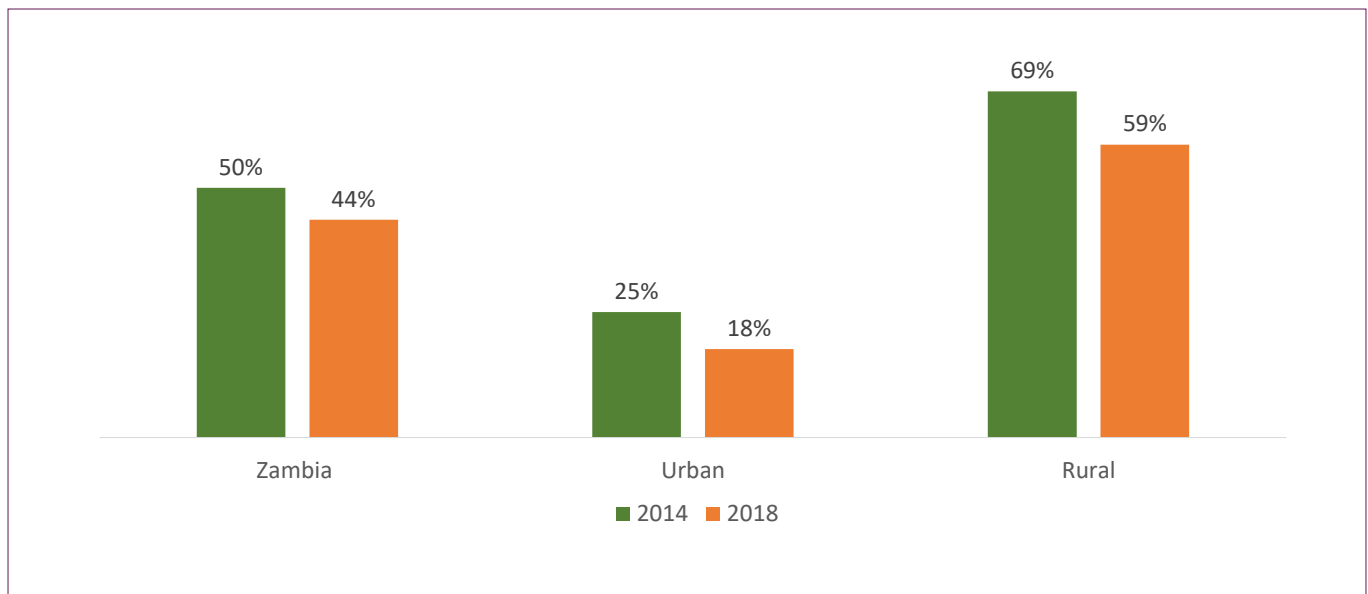
<sup>11</sup>Zambia Institute for Policy Analysis and Research (2016). Reversing Rising Income Inequality in Zambia.

<sup>12</sup>Central Statistical Office (2015). 2015 Living Conditions Monitoring Survey Key Findings; CSO (2018). Zambia in Figures 2018; International Growth Centre (2017). Growth and Income Inequality in Zambia.

Analysis of poverty in Zambia using the multidimensional poverty measure indicated a declining trend in poverty between 2014 and 2018, using the data from the ZDHS (2014 and 2018). In the Multidimensional Poverty Index (MPI), which measures acute poverty or poverty depth, headcount poverty fell by 6 percentage points, from

50 percent in 2014 to 44 percent in 2018. Using the same assessment and comparing the same period, rural poverty dropped from 69 percent to 59 percent, while urban poverty declined from 25 to 18 percent, respectively, representing declines of 10 and 7 percentage points (see Figure 2).

**Figure 2: Poverty Headcount, National, Rural and Urban**



Source: ZamStats, MNDP, ZIPAR, UNDP (2020). Multidimensional Poverty Index Analysis Report

Comparison between urban and rural areas shows that rural areas experienced more deprivations in education, health and desirable living conditions. Notwithstanding, comparison across time periods shows an improvement in the level of deprivations in rural areas as the number of households deprived of education, health and desirable living conditions reduced between 2014 and 2018.

In 2018, poverty intensity stubbornly remained at the 2014 levels of 56 percent, 57 percent and 55 percent at national, rural and urban levels, respectively. The MPI reduced from 0.28 in 2014 to 0.25 in 2018, showing progress in this area.

ZDHS data indicated that households with no household head who had completed school,

with no access to secondary education for their children, lacking information technology tools and with no electricity, were more likely to be poor than those with access to these services. Another analysis scenario shows that households headed by unemployed persons and suffering from financial exclusion are also more likely to be poor. These results indicate that lack of access to secondary school education, information, electricity, employment and financial inclusion are important determinants of poverty in Zambia.

Regarding governance, Zambia has had a strong foundation on which to build accountable and responsive systems of governance that advance the nation's long-term development priorities. This is evidenced by among other



issues, the country's long history of democratic governance and peaceful transitions of power. During the preceding NDPs, several strides were recorded in upholding good governance supported by consistent implementation of governance reforms which transformed most of the governance institutions in compliance with international standards for modern democratic systems. The reforms undertaken included the amendment of the Zambian Constitution in 2016, which during the 7NDP period, strengthened the mandates and functions of existing governance institutions such as the Zambia Correctional Service, National Prosecutions Authority and converted the Office of the Ombudsman into the Office of the Public Protector with enhanced powers. The new institutions established during the Plan period included the Small Claims Court, Constitutional Court, Court of Appeals and Family Court. Notwithstanding the positive developments towards enhancing governance

institutions, some challenges were still faced particularly with regard to inadequacies and inconsistencies in the regulatory framework and policy environment, delays in access to justice, delayed implementation of reforms to enhance transparency, accountability, democratisation and decentralisation. This was reflected by the low Mo Ibrahim score for Public Management (46.8) and Accountability (42.5) for 2017<sup>13</sup>.

To address the socio-economic and governance challenges the country has been facing, the Government had stepped up its national development planning efforts by developing robust and integrated policies. The integrated policies include the Vision 2030 which reflects the aspiration and determination of the Zambian people to be a middle-income nation by the year 2030, and the 7NDP which aims to accelerate infrastructure development, economic growth and diversification, and to promote job creation.

<sup>13</sup>Zambia-United Nations Sustainable Development Partnership Framework, 2016-2021. [2016].



development



## 3.0 Methodological Approach

## 3.0 Methodological Approach

The methodological approach to the 7NDP MTR was highly participatory involving key multi-stakeholders at national and sub-national levels. The MTR employed mainly qualitative approaches complemented with some quantitative methods. This chapter highlights the main approaches used in the review process.

### 3.1 Desk Review

Desk review of relevant 7NDP documents, including monitoring reports provided a rich appreciation of the design, implementation, and review of the 7NDP. The review informed the design of the MTR data collection tools. Desk review was a continuous process through the review of the implementation of the Plan. The References section lists the key documents reviewed.

### 3.2 Inception Phase

The inception phase involved the development of the roadmap for the review process. The inception report outlined the methodological approach including the data collection tools, timelines and deliverables for the MTR, which were endorsed by a multi-sectoral Reference Group appointed to provide technical oversight<sup>14</sup>. Through a three-day retreat, the members of the National Reference Group reviewed the adequacy of the planned methodology and endorsed the report; hence paving the way for commencement of data collection.

### 3.3 Evaluation Conceptual Framework

The evaluation conceptual framework presents the methodological framework for both the

assessment of the effectiveness of the 7NDP coordination structures and evaluation of planned outcomes. The conceptual framework adopted the Organisation for Economic Cooperation and Development-Development Assistance Committee evaluation framework. Component 1 of the framework provides for the assessment of relevance; effectiveness (process and outcome evaluation); efficiency; and sustainability. Component 2 provides for the assessment of strategic positions at mid-term. Component 3 provides for an assessment of the degree to which the planned cross-cutting issues were addressed during the implementation of the 7NDP.

### 3.4 Data Collection at National Level

Data collection at national level targeted multi-sectoral stakeholders who included national strategic institutions (Ministry of National Development Planning; Ministry of Finance; Zambia Statistics Agency; and Cluster Advisory Groups (CAGs) for all the five Pillars of the 7NDP. The respective pillar sector ministries representing key 7NDP line ministries were consulted for in-depth information on the performance of the 7NDP outcome results. Non-state actors who included civil society organisations; the private sector; youth groups; and people with disabilities were consulted using focus group discussions. These groups provided insights on their involvement in the coordination structures and their contribution to the implementation of the 7NDP. The consultations at national level also included consultations with some cooperating partners (CPs) who have multi-lateral and bi-lateral financing agreements with Zambia.

<sup>14</sup>The 7NDP Mid-Term Review Management Team list is attached in the Annex.





### 3.5 Data Collection at Sub-National Level

A total of five provinces and 10 districts (two in each province) were sampled. In addition to the provinces and districts, one ward was purposefully selected per district by the Reference Group, considering relative poverty levels and key economic activities. At provincial level, consultations were conducted with multi-sectoral stakeholders and members of the Provincial Development Coordinating Committee (PDCC), who included the Government, civil society, the private sector, the youth and women groups. Provincial secretariat staff were

interviewed for in-depth data collection. At district level, consultations included DDCC members and non-state actors at those levels. In some districts, separate meetings were organised with ward structures while in others the ward structures jointly participated in the DDCC. In each of the provinces, selected site visits to strategic institutions representative of the five Pillars were conducted to capture detailed information on sub-national level contribution to the implementation of the 7NDP.

Table 3 presents the consulted provinces, districts and wards for field visits.

**Table 3: Provinces and Districts for the Field Visits for the 7NDP MTR**




Provinces		Districts	Wards
1	Copperbelt PDCC - Ndola	Old - Chingola New - Lufwanyama	2 wards participated in the Ward Development Committee (WDC) interview held at Chingola Municipal Council Chambers
2	Luapula PDCC - Mansa	Old - Samfya New - Chipili	Mano WDC; Nsenga WDC
3	Lusaka Province PDCC - Lusaka	Old - Kafue New - Rufunsa	Joint interview with Kasenje WDC and Matanda WDC; Rufunsa WDC
4	Eastern Province PDCC - Chipata	Old - Nyimba New - Vubwi	10 wards (Ambidzi, Chimphanje, Chisiya, Kabvumo, Khumba, Mbozi, Mlawe, Mwangazi, Vubwi and Zozwe) participated at the joint Vubwi District consultative meeting 13 wards (Chamilala, Chinambi, Chinsimbwe, Chiweza, Kaliwe, Katipa, Luangwa, Luezi, Mombe, Mtilizi, Ngozi, Nyimba and Vizimumba) were in attendance at the Nyimba District consultative meeting
5	Southern Province PDCC - Choma	Old - Kalomo New - Pemba	Kalomo Urban WDC was consulted

### 3.6 Data Analysis

The qualitative data analysis used the manual approach, which involved coding feedback in line with the key evaluation questions and topical issues of the review. Quantitative analysis of the performance of the outcome results was used. For the performance of the outcomes at mid-term, a traffic lights-based outcome rating system was employed. The performance of outcome results was rated based on the progress made towards the planned 2021 targets using the following rating scale: (i) On Track (Green Circle): if at mid-term (by 2019), progress made indicated that targets were already achieved or most likely

to be accomplished by 2021 (2021 target is at least 50 percent achieved); (ii) Partially on Track (Amber Square): if the performance of outcomes at mid-term fell between 50 and 30 percent performance range against the 2021 targets; and (iii) Off track (Red Triangle): if performance of outcome results were below 30 percent of the set target for 2021 and will most likely fail to reach the 2021 target (see Table 4). The outcome rating was based on the evaluators' assessment of the indicator ratings, based on documented evidence of general performance of the planned outcome results, supported by stakeholder confirmation of the performance of the relevant result area.

**Table 4: Performance Rating for Outcomes**

Rating of Performance of Outcomes in the Absence of Outcome Indicators	Performance of Annual Output Targets (%) (average for 2017, 2018, June 2019)
On Track (Green Circle) 	50-100 percent
Partially on Track (Amber Square) 	30-49 percent
Off Track (Red Triangle) 	Below 30 percent

### 3.7 Limitations of the 7NDP MTR

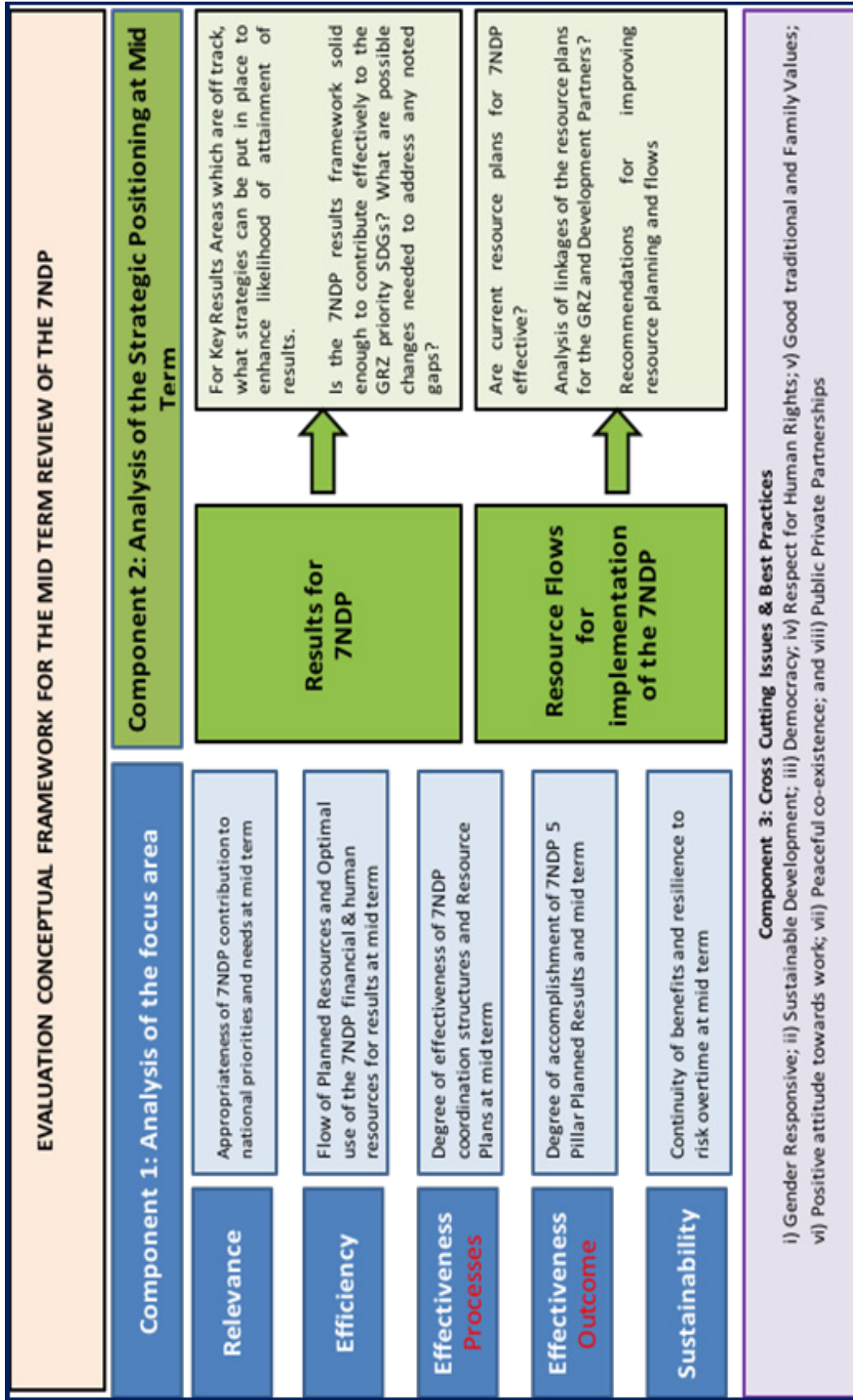
The following were the key data limitations of the MTR:

- a) Non-availability of survey and other administrative data from various state and non-state institutions made it difficult to effectively assess performance on some indicators in the five Pillars.
- b) A few monitoring reports<sup>15</sup> tracked performance of outcome indicators, as the focus was mainly on tracking performance of programme outputs.
- c) Non-availability of outcome indicator data for some Pillars, especially for Pillar 3, also limited the scope of the analysis of performance of some outcomes at mid-term.

<sup>15</sup>Cluster annual reports for 2019. Pillar 1, 3, and 4. 2018 annual reports focused on tracking outputs.



Figure 3: Process and Outcome Evaluation Conceptual Framework for the Mid-Term Review of the 7NDP



### 3.8 Design, Planning, Monitoring and Evaluation

#### *a) Design*

The MTR notes that the 7NDP was well-designed with a robust results framework. However, there is room for improvement in the design of the results framework. The MTR suggests that the key performance indicators (KPIs) could have been designed as intermediate impact results and there is need for developing the overarching impact result responding to an inclusive diversified economy. The Zambia Statistics Agency (ZamStats) was already working on an index that would measure an inclusive diversified economy. The development of the results matrix was participatory and knowledge on different levels of results of the 7NDP was high. A review of the 7NDP monitoring and evaluation information suggests an evaluability rating of about 95 percent. Furthermore, outcome indicators were aligned to the Sustainable Development Goals (SDGs). Focus was on those SDG targets and outcome indicators which could be tracked in the country. Utility of the results framework and reporting on results gradually improved with stakeholder awareness of the results framework.

#### *b) Planning*

Planning and reporting on the 7NDP is an important component of implementation. The MTR observed that the Plan was well-structured and coherent in its articulation of the development deliverables for the country. However, when transcended to sub-national level, there were no commensurate plans interpreting the 7NDP into lower level programmes and targets to be generated by various provinces and districts. The MTR did not find any evidence of sub-national implementation plans or monitoring and reporting templates. The implementation and reporting

templates for the 7NDP did not seem to have been designed to systematically capture progress of Plan implementation at sub-national level. Suggestions for strengthening planning processes for the 7NDP include (i) unpacking national level targets for sub-national levels; ii) development of performance indicators for sub-national levels; iii) strengthening capacities of sub-national levels to develop sub-plans; iv) development of appropriate reporting templates for sub-national levels and; (v) development of guidelines for the development of provincial and district level plans.

#### *c) Monitoring and Evaluation*

The assessment noted a relatively sound monitoring and evaluation system, but with room for improvement. A monitoring plan for the 7NDP is in place and is well-articulated. The Plan is regularly monitored quarterly through the coordination structures, while the MNDP produces an annual review of the Plan through Annual Progress Reports (APRs). In addition to the MTR, an end-term evaluation of the 7NDP is planned for after the end of the 7NDP in 2021. The MTR noted the importance of strengthening monitoring and evaluation (M&E) capacities at all levels, especially at provincial, district and sub-district levels. The MTR also observed inability to report on some of the indicators in the 7NDP M&E framework, indicating the need for strengthening statistical capacities across various agencies generating data and information to support the 7NDP M&E. In addition, there is also need to continuously invest in strengthening the National Statistical System to ensure periodic undertaking of important national surveys to produce timely data.



### 3.9 Sustainability

The public-private partnership (PPP) modality of financing was noted to be a potential driver of sustainability of 7NDP implementation. The PPP contributes to resourcing for 7NDP capital projects and ensuring participation of the country's private sector in contributing to the development of the country. However, although the use of the PPP modality was suitable for some sectors of the 7NDP (such as infrastructure development, health and education) this was not for all (for instance rural electrification). For the remaining two years of the 7NDP, the Government should consider scaling-up awareness on the use of this financing modality as a driver of national development.

Mobilisation of resources for implementation of the 7NDP at provincial and district level through investment and tourism expositions offer an opportunity for sustainability in financing the implementation of the 7NDP. Fundraising of development resources at sub-national levels is key in contributing to the implementation of the 7NDP without heavy dependence on the national Treasury, as this is not a sustainable way of financing the national development Plan.

Capacities of institutions and structures for coordinating the 7NDP, especially at national level, had been enhanced, with room for improvement for sub-national structures, particularly Ward Development Committees (WDCs). The WDCs lacked the relevant skills and capacities to supervise and monitor projects within their constituencies. Infrastructure development, especially in rural settings, has been enhanced, thereby contributing immensely to sustainability of development efforts. Militating factors against sustainability for implementation of the 7NDP include the weak coordination capacities of the WDCs and over-dependence on public sector debt financing, particularly for infrastructure projects,

a situation which has had a negative impact on the country's debt position, and consequently on the Government's capacity to service the debt, thereby limiting resources available to support other outcome areas of the 7NDP. At mid-term, 90 percent of Government revenue was used to service debt and pay public sector salaries leaving only 10 percent to finance the implementation of the 7NDP. This has negatively affected performance of the Plan at mid-term.

### 3.10 Strategic Positioning

At mid-term, while the development challenges have remained the same, climate variability and debt management have contributed to lower than expected growth rates and, therefore, the slow growth of the economy. Performance of outcome results remains below expectations. Decentralisation in Zambia has the potential to unlock development opportunities at sub-national level. However, at mid-term, the process of decentralisation, especially fiscal decentralisation, was slow.

Against this backdrop, the following are the key strategic position elements for consideration; (i) across all pillars, retain outcome results of the 7NDP while rationalising priority outputs which have ripple effects to significantly contribute to the attainment of set outcome results; (ii) strengthen coordination structures of the 7NDP, including the sub-district structures for enhanced delivery of planned results; the Government must consider investing in planning and monitoring systems for provinces and districts; (iii) adopt an integrated and results-oriented budgeting system; (iv) invest in the National Statistical System to create a sound basis for planning and measurement of development results; and (v) scale-up efforts towards full decentralisation to enhance capacities of sub-national levels to plan, implement and monitor development initiatives.





## 4.0 Relevance

Assessment of relevance entails analysing the extent to which the 7NDP is related and useful to national, regional, and global development priorities and needs. In this regard, the analysis considered the relevance of the 7NDP in relation to (i) Vision 2030 and other national development priorities and needs; (ii) the Revised Regional Indicative Strategic Development Plan (2015-2020); (iii) the African Union Agenda 2063; and (iv) the Sustainable Development Goals 2030. The findings are informed by a combination of both secondary and key informant interviews. Figure 4 shows the conceptual framework of the alignment of the 7NDP to national, regional and global development priorities.

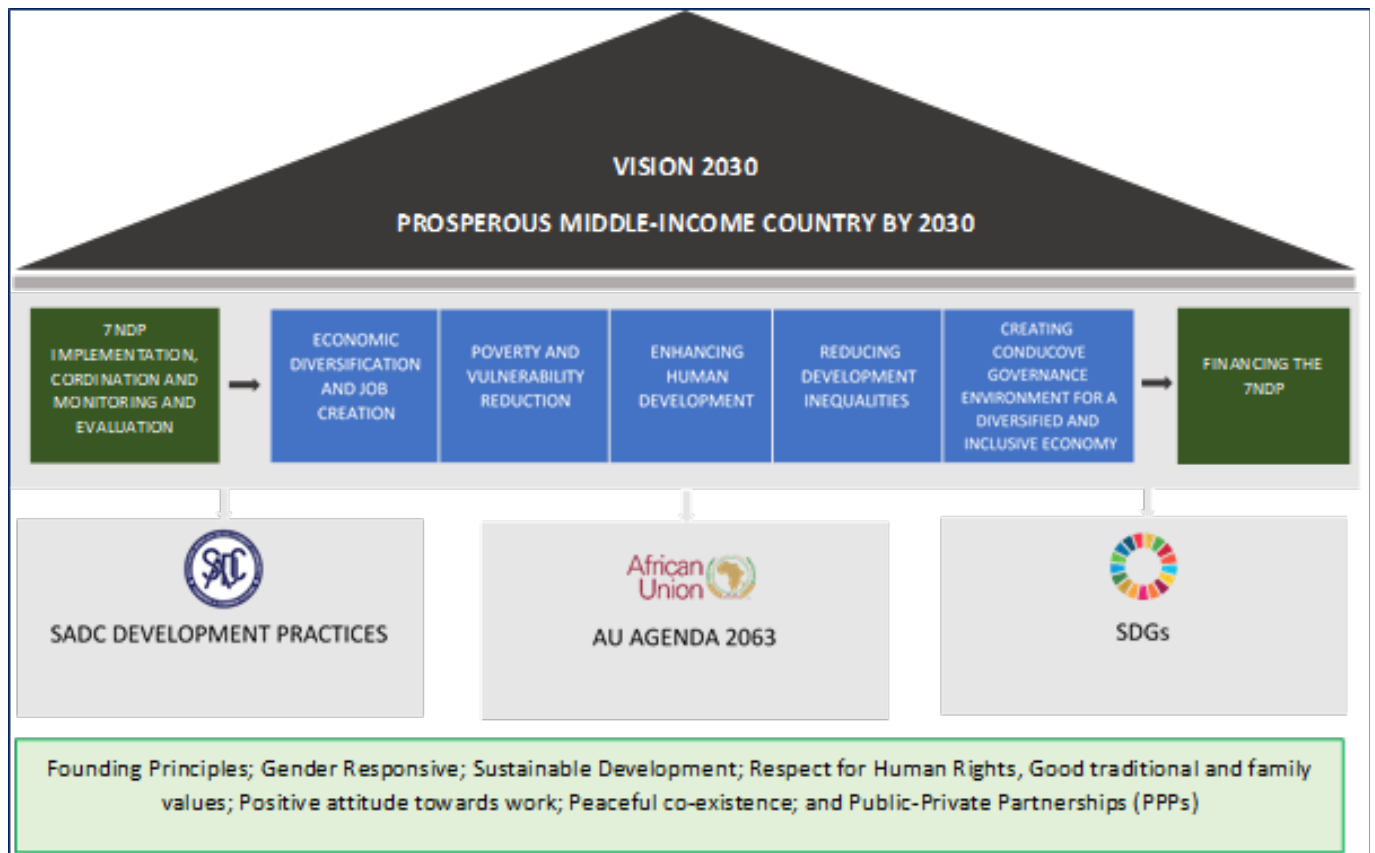
#### 4.1 Other Relevance Factors

Some stakeholders from both national and sub-national levels noted that the relevance of the 7NDP is also highly dependent on the availability of resources for its implementation. For example, a respondent from Nyimba District stated the following:

*“When the Plan is not adequately supported with financial resources for implementation then it is less likely to be relevant.”* Male respondent, Nyimba District: Eastern Province

This issue was more greatly emphasised at sub-national than at national levels. The concern of the lack of resources to implement the Plan was seen as a huge challenge affecting relevance.

Figure 4: Alignment of the 7NDP to Long-Term National Vision and Global Development Priorities







## 4.2 Alignment of the 7NDP to Vision 2030 and other National Development Frameworks

There was consensus on the relevance of the 7NDP, especially as it relates to Vision 2030. Most of the respondents indicated that the Plan was contributing to achieving Vision 2030. One respondent had this to say:

*“I would say the 7NDP is very relevant. Vision 2030 aspires to see Zambia as a prosperous middle-income country. The various Pillars of the Plan, such as economic diversification and job creation, poverty reduction and vulnerability,*

*reduced inequalities and governance all speak to the broader aspirations of Vision 2030.”* Male respondent, Health Sector, Sector Interviews

Table 5 shows the relationship between the 7NDP Pillar Result Areas and the Vision 2030 Sector Visions. Only two Result Areas (Pillar 1, Result 5 on Access to local, regional and international markets and Pillar 2, Result 2 (on disaster and risk reduction) are not directly linked to the Vision 2030 provisions.

**Table 5: Links between 7NDP Pillar Result Areas and Vision 2030 Aspirations**

Pillars	7NDP Pillar Outcomes / Result Areas	Alignment to Vision 2030 Sector Visions	
I	1	Export-oriented agriculture	Agriculture: Sustainable and export-led agriculture
	2	Export-oriented mining sector	Mining: Private sector mineral exploration and exploitation
	3	Diversified tourism sector	Tourism: Major tourism destination
	4	Energy sector development	Energy: Access to clean, reliable and affordable energy
	5	Access to local, regional and international markets	Agriculture, manufacturing and energy: Enhanced economic growth and wealth creation
	6	Improved transport	Infrastructure: A well-developed and maintained infrastructure
	7	Water resource development and management	Not applicable
	8	Information and Communication	ICT: An information and knowledge-based society by 2030
	9	Decent job opportunities	Employment and labour: Sustained full employment by 2030
	10	Research and development	Education and skills development: Innovative and productive education and training.
II	1	Enhanced welfare and livelihoods of the poor and vulnerable	Social Protection: Provide sustainable security against extreme vulnerability Food and Nutrition: Well-nourished and healthy population
	2	Climate change and disaster risk reduction	Not applicable
	3	Reduced HIV and AIDS prevalence	HIV/AIDS: A nation free from threat of HIV /AIDS
III	1	Reduced inequalities	Gender: Gender equity and equality
IV	1	Improved health and health-related services	Health: Equitable access to quality health care
	2	Improved education and skills development	Education and skills development: Lifelong education and training.
	3	Improved access to water supply and sanitation	Water and sanitation: Clean and safe water supply and sanitation.

Pillars	7NDP Pillar Outcomes / Result Areas		Alignment to Vision 2030 Sector Visions
V	1	Improved policy environment	Governance systems:
	2	Improved transparency and accountability	To adhere to principles of good governance by 2030.
	3	An inclusive democratic system of governance	
	4	Improved service delivery	Enhance human rights awareness and reduce violations
	5	Improved rule of law, human rights and constitutionalism	
	6	Enhanced national values and ethics.	Foreign relations: Well-articulated national and international interest

**Key: Pillar 1:** Economic Diversification and Job creation; **Pillar II:** Poverty and Vulnerability Reduction; **Pillar III:** Reducing Inequalities; **Pillar IV:** Enhancing Human Development; **Pillar V:** Creating a Conducive Governance Environment for a Diversified Economy.

### 4.3 Alignment to Regional Development Priorities

#### a) *Alignment to Southern African Development Community (SADC) Regional Development Priorities*

The SADC Regional Indicative Strategic Development Plan (RISDP) aims to deepen the integration agenda of the region through

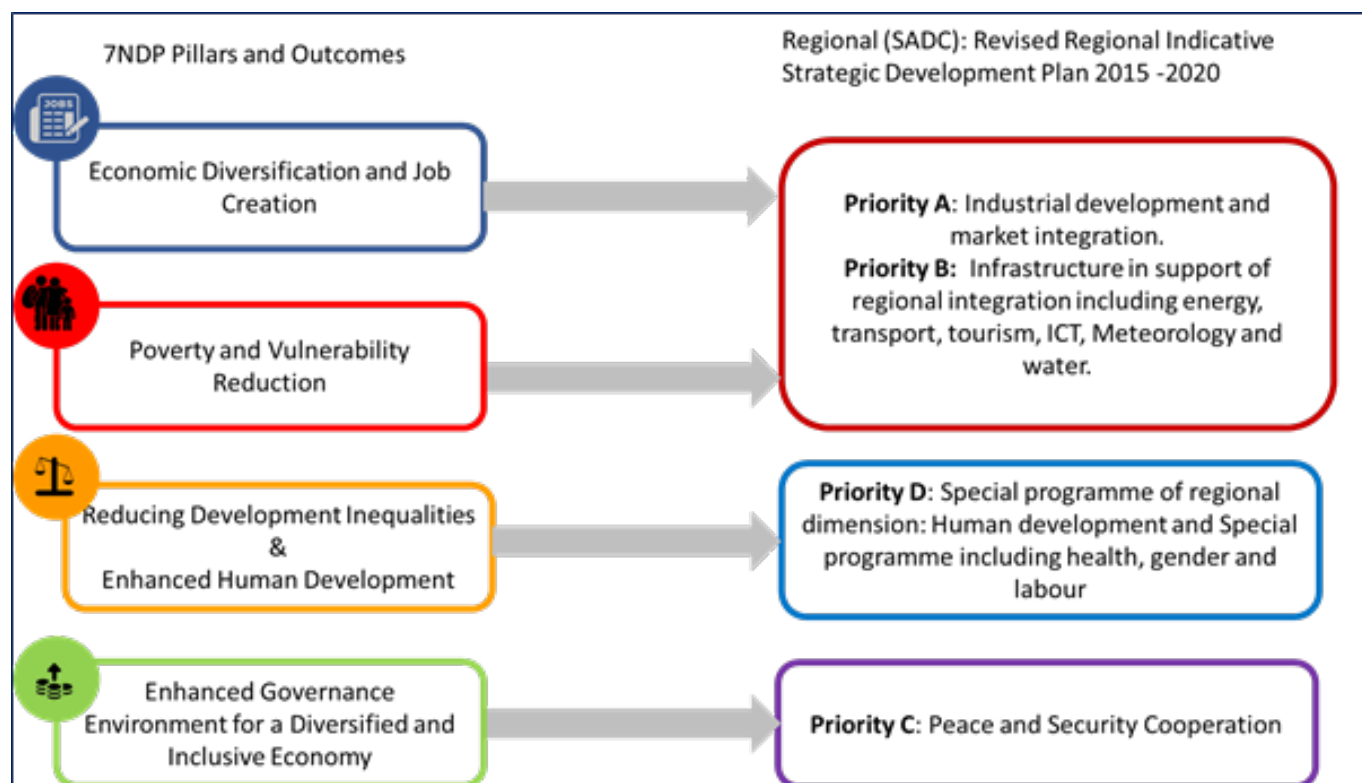
accelerating poverty eradication and attainment of other economic and non-economic development goals<sup>16</sup>. The 7NDP priority pillars contribute to the attainment of the SADC RISDP. As such, the 7NDP is closely aligned to the SADC regional development agenda<sup>17</sup> (see Figure 5).

<sup>16</sup>SADC (2015). Regional Indicative Strategic Development Plan, 2015-2020.

<sup>17</sup>Performance assessment of the RISDP could not be effectively undertaken due to non-mapping of the 7NDP M&E framework to the RISDP M&E framework.



Figure 5: Alignment of the 7NDP Pillars to the SADC RISDP



### b) Alignment to African Union Agenda 2063

The African Union development priorities are contained in the Agenda 2063 document with seven aspirations which are aimed at inclusive growth and sustainable development for Africa. The 7NDP Pillars and Result Areas are strongly

aligned to the Agenda 2063 development aspirations and once attained would strongly contribute to the achievement of Agenda 2063 aspirations. Alignment of the 7NDP Pillars to the African Union Agenda 2063 is presented in Table 6 at the goal level<sup>18</sup>.

<sup>18</sup>Assessment of the performance towards attainment of specific indicator targets under the AU Agenda 2063 was impeded by non-availability of a mapped framework to enable comparability of indicators.

**Table 6: 7NDP Alignment to African Union Agenda 2063**

<b>7NDP Pillars and Outcomes</b>	<b>Agenda 2063 Development Aspirations</b>	<b>Goals</b>
Economic Diversification and Job Creation	Aspiration 1	<ul style="list-style-type: none"> <li>• A high standard of living, quality of life and well-being for all citizens</li> <li>• Transformed economies</li> <li>• Modern agriculture for increased productivity and production</li> </ul>
	Aspiration 2	<ul style="list-style-type: none"> <li>• World-class infrastructure criss-crosses Africa</li> </ul>
	Aspiration 7	<ul style="list-style-type: none"> <li>• Africa takes full responsibility for financing her development</li> </ul>
Poverty and Vulnerability Reduction	Aspiration 1	<ul style="list-style-type: none"> <li>• A high standard of living, quality of life and well-being for all citizens</li> </ul>
Reducing Developmental Inequalities	Aspiration 6	<ul style="list-style-type: none"> <li>• Full gender equality in all spheres of life</li> </ul>
		<ul style="list-style-type: none"> <li>• Engaged and empowered youth and children</li> </ul>
Enhancing Human Development	Aspiration 1	<ul style="list-style-type: none"> <li>• Well-educated citizens and skills revolution underpinned by science, technology and innovation</li> </ul>
		<ul style="list-style-type: none"> <li>• Health and well-nourished citizens</li> </ul>
Enhanced Governance Environment for a Diversified and Inclusive Economy	Aspiration 3	<ul style="list-style-type: none"> <li>• Democratic values, practices, universal principles of human rights, justice and rule of law entrenched</li> </ul>
		<ul style="list-style-type: none"> <li>• Capable institutions and transformative leadership in place</li> </ul>
	Aspiration 5	<ul style="list-style-type: none"> <li>• African cultural renaissance is pre-eminent</li> </ul>

#### 4.4 Alignment to Sustainable Development Goals

The 7NDP is relevant in its contribution to the attainment of the SDGs. The 7NDP Pillars and the corresponding SDGs. The analysis will further show the degree of 7NDP alignment to the SDGs. The Rapid Integrated Approach (United Nations

(UN) methodological approach) was used to measure the alignment of the 7NDP Pillars to the SDGs (see also Table 7).

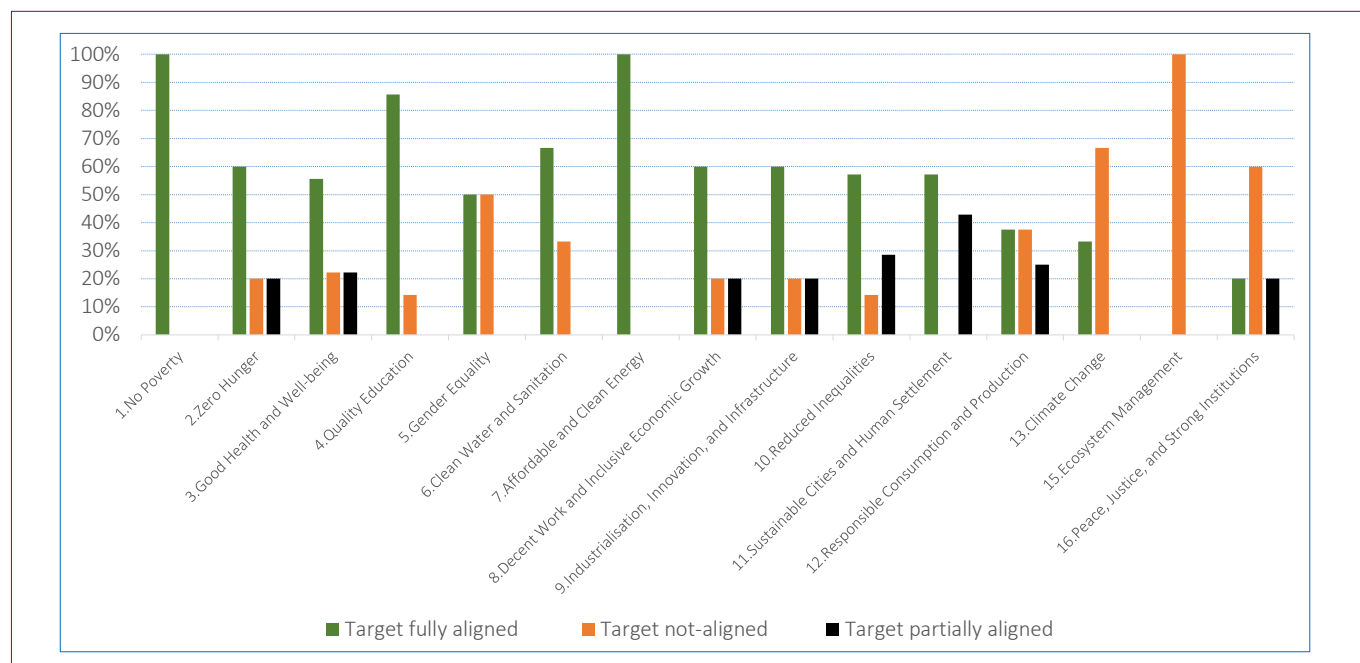


**Table 7: 7NDP Pillar Relevance to SDGs**

Pillars	Relevant Sustainable Development Goals															
	1	2	3	4	5	6	7	8	9	10	11	12	13	15	16	
Pillar I	1	2		4	5		7	8	9	10		12	13	15		
Pillar II	1	2			5			8		10			13			
Pillar III	1	2		4	5	6	7			10	11					
Pillar IV	1	2	3	4	5	6				10						
Pillar V					5					10					16	

**Key:** **Pillar 1:** Economic Diversification and Job Creation; **Pillar II:** Poverty and Vulnerability Reduction; **Pillar III:** Reduced Inequalities; **Pillar IV:** Enhancing Human Development; **Pillar V:** Creating a Conducive Governance Environment for a Diversified Economy.

**Figure 6: Degree of Alignment of the 7NDP to the SDGs**



Source: GRZ/UNDP (2017). Rapid Integrated Assessment Report.

The analysis shows that there is a strong alignment of the SDGs across the 7NDP Pillars. During the 7NDP design, the Government collaborated with the UN and used an approach called Rapid Integrated Assessment (RIA) that was used in the assessment of the alignment of the 7NDP development targets to the SDG targets. In this respect, Zambia presents a best practice with respect to development of a national

development plan that is aligned to the SDGs. The RIA undertaken in 2017 showed that 86 percent of the 7NDP results were aligned to the SDGs (75 fully aligned and 11 partially aligned) while only 14 percent of the results were not aligned (see Figure 6)<sup>19</sup>. The principle and approach of this integration process is that the 7NDP implementation process also concurrently implements the SDGs.

<sup>19</sup>Ministry of National Development Planning (2017). 7NDP Implementation Plan, 2017-2021, Vol. II: "Accelerating Development Efforts towards Vision 2030 without Leaving Anyone Behind".



## **5.0 Effectiveness of 7NDP Coordination Structures**

## 5.0 Effectiveness of 7NDP Coordination Structures

### 5.1 Planned Coordination Mechanisms for the 7NDP

To support the implementation of the 7NDP, the Government put in place implementation and coordination arrangements as follows<sup>20</sup>:

#### a) National Development Coordinating Committee (NDCC)

The NDCC is chaired by the Secretary to the Cabinet and plays the role of providing guidance on 7NDP implementation to the development Clusters and presents policy recommendations to the Presidency on the national development plans. The NDCC is expected to meet semi-annually.

#### b) Cluster Advisory Groups (CAGs)

The CAGs comprise of various Technical Working Groups chaired by a lead Sector; planned to meet quarterly. The CAGs are established to coordinate the implementation, monitoring, evaluation of interventions for a particular 7NDP development Pillar and also ensure periodic reporting of performance on the key result areas across the five Pillars of the Plan.

#### c) Provincial Development Coordinating Committees (PDCCs)

PDCCs are mandated to coordinate the implementation of 7NDP interventions at provincial level and provide technical direction to implementing agencies. The PDCCs also play an oversight role on the implementation of district plans and ensure that district development plans are progressing as planned. PDCCs were expected to produce progress reports on the implementation of programmes and projects in their provinces for submission to the NDCC.

#### d) District Development Coordinating Committees (DDCCs)

DDCCs are mandated to ensure the implementation of programmes and projects at the district level. The districts were expected to design their own plans and monitoring and evaluation systems aligned to the 7NDP. The DDCCs were expected to meet quarterly and produce DDCC progress reports to be submitted to the PDCC.

#### e) Ward Development Committees (WDCs)

WDCs are expected to undertake planning, monitoring and evaluation activities in relation to projects at that level. They were expected to meet quarterly, report to the DDCCs, and to operate in line with guidelines provided in the decentralisation policy and other regulations for overseeing development in the wards.

According to the Plan, information on implementation would flow from the ward development structures to the NDCC. Equally, advisory flow is from national structures to the WDCs.

The Plan also highlights the roles of the Parliament, the Cabinet and other agencies in the oversight, coordination, management and implementation processes of the 7NDP.

#### i) Parliament

The Parliament is expected to play an oversight role to ensure that the Government delivers on its mandate and that the processes of achievement of development outcomes is based on principles of accountability, transparency and value for money.

<sup>20</sup>7th National Development Plan, 2017-2021, Vol. I.





## ii) Cabinet

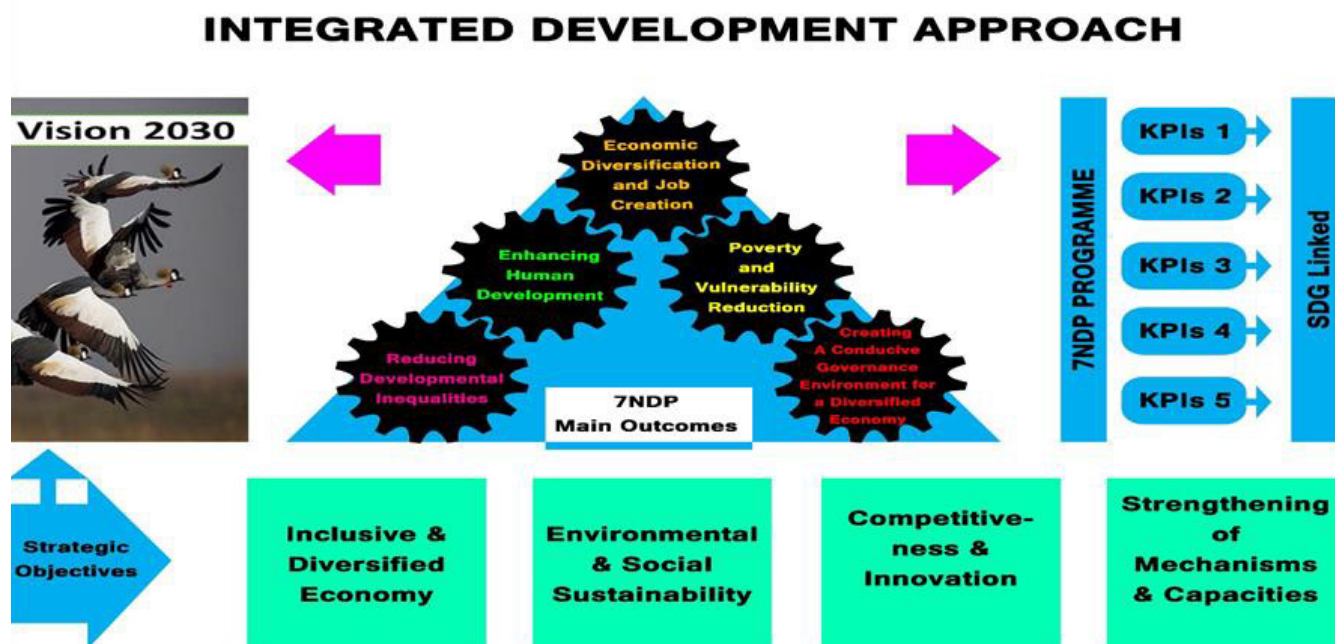
The Cabinet provides leadership and policy direction so that development outcomes contained in the Plan are met on time. It also facilitates the establishment of a supportive political and economic environment for smooth and timely implementation of the Plan<sup>21</sup>.

### 5.2 The Integrated/Multi-Faceted Approach in the Implementation of the 7NDP

The integrated approach recognises the multi-faceted and interlinked nature of sustainable development, which calls for interventions to be

tackled simultaneously, through a coordinated approach to implementing development programmes. It is envisaged that the integrated development approach in the 7NDP will help change the focus of government line ministries and provinces from competition to coordination and harmonisation. Figure 7 illustrates the integrated development approach of the 7NDP within the framework of the national Vision 2030. The rest of the chapter presents results at mid-term which assesses the degree to which these planned coordination mechanisms and integration approach have worked.

Figure 7: Application of the Integrated Multi-Sectoral Approach in the 7NDP



<sup>21</sup>Ibid

### 5.3 Results on Operations and Functionality of Coordination Structures

This section highlights the key achievements, challenges, and suggestions for operationalisation of the 7NDP.

#### 5.3.1 Key Achievements

**a) The 7NDP coordination structures are functional both at national and sub-national level, albeit with room for improvement.**

Unlike previous National Development Plans, the 7NDP coordination structures were noted to be functional. The frequency of coordination meetings for the 7NDP were much higher than those experienced for the 5th and 6th National Development Plans. National coordination structures were holding meetings and producing progress reports against the five Pillars of the Plan. The introduction of co-chairs for CAGs also contributed to better management of this coordination structure. Two respondents had this to say with respect to the holding of CAG meetings:

*"We held many meetings, for example our CAG (Pillar 5) met six to eight times this year against the planned four meetings."* Male Senior Official, MNDP

*"Coordination has improved during the current plan compared to the previous plans. With previous plans, the Sector Advisory Groups were not meeting frequently."* Female Senior UN official

At sub-national levels, the PDCCs and DDCCs were meeting and producing progress reports. The DDCC progress reports fed into the PDCCs' report while the 10 PDCC reports contributed to the development of the Regional Report presented at the NDCC meetings as well as at Presidential Quarterly Cluster Meetings.

**b) There is active participation of non-state actors (civil society organisations (CSOs), the private sector, and CPs) in the coordination structures.**

The participation of non-state actors, especially civil society, the private sector, CPs including UN agencies, and representatives of women, the youth, and people with disabilities was visible. During the consultations, non-state actors exhibited impressive knowledge of the 7NDP outcome areas, outputs, and pillar strategies. The groups also had good appreciation of the performance of some of the indicators at mid-term. The non-state actors were articulate on which pillars, outcome areas, and outputs their work contributed to within the bigger picture. They strongly felt part of the implementation of the Plan. Reinforcing this observation, one respondent had this to say:

*"The coordination allows for involvement of multi-stakeholder parties to include government; CSOs; private sector and other cooperating partners. This enhances transparency and interrogation of progress across pillars."* Respondent during district level consultative meetings.

The MTR observed increased involvement of non-state actors, especially at the sub-national level. In Lusaka Province, the health Sector has received significant support from the private sector. One respondent reported:

*"In the Ministry of Health, there has been an increase in the level of support from the non-state actors. This year when we have had limited support, the private sector has come on board to buy fuel, for ambulances, provide logistics, rehabilitate existing and new infrastructure."* Respondent, Lusaka Province consultative meetings.



**c) Coordination structures at sub-national level are aligned to national level structures.**

Coordination structures at sub-national level were highly aligned to national level structures. At both national and sub-national levels, each coordination structure has five committees representing the five Pillars of the 7NDP. The Cluster chairpersons are responsible for, among other issues, producing cluster reports for incorporation into the DDCC quarterly report. During the MTR sub-national consultations, these sub-national cluster chairpersons were very vocal and significantly contributed to feedback on performance of the pillars at mid-term. Most of the cluster chairs had statistics readily available on the performance of the respective results areas.

**d) The MNDP has a dedicated officer responsible for coordination of the 7NDP.**

The Government has given prominence to the importance of the coordination of the 7NDP by appointing a dedicated officer within the MNDP. The senior officer was responsible for managing activities around the Plan, including coordinating CAG meetings and documenting NDCC and CAG reports. This has enabled the capturing of 7NDP monitoring reports since 2017 to date.

### 5.3.2 Noted Challenges

**a) To a large extent the Ward Development Committees (WDCs) were not operational.**

The 7NDP is explicit on the role of the WDCs in coordinating and supervising projects that are within their jurisdiction. The WDCs are expected to report to the DDCC. The majority of the WDCs had been constituted but had not received training and orientation and were not yet directly involved in the coordination structures, and thus were not knowledgeable about the 7NDP. The consulted representatives of the WDCs in the five provinces (Southern, Copperbelt, Northern, Eastern, and Lusaka Provinces) shared the concern of a lack

of proper supervision and coordination of 7NDP activities at ward levels. The following is a comment by a WDC member:

*“WDC is not directly involved in development programmes. As such, if there is a meeting in the ward to discuss development programmes, members only attend at individual capacity, not as WDC. WDC is still waiting to be oriented and given a go ahead to carry out duties by the council.”* WDC Representative, Kalomo District, Southern Province.

**b) NDCC meetings were being held as scheduled, but PDCCs and DDCCs did not hold sufficient meetings as planned.**

NDCC meetings were being held regularly as planned. For instance, in 2019 two NDCC meetings were held in June and October. Timely meeting of the NDCC was important to provide prompt guidance to emerging development challenges which require urgent action. The PDCCs were not meeting regularly as planned. For instance, in the Southern Province, in 2018 and 2019 the PDCC only met once.

Reasons for the failure to meet included a lack of resources associated with coordination meetings, including (i) logistics costs for district personnel (drivers, fuel, accommodation costs, and others); and (ii) competing activities, especially during the fourth quarter of the year when agencies are expected to participate in the national budgeting process. Despite not meeting quarterly, the PDCC still submitted provincial progress reports which they compiled from district reports. It was observed that in some instances, the PDCC tended to meet only when there was need to compile a report for submission to the national level. The following excerpt reinforces the concern about the non-regularity of meetings for PDCCs:

*“Meetings were consistent in 2017 due to the availability of resources for PDCC meetings and other coordination activities. However, from 2018 to date the meetings have been sporadic and*

*very irregular because of the austerity measures that the country is implementing to deal with the shrinking fiscal space.” PDCC member, Luapula Province.*



## **6.0 Effectiveness of 7NDP Outcome Results**

## 6.0 Effectiveness of 7NDP Outcome Results

The 7NDP has five Pillars. This chapter highlights the performance of the outcome indicators across the five Pillars. Performance of outcome indicators at mid-term is compared with the baseline values. Facilitating and mitigating factors for the change in the performance of the outcome indicators are explained where possible.

### 6.1 Pillar 1: Economic Diversification and Job Creation

#### *Overview of Economic Diversification and Job Creation at the Start of the 7NDP*

As outlined in the Vision 2030, the Government aspires to deliver a prosperous middle-income economy that offers decent employment opportunities for all Zambians, by harnessing opportunities for economic diversification and growth. Economic diversification offers opportunities to realise additional jobs and benefits from Zambia's vast endowment of natural and human resources. The benefit to the country will be a stronger and more widened economy that supports a strong manufacturing base. At the inception of the 7NDP, the country had achieved minimal economic diversification over the previous development plans. Economic output remained concentrated in the tertiary and primary sectors dominated by retail and wholesale trade, agriculture and mining. The secondary sector that is expected to support high value manufacturing remained subdued.

Equally, the structural composition of GDP was not commensurate with the distribution pattern of employment which was heavily based in the low productivity agrarian sector. For instance, the GDP share of wholesale trade was the highest of all the industries at 20.9 percent, but its share of employed population was only 11.8 percent,

compared to agriculture, forestry and fisheries whose share of employment was 48.9 percent, but the contribution to GDP was 6.2 percent. Mining and quarrying, despite being the second highest industry regarding the GDP share, only accounted for 1.4 percent of the employed population, largely due to the high level of mechanisation in the sector. Construction and manufacturing accounted for 3.8 percent and 3.1 percent of the employed population, respectively. The failure to absorb labour in sectors other than agriculture was attributed to, among other issues, the mismatch between acquired skills and the job needs of employers, inability of industry to absorb the fast-growing labour force and short and underdeveloped value chains.

A number of binding constraints contributing to this situation were identified including: (i) inadequate infrastructure; (ii) high cost and limited availability of long-term finance; (iii) inadequate water resource development and supply; (iv) low labour productivity; (v) low access to land; (vi) inadequate skills and innovation; (vii) high cost of transportation; and (viii) weak market information systems and economy-wide coordination failures.

The sectors under Pillar 1 are agriculture, mining, tourism, energy, trade, commerce, industry, transport, communication, infrastructure, water, labour, and research and development (R&D). This chapter assesses the performance of Economic Diversification and Job Creation Pillar outcomes at mid-term (2019). The assessment is based on the key result areas (KRAs) for the Pillar. An assessment of each KRA is done including performance, challenges and key recommendations.



## 6.1.1 A Diversified and Export-Oriented Agriculture Sector

### Outcome 1: A Diversified and Export-Oriented Agriculture Sector

#### 6.1.1.1 Background Context

In 2017 the agriculture sector was the fourth largest contributor to GDP (8.7 percent) and the second largest contributor to employment (25.9 percent). These statistics illustrate the observation that in the Zambian context, GDP growth originating from agriculture has more impact on poverty reduction than growth in any other economic sector. Recognising the importance of the agriculture sector, the Government and its partners have since independence implemented many agricultural policies and programmes to actualise the sector's potential. Despite these efforts, the agriculture sector had at the launch of the 7NDP continued to face many challenges that were affecting its performance and contribution to the economy. The challenges included: over-concentration on crop production at the expense of livestock and fisheries; low agricultural productivity; inefficient input and output agricultural markets; policy inconsistencies (e.g. policy reversals on wheat and maize exports); decreasing growth rate of agricultural exports; and inadequate access to productive agricultural resources and services.

Regarding the crops sub-sector, during the Revised Sixth National Development Plan implementation period, crops such as maize and maize seed, soya beans, millet and sunflower registered increased output. However, yields for the other crops (such as rice, beans and groundnuts) declined due to, among other factors, climate change effects. In

general, productivity for most crops grown by smallholder farmers remained persistently low. The performance of the livestock sub-sector during the Fifth and Sixth National Development Plan periods depicted a growing trend. However, poor pasture management led to poor feeding practices, constraining growth in the sub-sector. Further, high disease burden and limited animal husbandry technology, among others, saw the sub-sector recording high livestock mortality rates for cattle, goats and pigs at 127 per 1,000; 100 per 1,000; and 257 per 1,000, respectively. On the other hand, due to limited funding, the fisheries sub-sector was in 2017 still underdeveloped contributing only 3.2 percent to GDP and many water bodies had been overfished due to inadequate legislation, control and surveillance. This, coupled with climate change induced effects, had reduced yields of capture fisheries, making the country to be a net importer of fish.

The 7NDP planned to accomplish the outcome area using the following six strategies:

- a) Improve production and productivity;
- b) Improve access to finance for production and exports;
- c) Enhance agriculture value chains;
- d) Promote diversification within the agriculture sector;
- e) Enhance investment in agricultural infrastructure;
- f) Promote small-scale agriculture.

#### 6.1.1.2 Performance of Outcome Indicators at Mid-Term

Table 8 presents the outcome indicators and their performance at mid-term.

**Table 8: Performance of A Diversified and Export-Oriented Agriculture Sector Outcome Indicators**

Outcome Indicators	Baseline	Year of Baseline	Target	Indicators Status (2019)	Indicator Rating
<b>Gross value-added percentage growth rates in agriculture-related activities (constant 2010 prices)</b>					
a) Agriculture	4.2	2016	8.9	-21.2	▲
b) Forestry & Logging	-0.9	2016	5.6	-21.2	▲
c) Fishing & Aquaculture	4.2	2016	8.6	5.8	▲
d) Livestock Products	4	2016	8.0	data not available	N/A
<b>Agricultural products as a percentage of total non-traditional exports (NTEs)</b>					
a) Maize (excluding seed)	16.6	2016	34.2	0.2	▲
b) Maize seed	2.5	2016	5	2.6	■
c) Cotton, not carded or combed	2.9	2016	3.6	2.6	▲
d) Raw cane sugar	1.2	2016	2.1	0.5	▲
e) Other raw cane sugar	1.8	2016	4.6	4.1	●
f) Tobacco, partly or wholly stemmed/ stripped	1.2	2016	3.4	2.9	●
g) Oil cake and other solid residues of cotton seeds	0.7	2016	1.4	0.2	▲
h) Hides and skins of reptiles, fresh or preserved, not tanned	1.2	2016	1.6	0.1	▲
<b>Share of targeted export agriculture commodities in total exports</b>					
a) Maize	3.7	2015	5	0.5	▲
b) Cotton	0.9	2015	1	0.9	●
c) Soya beans	0.2	2015	1	0.1	▲
d) Sugar	1.9	2015	2	1.3	▲
e) Palm oil	0.1	2015	1	0.0	▲
f) Cashew nuts	0	2015	1	0.0	▲
g) Cattle	0.0025	2015	0.05	0.0	▲
h) Pig	0	2015	0.2	0.0	▲
i) Goats	0	2015	1	0.0	▲
j) Fisheries	0.0069	2015	0.2	0.1	●
<b>Proportion of farmers utilising climate-smart agricultural technologies and practices</b>					
a) Crops-Conservation Agriculture	30	2016	80	data not available	N/A
b) Crops-Drought tolerant varieties	60	2016	90	data not available	N/A
c) Crops-Irrigation	5	2016	20	data not available	N/A
d) Livestock	5	2016	15	data not available	N/A
e) Aquaculture	0.5	2016	10	0.2	▲
f) Agroforestry practices	50	2016	80	data not available	N/A
<b>Total production of crops (MT)</b>					
a) Maize	2,873,052	2016	4,000,000	2,004,389	▲
b) Cotton (seed)	111,902	2016	200,000	72,508	▲
c) Soya beans	267,490	2016	360,000	281,389	■
d) Rice (paddy)	26,675	2016	64,950	29,584	■
f) Millet	29,972	2016	40,000	24,843	▲
g) Cassava	3,417,572	2016	5,000,000	4,036,584	●





Outcome Indicators	Baseline	Year of Baseline	Target	Indicators Status (2019)	Indicator Rating
h) Sugar	474,853	2016	641,052	450,000	▲
i) Cashew nuts	3.400	2016	180,000	data not available	▲
j) Mixed beans	45,351	2016	60,000	58,705	●
k) Burley tobacco	6,476	2016	10,000	9,176	●
l) Virginia tobacco	12,540	2016	16,000	12,839	●
m) Groundnuts	131,562	2016	245,000	130,825	▲
Total production of Aquaculture (MT)	30,258	2016	45,000	36,105	●
Total production of Capture Fisheries (MT)	85,000	2016	120,000	91,342	■
<b>Total production of Livestock (population) by type</b>					
a) Cattle	4,984,909	2016	10,773,690	3,814,438	▲
b) Goat	4,095,653	2016	12,249,326	3,948,861	▲
c) Pig	2,146,762	2016	20,269,578	1,331,576	▲
d) Sheep	131,300	2016	302,872	165,236	▲
e) Poultry	212,853,400	2016	819,025,145	125,652,891	▲
<b>Incidence of major livestock disease outbreaks</b>					
a) Contagious Bovine Pleural Pneumonia	3	2016	0	3	▲
b) East Coast Fever	3	2016	1	0	●
c) Trypanosomiasis	25	2016	1	0	●
Crop diversification index	1.2	2016	1.1	1.1	●
<b>Average yield per crop (MT per hectare)</b>					
a) Maize	2.1	2016	4	1.29	▲
b) Cotton (seed)	0.8	2016	1	0.52	▲
c) Soya beans	1.84	2016	2.5	1.18	▲
d) Rice (paddy)	1.04	2016	1.5	0.61	▲
e) Sorghum	0.4	2016	1	0.18	▲
f) Millet	0.56	2016	1	0.55	▲
g) Cassava	11.7	2016	12	11.7	N/A
h) Sugar	2.25	2017	3	data not available	N/A
i) Cashew nuts	0.2	2016	0.3	data not available	N/A
j) Mixed beans	0.5	2016	1	0.59	■
k) Burley tobacco	1.34	2016	2	1.28	▲
l) Virginia tobacco	2.01	2016	3	1.94	▲
m) Groundnuts	0.59	2016	1	0.47	▲
Proportion of farmers accessing finance (gender, region, socio-economic level) %	15	2016	20	data not available	N/A
Processed agricultural exports in total exports (%)	5.2	2016	10.4	6.6	●
Overall Outcome Rating: Off Track					▲

KEY		
	●	On Track
	■	Partially on Track
	▲	Off Track

### a) Crop Production and Productivity

**Crop production and productivity decreased at mid-term.** Of the 11 crops assessed during the MTR (maize, cotton, soya beans, rice, millet, cassava, sugar, mixed beans, Burley tobacco, Virginia tobacco, and groundnuts), production of five crops (maize, cotton, millet, sugar and groundnuts) had reduced when compared to the baseline indicators. With regard to productivity, of the crops assessed, only mixed beans recorded a marginal increase from 0.5 MT per hectare in 2016 to 0.59 MT per hectare in 2019.

The MTR attributed the negative performance of the indicators at mid-term to a number of factors, such as poor rainfall patterns, crop pest-infestation, electricity/energy deficits, and reduced funding towards implementation of programmes. The main reason that was cited by stakeholders was poor rainfall patterns that negated the impact of programmes and interventions in the sector by both the Government and CPs which were aimed at improving productivity and production. During the 2018/2019 agricultural season, the country experienced prolonged dry spells between January and March, 2019 in Southern, Western and parts of Lusaka and Central Provinces where rainfall performance was below normal. This negatively affected production of most crops in the country. Maize production reduced by 16 percent to about 2 million tonnes from 2.39 million tonnes during the 2017/2018 agricultural season. Similarly, production of tobacco, sunflower, cowpeas, sorghum, cassava flour, soya beans and sweet potatoes reduced by an average of between 19 and 40 percent.

In addition, although the total area planted to major crops in the 2018/2019 agricultural season increased by 9.4 percent to 2,672,118 hectares from 2,441,765 hectares in the 2017/2018 agricultural season, the total area under production declined by 13.3 percent to 3,092,727 hectares from 3,568,399

hectares compared to 2,042,751 hectares in the 2017/2018 agricultural season. These impacts led to a reduction in the sector's growth rate from 9.8 percent in the 2017/2018 agricultural season, to minus 21.2 percent in the 2018/2019 agricultural season. In general, the 2018/2019 agricultural season brought to light the seriousness of the impact of climate change on the sector.

Besides the low rainfall, the findings indicated incidences of fall army worms and stalk borers attacking crops, particularly maize fields, countrywide during the 2018/2019 agricultural season. Crop infestation also led to a decline in crop yields. Although a total of 215,735 hectares of area planted to maize was attacked during the 2018/2019 agricultural season, the severity of the army worm attacks had reduced to 0.2 percent (4,314.7 hectares) compared to the previous season which was 216,250 hectares. In addition, electricity rationing (load management) had progressively worsened to as long as 15 hours per day due to the dry spells, as explained earlier, thereby limiting the country's hydropower production capacity. All these had a negative effect on irrigation potential to stimulate agricultural growth because having inadequate electricity supply meant that boreholes and pumps could not function if they were powered by electricity.

This was further compounded by limited fiscal space on public spending, particularly on programmes and key drivers of agricultural growth (such as extension services provision, R&D, and agricultural and infrastructure development), due to debt servicing during the first half of the Plan period. The limited flow of public resources to the sector not only adversely affected the implementation of programmes but also severely restricted the provision of key support services, further constraining the performance of the agriculture sector. Besides the implementation of subsidy and donor-funded programmes and



projects, the MTR revealed that very limited extension provision and R&D were being conducted during the first half of 7NDP implementation due to inadequate funding. This is despite the high rates of return for expenditure on R&D (35-70 percent), roads (20-30 percent), extension (15-25 percent) and irrigation (10-15 percent). Evidence has shown that to derive maximum benefits from agricultural input subsidies, farmers must be provided with adequate extension services on input use and production management in addition to the inputs.

In general, although the sector was characterised by slow implementation of programmes due to delayed and reduced funding, the sharp decline in performance at mid-term indicated the extent to which the agriculture sector in Zambia is dependent on rainfall. Despite the challenges in funding, the Government continued to implement a number of programmes such as the Farmer Input Support Programme (FISP) and the Food Security Pack (FSP) to enhance access to and utilisation of more productive inputs among small-scale farmers in order to contribute to improved production and productivity in the sector. The data showed that during the 2018/2019 agricultural season, a total of 1,013,708 out of the targeted 1,000,000 farmers accessed farming inputs under the FISP.

In addition, to mitigate the effects of climate change such as droughts and ensure production of food all year round, the Government embarked on a programme to construct irrigation schemes in some parts of the country during the period under review. For instance, construction of Mwomboshi Irrigation Scheme (Chibombo) was at 40 percent completion, Lusitu Irrigation Scheme (Chirundu) was at 75 percent completion and Musakashi South Irrigation Scheme (Mufulira) was at 68 percent completion. In addition, eight weirs were upgraded from temporal to permanent with four in Northern Province and the other four

in Muchinga Province. Further, construction of the bulk infrastructure canal at Chiansi Irrigation Scheme (Kafue) was at 40 percent completion. Once the Chiansi Scheme is completed, 3,800 hectares will be brought under irrigation.

As part of the efforts to ensure that R&D in agriculture is revitalised, interviews with stakeholders revealed that the Government had started rehabilitating agricultural laboratories in the country. A total of seven out of the targeted 10 laboratories were rehabilitated while one new laboratory was constructed in Mongu. In addition, 1.2 km out of the targeted 12 km of access roads (gravel) were completed at Kabwe Research Station while construction of the screen house at Mount Makulu Research Station was at 25 percent completion. The rehabilitation of six Farmer Training Centres and Farm Institutes in Isoka, Mbala, Samfya, Sioma, Kalabo and Mongu Districts and three camp houses in Luwingu, Lunte and Mungwi Districts were completed. Rehabilitation of 14 staff houses at research and farm institutes in Western Province were completed while eight houses were at different levels of completion.

#### **b) Value-Added Growth for Agriculture and Forestry and Logging**

**Value-added growth for agriculture and forestry and logging reduced at mid-term.** The data from the Zambia Statistics Agency (ZamStats) showed that the gross value-added percentage growth rate (constant 2010 prices) for agriculture and forestry and logging stood at -21.2 percent at mid-term (2019) against targets of 8.9 percent (agriculture) and 5.6 percent (forestry and logging), respectively. Despite the efforts to encourage production and value-addition in the agriculture and forestry sectors, severe droughts during both the 2017/2018 and the 2018/2019 agricultural seasons and energy deficits constrained production, limiting the extent of value-addition activities in the two sub-sectors.

### c) Agricultural Exports

**The performance of agricultural exports was poor at mid-term.** The findings were that there was a reduction in agricultural production as a result of low rainfall during the 2017/2018 and 2018/2019 agricultural seasons, energy deficits, crop infestation and reduced public spending in the sector. This caused the performance of most agricultural exports to decline. Considering agricultural products as a percentage of total non-traditional exports (NTEs), only the share of maize seed (from 2.5 percent to 2.6 percent), other raw cane sugar (from 1.8 percent to 4.1 percent), and tobacco (from 1.2 percent to 2.9 percent) had improved at mid-term. On the other hand, the share of maize as a commodity (16.6 percent to 0.2 percent), cotton (from 2.9 percent to 2.6 percent), raw cane sugar (from 1.2 percent to 0.5 percent), oil cake (from 0.7 percent to 0.2 percent) and hides and skins (from 1.2 percent to 0.1 percent) in total NTEs decreased at mid-term.

Similarly, regarding total exports, of the 11 agricultural exports considered at mid-term (maize, cotton, soya beans, sugar, palm oil, cashew nuts, cattle, pigs, goats, fisheries, and processed agricultural exports), only the share of fisheries (0.0069 percent to 0.1 percent) and processed agricultural exports (from 5.2 percent to 6.6 percent) had increased at mid-term. The share of maize (from 3.7 percent to 0.5 percent), soya beans (from 0.2 percent to 0.1 percent), sugar (1.9 percent to 1.3 percent), palm oil (from 0.1 percent to 0.0 percent) and cattle (this is an increase from 0.0025 percent to 0.05 percent) all had declined at mid-term. On the other hand, the official data showed that the share of cotton, cashew nuts, goats and pigs in total exports remained the same as at baseline in 2015 (cotton -0.9 percent, cashew nuts -0.0 percent, goats - 0.0 percent and pigs -0.0 percent).

### d) Fisheries Production

**Fisheries production increased at mid-term.** According to the 2019 Annual Progress Report for Pillar 1, total production of aquaculture increased from 30,258 MT at baseline in 2016 to 36,105 MT in 2019, against a target of 45,000 MT in 2021. Similarly, total production of capture fisheries increased from 85,000 MT at baseline in 2016 to 91,342 MT in 2019 against a target of 120,000 MT in 2021. Within the same period, the sector produced 120,937,145 fingerlings compared to the targeted 100,000,000. The positive performance of the indicator was due to the enabling legal framework and the implementation of a number of programmes and interventions by the Government, the private sector and CPs to improve production and productivity in the fisheries sub-sector.

Interviews with stakeholders revealed that a number of Statutory Instruments were enacted to improve the management of capture fisheries resources by imposing fishing restrictions in fish breeding areas to allow for natural fish replenishment. In addition, to enhance access to key inputs such as fingerlings, 12 private fish farming hatcheries out of the planned 13 were set-up during the period under review. Further, to provide for the growth of the sub-sector, findings were that the Government had been rehabilitating key aquaculture infrastructure in the country with support from CPs. At the end of 2019, rehabilitation works at Misamfu and Fiyongoli Aquaculture Research Stations were at 17 percent completion.

Furthermore, the Government embarked on research to improve the indigenous fish species under the Zambia Aquaculture Enterprise Development Programme as part of the broader goal of improving the performance of the Kafue Bream for aquaculture. In terms of progress, the research was at 32 percent completion at the end of 2019. Other efforts by the Government included the development of the fishing gear for



Kapenta in Itzhi-Tezhi District to promote the sustainable exploitation of the fish species. The increased number of players venturing into the aquaculture value chain, enhanced support from the Government and partners, and increased availability of fingerlings was reported to have accelerated the growth in aquaculture production.

#### **e) Value-Added Growth for Fishing and Aquaculture**

**Value-added growth for fishing and aquaculture (constant 2010 prices) increased from 4.2 percent at baseline in 2016 to 5.8 percent at mid-term.**

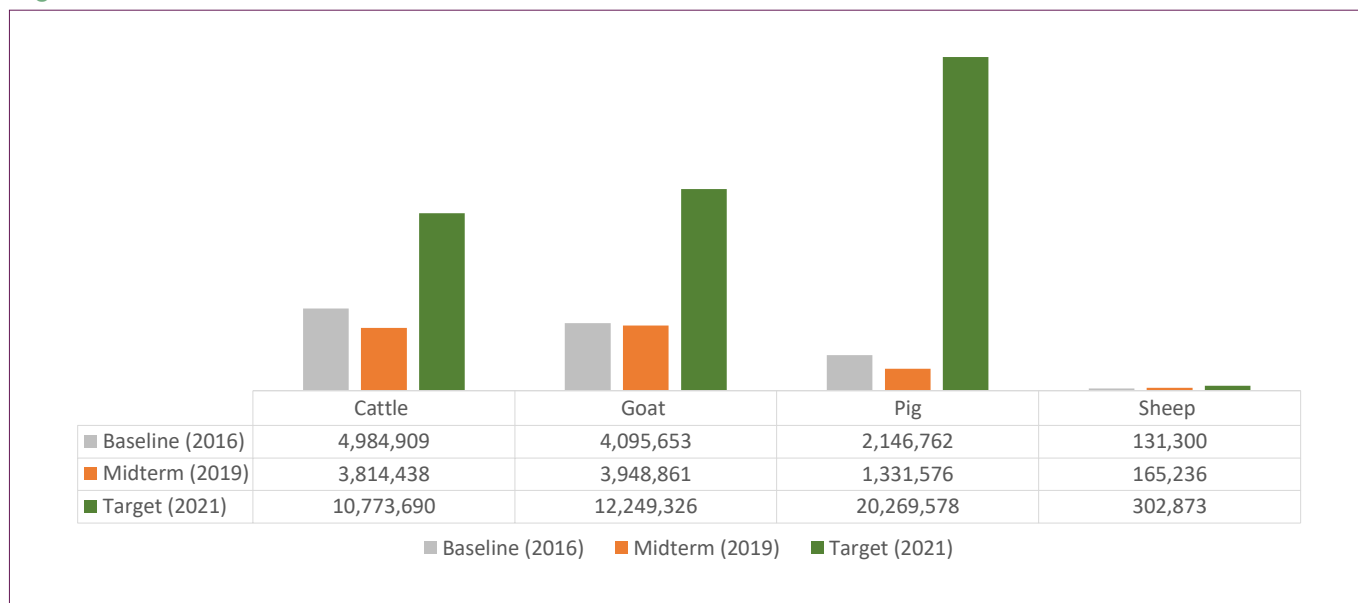
The gross value-added percentage growth rate (constant 2010 prices) for fishing and aquaculture was at 5.8 percent at mid-term (2019) against the target of 8.6 percent. Given the set target, the result on this indicator shows that the country is on track in achieving the 7NDP target in the fisheries sub-sector. The positive performance of the indicator was attributed to high private sector participation and increased support from the Government and partners. As explained earlier, private sector investments in the sector increased during the period under review while various efforts aimed at increasing the value and contribution of the fisheries sub-sector to the economy were implemented by the Government. With respect to enhancing agriculture value chains, there were eight notable fisheries and

livestock value chains and establishments namely ZAMBEEF, Ross Breeders, Hybrid Poultry, Yalelo, Capital Fisheries, Alla Aqua, Skreting, Novatech, National Milling, Tiger Feeds and Olympic Milling. The aforementioned fisheries and livestock value chain players were reported to be among the major players involved in value-addition and generation of decent employment opportunities for more than 100,000 youths, men and women in various formal and informal fisheries and livestock small and medium enterprises (SMEs) across the country.

#### **f) Livestock Production**

**Livestock production decreased at mid-term.**

According to the data from the Ministry of Fisheries and Livestock, the population of all the livestock considered had declined at mid-term when compared to the baseline status. Cattle production declined from 4,984,909 in 2016 to 3,814,438 in 2019 while goat production stood at 3,948,861 at mid-term down from 4,095,653 in 2016 (See Figure 8). Likewise, pig production decreased from 2,146,762 in 2016 to 1,331,576 in 2019 while sheep production increased from 131,300 in 2016 to 165,236 in 2019. On the other hand, poultry production decreased from 212,853,400 in 2016 to 125,652,891 in 2019 against a target of 819,025,145 (See Figure 9).

**Figure 8: Livestock Production at 7NDP Baseline and Mid-Term**

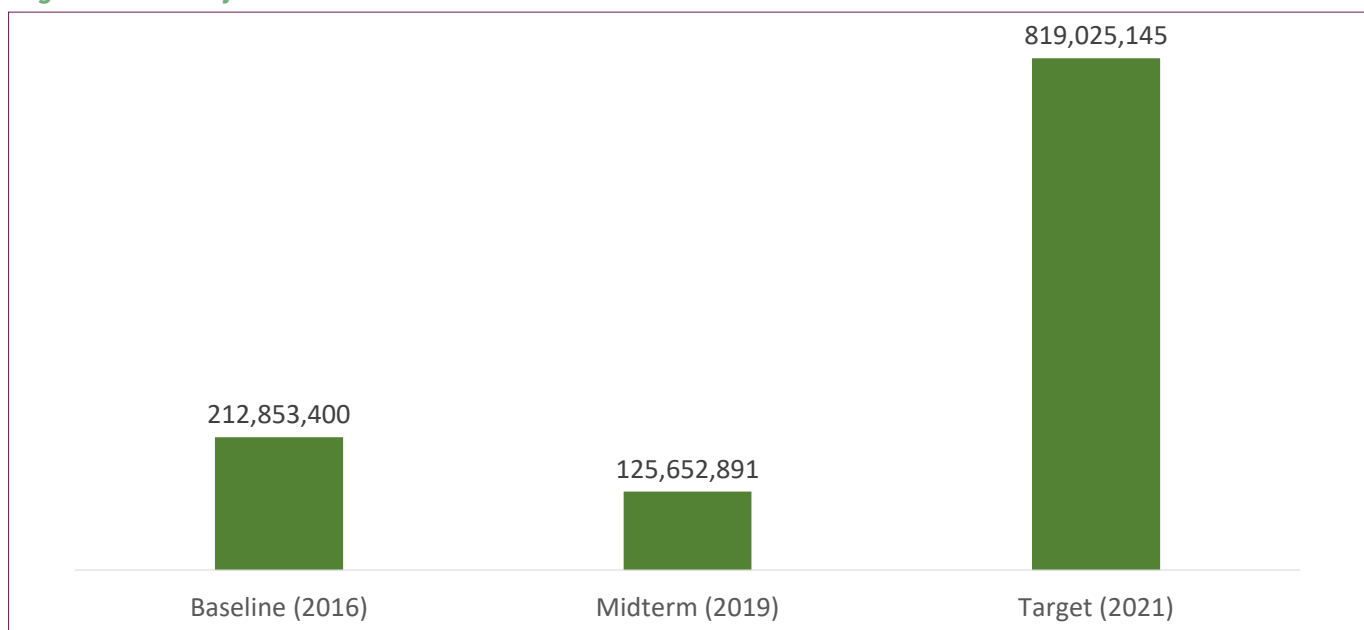
Source: Ministry of Fisheries and Livestock Administrative Data

Several factors were found to have contributed to the poor performance of the livestock indicators at mid-term. Firstly, widespread and prolonged drought spells during both the 2017/2018 and the 2018/2019 rainy seasons resulted in inadequate pasture and forage, thereby forcing livestock farmers to offload animals for slaughter and marketing. The shortage of pasture was further exacerbated by the increased allocation of arable land towards crop production during the period under review at the expense of grazing land. Evidence has shown that nutritional stress, in terms of quantity and quality of available grazing, particularly during the dry season (April-November), limits livestock productivity. In cattle, low productivity is manifested by high calf and adult mortality rates (20 percent and 9 percent, respectively) and low reproductive efficiency. The low reproductive efficiency is characterised by low conception and calving rates (45-50 percent) coupled with periods of anoestrous and long calving intervals (>450 days).

Secondly, outbreaks of livestock diseases such as Foot and Mouth, tick borne diseases, and Helminthiasis during the period under review resulted in significant livestock losses, particularly for cattle. In general, the MTR found that although the incidence of major diseases was on the downward trend, livestock disease epidemics, coupled with inadequate pasture and forage due to poor rainfall in recent years, remained a challenge to increasing livestock productivity. Other livestock growth inhibiting factors cited were limited provision of livestock extension services to farmers due to inadequate livestock extension workers, poor animal husbandry practices, limited R&D, high cost of production (particularly for poultry), inadequate access to finance, and poor access to regional markets.



**Figure 9: Poultry Production at 7NDP Baseline and Mid-Term**



Source: Ministry of Fisheries and Livestock Administrative Data

The MTR noted efforts by the Government to promote livestock and fisheries as part of its broader efforts to encourage diversification within the agriculture sector. For instance, during the period under review, the Government was implementing the Livestock Stocking and Restocking Programme under which a total of 16,043 households against the target of 7,500 were mobilised and trained in livestock production. Under the same Programme, a total of 110 pigs, 1,345 goats, 1,500 village chickens and 210 beef heifers were distributed to 609 households in Chilanga, Chongwe, Kasama, Mkushi, Mumbwa, Rufunsa and Lusaka Districts. In addition, to improve animal nutrition and ensure all year-round availability of pasture and forage, the Government was promoting pasture and forage production among smallholder farmers. By the end of 2019, the Government had distributed a total of 2.95 MT of forage seed to 45 seed growers. However, a low yield was recorded at 7.8 MT of forage seed due to the poor rainfall performance during the 2018/2019 rainy season.

The aforementioned efforts by the Government contributed to the increase in the number of new farming households diversifying into livestock production. As at 2019, the number of new households venturing into cattle production stood at 12,000. On the other hand, owing to enhanced access to improved breeds due to the stocking and restocking interventions by the Government and increased domestic and foreign demand for goat meat, the number of new households diversified into goat production in 2019 was 65,000. Furthermore, a total of 365,000 households began producing village chickens in 2019 due to increased promotion and market demand for village chickens, which resulted into more market opportunities and increased private sector participation. Regarding pigs and sheep, the number of new households producing the two livestock types in 2019 stood at 19,000 and 100, respectively.

#### **g) Incidence of Livestock Diseases**

**Incidence of livestock diseases decreased at mid-term.** The incidence of East Coast Fever (ECF) decreased from three outbreaks at baseline in 2016 to zero outbreaks at mid-term against

the Plan target of one outbreak. Similarly, the incidence of Trypanosomiasis decreased from 25 outbreaks at baseline in 2016 to zero outbreaks at mid-term against the Plan target of one outbreak. On the other hand, the incidence of Contagious Bovine Pleural Pneumonia (CBPP) remained the same as at baseline with three outbreaks.

The MTR attributed the positive performance of the indicators to enhanced surveillance and treatment of livestock diseases by the Government. To prevent and control the outbreak of livestock diseases, the findings were that the Government was implementing several programmes and interventions in the livestock sub-sector. Under the Enhanced Smallholder Livestock Investment Programme, the Government procured a total of 190,000 doses of T1/44 vaccines to control CBPP disease and a total of 175,643 cattle were vaccinated in the operational areas. To control ECF, a total of 51,503 calves from Southern, Eastern, Copperbelt, Central and Lusaka Provinces were immunised. To enhance the surveillance of animal diseases, the Government embarked on developing automated animal identification and traceability systems to allow early detection and treatment of the diseases. At the time of the MTR, the animal identification and traceability had been developed while the automated system was under construction. In addition, the findings were that the Government had constructed three of the targeted 90 laboratories to support efforts in animal diseases surveillance.

#### **h) Smart Agricultural Technologies and Practices**

**The proportion of aquaculture farmers utilising climate-smart technologies and practices reduced at mid-term.** The data from the Ministry of Fisheries and Livestock showed that the proportion of farmers utilising climate-smart agricultural technologies and practices in aquaculture reduced from 0.5 percent at baseline

to 0.2 percent in 2019 against a target of 10 percent in 2021. The MTR found the indicator not to be on track with the 7NDP target. The results implied the need to enhance the sensitisation of farmers on the benefits of adopting productivity enhancing technologies and practices. Interviews with stakeholders revealed that during the period under review the Government developed and disseminated some climate-smart agriculture technologies and practices. In the crops sub-sector for instance, three out of the planned 16 technologies for increasing productivity in groundnuts and cassava were adapted and disseminated to the farmers in 2019. In the livestock sub-sector, the Government developed and promoted improved manure management through composting and biogas. In the fisheries sub-sector, the Government developed the improved Kapenta fishing gear for Itezhi-Tezhi River to enhance productivity and conservation.

#### **6.1.1.3 Noted Challenges**

##### **a) Agriculture sector still dependent on rainfall**

The results were that despite efforts to promote irrigated agriculture and measures to preserve rainfall water to ensure uninterrupted production even in periods of droughts, the agriculture sector in Zambia was still rainfall dependent. This was found to expose the sector and ultimately food security for the country to serious climate change effects with far reaching consequences. The poor performance of the sector was due to prolonged and widespread droughts experienced during the 2017/2018 and 2018/2019 seasons.

##### **b) Lack of data**

The MTR failed to assess some of the outcome indicators because of lack of data, indicating the need to revise some of the indicators. The findings were that while some of the data are routinely collected by the Cluster members, the availability of some of the data depends on surveys studies





such as the Living Conditions and Monitoring Survey (LCMS), some of which had not been conducted on account of lack of funding.

Interviews with stakeholders revealed that adoption of some of the outcome indicators in the 7NDP was not informed by data availability and the format in which the data are generated by the line ministries and departments. The MTR found that this led to a high number of indicators on which the Clusters were not able to report. For instance, based on the 7NDP Implementation Plan, the Economic Diversification and Job Creation Pillar had a total of 353 output indicators planned for the year 2019. However, as many as 148 output indicators were not reported on due to lack of data.

#### 6.1.1.4 Overall Performance

Overall performance of the outcome was off track at mid-term owing to the high number of indicators that were off track when compared against the 2021 targets.

#### 6.1.1.5 Recommendations

Based on the analysis of the Diversified and Export-Oriented Agriculture outcome indicators, the MTR recommends the following:

##### a) Upscale promotion of irrigation in agriculture

The MTR noted the Government efforts to construct irrigation dams and rehabilitation/construction of required irrigation infrastructure during the first half of the 7NDP implementation period. Considering the dry spells experienced during the 2017/2018 and 2018/2019 agriculture seasons, the MTR strongly recommends more funding towards irrigation programmes to reduce the dependence of the agriculture sector on rainfall for production and improve the food and nutrition security of the

country.

##### b) Provide adequate resources for studies to generate monitoring data

The MTR failed to assess some of the outcome indicators because the surveys and studies which are supposed to provide the data had not yet been conducted. To facilitate learning from implementation of programmes and policies, the Government and partners should allocate resources for studies and other data generating activities. Besides facilitating learning, the empirical evidence generated from the data will help in designing interventions that are relevant to the local settings.

##### c) Refine some indicators based on data availability and the format of the data from ministries and institutions

The findings were that adoption of some of the outcome indicators in the 7NDP was not informed by data availability and the format in which the data are generated, leading to a high number of indicators which the Clusters could not report on. There is need to consider refining some of the indicators based on the availability of the data and format in which the data are collected.

#### 6.1.2 A Diversified and Export-Oriented Mining Sector

#### Outcome 2: A Diversified and Export-Oriented Mining Sector

##### 6.1.2.1 Background Context

Zambia has a long history of mining and a large known resource base of copper, emeralds, and other deposits with potential for further discoveries once mining exploration is scaled-up. The sector has continued to play a leading role in the economic development of the country; for instance in 2016, mining accounted for 12.7 percent of Zambia's

GDP and 70 percent of total export value. The sector was also a significant source of government revenue and formal employment, both directly and indirectly. Continuing to attract investment in the sector is, therefore, crucial to the country's growth since mining investment constitutes 62 percent of foreign direct investment (FDI). However, despite the country being endowed with an array of mineral deposits, the mining sector had been dominated by large-scale copper mining, while the production, processing and export of non-traditional minerals such as gemstones remained underdeveloped. The contribution of the sector to job creation and revenue was, therefore, below its potential. The sector also faced challenges related to management of mining waste, with potential risks associated with water pollution and other social and environmental impacts.

Under the Plan, the Government intends to broaden the range of minerals to cover non-traditional mining of gemstones, gold and industrial minerals and promote value-addition to minerals and include energy and material efficiency strategies to increase productivity and reduce environmental pollution. In addition, the Government planned to up-scale the mining of iron ore to support the growth of the newly declared

Kafue Iron and Steel Multi-Facility Economic Zone. Further, the Government planned to take steps to formalise and empower small-scale miners to increase their productivity, support development of lapidaries and local auction sales of gemstones and enhance the capacity of local businesses to participate in the mining value chains to increase export revenue. The outcome of A Diversified and Export-Oriented Mining Sector was planned to be achieved through four identified strategies, namely:

- a) Promote exploitation of gemstones and industrial minerals;
- b) Promote local and foreign participation in mining value chains and industrialisation;
- c) Promote petroleum and gas exploration;
- d) Promote small-scale mining.

#### 6.1.2.2 Performance of Outcome Indicators at Mid-Term

Table 9 presents the performance of outcome indicators at mid-term.

**Table 9: Performance of A Diversified and Export-Oriented Mining Sector Outcome Indicators**

Outcome Indicators	Baseline	Year of Baseline	Target (2021)	Indicators Status -2019	Indicator Rating
<b>Volume of production of minerals</b>					
a) Gemstones (emeralds/beryl) kg	50,437.02	2015	65,000	21,932.82	▲
b) Amethyst, quartz, garnet, aqua-marine) kg	1,110,729	2015	1,800,000	1,104,372	▲
c) Industrial minerals (MT)	5,774,233	2015	6,500,000	2,769,298.48	▲
d) Base metals (MT)	710,860.18	2015	1,000,000	814,650.28	●
e) Precious minerals (kg)	4,807.30	2015	5,600	9,423.85	●
<b>Value of mineral exports as a percentage of total value exports</b>					
a) Gemstones (%)	0.2	2015	4.5	0.9	■
b) Base metals (%)	72.6	2015	60	49.6	●



Outcome Indicators	Baseline	Year of Baseline	Target (2021)	Indicators Status -2019	Indicator Rating
c) Precious minerals (%)	1.29	2015	3.5	2.1	●
<b>Value of mineral exports in total exports by level of processing</b>					
a) Gemstones	0.2	2017	5	0.40	
b) Base metals	65	2017	60	97.9[1]	
c) Precious minerals	90	2017	96	100	
<b>Percentage change in volume of production of minerals</b>					
a) Gemstones	12	2015	22	16.2	●
b) Industrial minerals	24	2015	11	0.7	▲
c) Base metals	0.37	2015	29	63.9	●
d) Precious minerals	13	2015	14	47.7	●
<b>Percentage of active artisanal and small-scale mines of the total licensed</b>					
a) Emeralds	45.2	2016	47	0	▲
b) Lime, aggregates, sand, gravel	12.3	2016	14	41	●
c) Copper	28.1	2016	29	13	▲
d) Gold	14.4	2016	15.5	0.1	▲
<b>Percentage of artisanal and small-scale miners trading through the established mechanism</b>					
a) Gemstones	46	2017	80	No Data	N/A
b) Industrial minerals	76	2017	90	No Data	N/A
c) Precious minerals	58	2017	85	No Data	N/A
Overall Outcome Rating: Partially on Track					■

KEY		
	●	On Track
	■	Partially on Track
	▲	Off Track

### a) Production of Minerals

**Production of minerals was average at mid-term.** Production of gemstones (emeralds/beryl) (50,437.02 kg in 2015 and 21,939.82 kg in 2019), amethyst, quartz, garnet, aqua-marine (1,110,729 kg in 2015 and 1,104,372 kg in 2019) and industrial minerals (5,774,233 MT in 2015 and 2,769,298.38 MT in 2019) declined at mid-term when compared to the baseline figures. In contrast, production of base materials (710,860.18 MT in 2015 and 814,650.28 MT in 2019) and precious minerals (4,807.30 kg in 2015 and 9,423.85 kg in 2019) increased (see Table 9) The average performance of the mineral production indicators at mid-term was due to interruptions in production as a

result of power outages arising from the energy deficits in 2018 and 2019 and the reduced demand for mineral exports due to a slump in the global economy. Particularly, the period under review saw the main importer of Zambia's mineral exports, China, experience a reduction in its economic performance due to the ongoing trade re-negotiations with the United States.

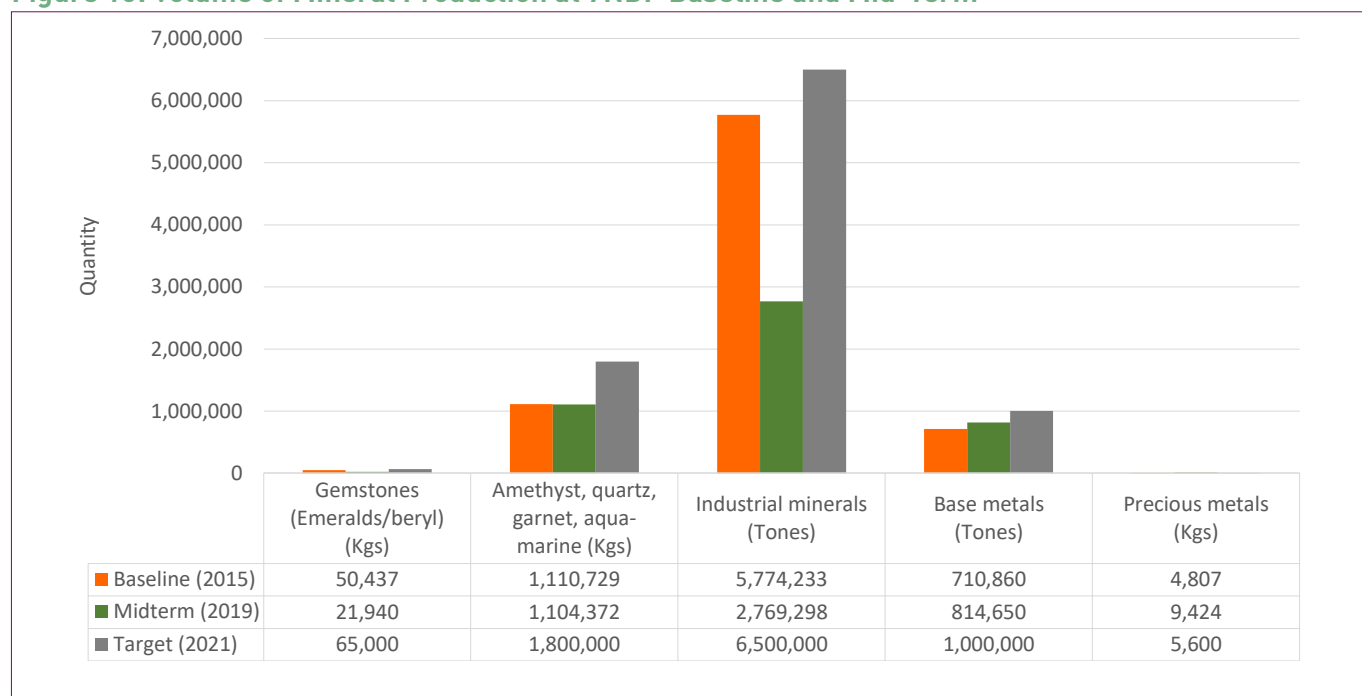
Emerald and beryl production declined by 66.4 percent to 21,939.82 kg in 2019 from 65, 242.83 kg in 2017. Amethyst, quartz, garnet, and aquamarine production accounted for a combined total of 547,158.15 kg in 2018, declining from 1,446,488.22 kg in 2017. The decline in the production figures

in 2018 was attributed to the low compliance in submission of mineral returns and inadequate capitalisation in the sector especially by small-scale miners.

With regard to industrial minerals, a total of 2,751,073.26 MT of cement was produced in 2018 compared to 2,235,550 tonnes in 2017. This represented an increase of 23.1 percent. In 2019, cement production stood at 2,769,298.48

MT. Regarding base metals, copper production increased by 7.6 percent from 797,266 MT in 2017 to 857,848 MT in 2018. This was as a result of the ramping up of production at most of the large-scale mines. Production by small-scale mines increased significantly by 84 percent to 10,859 MT in 2019 from 5,900.71 MT in 2017. However, in 2019 copper production reduced by 5 percent to 814,650 MT on account of energy deficits and reduced global demand for commodity exports.

**Figure 10: Volume of Mineral Production at 7NDP Baseline and Mid-Term**



Source: CSO/ZamStats

The Government continued implementing several programmes and activities which contributed to the favourable performance of some of the indicators under mineral production. Regarding the strategy to promote exploitation of gemstones and industrial minerals, the Government's focus was to achieve diversification in the mining sector which in the past was dominated by copper. As part of the strategy, the Government planned to (i) enhance generation and provision of geological information; (ii) develop and disseminate mineral processing technologies; and (iii) promote mineral

exploration. In addition, the Government planned to formalise the operations of the artisanal and small-scale miners through licensing and improving the coordination of the sector. Besides licensing, the Government planned to provide technical expertise to artisanal miners on mine planning and safety, and to provide them with equipment. Interviews with stakeholders revealed that most of the artisanal and small-scale miners in the country were not licensed and this made monitoring of activities in the sector difficult. As at 2018, there were 931 licensed small-scale



miners mining various minerals. To address the issue of illegal gold mining in about 21 districts, the Government and stakeholders embarked on a process to formalise the illegal small-scale gold miners and traders. As part of the process, the following activities were undertaken:

- i) Preliminary geological assessments in Petauke District in 2018;
- ii) Sensitisation of the locals in Rufunsa and Petauke Districts and the formation of 13 mining cooperatives;
- iii) Purchase of equipment for use by the Geological Survey Department and one cooperative in Rufunsa District;
- iv) Following reports of increased illegal gold mining in Mwinilunga, a verification inspection exercise was undertaken in August and November, 2019. Exploration activities by the Geological Survey Department in collaboration with the Zambia Consolidated Copper Mines Investment Holdings (ZCCM-IH) commenced soon afterwards.

In December 2019, the Government through the ZCCM-IH announced the setting up of centres for buying gold in strategic areas with deposits as a first step towards bringing artisanal and small-scale miners into the formal market. In addition to improving the coordination of the mining sector, the buying centres also fit into Zambia's strategy of enhancing revenue from its mineral resources.

However, the findings indicate that not much was achieved with regard to promoting the exploitation of gemstones and industrial minerals due to inadequate funding. Resulting from inadequate funding, geological exploration to provide

geological information on possible occurrences of the mentioned minerals was not done by mid-term.

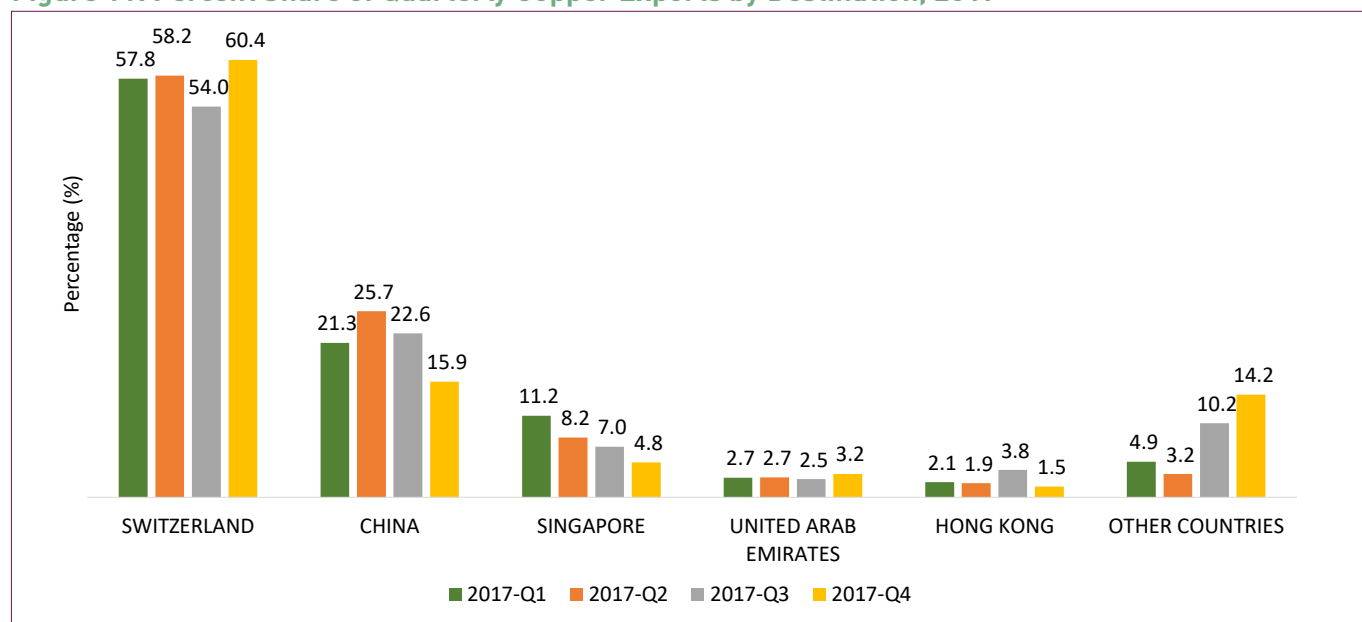
#### **b) Mineral Exports at Mid-Term**

**The share of base metals in total exports reduced at mid-term.** The results showed that the contribution of base metals (which includes copper) to total exports reduced by mid-term. The reduction in the share of base metals in total exports could be attributed to increased performance of other exports including gemstones and precious minerals. The results showed that the share of base metal exports in total value exports reduced from 72.6 percent in 2015 to 49.6 percent in 2019 against a target of 60 percent in 2021. On the other hand, the share of gemstones and precious minerals exports increased from 0.2 percent and 1.3 percent in 2015 to 0.9 percent and 2.1 percent in 2019, respectively.

The increase in the production of gemstones and precious minerals during the period under review was due to an increase in the number of miners entering the sector as well as the efforts by the Government to formalise mining operations for gemstones and precious minerals.

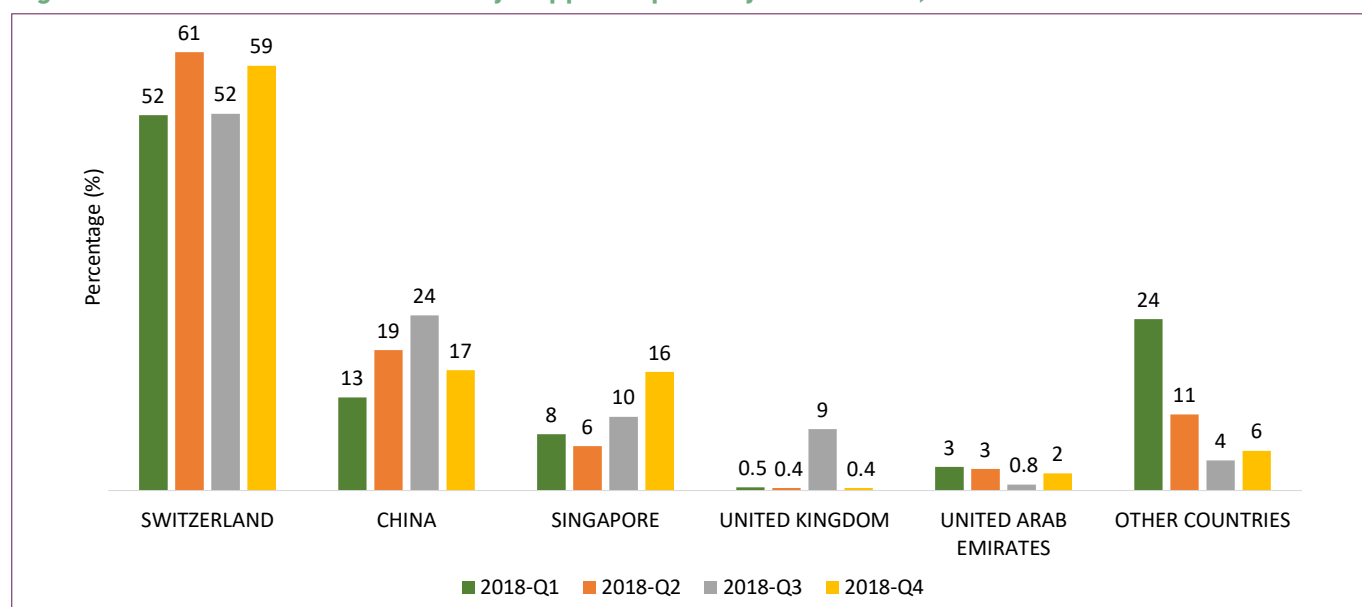
With regard to mining exports destinations, the MTR noted that copper exports to the main export destinations of Switzerland and China have not changed much in the first three years of 7NDP implementation. Quarterly shares of copper exports to Switzerland have marginally dropped while exports to China and Singapore have marginally increased. Copper exports to the rest of the destinations have decreased. The percent share of quarterly copper exports by destination in 2017, 2018 and 2019, respectively, are presented in Figures 11-13.

Figure 11: Percent Share of Quarterly Copper Exports by Destination, 2017



Source: CSO

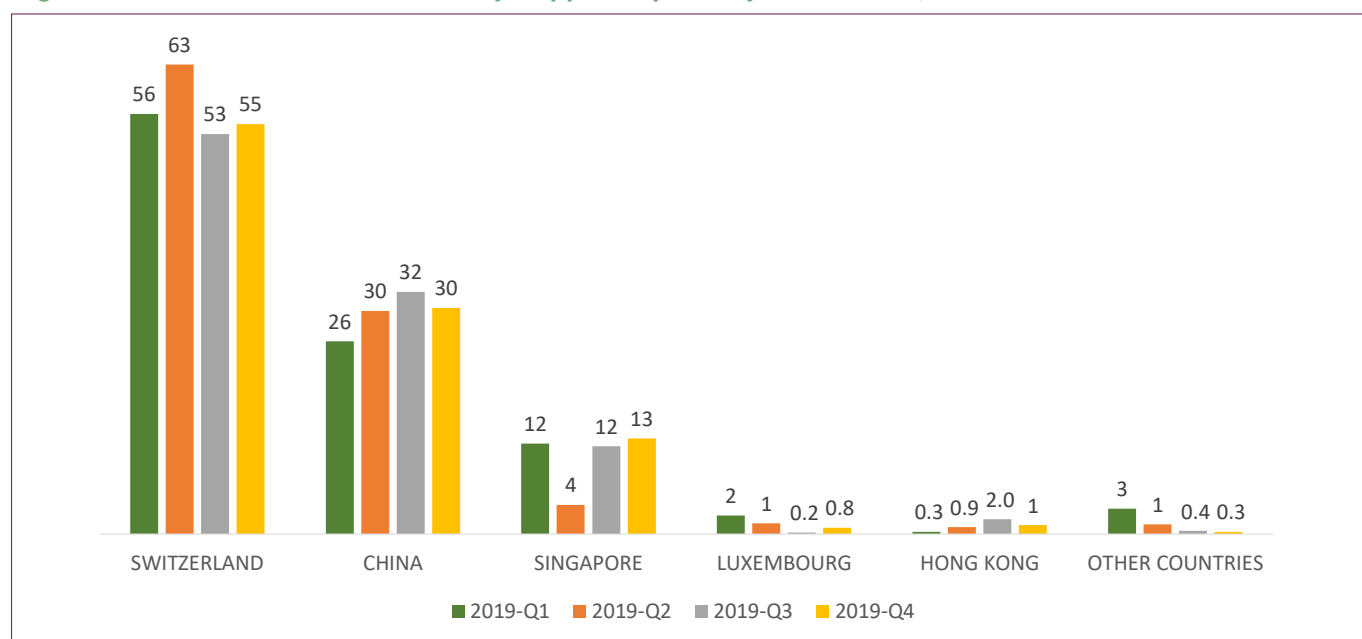
Figure 12: Percent Share of Quarterly Copper Exports by Destination, 2018



Source: CSO



Figure 13: Percent Share of Quarterly Copper Exports by Destination, 2019



Source: ZamStats

### c) Artisanal and Small-Scale Mining

**The number of active licenced artisanal and small-scale mines decreased at mid-term.** At mid-term while the percentage of miners mining lime, aggregates, sand and gravel increased from 12.3 percent in 2016 to 41.0 percent in 2019, the percentage of active licenced artisanal and small-scale miners mining emeralds decreased from 45.2 percent in 2016 to 0 percent in 2019, copper from 28.1 percent in 2016 to 13 percent in 2019 and gold from 14.4 percent in 2016 to 0.09 percent in 2019. Interviews with stakeholders revealed that almost all the small-scale mines suffered from inadequate capitalisation.

The number of artisanal and small-scale mines licenced increased at mid-term. The Government made progress in licencing artisanal and small-scale mines in the country. Starting with 320 licenced small-scale mines at baseline, the figure increased to 723 in 2018 before dropping to 545 in 2019. The findings indicated that there were still more artisanal and small-scale mines that were not licenced. This means that more

remains to be done. Interviews revealed that some of the artisanal miners opted not to be licenced because they perceived the licencing requirements as being too costly and bureaucratic. To be licenced, artisanal miners are required to secure mining rights from the Government by submitting relevant paperwork, paying fees and completing an environmental commitment plan. A key distinguishing feature between the licenced small-scale and large-scale mines was that all the mines in the small-scale category were owned by Zambians while all the large-scale mines were foreign-owned.

### d) Artisanal and Small-Scale Miners Trading through Established Mechanism

**The number of artisanal and small-scale miners linked to local and international markets increased at mid-term.** By the end of 2019, the Government was implementing a programme of market linkages development, targeting small-scale mines involved in the production of gemstones, industrial minerals and construction materials. At baseline (2016), the Government

linked eight small-scale miners to both local and international markets. In 2018, this figure increased to 10 and by the end of 2019, 15 small-scale miners had been linked to formal markets.

In addition, under the strategy to promote small-scale mining, during the period under review the Government implemented the African, Caribbean and Pacific-European Union (ACP-EU) Minerals Development Programme. The first phase of the programme started in 2016 and ended in November, 2019. The second phase was scheduled to commence as soon as the contractual negotiations between the ACP and EU were resolved. The focus of the programme was to develop the capacity of small-scale miners involved in industrial minerals (building materials, quarry, sand, gravel, limestone) and semi-precious minerals (gemstones, e.g. aquamarine). In addition, the programme also focused on addressing issues of safety and quality of minerals and aimed at linking the small-scale miners to possible funders.

The following were some of the achievements of the programme:

i) The Government conducted more than 17 training knowledge-sharing workshops. As a result of this, a total of 102 mining cooperatives were formed. In addition, an Entrepreneurial Skills Training in Cobblestone Manufacturing and Paving was provided under a partnership between the Government, the United Nations Development Programme (UNDP), and the National Council for Construction. The training resulted in the promotion of the use of cobblestones in road paving technology as part of the National Pave Zambia 2000 being implemented through the Road Development Agency.

ii) In September, 2018, the Government hosted an international conference on artisanal and small-scale mining in Livingstone.

iii) The Government issued small grants to small-scale miners during the period under review.

Further, under the strategy to promote local and foreign participation in mining value chains and industrialisation, the Government with support from the African Development Bank, conducted two studies to promote local content in the mining sector. The first study focused on developing a framework for local content policy for the mining sector. It examined global practice in policy and legislative tools used to support local content development. As a follow-up to the first study, a second study was conducted with a focus on analysing input goods and services in the mining sector and identifying opportunities for creating domestic linkages.

Following the launch of the Local Content Report in July, 2019, the Government commenced the process of drafting a Statutory Instrument to enhance the participation of Zambians in the mining value chain and enforce Section 20 of the Mines and Minerals Development Act No. 11 of 2015.

**e) Promotion of Petroleum and Gas Exploration Policy reforms for petroleum and gas exploration commenced by mid-term.** To promote petroleum and gas exploration, the Government commenced the process of reviewing the Petroleum (Exploration and Production) Act of 2008. The process of reviewing the Act commenced in 2017 and by end of 2019, the Draft Bill was under consideration by the Ministry of Justice. In addition, in 2018, the Government established the Hydrocarbon Unit with four officers at the Ministry of Mines and Minerals Development to oversee works in petroleum and gas exploration.





### 6.1.2.3 Noted Challenges

The findings showed a number of challenges that the sector was facing in implementing activities. Notable ones included the following:

#### a) Inadequate human resource

The Ministry responsible for overseeing the development of the sector complained of low staffing levels that have continued to affect its ability to perform its mandate effectively. However, exacerbated by the challenge of funding and the fact that the Ministry only has structures at the national level, the problem of low staffing level was said to have contributed to the inadequacies in monitoring the performance of the sector during the first half of 7NDP implementation.

#### b) Policy inconsistencies

The Government's focus in the mining sector has been to promote diversification and to achieve this, there is need to have policies that are consistent and coherent. Policies like export duties on gemstones (15%) in 2019, negatively affected investments in the sector, thereby inhibiting the diversification from copper to non-traditional minerals. The policy was reversed in 2020. Further, the introduction of five percent import duty on copper concentrates was also cited as a policy measure which negatively affected performance of the sector.

#### c) Artisanal small-scale miners' challenges

Most artisanal small-scale mining players bemoaned the current tax regime indicating that small-scale miners are treated similarly to large scale miners.

### 6.1.2.4 Overall Performance

Considering the 7NDP targets, the MTR found the overall performance of the outcome to be partially on track at mid-term. While the performance

for some of the indicators was on track, a good proportion of the indicators were either partially or off track.

### 6.1.2.5 Recommendations

#### a) Increase alternative financing

Given the limited fiscal space, the Government should in the remaining period of 7NDP of implementation promote more efficient mechanisms for collection of mineral royalties and other taxes to enhance more resources to cover administrative costs, such as compliance monitoring.

#### b) Enhance stakeholder engagement

Given that the Ministry responsible for the sector does not have representation at sub-national level, the findings were that it was difficult to monitor in a comprehensive manner the activities of all the actors in the sector. For improved coordination and monitoring of the sector, the following are recommended:

- i) Enhance collaboration with all relevant organisations in the sector, such as the Miners' Association of Zambia, which has contacts with small-scale miners countrywide;
- ii) Scale-up the Mining Value Chain Monitoring Programme being implemented by the Ministry of Mines and Minerals Development in collaboration with the Zambia Revenue Authority (ZRA), Bank of Zambia, the mining houses and small mining operators to enhance transparency in reporting of production, export volumes and earnings.

#### c) Enhance policy environment

To attract more investments into the mining sector, there is need for policies that are consistent and coherent. In addition to providing incentives for the actors to invest more, the policies should provide for sustainable mining.

### 6.1.3 A Diversified Tourism Sector

#### Outcome 3: A Diversified Tourism Sector

##### 6.1.3.1 Background Context

Tourism makes a significant contribution to Zambia's economy. In 2015, the sector's contribution to GDP averaged about 1.6 percent, down from 1.7 percent in 2010. A total of 57,384 people were employed in the sector in 2015. The annual tourism earnings increased from K3.9 billion in 2014 to K4.4 billion in 2015 representing an increase of 11.4 percent. To this effect, the Government through the 7NDP had identified the sector as a key contributor to economic growth, employment creation and rural development. However, at the launch of the 7NDP, the sector continued to face several challenges, which were constraining its contribution to GDP, job creation, foreign exchange earnings and poverty reduction. The challenges include lack of a comprehensive national tourism plan; underdeveloped tourism-related infrastructure; limited investment in the tourism sector by both local and foreign investors; limited tourism product offering range and scope; inadequate tourism promotion and marketing; low participation by locals in direct and indirect tourism development; and the perception of Zambia as a high cost tourist destination. Exacerbated by increased competition from other African countries, the challenges contributed to a reduced number of tourists visiting the country, causing the sector's contribution to both GDP and revenue generation to begin to slump.

Under the 7NDP, the Government intended to focus on expanding the tourism industry beyond

the traditional tourism sites and products and promoting integration of destinations that would make Zambia more competitive in the region. In particular, the Government planned to intensify the development of the Southern Tourism Circuit to enable tourists to easily combine visits of the Mosi-o-Tunya, Lower Zambezi, Kafue National Park and other key tourism sites.

Furthermore, the Government planned to identify and implement strategies that would stimulate domestic tourism, to insulate the sector from adverse fluctuations in the number of foreign visitors. In addition, the Government resolved to continue with the aspirations of the Kasaba Bay Integrated Development Plan to develop the Northern Tourism Circuit through public-private partnerships (PPPs) and private sector investment. The intention was to develop requisite infrastructure to key heritage sites, such as waterfalls and wetlands. Further, the Government planned to address the infrastructure challenges that limit the tourism season of the four major national parks, namely Kafue, Lower Zambezi, South Luangwa and Mosi-o-Tunya.

The 7NDP planned to accomplish the diversified tourism sector outcome through the following strategies:

- a) Promote tourism-related infrastructure;
- b) Promote diversification of tourism products;
- c) Promote tourism source market segmentation;
- d) Promote domestic tourism;
- e) Restock national parks.

Table 10 presents the outcome indicators and their performance at mid-term.



**Table 10: Performance of A Diversified Tourism Sector Outcome Indicators**

Key Performance Indicators	Base line	Year	Status 2019	Target 2021	Indicator Rating
Number of new private investments into the Northern Circuit	0	2016	1	7	▲
Number of new private investments into the Southern Circuit	0	2016	1	10	▲
Number of self-sustaining National Parks	3	2016	5	5	●
Number of heritage sites developed across the country	8	2016	9	10	▲
<b>Annual percentage increase of international tourist arrivals</b>					
a) Overall (%)	2.6	2016	12.9	36	■
b) Leisure/holiday (%)	6.8	2016	11.4	27	■
c) Conference (%)	2.2	2016	-9.8	28	▲
d) Business (%)	2.3	2016	1.55	17	▲
<b>Average spending for leisure tourism per tourist visit</b>					
a) International-leisure/holiday (thousand USD)	2400	2016	2805	4200	■
b) Domestic-leisure/holiday (thousand USD)	300	2016	93	500	▲
<b>Average length of stay purpose and by type of tourist</b>					
a) International-leisure/holiday (days)	4	2016	4	7	■
b) Domestic-leisure/holiday (days)	3	2016	1	5	▲
<b>Annual tourism earnings from leisure tourism by type of tourist</b>					
a) International-leisure/holiday (million USD)	258.3	2016	267.4	772.2	■
b) Domestic-leisure/holiday (million USD)	12.5	2016	33.7	32.7	●
<b>Overall Outcome Rating: Off Track</b>					▲

KEY	●	On Track
	■	Partially on Track
	▲	Off Track

**a) Private Investments in the Tourism Sector**  
**Low private sector investments in the tourism sector were recorded at mid-term.** Findings indicated that low progress was achieved in facilitating new private investments in the tourism sector. For instance, there was only one new private investment in the Northern Circuit which was the development of a lodge at Chishimba Falls during the period under review against the target of seven in 2021. The Southern Circuit also had one new private investment which was the development of a hotel at Lufubu Falls by the end of 2019 against a target of 10 in 2021. The low

performance of the indicators was attributed to the general slump in both domestic and global economies, which affected most of the economic activities in the local economy, including the level of investments into specific sectors. In 2019, negotiations for new developments were under way for Nachikufu Caves National Monument in Mpika and at Chipoma Falls in Chinsali.

**b) Self-Sustenance of National Parks**  
**The number of self-sustaining national parks increased at mid-term, reaching the 7NDP target.** The number of self-sustaining national

parks increased from three in 2016 to five in 2019, thereby reaching the set target for 2021. This was attributed to increased non-tax revenue arising from a steady flow of international tourists, and the implementation of PPPs in the management of national parks. At the time of the MTR, 30 percent of the country's 20 national parks were being managed through PPPs.

#### **c) Development of Heritage Sites**

**The number of developed heritage sites increased slightly at mid-term.** The number of sites developed across the country increased from eight in 2016 to nine in 2019 against a target of 10 in 2021. The heritage site at the Chinyunyu Hot Spring was improved with infrastructure developed at the site.

#### **d) Annual Percentage Increase of International Tourist Arrivals**

**The total annual percentage of international tourist arrivals increased at mid-term.** The total annual percentage of international tourist arrivals increased from 2.6 percent in 2016 to 12.9 percent in 2019 against a target of 36 percent in 2021. The increase in the number of international tourists during the first half of 7NDP implementation was attributed to enhanced marketing strategies such as the use of e-platforms, hosting of the World War One Centenary Celebrations, investment expositions in seven provinces, continued investment in infrastructure development and policies and legislation aimed at easing travel, such as the Kavango-Zambezi Uni-Visa Initiative and online visa applications. In 2019, the number of international tourists stood at 1,209,898, increasing from 1,072,012 in 2018. When disaggregated by the purpose of visit, the annual percentage of international tourists coming for leisure/holiday increased from 6.8 percent in 2016 to 11.4 percent in 2019, while the annual percentage of international tourists coming for conferences decreased from 2.2 percent in 2016

to -9.8 percent in 2019 and those coming for business decreased from 2.3 percent in 2016 to 1.55 percent in 2019.

#### **e) Spending for Leisure Tourism**

**Spending by international tourists increased while spending by domestic tourists decreased at mid-term.** The average spending for leisure tourism per tourist for international arrivals visiting for leisure/holiday increased from USD 2,400 in 2016 to USD 2,805 in 2019 against a target of USD 4,200. Conversely, due to reduced liquidity in the economy arising from declining growth, the findings showed that average spending for leisure tourism per tourist visits for domestic tourists visiting for leisure/holiday decreased from USD 300 in 2016 (baseline) to USD 93 in 2019 against a target of USD 500.

#### **f) Average Length of Stay for Tourists**

**The length of stay for tourists reduced at mid-term.** The average length of stay for international tourists visiting for leisure/holiday remained the same at four days against the target of seven days in 2021. On the other hand, the MTR found that the average length of stay for domestic tourists visiting for leisure/holiday decreased from three days in 2016 to one day in 2019, against the target of five days in 2021. The decrease was attributed partly to the general increase in the cost of accommodation amidst reducing disposable income.

#### **g) Annual Tourism Earnings from Leisure Tourism**

**Annual tourism earnings from leisure tourism increased at mid-term.** The annual earnings from leisure tourism by international tourists visiting for leisure/holidays increased from USD 258.3 million in 2016 to USD 267.4 million in 2019 against a target of USD 772.2 million in 2021. Similarly, annual earnings from leisure tourism by domestic tourists visiting for leisure/holidays increased from USD 12.5 million in 2016 to USD



33.7 million in 2019 against a target of USD 32.7 million in 2021.

### 6.1.3.2 Overall Performance

Considering the 7NDP targets, the overall performance of A Diversified Tourism Sector at mid-term was off track, except for two outcome indicators namely, number of self-sustaining national parks, which increased from three in 2016 to five in 2019, meeting the set target for 2021. However, the other seven key performance indicators under this outcome were off track while five were partially on track at mid-term (see Table 10 above). Further, annual earnings from leisure tourism by domestic tourists visiting for leisure/holidays increased from USD 12.5 million to USD 33.7 million in 2019 against the target of USD 32.7 in 2021.

The low performance of the indicators could be linked to slow implementation of the identified strategies. Regarding the strategy to promote tourism-related infrastructure, findings from the interviews with stakeholders revealed that not much had been done during the period under review. As part of the strategy, the Government planned to work on access roads leading to key national parks (South Luangwa, Kafue, Mosi-o-Tunya and Lower Zambezi) and rehabilitate cultural villages. Specifically, the Government planned to rehabilitate access roads to ensure that they were accessible throughout the year. However, the release of allocated budgetary funding to the tourism sector was a challenge, largely because of the strict austerity measures the country embarked on at the start of 7NDP implementation to rectify the high fiscal deficits that resulted from high annual expenditures on general infrastructure development. The decision to fund only projects that were at least 80 percent complete made it almost impossible for the sector to receive funding for the construction/

rehabilitation of access roads and cultural villages. As such, stakeholders reported that most of the tourism sites in the country largely remained inaccessible, limiting the number of tourist visits to the sites.

As was the case for tourism infrastructure, minimal progress was achieved to promote diversification of tourism products at mid-term due to inadequate funding. Some of the projects implemented at mid-term aimed at promoting tourism products, included modernising of the structure at David Livingstone Memorial in Chitambo District, construction of walkways, an information centre and demarcation of boundaries at Kalene Hill, the source of the Zambezi River, using the Tourism Development Fund. However, the Government continued to provide a conducive environment which led to new investments in the sector by the private sector. For instance, two hotels were commissioned in Livingstone; one hotel each in Kafue National and South Luangwa National Parks; three hotels in Lusaka; and one hotel each in Kasama and Ndola Districts.

Under Strategy 3 (promote tourism source market segmentation), the Government planned to, among other issues, segment the tourism market into traditional and emerging. The objective was to design and provide market/clientele-specific products as part of the broader efforts to increase the number of both international and domestic tourists that visited tourism sites. As part of implementation of the strategy, the Government had by 2019 come up with an e-marketing platform and conducted road shows. Besides these, no other major activities were reported under the strategy.

Further, recognising that most of the tourism products were beyond the reach of most locals, the Government came up with a proposal of a two-tier pricing system for tourism products, a lower

rate for the locals and a relatively higher rate for the international tourists. By 2019, three tourism operators in Kafue, Lower Zambezi, and Southern Luangwa adopted the proposal. However, findings from the interviews revealed that most of the locals were still unaware of the two-tier pricing system. As a result, the data at mid-term indicated that domestic tourism did not improve compared to the 2016 baseline period. In addition to the two-tier pricing system, the Government was in the process of developing a system which would allow for public servants to make payments in instalments towards the cost of specific (leisure/holiday) products to be consumed later after completing the total payment.

Strategy 5 was aimed at restocking of the national parks to increase the animal population. This was because some of the national parks, such as the Siomangwezi did not have animals. The major challenge that was reported in undertaking this task was lack of an animal census to know which parks needed to be prioritised, and by how much they should be restocked. The last census was conducted before 2017. Two parks, Simalaha Conservancy (under a regional project with Angola, Namibia, Zimbabwe and Botswana) and Bangweulu, were restocked during the period under review.

To secure additional resources needed to restock and better manage national parks, during the period under review and prior to the 7NDP, the Government had piloted PPPs in the tourism sector. Under the PPPs, the Government signed lease agreements with private operators offering to manage tourism sites, including national parks, on behalf of the state at an agreed fee. As part of the agreement, private operators that leased the national parks were supposed to provide all the necessary resources, including expertise required to manage the national parks, with the expectation of recouping all such costs from the

revenues that would be raised. Prior to the 7NDP, the Government had secured only one such PPP (with African National Parks for Siomagwezi National Park). During the implementation of the 7NDP, three more PPPs were signed for Kasanka National Park, Bangweulu Management Area, and North Luangwa National Park. In 2019, negotiations were under way to lease Sumbu National Park to a private operator.

However, findings from the interviews revealed that very little has been realised by the Government from most of the existing PPPs in the sector because of the unfavourable terms and conditions. All previous PPPs were undertaken when the Government did not have the PPP Unit, and thus lacked knowledge on, and experience with, PPPs. By limiting the revenues that could flow to the Government for re-investing into the sector, the unfavourable performance of PPPs in the tourism sector had contributed to the poor performance of the sector at mid-term. Specifically, this severely constrained the sector's ability to implement planned programmes.

### 6.1.3.3 Noted Challenges

#### a) Inadequate funding

There was erratic implementation of the planned programmes because of limited resources. This was coupled with the slow release of allocated budgetary funding to the tourism sector as a result of the strict austerity measures that the country was implementing.

#### b) Poor state of tourism-related infrastructure

Some of the access roads and bridges leading to key tourism sites were found to be in a very bad state. This was reported to be limiting the number of tourists that visited the country and thus diminishing the growth prospects of the sector.



### **c) Existing PPPs not working**

The Government was realising little resources from most of the existing PPPs with the private sector in the tourism sector because of unfavourable terms and conditions binding the agreements. As part of the agreements, the private operators were expected to provide the necessary resources including expertise required to manage the national parks with an expectation that they would re-coup all such costs from the revenues to be raised.

### **6.1.3.4 Recommendations**

#### **a) Improve funding to the tourism sector**

Most of the strategies that were identified as conduits for achieving the stated outcomes were characterised by slow implementation largely due to delayed/lack of funding. Against this backdrop, it is strongly recommended that the Government finds alternative financing options and strategies for completing projects by 2021. One of the alternatives is the full use of PPPs to finance commercially viable projects.

#### **b) Enhance the effectiveness of PPPs to diversify sources of finance**

To enhance the benefits from PPPs, it is recommended that the Government conducts a thorough review of all existing PPPs with the aim of improving the share of the proceeds to the Government from the natural resources. In addition, the Government should allocate more resources (finances and personnel) to the PPP Unit to enhance its effectiveness. Further, for the PPPs to work better and increase private sector investments in the sector, there is need for the Government to create a conducive environment for conducting business.

### **c) Promote tourism-related infrastructure**

The Government should complete the ongoing infrastructure development programmes and upscale the works to other areas in need of modern infrastructure.

#### **d) Enhance sensitisation of domestic tourists on the products and developments in the sector**

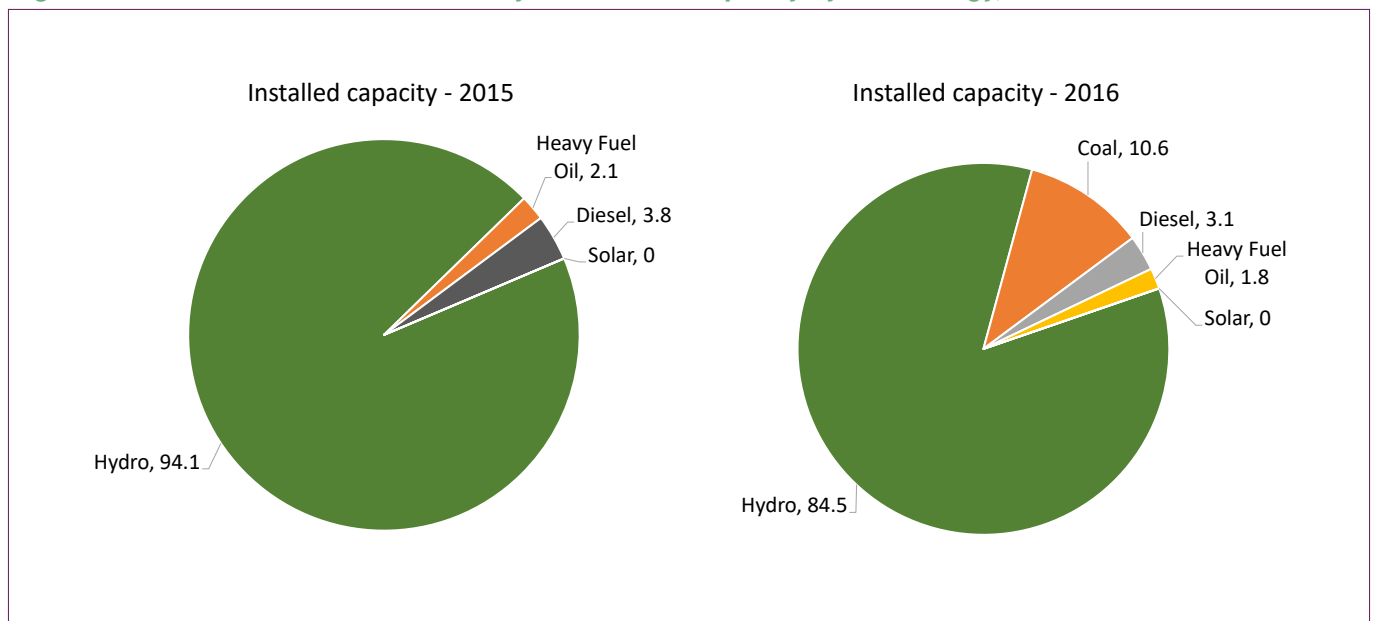
To enhance domestic tourism, the Government should, among other issues, increase awareness to the domestic population on the developments that are taking place in the tourism sector.

### **6.1.4 Improved Energy Production and Distribution for Sustainable Development**

#### **Outcome 4: Improved Energy Production and Distribution for Sustainable Development**

##### **6.1.4.1 Background Context**

Energy plays a key role in facilitating activities in all sectors of the economy. Zambia is endowed with a range of energy resources, particularly woodlands and forests, water, coal and renewable sources, such as geothermal, wind and solar energy. The country has the potential to generate about 6,000 Megawatts (MW) from hydrogeneration units. As at 2016, the electricity supply industry generation capacity continued to be largely driven by hydropower, which accounted for 84.5 percent (2,388.3 MW) of the total national installed capacity. Power generation from coal was second at 10.6 percent (300 MW), followed by diesel at 3.1 percent (88.6 MW), while heavy fuel oil accounted for 1.8 percent (50 MW) and solar photovoltaic (PV), less than 0.1 percent (0.06 MW) (see Figure 14).

**Figure 14: National Installed Electricity Generation Capacity by Technology, 2016 and 2015**

Source: Energy Regulation Board (2016)

Failure to diversify electricity generation prior to the 7NDP led to serious energy deficits that resulted in unprecedented levels of electricity supply rationing to all consumers. Demand for electricity stood at 1,949 MW while the sector was only able to generate 1,281 MW. This situation was largely as a result of inadequate and delayed investments in other sources of electricity generation and low investment in transmission infrastructure over the last 30 years. This was further compounded by inadequate incentives to attract investment in the sector because of non-cost-reflective tariffs and other factors. The deficit was exacerbated by the effects of climate change, in particular low rainfall, given that Zambia had been highly dependent on hydropower despite the envisaged growth of other sources of energy to about 15 percent by 2030. Despite this, the country could not source sufficient electricity imports to meet the deficit. Consequently, there was need to balance supply and demand by implementing power-rationing measures through a countrywide load-shedding programme.

In addition, besides electricity, Zambia needs petroleum-based energy products to support socio-economic activities. All the petroleum products the country uses are imported and as such the domestic prices of fuel and other petroleum products are determined by several factors, among them the international oil prices and the exchange rate of the Zambian Kwacha to the United States Dollar. However, continuous adjustments in the international prices for petroleum products and the fluctuations in the exchange rate resulted in fluctuations in prices and intermittent supply of petroleum products. The resultant inefficiencies in the petroleum supply chain had a negative impact on the cost of production, consequently reducing Zambia's competitiveness.

In view of the above, under the 7NDP, the Government planned to grow and diversify the energy sector to enhance its contribution to economic diversification by expanding power generation and transmission capacities and maintaining a stable supply of petroleum products.





The goal was to ensure universal access to clean, safe, reliable and affordable energy at the lowest cost, consistent with national development aspirations.

The 7NDP aimed to accomplish the improved energy production and distribution for sustainable development outcome through the following strategies:

a) Enhance generation, transmission and distribution of electricity;

b) Enhance strategic reserves and supply of petroleum products;  
c) Promote renewable and alternative energy;  
d) Improve electricity access to rural and peri-urban areas.

#### 6.1.4.2 Performance of Outcome Indicators at Mid-Term

Table 11 presents the outcome indicators and their performance at mid-term.

**Table 11: Performance of Improved Energy Production and Distribution for Sustainable Development Outcome Indicators**

Outcome Indicators	Baseline	Year of Baseline	Target 2021	Indicator Status (2019)	Indicator Rating
Proportion of renewable energy in total energy mix (%)	1.2	2016	5	4.5	●
<b>System losses (%)</b>					
a) Transmission losses	6.23	2016	5	5.25[1]	●
b) Distribution losses	10	2016	12	10.45	●
<b>Proportion of electricity production by source (%)</b>					
a) Hydro	84.5	2016	86	80.6	▲
b) Solar	0.06	2016	2	0.83	●
c) Coal	10.6	2016	8	13.33	▲
d) Heavy fuel oil	1.8	2016	1.3	4.94	▲
e) Diesel	3.1	2016	2.1	0.04	●
Percentage distribution of households by electricity connection:					
a) Rural	4.4	2015	8	8.1	●
b) Urban	67.3	2015	80	70.6	●
<b>Percentage of final energy consumption (cooking) by source</b>					
a) Electricity	16	2015	25	9	▲
b) Coal	0	2015	0.01	0	▲
c) Gas	0.1	2015	10	0.2	▲
d) Firewood	50.7	2015	40	48.1	■
e) Charcoal	32.9	2015	25	42.4	▲
Number of days for businesses to get connected to power grid	117	2017	30	90	■
<b>Overall Outcome Rating: Partially on Track</b>					■

KEY		
●	On Track	
■	Partially on Track	
▲	Off Track	

### a) Proportion of Renewable Energy in Total Energy Mix

#### The proportion of renewable and alternative energy sources in total energy mix increased at mid-term.

The proportion increased from 1.2 percent in 2016 to 4.5 percent in 2019 against the target of 5 percent in 2021. The relative improvements in the provision of and access to renewable and alternative energy sources were attributed to the various interventions by the Government, the private sector and CPs in the last 3-5 years aimed at promoting access to renewable and alternative energy. To provide a legal framework to support the development and utilisation of renewable and alternative energy sources, the Government commenced the process of developing the National Energy Policy that will provide guidelines on climate, renewable energy, energy efficiency and R&D in the energy sector. A draft National Energy Policy was developed and approved by the Cabinet by the end of 2019. During the period under review the Government concluded the Energy Regulation and Electricity Bills in 2019. Following Cabinet approval, the two Bills were under consultation by the Parliament.

In addition, the Government developed a Renewable Energy Feed in Tariff Strategy (REFiT Strategy), which will, among other issues, provide a framework for feeding energy from renewable sources (e.g. solar) into the national electricity grid. Under the REFiT Strategy, the Government provided support through incentives to encourage the development of up to 200 MW of electricity from renewable energy sources for feeding into the national grid. As at 2019, the companies developing a total of 100 MW of electricity were short-listed.

Besides the policy and legal frameworks regulating interventions, the Government was implementing a number of projects aimed at increasing the generation of energy from renewable and

alternative energy sources. Some of the notable projects included (i) the 54 MW Bangweulu Project (completed and commissioned in 2018); (ii) 0.64 MW Kasanjika Mini Hydro Project (at 98 percent completion); (iii) 0.3 MW Lunga Mini Hydro Project (10 percent completion); (iv) 0.2 MW Chunga Solar Mini Grid Project (60 percent completion); and (v) the 15 MW Lusiwasi Upper Hydro Plant.

### b) Systems Losses in Electricity Transmission

#### Electricity losses during transmission was high at mid-term.

There was significant improvement in attaining efficiency in the transmission of electricity as evidenced by a reduction in transmission losses from 6.2 percent in 2016 to 5.3 percent in 2019 against the target of five percent in 2021. However, with regard to attaining efficiency in electricity distribution, this was still a challenge considering that distribution losses increased from 10 percent in 2016 to 10.5 percent in 2019 against the target of 12 percent in 2021.

### c) Proportion of Electricity Production by Source

#### The proportion of electricity production by hydro declined at mid-term.

There was a slight change in the share of electricity production sources with fuel oil and coal gaining momentum which led to the share of hydro reducing from 84.5 percent to 80 percent (see Figure 15). Coal had a share of 13.3 percent of the total electricity production mix in 2019, increasing from 10.6 percent in 2016. However, coal and fuel oil are not clean sources of energy. There is need, therefore, to promote investments in clean energy sources, such as solar or wind energy, as alternative sources.

Further, heavy fuel generation was at 4.9 percent, while diesel and solar were at 0.04 percent and 0.8 percent, respectively. The reduction in the contribution of hydropower generation to the total electricity supply at mid-term was attributed to two factors: (i) reduced hydropower generation



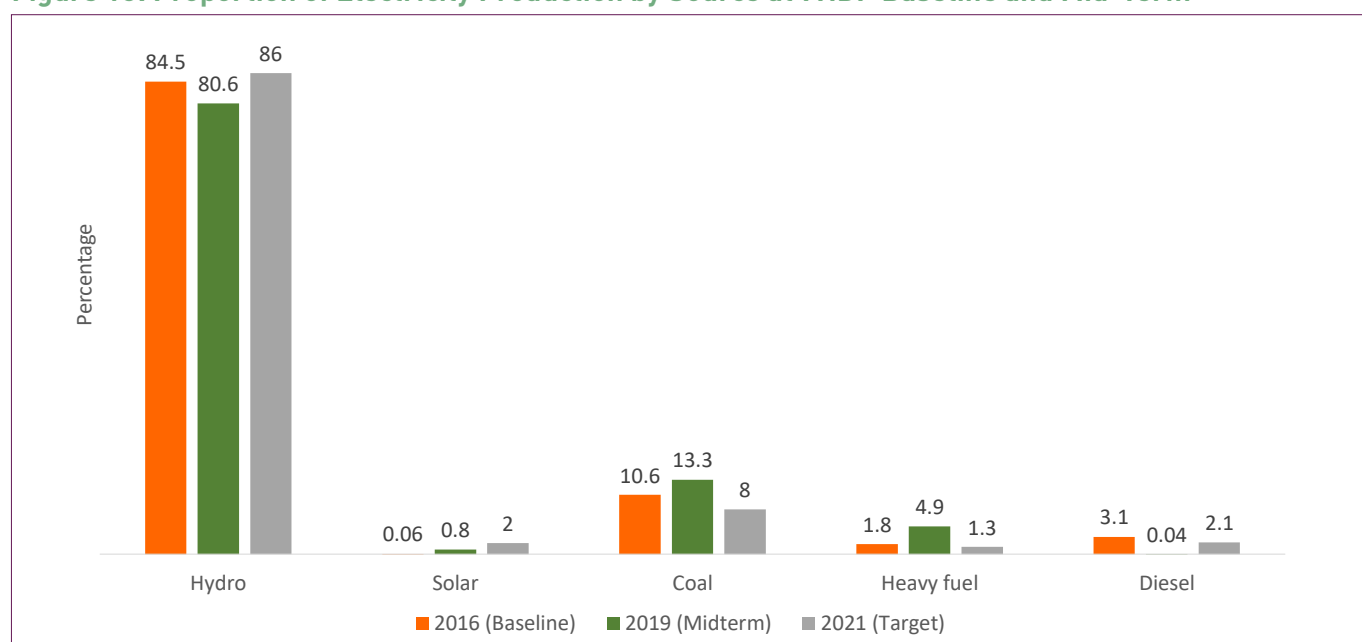
due to the low water levels at the main power generating dams which resulted in the power deficit of 273 MW; and (ii) increased generation of electricity from other sources, including coal, solar and diesel.

In addition to implementing projects, the Government enacted additional legal frameworks aimed at enhancing the contribution of renewable and alternative energy sources to the overall energy production for the country. There was also a notable increase in the participation of the private sector in electricity generation. For instance, Maamba Collieries Limited had entered

the electricity sub-sector with its 300 MW Maamba Coal Power Plant. On the other hand, other firms increased their investments in solar generation and technology during the first half of 7NDP implementation.

Further, extended hours of electricity load-shedding resulting from inadequate electricity forced a sizeable proportion of business houses and households alike to invest in solar and diesel electricity generation sources. This, and the foregoing factors, led to increased electricity generation from solar, coal and diesel.

**Figure 15: Proportion of Electricity Production by Source at 7NDP Baseline and Mid-Term**



Source: Ministry of Energy Administrative Data.

#### **d) Distribution of Households by Electricity Connection**

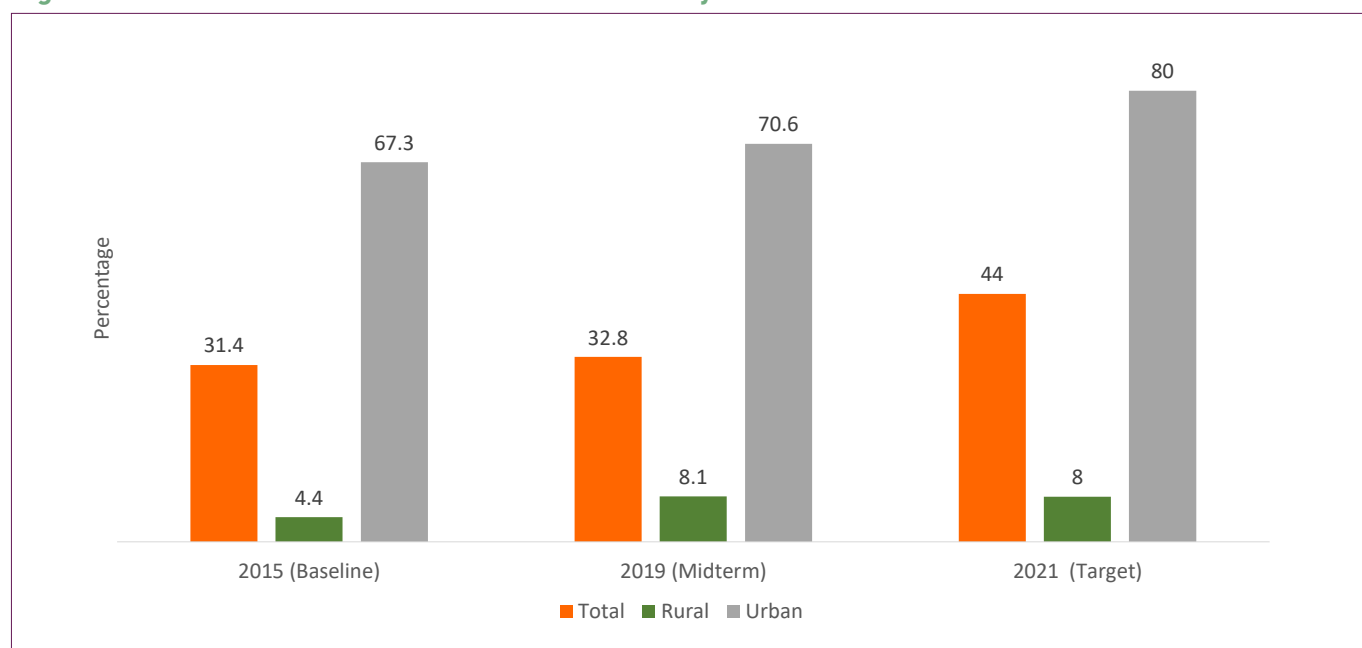
**The proportion of households with an electricity connection increased at mid-term.** The proportion increased from 31.4 percent in 2015 to 32.8 percent in 2019 against the target of 44 percent in 2021.

When disaggregated by region, the proportion of rural households with an electricity connection increased from 4.4 percent in 2015 to 8.1 percent in 2019 while the proportion of urban households with an electricity connection increased from 67.3 percent in 2015 to 70.6 percent in 2019 (see Figure 16).

Despite challenges of low electricity generation compared to demand, efforts by the Government to enhance generation, transmission and distribution of electricity in all parts of the country resulted in increased installed capacity of electricity. This, in addition to improvements in electricity transmission to end users, improved the proportion of households with access to electricity. In 2017, the national capacity installed was estimated at 2,896.9 MW. In 2018, the capacity increased to 2,898.23 MW, representing an increase of 0.05% from 2017. The increase was due to the Copperbelt Energy Corporation's new Kitwe-Riverside 1 MW grid connected Solar Plant, Muhanya Solar's Sinda Village 0.03 MW (in Sinda District), Standard Micro

Grid's Mugurameno Village 0.01 MW (in Chirundu District), solar mini-grids and the upgrading of Musonda Falls Power Station from 5 MW to 10 MW installed power generation capacity and increased generation at Kariba North Bank Extension. The national installed capacity of electricity increased to 2,974.95 MW in 2019 from 2,892.94 MW in 2018, representing a 3 percent increase. The increase in the installed electricity generation capacity was a result of the completion of the 54 MW Bangweulu and 34 MW Ngonye solar plants under the Scaling Solar Programme. This was being implemented by the Industrial Development Corporation as part of the country's strategy for enhancing generation, transmission and distribution of electricity.

**Figure 16: Distribution of Households with Electricity Connection at 7NDP Baseline and Mid-Term**



Source: CSO, Living Conditions Monitoring Survey (2015); ZamStats and Ministry of Health, Zambia Demographic and Health Survey (2018).

To improve electricity transmission, the Government was implementing several projects to ensure that electricity reached end users (businesses and households). Some of the notable projects included the connection of Luangwa District and surrounding areas to the national grid. By the end of 2019, the project was at 96 percent completion. Other electricity transmission

projects included (i) Pensulo-Mansa 330 kilovolt (KV) Transmission Line Project (at 2 percent completion at MTR); (ii) Kasama-Nakonde 330 KV Transmission Line Project (2 percent completion at MTR); (iii) 330 KV Kabwe Stepdown-Pensulo Transmission Line No. 2 project (11 percent completion); and (iv) the connection of Lundazi to the national grid (95 percent completion).



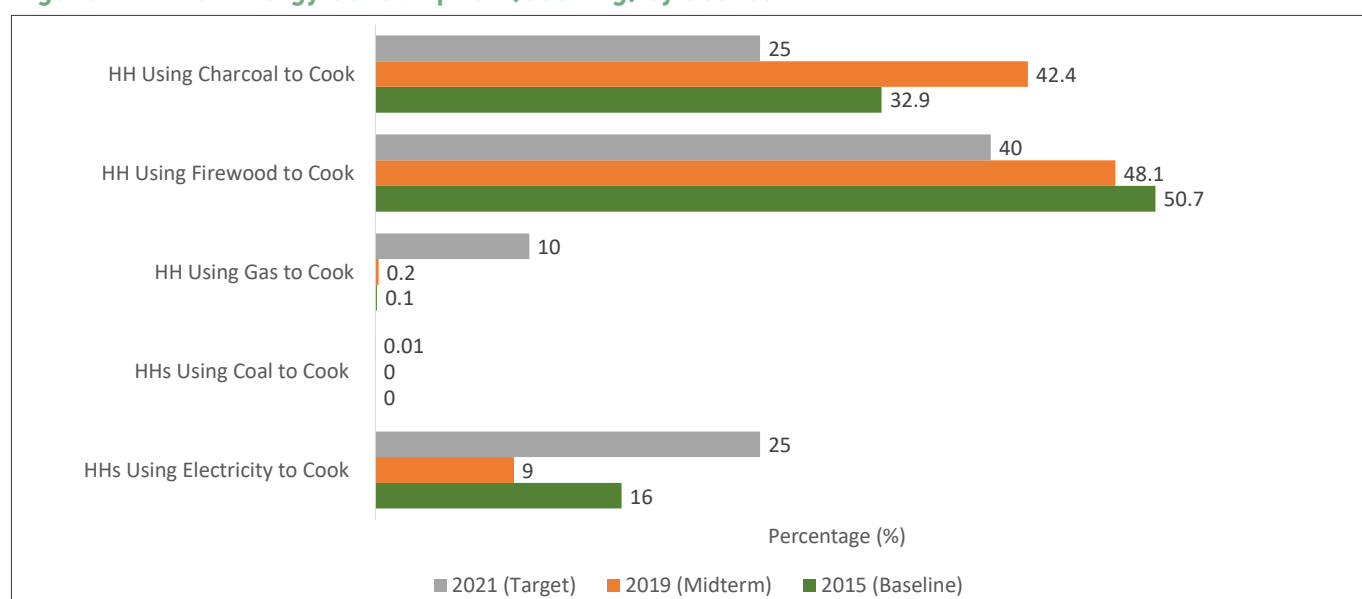
Although the country continued to experience energy deficits due to the reduction in hydropower generation since 2015 and 2016 on account of the low water levels, the findings were that new electricity generation installations (particularly in areas which previously had no access to electricity) and investments in electricity transmission infrastructure led to an increased number of households that were connected to the national electricity grid. Under the 7NDP, the Government planned to enhance generation, transmission and distribution of electricity, and to improve electricity access to rural and peri-urban areas.

#### e) Final Energy Consumption (Cooking) by Source

The proportion of households using electricity and firewood to cook decreased at mid-term.

Due to the reduced electricity generation, increased electricity tariffs and increased use of alternative sources of energy such as gas, the proportion of households using electricity to cook decreased from 16 percent in 2015 to 9 percent at mid-term. On the other hand, the proportion of households using firewood decreased from 50.7 percent in 2015 to 48.1 percent in 2019 on account of increased promotion of better and efficient sources of energy in both urban and rural areas. There was a slight improvement in the proportion of households using liquified petroleum gas to cook from 0.1 percent in 2016 to 0.2 percent in 2019 (see Figure 17). This indicates that there was an increased contribution of renewable and alternative energy sources to the country's total energy mix.

Figure 17: Final Energy Consumption (Cooking) by Source



Health Survey (2018).

f) **Period Required to Connect to Power Grid**  
The number of days it takes for businesses to get connected to the power grid reduced from 117 days in 2016 to 90 days at mid-term. The reduction in the duration for connection to the grid for businesses and households had the potential to improve the ease of doing business,

and the business environment in general. This in turn, could contribute to making the country more attractive for investments. Nevertheless, considering the 2021 target of 30 days, this level of performance implied that the country still had a major task to shorten the period it takes for electricity users to get connected to the supply.

#### **g) Management of Strategic Reserves and Supply of Petroleum Products**

**The process to improve management of strategic reserves and supply of petroleum products started at mid-term.** To ensure uninterrupted supply of other energy products (specifically petroleum products), the Government commenced the process of constructing fuel depots in all 10 provincial capitals. By 2019, a total of four fuel depots had been constructed in Lusaka, Mongu, Solwezi and Mansa. In 2019, the Government was conducting feasibility studies for the construction of the remaining six fuel depots. In addition, to ensure extension of fuel supply to remote places, the Government was constructing one filling station each in Luwingu, Mporokoso, Kalabo and Lukulu Districts. At the end of 2019, the filling station in Luwingu had been completed while that in Mporokoso was at 82 percent completion. Construction of filling stations in Kalabo and Lukulu was set to commence in 2020. In addition, the Government had during the first half of 7NDP implementation, undertaken several reforms in the petroleum sub-sector. The most notable reform at making the petroleum sub-sector more efficient without leaving any one behind included the Petroleum Management Bill (2018), which at the end of 2019 was at consultation stage.

#### **6.1.4.3 Noted Challenges**

##### **a) Energy sector still undiversified**

Despite the efforts to promote provision of and access to renewable and alternative energy (electricity) sources, the energy sector was still dominated by hydropower production. Thus, continuous application of efforts and full implementation of activities and policies was a priority if the country was to attain the set targets for the sector. The formulation of policies and legal documents must also be expedited.

##### **b) Period to connect to electricity supply still long**

The number of days it takes for businesses to get connected to the power grid reduced from 117 days in 2016 to 90 days at mid-term against the target of 30 days in 2021.

#### **6.1.4.4 Overall Performance**

The overall performance of the Improved Energy Production and Distribution for Sustainable Development outcome was partially on track at mid-term. Most of the outcome indicators were either partially on track, not on track or they were not assessed on account of lack of data.

#### **6.1.4.5 Recommendations**

##### **a) Diversify energy sector**

To address the dominance of hydro energy generation in the sector, it is recommended that the Government should continuously apply activities and policies aimed at diversifying energy generation to mitigate the effects of climate change experienced in the past and for the country to attain the set targets for the sector.

##### **b) Invest in electricity transmission infrastructure to reduce system losses**

The findings were that there were relatively high electricity losses during transmission. Based on this, it is recommended that investments in electricity transmission infrastructure are increased to reduce inefficiencies in transmission and distribution. This will reduce losses and the cost of electricity provision, which in turn will yield downstream effects on cost-reflective electricity tariffs.

##### **c) Reduce period for connecting businesses and households to electricity**

Considering that the 2021 target is to have a duration of 30 days in which businesses and



households are connected to electricity, more effort needs to be made by the Government to enhance access to efficient and better energy sources for all users.

### 6.1.5 Improved Access to Domestic, Regional and International Markets

#### Outcome 5: Improved Access to Domestic, Regional and International Markets

##### 6.1.5.1 Background Context

Zambia's population was projected at over 17 million in 2019 which provides a vibrant market opportunity for domestic goods and services. The market has steadily grown over the past decade in line with rising urbanisation and the corresponding growth of the middle class. In addition to the domestic market, regional and international markets provide an opportunity for Zambia to diversify its production and export base. In the region, Zambia has access to a wider market of 390 million people under the Common Market for Eastern and Southern Africa (COMESA), 277 million people under the Southern African Development Community (SADC) and 600 million people under the tripartite community (COMESA-Eastern African Community (EAC)-SADC).

Zambia also relies on overseas markets to earn a substantial proportion of its export revenue. However, the country had not fully utilised these opportunities as evidenced by the consistent trade deficits due to among others, failure by local producers to meet sanitary and phytosanitary requirements in foreign markets; high cost of production which reduces the competitiveness of Zambia's products in international trade; distance to markets, limiting trade financing arrangements; border efficiency issues; and poor quality of products. Given that Zambia is a signatory to regional trade bodies (e.g. COMESA

and SADC) which oblige member states to reduce trade tariffs and non-tariff barriers to trade, the above explained factors had caused the local products to underperform in international trade because of competition from high quality yet cheaply produced products from other countries. As at 2016, Zambia's share in intra-regional trade under COMESA stood at 22 percent for imports and 11.7 percent for exports. Under SADC, the country also had a trade deficit; the market share for imports was 13.6 percent and 4.9 percent for exports. In addition, evidence showed that prior to the 7NDP, the country had a narrow production and export base dominated by trade in goods. Although the period prior to the 7NDP saw several policy initiatives to promote non-traditional exports (NTEs), the country continued to face the same basic problem it had faced in the earlier years, namely the dominance of copper exports and the overwhelming difficulties in exploiting trade opportunities and diversifying into new high value industries. In addition, although domestic services dominated the country's GDP, this had not translated into trade in services.

During the implementation of the 7NDP, the Government planned to focus on improving trade facilitation and market penetration at the domestic and international levels, to reposition the country into greater competitiveness and consequently reverse the trade imbalance.

The 7NDP planned to accomplish the Improved Access to Domestic, Regional and International Markets outcome through the following strategies:

- a) Improve trade facilitation;
- b) Secure access to export markets;
- c) Enhance the competitiveness of Zambian products;
- d) Improve logistics management;
- e) Promote international cooperation;
- f) Promote economic diplomacy.

### 6.1.5.2 Performance of Outcome Indicators at Mid-Term

Table 12 presents the outcome indicators and their performance at mid-term.

**Table 12: Performance of Improved Access to Domestic, Regional and International Markets Outcome Indicators**

Outcome Indicators	Baseline	Year of Baseline	Target	Indicator Status (2019)	Indicator Rating
International trade as a percentage of GDP	73.5	2015	80	76	●
Percentage share of total exports in total trade	41.5	2015	60	51.1	●
<b>Percentage share of exports by regional grouping to total exports</b>					
a) COMESA exclusive	1.3	2017	2.6	1.4	■
b) SADC exclusive	4	2017	8	8.4	●
c) Dual SADC and COMESA	8.3	2017	10.3	16.7	●
d) EU	7	2017	9	5.7	▲
e) Switzerland	43.9	2017	42.6	39.7	▲
f) Asia	26.1	2017	22.1	31.3	●
g) The rest of the world	9.3	2017	5.4	3.1	▲
Export (propensity index)	33.1	2015	40	69.4	●
Import (penetration index)	37.7	2015	30	68.5	▲
Trade dependence index	73.5	2015	80	135.9	●
Marginal propensity to import	0.94	2015	0.3	-0.3	●
Percentage of MSMEs receiving product assistance who are exporting their products	10	2017	20	N/A	N/A
Percentage share of NTEs in total export earnings	27.3	2016	40	28.5	■
<b>Overall Outcome Rating: On Track</b>					●

KEY	●	On Track
	■	Partially on Track
	▲	Off Track

#### a) Performance of International Trade

**Contribution of international trade to GDP increased at mid-term.** International trade as a percentage of GDP increased from 73.5 percent in 2015 to 76 percent in 2019 against a target of 80 percent in 2021. On the other hand, the percentage share of total exports in total trade increased from 41.5 percent (2015 baseline) to 51.1 percent in 2019 against the target of 60 percent in 2021. This was supported by the decline in the marginal propensity to import (from 0.94 at baseline in 2015 to -0.3 in 2019) and the increase in the percentage

share of NTEs in the total export earnings (from 27.3 percent at baseline in 2016 to 28.5 percent in 2019) and the export propensity index (from 33.1 percent at baseline in 2015 to 69.4% in 2019). However, the value of the total export earnings decreased marginally by about 0.4 percent from USD 9.03 billion (K94.39 billion) recorded in 2018 to USD 7.30 billion (K93.99 billion) in 2019. The value of imports also decreased by 6.3 percent from USD 9.46 billion (K 99.26 billion) in 2018 to USD 7.22 (K93.03 billion) in 2019. This translated into a trade surplus of about USD 0.08 billion (K0.96

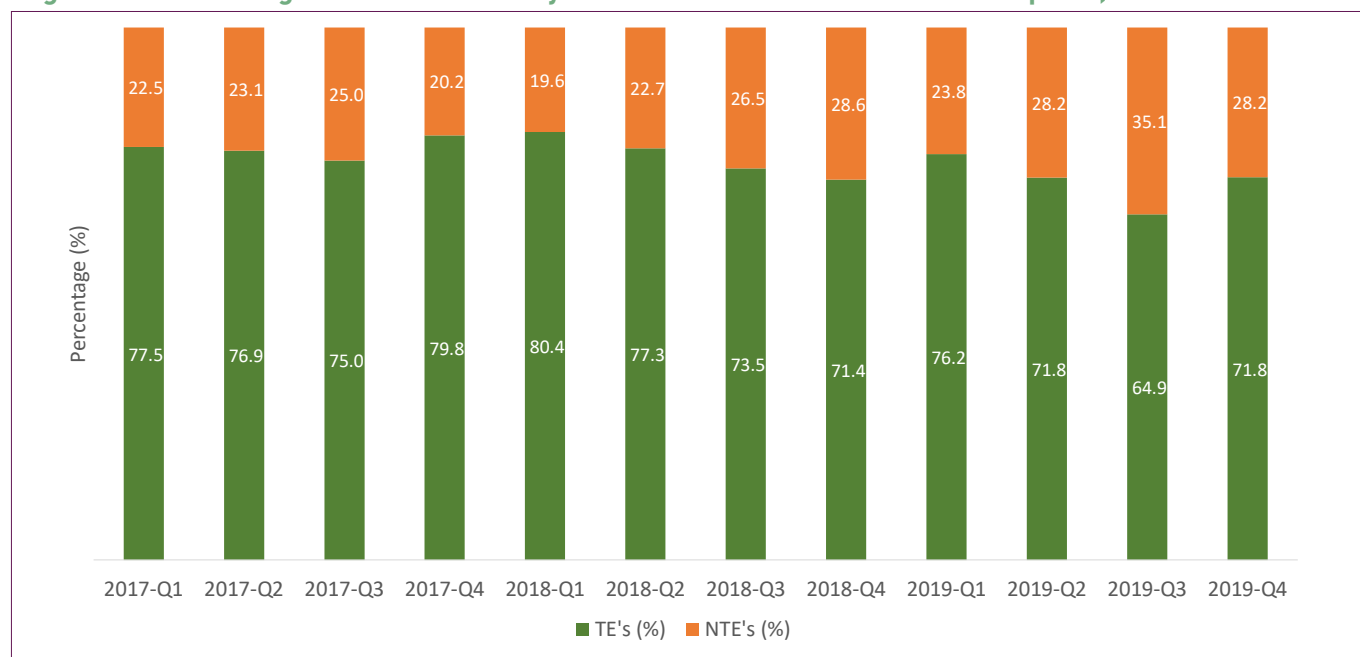




billion). The value of the NTE earnings decreased marginally from USD 2.2 billion in 2018 to USD 2.1 billion in 2019 against an annual target of USD 5.75 billion. In general, the findings were that the share of NTEs in total exports during the first half of 7NDP implementation had been fluctuating

with a net increase. On the other hand, the share of traditional exports had also been fluctuating but with a marginal net decrease (see Figure 18). Although not significant, this performance indicated a marginal achievement towards the export-oriented diversification objective.

**Figure 18: Percentage Share of Quarterly Traditional and Non-Traditional Exports, 2017-2019**



Source: ZamStats

The positive performance of the trade indicators was attributed to the implementation of the planned strategies. Interviews revealed that significant progress had been made during the period under review to facilitate trade through among other issues, initiation and establishment of bilateral engagements with trading partners (both within the region and internationally); removal of non-tariff barriers to trade; construction of One Stop Border Posts (OSBPs); simplifying of trade regimes; improving logistics management; and development of trade facilitating legislation.

The MTR noted that the Government in collaboration with COMESA and trading partners, had achieved notable progress in ensuring that trade is facilitated for small-scale border traders and that modalities for the establishment of the

Simplified Trade Regime (STR) are put in place, especially at busy and major border crossings. Under STR, agreements will be entered into with other countries on lists of commodities that could be traded across borders duty free provided they do not exceed USD 2,000 in value. Among other issues, STR is meant to deal with smuggling by encouraging small-scale traders to use formal channels of trade. In addition, the Government came up with OSBPs and the development of the Border Management and Trade Facilitation Bill in 2018 to be legislated in 2020.

As at 2019, there were two functional OSBPs at Chirundu and Nakonde Border Posts while two additional OSBPs were under construction at Kazungula and Victoria Falls border posts in readiness for commissioning and

operationalisation in 2020. To support the objective of OSBPs, the Border Management and Trade Facilitation Act of 2018 will enhance coordination at the borders by providing a single window for border clearance with public authorities. Once enacted, traders will no longer have to obtain clearance from each of the border clearance institutions (e.g. ZRA, Zambia Bureau of Standards (ZABS), Zambia Weights and Measures Agency, Road Transport and Safety Agency, and Ministry of Agriculture), but will instead deal with anyone of the institutions for all applicable border clearance. The objective of this mix of interventions would result in stable positive trade balances in the medium to long term through increased exports. From the analysis of the trade statistics, it was noted that the efforts have started bearing fruit. For instance, total exports were valued at K 94.7 billion in 2018 compared to K 76.5 billion recorded in 2017, representing an increase of 23.8 percent.

In addition to improving the competitiveness of Zambia's export products, various policies were formulated to provide a supportive legal framework required for a conducive business environment. The policies include the National Industrial Policy, the National Quality Policy, the National Investment Strategy, the National Export Strategy, the National Trade Policy and the Local Content Strategy. Launched in 2018, the objective of the National Industrial Policy is to enhance production capacities of industries and make Zambia a net exporting country. It is multifaceted and has a focus on helping local firms improve productivity, modernise technologies and improve standards. The objective of the Policy is to enhance value-addition. The primary aim of the National Quality Policy is to improve the quality of products. The legislations under the Policy include the Compulsory Standards Act No. 3 of 2017; the Metrology Act No. 6 of 2017; and the Standards Act No. 4 of 2017 which led to the establishment of the

Zambia Compulsory Standards Agency by taking away some of the responsibilities of the ZABS and Zambia Metrology Agency. The role of the ZABS was redefined in line with the amended legislation. The National Quality Policy and related legislation provide a framework for standardisation and quality assurance.

In an effort to expand trade as enshrined in the country's industrialisation agenda and the promotion of sustainable growth and development, the National Trade Policy (NTP) was formulated in 2018 to provide a framework for trade development with a view to creating and maintaining a competitive private sector in a dynamic domestic and international market environment. The ultimate goal is to create sustainable jobs and wealth for the benefit of the Zambian people. The underlying focus of the NTP is to support Zambia's industrialisation agenda through the promotion of domestic and international trade. Among other issues, the NTP has outlined measures aimed at tackling trade-related constraints, with a view to promoting production for export as part of the broader national agenda to diversify the economy. Specific focus is placed on improving the trade environment and Zambia's competitiveness in the domestic, regional and global economy.

As at 2019, the Government through the Ministry of Commerce, Trade and Industry (MCTI), was working on developing an E-Commerce Strategy to encourage the participation of local firms in international e-commerce platforms to provide an opportunity for the local firms to interact with the international community. Further, to additionally ensure that the set goals for trade are met, the Government created an Export Development Fund which was administered by the Zambia Development Agency.

Further, as part of the strategy to secure access to export markets, various programmes were under



way aimed at facilitating the participation of local firms and traders in international trade. These were reported to have facilitated the increase in the amount of exports to specific regions. During the period under review, the Government facilitated the participation of a number of local firms at the China International Import Exposition during which four local firms secured export contracts worth USD 90 million to export pork, honey and cashew nuts. Private local firms were also facilitated to participate in the Macfruit Trade Exposition which was held in Rome, Italy. As part of facilitating trade in gold and precious minerals, the Government acting through the MCTI facilitated the signing of a memorandum of understanding between the Association of Zambian Women in Mining and the Precious Minerals Association of Ghana. In addition, the MTR found that the Government had signed several trade agreements with other countries including the African Union Continental Free Trade Area to foster trade with the outside world.

The country had during the first half of the 7NDP implementation continued with the implementation of Ease of Doing Business Reforms aimed at improving the attractiveness of the country to investors to ease the cost of doing business. One notable outcome of this effort has been improvement in the global rating for creating a conducive business environment as per World Bank (2018) Doing Business Report. The Report indicates that Zambia's ranking has not only improved from 98th to 85th on the Ease of Doing Business Ranking but is also one of the top 10 improved regulatory reform economies in the world.

The programmes and policies implemented during the first half of 7NDP implementation had contributed to increasing the volume of Zambia's exports in international trade.

#### **b) Share of Exports to COMESA and SADC**

**The share of exports to COMESA and SADC increased at mid-term.** Due to the trade facilitation efforts by the Government and CPs, Zambia's share of exports to the regional groupings increased at mid-term. The share of total exports to COMESA exclusively increased from 1.3 percent in 2017 to 1.4 percent in 2019 while the share of exports to SADC exclusively increased from 4 percent in 2017 to 8.4 percent in 2019. The proportion of exports to the dual market of SADC and COMESA increased from 8.3 percent in 2017 to 16.7 percent in 2019. As explained above, the Government implemented several programmes and initiatives ranging from signing of bilateral agreements with countries in the region; removal of non-tariff barriers to trade; simplification of trade regimes; improving of border management; and development of trade facilitating legislation to foster intra region trade.

In addition, besides having presence in regional markets, some of the local producers had improved the quality of their exports to the regional markets, thereby enhancing the competitiveness of the local products in the region. Further, removal of most barriers to trade also contributed to improvements in the performance of Zambia's trade with the region. The MTR noted that nearly all the COMESA and SADC member countries were at various stages of implementing measures to liberalise their trade regimes as required under the respective regional groupings.

#### **c) Share of Exports to European Union and Switzerland**

**The share of exports to the European Union (EU) and Switzerland decreased at mid-term.** Whereas exports to regional markets increased, the share of exports to the EU and Switzerland decreased at mid-term. The share of exports to the EU decreased from 7 percent in 2017 to 5.7 percent in 2019 while the share of exports to Switzerland decreased from 43.9 percent to 39.7

percent in 2019. This was because of different factors including reduced economic growth in Europe, high logistical costs for exporting to Europe and failure by local producers to meet phytosanitary and quality standards in European markets. Growth in Europe had slowed down during the period under review (from 2.4 percent in 2017 to 1.9 percent in 2018 and to 1.3 percent in 2019) due to weaker global trade, low demand and investments coupled with public instability in some countries. In addition, the MTR noted that since the collapse of the national airline, Zambian producers continued to face the challenge of high freight costs when exporting goods to distant markets, such as Europe. High freight costs were cited to have affected exports to Europe. Further, the findings indicated that the reduction in the quantity of exports to Europe was partly caused by the low quality of products exported by some of the local producers, which could not attract external buyers. Interviews revealed that a good number of local firms did not have requisite skills and technology to produce very high quality products to meet the safety standards in the high value markets. As a result, most local firms still faced challenges to penetrate into international markets, particularly those in western countries with stringent sanitary and phytosanitary requirements and other standards.

#### **d) Share of Exports to Asia**

**The share of exports to Asia increased at mid-term.** The share increased from 26.1 percent in 2017 to 31.3 percent in 2019. The MTR attributed this to the robust growth at 4.1 percent in emerging and developing economies of Asia (e.g. China and India) on account of developments particularly in China that resulted into increased demand for raw materials from Africa, Zambia inclusive. The improvement in the volume of exports to Asia was also linked to the trade facilitation efforts by the Government aimed at increasing the number of local products that are traded internationally. As

explained earlier, the Government had during the period under review facilitated the participation of a number of local firms at the China International Import Exposition during which four local firms secured export contracts worth USD 90 million to export pork, honey and cashew nuts.

#### **e) Promotion of International Cooperation**

A number of high-level engagements were undertaken which resulted in agreements, pledges and commitments from the international community for Zambia to utilise and meet strategic national goals in agriculture, infrastructure development, energy, health and good governance. Zambia also continued to benefit from global and strategic partnerships such as the Tokyo International Conference on African Development and the Forum on China-Africa Cooperation, through increased market access and pledges for investment in key areas, such as agriculture, energy and infrastructure development. Zambia signed the African Continental Free Trade Area Agreement, which provides a market of 1.2 billion people, increasing market access opportunities for Zambian products by taking advantage of regional and continental value chains.

#### **6.1.5.3 Noted Challenges**

##### **a) Products failing to meet export requirements in high value markets**

Most of the local firms were not able to produce products of the highest quality to meet the sanitary and phytosanitary requirements in high value international markets.

##### **b) Supply constraints**

The low quality of most of Zambia's products was found to be as a result of different, yet compounding supply-side constraints (limited access to credit, low technical and entrepreneurial skills and small size and fragmentation of Zambian firms). Besides having appropriate technology and machinery,



strong entrepreneurial and technical skills are a pre-requisite to producing products of acceptable standards. Due to low education and experience among both business owners and workers, the majority of local producers lacked the necessary entrepreneurial and technical skills. This was compounded by low education attainment and skills endowment for the majority of ordinary workers in Zambia. In addition, the MTR findings were that most (67 percent) of firms in Zambia fall in the small-scale category, as such, they do not benefit from discounts on bulk buying when procuring key inputs and from the economies of scale during production.

#### **c) Crowding out private sector from credit market**

This was cited as a significant challenge, especially that there was limited access to affordable credit for small firms. Production and trade financing was limited as access to affordable credit was more difficult during the first half of 7NDP implementation on account of reduced liquidity in the economy for the private sector due to high Government involvement in the credit markets. High interest rates of over 35 percent per annum were inhibiting business growth and propensity to export.

#### **d) Unpredictable business environment**

Frequent changes in policies was reported as having made it difficult for firms to properly plan and invest into future production.

#### **e) Exchange rate fluctuations**

During the period under review, the local currency depreciated by almost 50 percent significantly increasing the cost of essential inputs. Given that most of the raw materials used in manufacturing industries are imported, the depreciation of the local currency against the major convertible currencies was reported to have contributed to reducing the competitiveness of some of Zambia's

export products.

#### **f) Power outages**

The manufacturing sector was adversely affected by frequent and prolonged power outages leading to high costs of production as firms resorted to more expensive sources of energy to keep factories running. This was reported to have reduced both the volume and competitiveness of local products.

### **6.1.5.4 Overall Performance**

Compared to the 7NDP targets, the overall performance of the Improved Access to Domestic, Regional and International Markets outcome was on track at mid-term. Most of the indicators – eight – were on track as compared to those that were partially on track (two) and off track (four).

### **6.1.5.5 Recommendations**

#### **a) Reduce government involvement in credit market**

To raise adequate resources to finance infrastructure projects, the Government increased both domestic and foreign borrowing. Domestically, the high level of government involvement in credit markets crowded out the private sector leading to very high interest rates. Given that production of quality products requires firms to source adequate funds for investing in technology and machinery, the MTR recommends a reduction in government domestic borrowing and allow more resources to flow to the private sector.

#### **b) Enhance business environment**

To provide a conducive business environment, the policy-makers should ensure policy stability and coherence in the different sectors to make it easier for the business community to plan for future production and exports.

### **c) Build local capacities for improved production, processing and packaging of export products**

Reforms to support private sector growth should include programmes aimed at capacity building for improved product delivery by Zambian producers, to make their products competitive on the international markets.

#### **6.1.6 Improved Transport System and Infrastructure**

##### **Outcome 6: Improved Transport System and Infrastructure**

##### **6.1.6.1 Background Context**

A well-functioning transport system has the potential to reduce the cost of doing business in the country, thereby contributing to the attainment of a diversified and resilient economy for sustained growth and socio-economic transformation. An improved transport system and infrastructure will enable efficiency in the movement of goods and people within Zambia. Further, as a land-linked country, with eight neighbouring countries, Zambia requires its transport infrastructure to be in a sound state to link to principal ports and serve as a hub for goods in transit.

However, at 7NDP inception, much of the country's transport infrastructure was very limited and poorly maintained, constraining the contribution of the sector to the economy. For instance, although Zambia's road network stretches across roughly 67,671 km, 40,265 km of which is classified as the core network, only 23% of the core network was paved/tarred as at 2016. In addition, the rail transport sub-sector had shrunk as evidenced by absence of upgrades and expansion on the rail networks, a development that led to the shifting of much of the railway's cargo onto the country's

road network. This led to the overburdening of the roadways resulting in the rapid deterioration of most of the trunk and main roads of the country. As a result, the cost requirements for road maintenance kept increasing. Similarly, Zambia's aviation infrastructure was also limited due to inadequate investment into its expansion and upgrading. Furthermore, the closing of the national airline, Zambian Airways, and the departure of other large international carriers from the market resulted in reduced air traffic and hence decreased revenues for maintaining and growing the air transport sub-sector. It is for this reason that the 7NDP identified the poor state of transport systems and infrastructure as a binding constraint to economic growth and diversification.

The 7NDP planned to attain outcome targets on Improved Transport System and Infrastructure through the implementation of four strategies namely:

- a) Construction and rehabilitation of railways;
- b) Development of aviation infrastructure and operations;
- c) Construction and rehabilitation of road network;
- d) Construction and rehabilitation of maritime and inland waterways.

##### **6.1.6.2 Performance of Outcome Indicators at Mid-Term**

Table 13 presents the performance of outcome indicators under Improved Transport System and Infrastructure at mid-term.



**Table 13: Mid-Term Performance of Improved Transport Systems and Infrastructure Outcome Indicators**

Outcome 6: Improved Transport System and Infrastructure					
Relevant Outcome Indicators	Baseline % / No.	Baseline year	Target 2021	Status (2019)	Indicator Rating
<b>Passenger (number) and freight volumes (MT) by mode of transport</b>					
1. Air - passenger	1,600,000	2016	2,608,758	1,808,247	●
2. Air - cargo	60,000	2016	87,846	22,046.40	▲
3. Road - passenger	90,476,640	2017	111,380,878	81,864,720	▲
4. Road - cargo	24,206,223	2017	44,515,399	42,577,910.30	●
5. Rail - passenger	657,746	2016	1,150,402	1,205,303	●
6. Rail - cargo	762,410	2016	2,177,519	1,315,140	■
<b>Overall Outcome Rating: Partially on Track</b>					■

KEY		
●	On Track	
■	Partially on Track	
▲	Off Track	

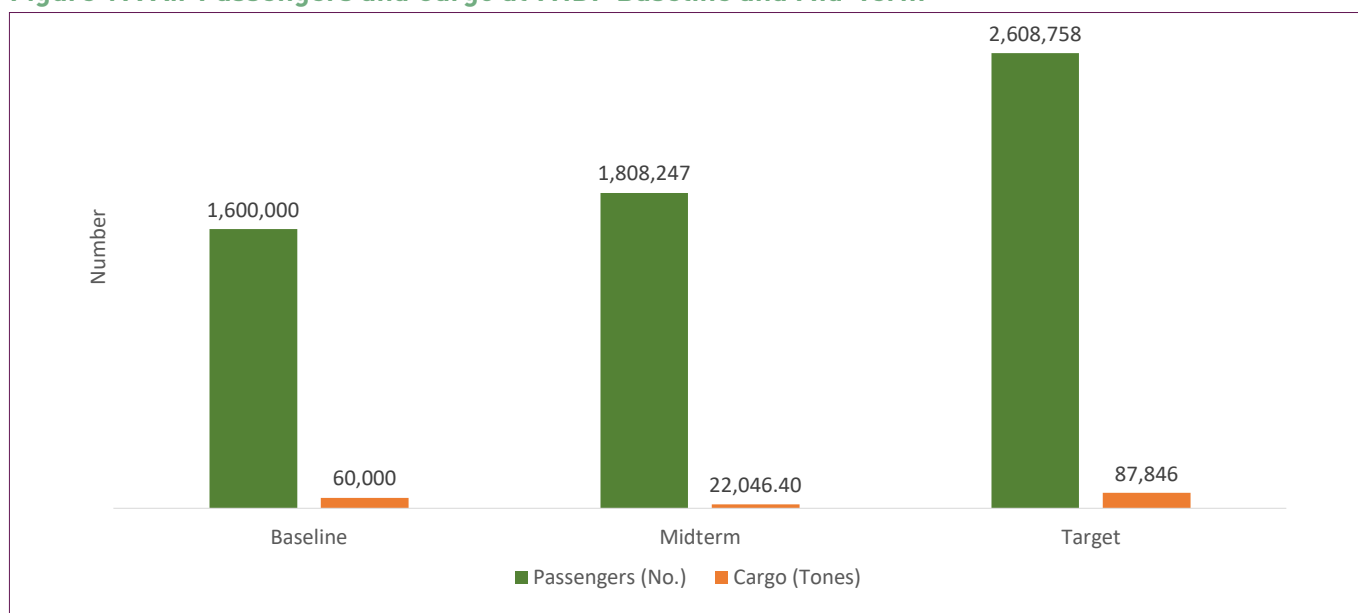
#### a) Passenger (Number) and Freight Volumes (MT) for Air Transport

**The number of air passengers increased while the volume of air cargo reduced at mid-term.**

The number of air passengers increased from 1,600,000 in 2016 (baseline) to 1,808,247 in 2019 against a target of 2,608,758 in 2021. The increase in the number of air passengers was due to the introduction of flights by relatively new international airlines such as Rwanda Air, and commencement of flights into Zambia by Turkish Airlines which supported the rise in international passengers. Introduction of new local routes by airlines, coupled with increased competition among local players contributed to the upsurge in domestic passengers.

In 2019, the four international airports recorded a total of 1,460,557 international passengers, representing a decline of 96,791 or 6.2 percent

when compared to 2018 with 1,557,348 passengers. In addition, the four international airports recorded a total of 347,690 domestic passengers which was a decline of 26,789 or 7.2 percent when compared to 2018 with 374,479 passengers. The decrease in passenger numbers between 2018 and 2019 was attributed to among other issues, the slump in both the domestic and global economies, the increase in ticket prices as a result of the depreciation of the local currency (Kwacha) against major convertible currencies and the increase in the price of jet fuel. In 2018, passenger movements (international and domestic) at the four main airports increased by 10.5 percent to 1,931,827 from 1,748,200 passengers in 2017 on account of increased number of flights to and from the country. Cumulatively, the number of air passengers during the first half of 7NDP implementation stood at 5,488,274.

**Figure 19: Air Passengers and Cargo at 7NDP Baseline and Mid-Term**

Conversely, the volume of air cargo decreased from 60,000 MT (2016 baseline) to 22,046.4 MT at mid-term. The four international airports recorded a total of 22,046,416.35 kilogrammes or 22,046.4 MT of cargo compared to 20,860,065.20 kilogrammes or 20,860.1 MT recorded in 2018, translating into a 5.7 percent growth rate between 2018 and 2019. In general, although below the baseline figure of 60,000 MT, the MTR findings showed a steady increase in the volume of air freight during the first half of 7NDP implementation, e.g. from 19,087 MT in 2017 to 20,860 MT in 2018 and 22,046 MT in 2019 (see Figure 19). Consultations with stakeholders in the transport sector attributed the modest performance in air cargo to a general decline in the volume of sales emanating from reduced economic activities in the country since 2015/2016. The same reasons cited for the modest performance of the road sector indicators (reduced economic activities and slow pace of implementation of 7NDP planned programmes) were mentioned as responsible for the average performance of the indicators in the air transport sector. Regarding the strategy to develop the aviation infrastructure and operations, the MTR findings indicated that almost all the projects in the air transport sub-sector during the period under

review (2017-2019) were still under construction. In addition, the re-establishment of the national airline, Zambia Airways Limited, which is expected to increase the number of both passenger and cargo transportation to and from the country, was still in its infancy stage at mid-term.

#### **b) Passenger (Number) and Freight Volumes (MT) for Road Transport**

**The number of road passengers decreased, while the volume of cargo transported by road increased at mid-term.** The data from the Ministry of Transport and Communications showed that the number of road passengers decreased from 90,476,640 in 2017 to 81,864,720 in 2019 against a target of 111,380,878 in 2021 (see Figure 20). The number of road passengers in 2019 represented a 58.1 percent increase from the number of road passengers in 2018. The increase in the number of road passengers from 2018 to 2019 was attributed to the improved road network which made some long-distance operators to increase their fleet of buses and to open new routes. Nevertheless, when compared to the 7NDP target (111,380,878), the performance of the indicator (road passengers) was off track at mid-term due to the general increase in the cost of transportation because

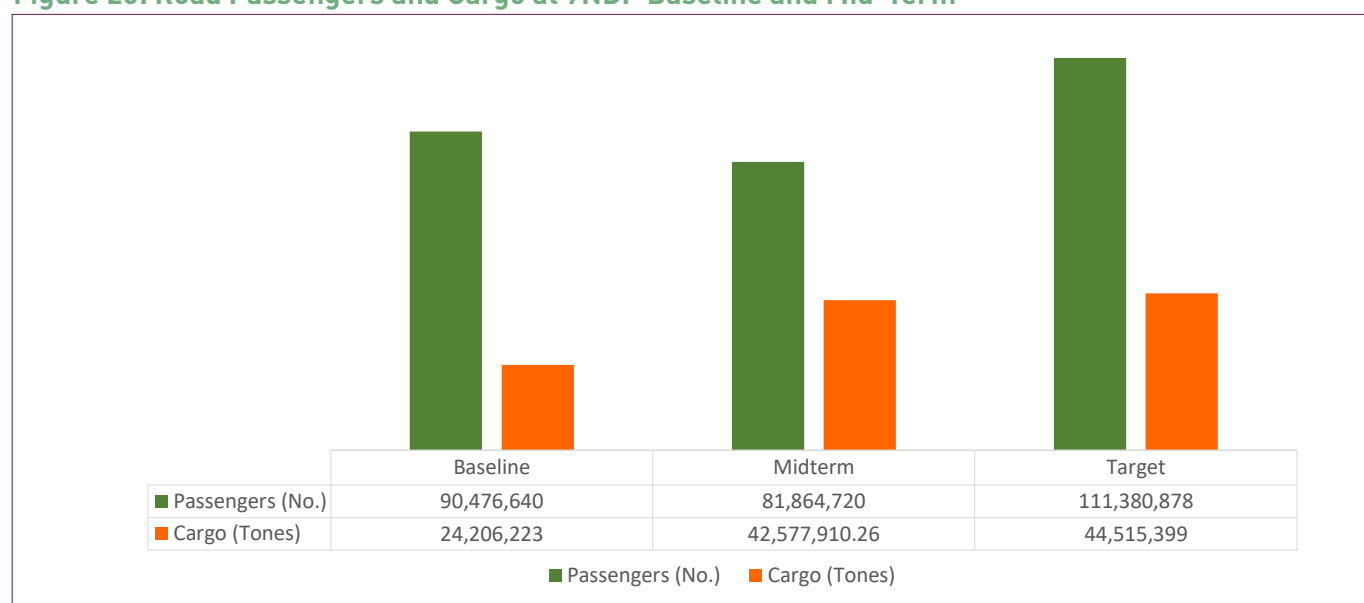




of several increments in fuel prices during the Plan period. Conversely, the volume of cargo transported by road increased from 24,206,223 MT in 2017 (baseline) to 42,577,910.3 MT in 2019 against the 7NDP 2021 target of 44,515,399 MT. The increase was due to: (i) an increase in the number of players in the road freight industry; (ii) improved road network; (iii) increased supplies

to the mines from neighbouring countries; and (iv) increased volume of exports to neighbouring countries. In general, the volume of road freight showed a growing trend during the first half of 7NDP implementation. The findings showed that in 2018, 37,592,868 MT of freight were transported under road transport up from 37,242,314 MT transported in 2017.

**Figure 20: Road Passengers and Cargo at 7NDP Baseline and Mid-Term**



Source: Ministry of Finance, Economic Reports (2016-2019).

The MTR attributed the modest performance of the indicators in the road sector at mid-term to two factors: (i) reduced economic activities which led to a reduction in the demand for road transport services, and (ii) the slow implementation of the identified strategy in the road sector, to construct and rehabilitate the road network. As explained above, economic growth slowed down during the period under review (from 3.8 percent in 2016 to 2.3 percent in 2019) due to, among other issues, reduced production because of climate change-induced effects, high debt servicing and a general slump in the global economy. This reduced the demand for road transport services. The MTR findings showed that as at June 2019, the cumulative total road network surfaced under the Link Zambia 8,000 Road Project was only

at 830 km out of the total of 5,203 km of roads under implementation, representing 15.9 percent cumulative progress since 2012.

Under the Pave Zambia 2,000 Programme, the physical progress achieved was at 2 percent in the second quarter of 2019 with cumulative progress estimated at only 30 percent. Under the Zambia Township Roads Programme, it was planned to rehabilitate, upgrade and construct approximately 152 km of selected urban and township roads in Kitwe, Chingola and Mufulira (Lot 1) and 154 km in Ndola, Kalulushi, Chambeshi and Luanshya (Lot 2). Cumulatively, only a total of 57.53 km of roads had been done in Chingola (31.5 km), Kitwe (16.184 km) and Mufulira (9.843 km) under Lot 1 while under Lot 2, no works had commenced due to delayed

funding. In addition, works were ongoing in Kabwe and Kapiri Mposhi Towns. However, progress was slow due to delayed payment of Interim Payment Certificates (IPCs). The first phase of the project covering 43 km of roads had been completed while the second phase involves the construction of 25 km of Bwacha Constituency roads and 12.3 km of Kabwe Central Constituency roads. Works had stalled due to cash flow challenges resulting from unpaid IPCs.

Similarly, regarding periodic road maintenance, no progress was recorded during the second quarter of 2019. The cumulative progress on periodic maintenance of trunk, main and district road projects that were ongoing was 483.79 km out of a total distance of 1,282.90 km as at mid-2019. Under major rehabilitation works, 7.31% progress was recorded during the second quarter of 2019 resulting in cumulative performance of 63.7%.

### c) Passenger (Number) and Freight Volumes (MT) for Rail Transport

**The number of rail passengers and cargo increased at mid-term.** At mid-term, both the

number of rail passengers (1,205,303) and volume of rail cargo (1,128,027 Mt) had increased from the baseline values (657,746 – rail passengers and 762,410 MT – rail cargo). Tanzania-Zambia Railways (TAZARA) transported 935,616 passengers in 2019 representing a 1.8 percent increase from the 918,623 passengers recorded in 2018. In 2017, TAZARA transported 511,259 passengers. The increase in ridership was due to operational improvements and repair of some coaches. In contrast, Zambia Railways Limited (ZRL) recorded a decline of 4 percent to 269,687 passengers in 2019 from 282,081 recorded in 2018, mainly due to the fact that some coaches/wagons were being repaired in the first and second quarter of 2019. However, in 2018, because of improved operational efficiencies, ZRL recorded an increase of 10.3 percent to 282,081 passengers from 255,727 in 2017. The number of passengers transported by rail during the first half of the Plan period was 3,172,119, with ZRL transporting 807,495 passengers and TAZARA 2,365,498 passengers.

**Table 14: Number of Passengers Transported by Rail, 2017-2019**

Company	2017	2018	2019	Period Total
Zambia Railways	255,727	282,081	269,687	807,495
TAZARA	511,259	918,623	935,616	2,365,498
<b>Total</b>	<b>766,986</b>	<b>1,200,130</b>	<b>1,205,303</b>	<b>3,172,119</b>

Source: Ministry of Transport and Communications

Cargo transported by rail increased by 23.1 percent to 1,315,140 Mt in 2019 from 1,068,255 Mt recorded in 2018. In 2018, the volume of rail cargo increased by 16.4 percent from 918,407 Mt in 2017. The increase in the volume of cargo transported by rail during the first half of the Plan period was largely due to the growth recorded by ZRL due to, among other factors, the following:

(i) the response by the market to Statutory Instrument No. 7 of 2018 which stipulates that 30 percent of all heavy cargo should be transported by rail; (ii) an increase in traffic of commodities such as sulphur, coal, copper cathodes and the execution of capacity building strategies such as the acquisition of rolling stock equipment; and (iii) the acquisition by ZRL of additional rolling stock



from Transnet and Trans Zambezi. In 2019, cargo transported by ZRL increased by 10.4 percent to 961,883 Mt from 870,911 Mt in 2018. In 2018, ZRL recorded a 23.9 percent growth from the 702,917 Mt of cargo it transported in 2017. On the other hand, the volume of cargo transported by TAZARA fluctuated with a net increase. In 2018, cargo transported by TAZARA declined by 8.4 percent to 197,344 tonnes from 215,490 tonnes in 2017 mainly due to inadequate working capital for timely track and rolling stock rehabilitation and maintenance

and low reliability and availability of locomotives and wagons to meet traffic demand. However, because of the Statutory Instrument No. 7 of 2018, operational improvements and repair of some coaches in 2019, the volume of cargo transported by TAZARA increased by 79 percent to 353,257 Mt from 197,344 Mt in 2018. Cumulatively, the volume of cargo transported by rail during the first half of 7NDP implementation stood at 3,301,802 tonnes, with ZRL transporting 2,535,711 tonnes of cargo and TAZARA 766,091 tonnes.

**Table 15: Cargo Transported by Rail, 2017-2019**

Company	2017	2018	2019	Period Total
Zambia Railways	702,917	870,911	961,883	2,535,711
TAZARA	215,490	197,344	353,257	766,091
<b>Total</b>	<b>918,407</b>	<b>1,068,255</b>	<b>1,315,140</b>	<b>3,301,802</b>

Source: Ministry of Transport and Communications

Of the two rail transport indicators, the number of rail passengers was on track while the volume of rail cargo was partially on track. The MTR attributed the mixed performance of the rail transport indicators to the slow implementation of the planned programmes during the period under review. During the Plan period, the Government planned to construct and rehabilitate railways. However, interviews with stakeholders revealed that other than feasibility studies, low progress was recorded with regard to construction and rehabilitation of railways at mid-term. For instance, of the 1,200-1,300 km network that ZRL has, only 540 km had been rehabilitated in the period 2012-2019, using public funds from the Treasury. As was the case for ZRL, there were still sections on the TAZARA network that required rehabilitation at mid-term.

Findings were that prior to the 7NDP, TAZARA had over 80 speed-restricted areas equivalent

to 180 km or about four hours of travel time. In 2019, there were less than 14 restricted areas, a development that reduced the amount of time it was taking to travel between Kapiri Mposhi and Dar es Salaam from about 28 days four years ago to about 4-5 days. In addition, the evaluation team learnt that the two rail companies had a challenge of inadequate specialised locomotives. Due to the changes in the rail transport sector which requires different commodities to be transported separately to ease monitoring while in transit and to facilitate quick processing of government permits, findings showed that the two rail companies were facing a growing challenge of inadequate specialised wagons or locomotives at mid-term. For instance, at mid-term, the evaluation team heard that ZRL could only manage to mobilise two rail trains for petroleum products from the entire stock of wagons that the company had. Taken together, these challenges had caused the rail companies to fail to carry cargo above the breakeven tonnage.

#### **d) Construction and Rehabilitation of Maritime and Inland Waterways**

**Little progress was noted regarding construction and rehabilitation of maritime and inland waterways.** Considering construction and rehabilitation of maritime and inland waterways, the MTR found that little progress had been recorded. For instance, regarding the strategy to develop and modernise harbours at the eight beaches that the country has (Samfya, Lunga, Chifunabuli, Kilwa, Mulamba, Siavonga, Shangombo/Rivungu and Kalabo), only construction of landing jetties at two beaches (Samfya and Nchelenge) had been completed during the period under review.

##### **6.1.6.3 Noted Challenge**

#### **Slow implementation of planned programmes**

The modest performance of the outcome indicators was attributed to slow implementation of the planned programmes because of limited resources. This was said to be affecting the attainment of the set objectives. For instance, because of the slow implementation of projects and/or strategies, the country was able to access only two ports by road and rail, Dar-es-Salaam and Durban. However, because both South Africa and Tanzania had come up with policies to tax goods in transit, lack of access to cheaper alternative ports such as Beira (Mozambique), Walvis Bay (Namibia) and Lobito (Angola), among others, led to increased cost of transportation of essential goods and raw materials. Exacerbated by continued increases in fuel pump prices, this contributed to the increase in the cost of doing business.

##### **6.1.6.4 Overall Performance**

At mid-term, performance of the outcome indicators was partially on track. Of the six outcome indicators for Improved Transport System and Infrastructure, two were on track and one was partially on track considering the 2021

targets. The other three outcome indicator targets were off track.

##### **6.1.6.5 Recommendations**

#### **a) Expedite implementation of programmes**

Against the 2021 targets, the MTR found the performance of the transport systems and infrastructure indicators at mid-term to be average largely due to the slow implementation of the identified strategies and projects. The findings were that all the strategies that were identified as means of achieving the stated outcomes were characterised by slow implementation due to delayed funding. Specifically, the results of the MTR show a significant proportion of transport infrastructure that are incomplete. To realise the goals for the sector, there is need for prioritisation and full implementation of the identified programmes in the transport sector.

#### **b) Explore alternative financing**

It is strongly recommended that the Government should explore alternative financing options and develop strategies for completing the unfinished projects by 2021. One such intervention is the full use of (PPPs) to finance commercially viable projects, such as trunk and main roads, so as to relieve pressure on the public Treasury and allow the Government to focus more on social sectors.

#### **6.1.7 Improved Water Resources Development and Management**

### **Outcome 7: Improved Water Resources Development and Management**

##### **6.1.7.1 Background Context**

Studies have shown that there is strong correlation between economic growth, industrial growth, health (including nutrition) and water supply and consumption. This is due to the indispensable



role that water plays in food production, hydro energy production and sanitation. As such, water resources infrastructure is critical to ensure provision of sustainable water resources management and services for engineered irrigation, drainage, water supply and sanitation, hydropower generation, flood control and food security. Despite having vast water resources estimated at 40 percent of all fresh surface water sources in the SADC region, effects of climate change have had a negative impact on Zambia's water resources availability, mainly due to inadequate water resources infrastructure.

The country's national water resources reservoir storage capacity was far much lower compared to other countries in the region. As at the launch of the 7NDP, there were a total of six medium to large dams with a total storage capacity of about 188,105 million cubic metres (km<sup>3</sup>), most of which were for power generation. In addition, there were about 2,000 small dams spread across the country with an estimated storage capacity of 1,500 km<sup>3</sup>. As a result of low water resources storage capacity, the country continued to experience low water levels, causing load-shedding of electricity, consequently adversely affecting, among others, agricultural and industrial production. During the 1988/1989 rainy season, urban flooding left 500,000 people in the Kafue Basin homeless. In 2005, flash floods affected the Kafue Gorge Power Station thereby disrupting power generation for over two weeks,

which negatively affected economic growth.

Under the 7NDP, the Government planned to undertake several strategies aimed at addressing water development and management challenges with a view to increasing availability of water resources for utilisation by productive sectors, for enhanced health of the ecosystem and sustainable economic growth. Specifically, the 7NDP planned to accomplish the Improved Water Resources Development and Management outcome through the following four strategies:

- a) Enhance rainwater harvesting and catchment protection;
- b) Promote local and trans-boundary aquifer management;
- c) Promote inter-basin/catchment water transfer schemes;
- d) Promote alternative financing for water resources development.

#### **6.1.7.2 Performance of Outcome Indicators at Mid-Term**

The assessment of the performance of the outcome indicators for Improved Water Resources Development and Management is presented in this section.

Table 16 presents the outcome indicators and their performance at mid-term.

**Table 16: Performance of Improved Water Resources Development and Management Outcome Indicators**

Outcome Indicators	Baseline	Year of Baseline	Target	Indicator Status (2019)	Indicator Rating
<b>Total volume of water available for use per catchment (km<sup>3</sup> per year)</b>					
a) Zambezi	21.9	1995	12.5	21.9	●
b) Kafue	10.8	1995	6.2	11.8	●
c) Luangwa	20.9	1995	11.9	23.9	●
d) Luapula	19.8	1995	11.3	21.8	●
e) Chambeshi	8.7	1995	5.0	9.7	●
f) Tanganyika	3.6	1995	2.1	4.0	●
Total volume of water storage available for use (km <sup>3</sup> )	189.1	1995	209.1	195	●
<b>Proportion of water related disasters recorded (%)</b>					
a) Drought	20	2016	80	data not available	N/A
b) Floods	20	2016	80	data not available	N/A
c) Water pollution	20	2016	80	data not available	N/A
Proportion of transboundary aquifers under sharing agreement (in number or volume)	Not available	2017	74	0	▲
<b>Overall Outcome Rating: Partially on Track</b>					■

KEY	●	On Track
	■	Partially on Track
	▲	Off Track

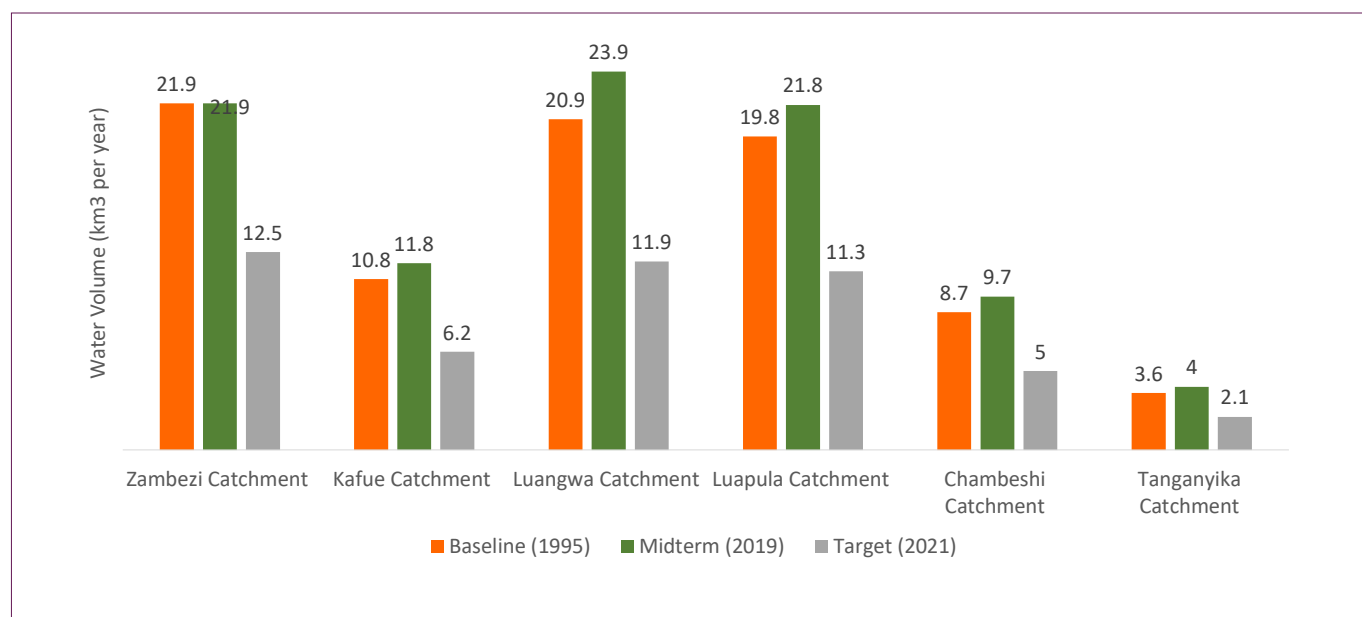
#### a) Volume of Water Available for Use per Catchment Area

The volume of water available for use in the Luangwa, Luapula, Chambeshi and Tanganyika catchment areas increased at mid-term. Except for the Zambezi catchment area, the findings showed that the volume of water available had increased at mid-term for use in Kafue (from 10.8 km<sup>3</sup> per year in 1995 to 11.8 km<sup>3</sup> per year in 2019), Luangwa (from 20.9 km<sup>3</sup> per year in 1995 to 23.9 km<sup>3</sup> per year in 2019); Luapula (from 19.8 km<sup>3</sup> per year at baseline in 1995 to 21.8 km<sup>3</sup> per

year in 2019); Chambeshi (from 8.7 km<sup>3</sup> per year at baseline in 1995 to 9.7 km<sup>3</sup> per year in 2019; and Tanganyika (from 3.6 km<sup>3</sup> per year at baseline in 1995 to 4.0 km<sup>3</sup> per year in 2019). However, the total volume of water available for use in the Zambezi catchment area in 2019 remained the same as at baseline (21.9 km<sup>3</sup> per year) (see Figure 21). All the targets were attained at mid-term. The MTR attributed the results at mid-term to the low utilisation of the water resource for economic activities, which was very much below the catchment yields.



**Figure 21: Total Volume of Water Available for Use per Catchment (km<sup>3</sup>/year) at Baseline and Mid-Term**



Source: Water Resources Management Authority Administrative Data.

To improve the availability of water resources in the aforementioned catchment areas, the Government planned to enhance rainwater harvesting and catchment protection, and to promote inter-basin/catchment water transfer schemes. However, the results indicated that little had been done in the implementation of the strategies during the period under review due to inadequate funding for the programmes. Under the promotion of rainwater harvesting, the Government planned to develop and apply 20 climate-smart water harvesting technologies and construct 20 rainwater harvesting infrastructure. However, due to inadequate funding, implementation of the strategies had not commenced at mid-term. Similarly, under the catchment delineation and protection programme, there was no catchment institution that was operational at mid-term.

Likewise, the study showed that no single catchment area out of the targeted 40 percent had been delineated and no site had been identified as a protection area. Low progress was noted in the development of the Catchment Management Plans

and the assessment and quantification of the water resources. At the end of 2019, the development of the Kafue Upper Catchment Area Management Plan was at 80 percent completion while that for Kafue Lower Catchment Management Area was at 90 percent completion.

Regarding the assessment and quantification of water resources, the following had been achieved during the period under review: (i) 169 surface water monitoring stations were functional and 82 groundwater monitoring stations were operational aimed at providing hydrological data; (ii) three out of the targeted 12 water quality monitoring stations were functional; (iii) one water balance quantification was conducted for Kafue Catchment Area out of the targeted six; (iv) six of the targeted 10 Integrated Water Resources Management Information System centres were established in Chambeshi, Luangwa, and Zambezi catchments in addition to Kasama, Kabwe and Mongu Districts; and (v) 17 pollution hotspots were identified to monitor pollution and expand water networks across the country.

The MTR noted progress in the legal framework governing management and exploitation of water resources. To ensure sustainable utilisation of the water resources and to safeguard both ground and surface water from pollution in the country, the findings were that the Government, through the Water Resources Management Authority (WARMA), has put in place water regulation policies (Statutory Instruments No. 18, 19, and 20 of 2018) that govern the use of water. Because of this development, use of ground water was regulated while borehole drillers were licenced. During the period under review, in line with enforcement of policies, the Government through the WARMA in 2019 registered over 32,000 existing boreholes countrywide and issued 595 surface water permits out of the targeted 1,148.

#### **b) Water Storage Availability**

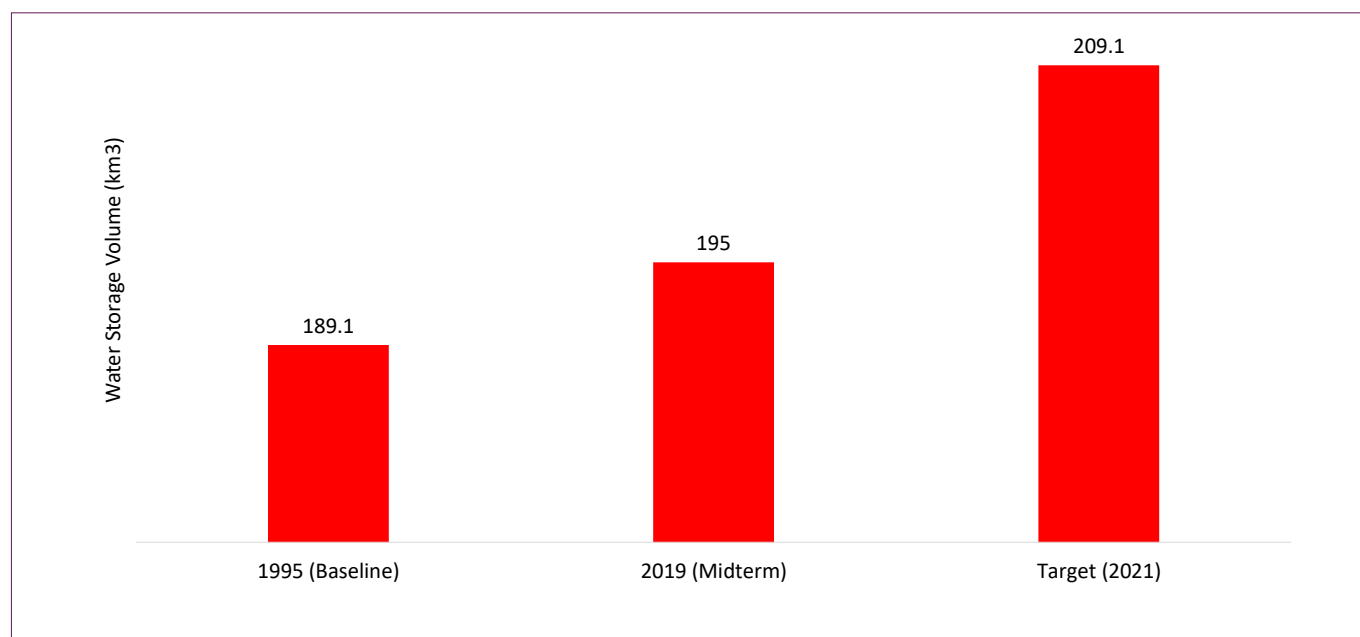
**Water storage available for use increased at mid-term.** Total volume of water storage available for use increased from 189.1 km<sup>3</sup> in 1995 to 195 km<sup>3</sup> in 2019 against the target of 209.1 km<sup>3</sup> in 2021 (see Figure 22). This was attributed to the construction and rehabilitation of dams and underground boreholes. Interviews

with stakeholders revealed that the Government continued with the construction of dams which included Katembula Dam in Lufwanyama District, Ngolongozya Dam in Zimba District, Kasamba Dam in Manyinga District, Kanyika Dam in Kasempa District and Nabowa Dam in Kaoma District. However, due to inadequate resources to construct the targeted dams, only one dam had been completed by mid-term. Plans were under way to undertake pre-feasibility studies on two dams namely Dimba Dam in Monze District and Nabuyani Dam in Kalomo District. On the other hand, concept notes for feasibility studies for the following dams were completed and were awaiting funding for implementation: Kamimbya (Luano District), Manjumba (Eastern Province), Mwase (Lundazi District), Dimba (Monze District) and Mulangeni (Eastern Province). In addition, 146 out of the targeted 200 annual exploratory boreholes were constructed countrywide, meant to collect information on groundwater in terms of quality and quantity. Regarding rehabilitation of the water storage infrastructure, the Government undertook the rehabilitation of Nangoma Dam in Mumbwa District with a storage capacity of 9,430 m<sup>3</sup> targeting a population of 5,680 which was at 95 percent completion at the end of 2019.





**Figure 22: Total Volume of Water Storage Available for Use (km<sup>3</sup>)**



Source: Water Management Resources Management Authority Administrative Data.

### **c) Trans-Boundary Aquifers under Sharing Agreement**

**There was no trans-boundary aquifer under a sharing agreement at mid-term.** Zambia has five known trans-boundary aquifers. As part of the strategy to promote local and trans-boundary aquifer management, the Government planned to ensure that each of them is covered by a trans-boundary groundwater management agreement with the respective countries with whom this is shared. The target was all the aquifers within the Zambezi River Basin which covers 75 percent of Zambia. At mid-term, interviews with stakeholders revealed that no single agreement had been entered into with any of the neighbouring countries with whom Zambia shares its aquifers on the Zambezi River Basin. Regarding the promotion of local aquifer management, the Government with support from CPs developed a well field in Lwimba area of Chongwe District. Activities implemented included the design of a water reticulation system and excavation of trenches from the well field to the

existing water scheme. Findings indicated that the Government had during the period under review identified two local aquifers while one aquifer was mapped in Chongwe. The slow implementation of the strategy was attributed to inadequate funding.

### **d) Promotion of Alternative Financing for Water Resources Development**

**The strategy to promote alternative financing for water resources development was in place at mid-term.** To mobilise additional resources for the implementation of programmes aimed at developing water resources, the Government planned to find and promote alternative financing for the water sector. To realise this goal, the findings indicated that the Government had during the period under review come up with the National Water Resource Mobilisation Strategy. Of the total resource mobilisation programmes in the Strategy, 60 percent of the programmes had already been implemented as at the end of 2019.

### 6.1.7.3 Noted Challenges

#### a) Proportion of water-related disasters not measured due to lack of data

As part of the strategy to ensuring preservation of water resources from pollution and contamination, the Government planned to record all water-related disasters occurring in the country. Among other issues, this was expected to determine the kind of responses to employ when responding to crises in the water sector. However, the MTR could not assess the indicator on account of lack of data.

#### b) Inadequate funding

The low performance of some of the outcome indicators was due to erratic implementation of the planned programmes because of limited resources. The findings indicated that implementation of most of the planned programmes was below half-way mark and in some cases had not commenced.

#### c) Weak institutional capacity

At the national level, the WARMA, the institution responsible for water resource development and management has a strong technical team. However, sub-national level structures have a limited staff complement and relevant community structures are not yet established.

#### d) Lack of cutting-edge technology for water management

The findings indicated that in general, the Government lacks certain tools, especially modern tools in water modelling, to get processed information with a high degree of confidence.

### 6.1.7.4 Overall Performance

Notwithstanding the indicators that were not assessed on account of lack of data, considering performance of the outcome indicators and the associated outputs, the MTR concluded that the country was partially on track to reach its set targets

on Improved Water Resource Development and Management. Although a number of programmes were characterised by slow implementation, the MTR noted that some progress had been achieved in terms of laying the foundations for the necessary legal frameworks, while implementation of key activities/programmes to act as the basis for future developments in the water sector had commenced.

### 6.1.7.5 Recommendations

#### a) Rationalise financing towards programmes in the sector

The findings indicated that implementation of most of the planned programmes was below the half-way mark and in some cases had not commenced due to reduced public funding to the sector. Given the considerable resource requirements for some of the programmes for the outcome, there is need to scale-down on some output results and focus on priority ones against the shrinking fiscal space. As such the Government needs to concentrate more on what has already started and what has been partially achieved so as to maintain momentum.

#### b) Capacity build institutions responsible for management of water resources

The institutional capacity of the WARMA was found to be weak at the sub-national levels. To enhance the effectiveness of the WARMA, the Government should consider increasing the level of support (personnel and financial) that is given to the local water body.

#### c) Invest in modern technology

The findings indicated that the Government and its institutions need modern tools and technologies in water modelling to get processed information with a high degree of reliability.



## 6.1.8 Enhanced Information and Communication Technology

### Outcome 8: Enhanced Information and Communication Technology

#### 6.1.8.1 Background Context

Information and communication technology (ICT) has been identified as a catalyst for socio-economic development by promoting competitiveness and being an enabler of good governance. However, there were several challenges regarding access to and utilisation of ICT in Zambia prior to the 7NDP. It was noted that ICT infrastructure, both public and private, was inadequate and fragmented, resulting in poor connectivity and communication. It was also noted that the public sector lacked adequate human resource in the area of ICT. These were compounded by a weak supportive legal and institutional framework for the development and utilisation of ICT. As a result of the above, the performance of Zambia's ICT sector was very low at 7NDP inception. For instance, the 2016 E-Government Development Index published by the United Nations Department of Economic and Social Affairs ranked Zambia at 132 out of 193 countries. Another agency of the United Nations, the International Telecommunications Union in its 2015 ICT Development Index placed Zambia at 153 out of 167 countries. Before this, the 2015 Network Readiness Index or Technology Readiness Index produced by the World Economic Forum showed that Zambia ranked 116 out of 139 participating countries.

Zambia's poor performance in the above indices indicated a clear need for accelerated ICT development to effectively and efficiently support the economic growth and diversification aspirations. Regarding this outcome, the 7NDP seeks to: (i) increase investments in ICT infrastructure and human resource development; (ii) undertake policy, legal and institutional reforms to facilitate universal access to ICT and promote the use of ICT in business e-Commerce; (iii) promote networking of services and applications across the public sector and online access to government services; and (iv) accelerate the mainstreaming of the ICT sector in the education curriculum to ensure increased uptake and utilisation of ICT to reduce government service delivery costs.

The 7NDP planned to accomplish the Enhanced Information and Communication Technology outcome through the following three strategies:

- a) Strengthen legal framework for information and communication technology;
- b) Improve ICT infrastructure for service delivery;
- c) Provide electronic services.

#### 6.1.8.2 Performance of Outcome Indicators at Mid-Term

The analysis of the performance of the outcome indicators for Enhanced Information and Communication Technology is presented in this section. Table 17 presents the outcome indicators and their performance at mid-term.

**Table 17: Performance of the Information and Communication Technology Outcome Indicators**

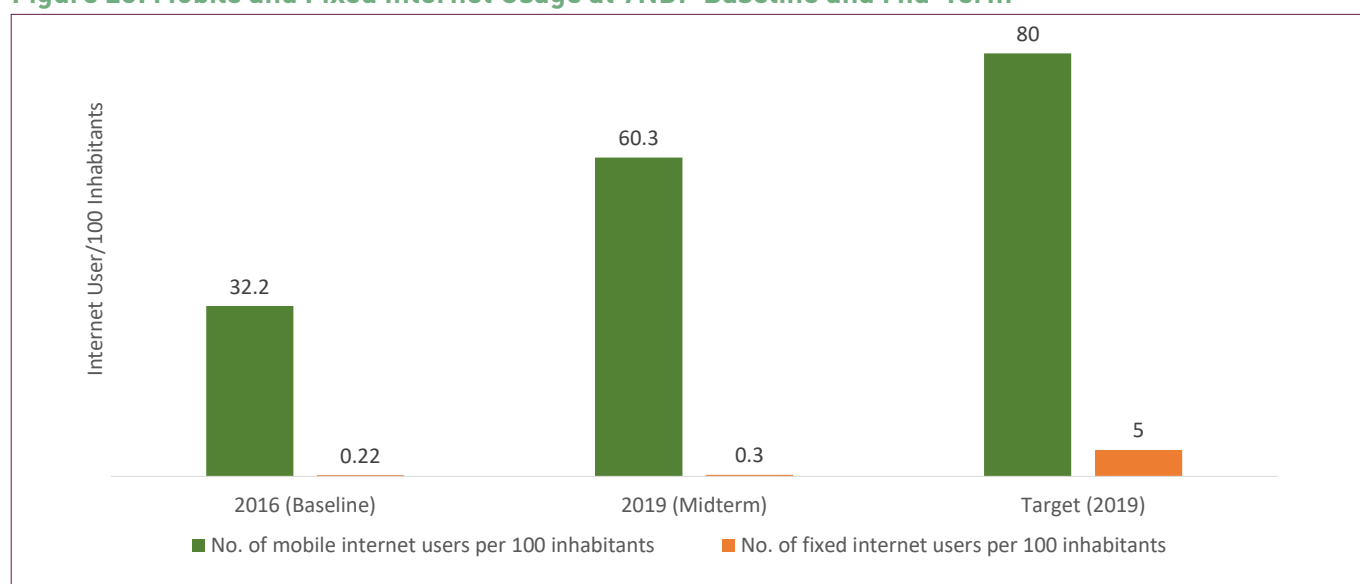
Relevant Outcome Indicators	Baseline % / No.	Baseline year	Target 2021	Status (2019)	Indicator Rating
Number of mobile internet users per 100 inhabitants	32.2	2016	80	60.3	●
Proportion of schools with computers for pedagogical use	39	2016	75	data not available	N/A
Percentage of mobile geographical coverage	84	2016	96	86	■
Percentage of households that own at least one mobile phone	64.5	2016	100	73.6	●
Percentage of individuals that use mobile money phone services	14	2016	50	29.5	●
Number of fixed internet users per 100 inhabitants	0.22	2016	5	0.3	●
<b>Overall Outcome Rating: On Track</b>					●

KEY		
●	On Track	
■	Partially on Track	
▲	Off Track	

#### a) Internet Usage

**The number of internet users increased at mid-term.** The findings were that the number of both mobile and fixed internet users increased at mid-term as compared to the baseline figures. The number of mobile internet users per 100 inhabitants increased from 32.2 in 2016 to 60.3 percent in 2019 against a target of 80 in 2021. On the other hand, the number of fixed internet users per 100 inhabitants increased from 0.22 in

2016 to 0.3 in 2019 against a target of five in 2021 (see Figure 23). The impressive performance of the indicators was attributed to easy access to internet services and the reduction in the cost of services due to increased competition among the players. Further, the Government invested in ICT infrastructure through the installation of communication towers and also continued with the laying of the optic fibre network across the country.

**Figure 23: Mobile and Fixed Internet Usage at 7NDP Baseline and Mid-Term**

Source: Ministry of Transport and Communications Administrative Data.

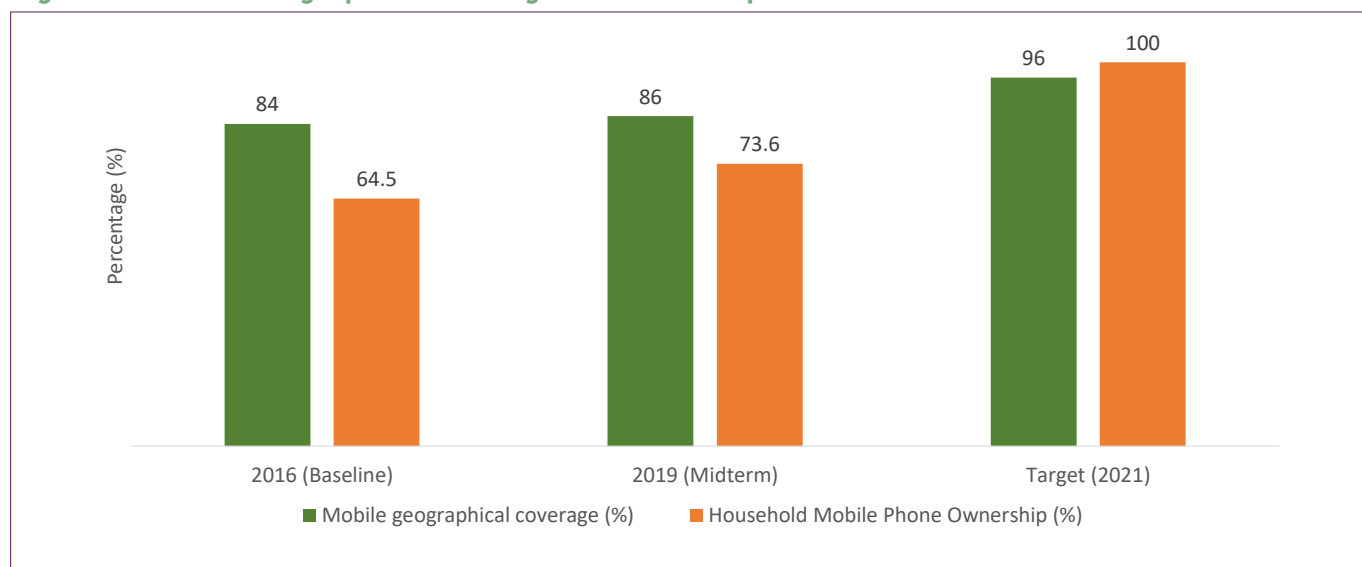


### b) Mobile Coverage and Ownership

**Mobile geographical coverage and ownership increased at mid-term.** The data showed that the percentage of mobile geographical coverage increased from 84 percent in 2016 to 86 percent in 2019 against a target of 96 percent in 2021. The result was attributed to the continued installation of communication towers by both the Government and the private sector. Interviews with stakeholders revealed that the total number of communication towers in the country increased to 2,758 in 2019 from 2,496 in 2018. Of the 2,758 towers in 2019, the Government, through the Zambia Telecommunications Company and the Zambia

Information and Communications Technology Authority, owned 1,013 communication towers while the rest were owned by the private sector who included IHS Zambia and Airtel. Similarly, the results indicated that mobile ownership among households had increased at mid-term. The percentage of households that owned at least one mobile phone increased from 64.5 percent in 2016 to 73.6 percent in 2019 against the 7NDP target of 100 percent in 2021 (see Figure 24). The growth was attributed to competition among operators through promotions which provided incentives for multiple subscriptions and a rise in the use of ICT devices.

**Figure 24: Mobile Geographical Coverage and Ownership**

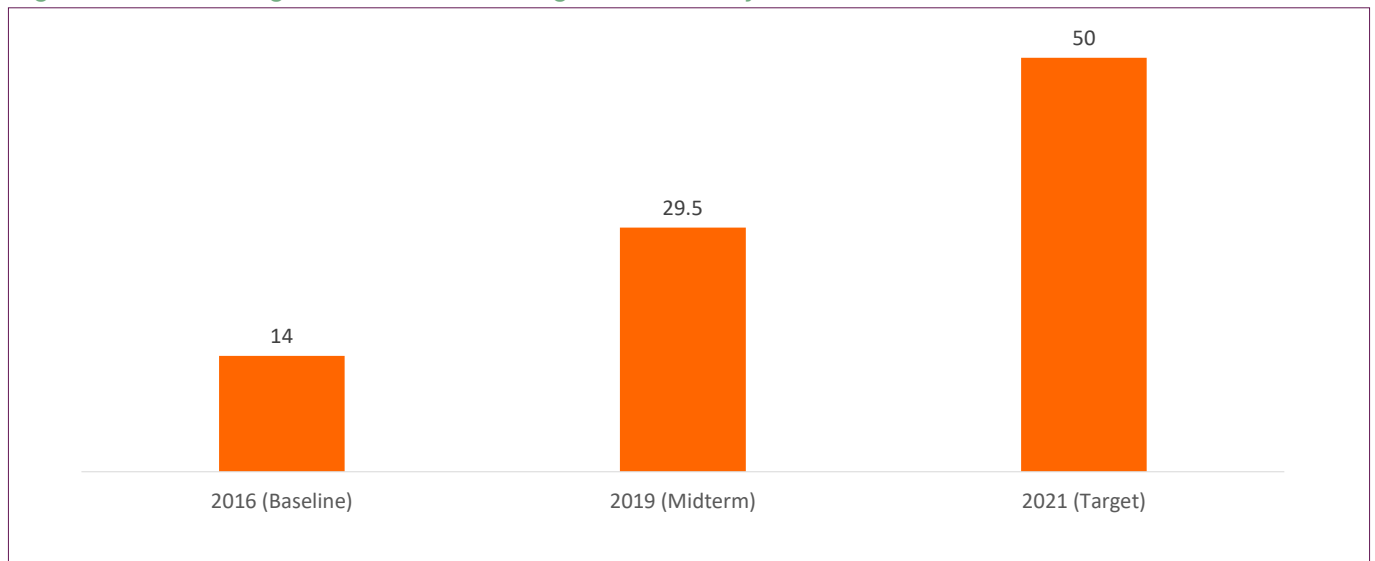


Source: Ministry of Transport and Communications Administrative Data.

### c) Mobile Money Services

**The proportion of individuals using mobile money services increased at mid-term.** The percentage of individuals using mobile money services increased from 14.0 percent in 2016 to 29.5 percent in 2019 against a target of 50 percent in 2021 (see Figure 25). The increase was linked to the enhanced provision and availability of services,

low cost of mobile money services compared to alternatives and increased sensitisation of the public by mobile money service providers. The most widely used digital financial service providers were reported to be MTN, Airtel and Zoono, accounting for 56.9 percent, 44.7 percent and 35.7 percent, respectively.

**Figure 25: Percentage of Individuals Using Mobile Money Services**

Source: Ministry of Transport and Communications Administrative Data.

The MTR attributed the positive performance of the indicators for ICT to adequate implementation of the identified strategies. Consultations with stakeholders revealed that some of the enabling factors to the positive performance in ICT included increased investments by the private sector, creation of an enabling environment by the Government, continued provision of adequate resources for legal and regulatory activities by the Government and the role played by CPs in supporting the formulation of progressive policies and reforms in the ICT sector.

Regarding the first strategy on strengthening the legal framework of ICT in the country, the results showed that notable progress had been made at mid-term. The MTR found that during the period under review the Government had formulated the new ICT Licensing Framework (Information and Communications) in 2017, that is converged and technology neutral. In addition, at the time of the MTR, the Government had embarked on a process of repealing of the old Electronics, Communications and Transactions (ECT) Act No. 21 of 2009 to come up with three separate legislations: (i) Data Privacy Bill; (ii) Cyber

Security and Cyber Crime Bill; and (iii) Electronic Commerce and Electronic Transaction Act. The three legislations were finalised in December 2019 and were in Bill form as at mid-term. The repeal of the ECT Act No. 21 of 2009 was necessitated by inadequacies, primarily its failure to handle issues of protection of ICT users and crime, owing to its primary focus on access and equity in the ICT sector. Thus, once signed into law, the three legislations will address all the important aspects in the ICT sector – access, utilisation, cyber security and crime protection.

On the other hand, the new ICT Licensing Framework of 2017, which amended the previous ICT Licensing Regulations, is meant to facilitate enhanced innovations among providers, improvements in the quality of service, increased investment and deepen competition in the market. In addition, the MTR findings indicated that as at mid-2019, the postal regulations had also been fully implemented. In line with the new or amended acts, one out of the targeted five Statutory Instruments on co-location was issued and gazetted by the Government during the period under review. Additionally, as part of the process



of building the capacity of government institutions, three public ICT institutions, namely, the ICT College, National Data Centre and Infratel were established and strengthened. Lastly, to enhance the quality of electronic services offered in the sector, the evaluation team noted that the Ministry of Transport and Communications through the Zambia Information and Communications Technology Authority had during the period under review migrated all the licenced operators to the new licence framework.

Regarding the second strategy to improve the ICT infrastructure for service delivery, the MTR indicated that mobile service operators had been investing extensively in 4G technologies to take advantage of increased demand for internet services. In addition, the MTR also showed that the Government was implementing a project to install telecommunication towers in unserved and underserved areas as part of the country's broader efforts to achieve universal access to ICT services. Of the targeted 1,009 telecommunication towers under the project, 784 towers were erected, and 625 towers were on air. Further, to ensure that all areas in the country had access to the internet, the Government continued to implement the expansion of broadband infrastructure. Between 2018 and 2019, a total of 13 new districts were added to the high-speed optic fibre which is also linked to the extension of power supply to the new districts.

Unlike the first two strategies, the MTR noted that limited progress had been achieved under Strategy 3 on provision of electronic services. In addition, the strategy was characterised by missing data on most of the key indicators which prevented a detailed assessment of progress. Nevertheless, the findings showed that the country had during the period under review continued to licence operators in the sector to increase competition and provision of e-services.

### 6.1.8.3 Noted Challenges

#### a) Proportion of schools with computers for pedagogical use not assessed due to lack of data

Due to lack of data on the progress regarding the strategy to provide electronic services, the MTR could not assess the indicator on the proportion of schools with computers for pedagogical use as well as assess the progress achieved on the third strategy.

#### b) Low access to ICT services in rural areas

Consultations with stakeholders revealed that low investments, limited participation of both the private and public sectors, low awareness levels on ICT in rural areas and the relatively high cost of internet services had contributed to slow penetration of ICT services, leading to low utilisation of internet and other services in the rural areas of the country.

### 6.1.8.4 Overall Performance

Although one out of the six indicators could not be assessed on account of lack of data, the MTR concluded that the outcome is on track. This is based on the positive performance of the five indicators that were assessed at mid-term.

### 6.1.8.5 Recommendations

#### a) Enhance access to ICT services in rural areas

Although the provision of both mobile and fixed internet and other ICT had improved, access to the services remained problematic in rural areas due to, among other issues, the tendency by service providers to focus more on urban areas to the exclusion of rural areas. In the remaining two years of 7NDP implementation, the Government should consider implementing policies and programmes that provide incentives for investing in rural areas to increase provision of and access to ICT services in rural areas.

### **b) Provide adequate resources for generating data on ICT**

The MTR could not assess the indicator on the proportion of schools with computers for pedagogical use and assess the detailed progress made due to non-collection of information on this indicator. To facilitate learning from implementation of programmes and policies, the Government working with other stakeholders, should allocate adequate resources for data generating activities. Besides facilitating learning, the empirical evidence generated from the data will help in designing interventions that are informed by evidence.

### **c) Facilitate lowering of costs for ICT services**

To improve ICT service provision and utilisation across the country, there is need to put in place measures to reduce costs. This includes continued roll-out of appropriate ICT infrastructure and reducing fees and levies on ICT services.

## **6.1.9 Enhanced Decent Job Opportunities in the Economy**

### **Outcome 9: Enhanced Decent Job Opportunities in the Economy**

#### **6.1.9.1 Background Context**

Despite the economy registering notable growth (of around 7.3 percent per annum between 2000 and 2014 and over 3 percent between 2015 and 2019), the country had continued to face high unemployment and poverty levels. The problem was more pronounced among the youth, who made up over 80 percent of the total unemployment due to, among other issues, lack of access to training and effective vocational training that match industry needs. Related to the problem of unemployment was the challenge

of limited capacity for the formal sector to absorb the high proportion of labour force in the informal sector (4.9 million or 84 percent of the employed). To address the challenges in the labour sector, the 7NDP planned to increase the quantity and quality of productive employment at all levels of the economy and in all parts of the country, to reduce poverty and achieve inclusive economic growth. Specifically, the 7NDP aimed at enabling both rural and urban businesses – particularly micro, small and medium enterprises (MSMEs) – increase productivity and expand and promote formalisation of their businesses with a view to enhance the creation of decent and inclusive job opportunities in the economy. To ensure an enabling policy environment for job creation, the Government revised and continued to implement the National Employment and Labour Market Policy (2019-2021). In addition, the Government planned to identify and execute relevant policies aimed at strengthening backward and forward production linkages and improve partnerships and connectivity between urban and rural areas.

The 7NDP planned to accomplish results in Economic Diversification and Job Creation through Enhanced Decent Job Opportunities in the Economy. To achieve this, six strategies were identified namely:

- a) Promote industrialisation and job creation;
- b) Facilitate micro, small, and medium enterprise development;
- c) Promote cooperatives development;
- d) Increase employment opportunities in rural areas;
- e) Promote labour productivity;
- f) Promote entrepreneurship skills training and development.





### 6.1.9.2 Performance of Outcome Indicators at Mid-Term

The analysis of the performance of the outcome indicators for Enhanced Decent Job Opportunities in the Economy was largely based on the 2017 and 2018 Labour Force Surveys (LFS). This was because the 7NDP baselines and targets were based on the old guidelines for measuring and compiling work, employment, and labour underutilisation statistics. The actual performance of outcome indicators at mid-term was analysed based on the 2017 labour force framework adopted at the 19th International Conference of Labour Statisticians which provided new guidelines for measuring

and compiling work, employment and labour underutilisation statistics. Labour statistics used in the 7NDP baselines and targets are, therefore, not comparable with current statistics in the 2017 and 2018 LFS. It was, therefore, deemed appropriate not to compare mid-term statistics to baselines and targets that were derived based on the old labour force framework/methodology.

The analysis of the performance of the outcome indicators for Enhanced Decent Job Opportunities in the Economy is presented in this section. Table 18 presents the outcome indicators and their performance at mid-term.

**Table 18: Performance of Enhanced Decent Job Opportunities in the Economy Outcome Indicators**

Outcome Indicators	Baseline	Year of Baseline	Target	Indicator Status (2019)[1]	Indicator Rating
<b>Percentage of employed persons aged 15 years or older in selected key economic activities</b>					
a) Agriculture, forestry and fishing	25.9	2017	N/A	27.6	■
b) Mining and quarry	2	2017	N/A	2.9	●
c) Manufacturing	7.9	2017	N/A	8.1	■
d) Electricity, gas, steam and air conditioning supply	0.4	2017	N/A	0.5	■
e) Construction	4.9	2017	N/A	6	●
f) Information and communication	0.4	2017	N/A	0.5	■
g) Financial and insurance services	0.8	2017	N/A	0.8	■
h) Arts, entertainment and recreation	0.1	2017	N/A	0.3	●
<b>Percentage share of employed persons in formal sector employment</b>					
a) Total	36.9	2017	N/A	31.6	▲
b) Female	30.8	2017	N/A	23.8	▲
c) Male	40.8	2017	N/A	36.4	▲
d) Rural	28.8	2017	N/A	22.4	▲
e) Urban	71.2	2017	N/A	77.6	●
f) Agriculture, forestry and fishing	23.5	2017	N/A	11.5	▲
g) Mining and quarry	88.9	2017	N/A	80.3	▲
h) Manufacturing	39.5	2017	N/A	33.2	▲
i) Electricity, gas, steam and air conditioning supply	85.2	2017	N/A	87.5	●
j) Construction	33.9	2017	N/A	23	▲
k) Information and communication	87.3	2017	N/A	76.2	▲

Outcome Indicators	Baseline	Year of Baseline	Target	Indicator Status (2019)[1]	Indicator Rating
l) Financial and insurance services	79.6	2017	N/A	53.7	▲
m) Arts, entertainment and recreation	70.8	2017	N/A	46.8	▲
<b>Percentage of employed persons aged 15 years or older in selected occupations</b>					
a) Managers	2	2017	N/A	5.4	●
b) Professionals	7.7	2017	N/A	8.5	●
c) Technicians and associate professionals	3.6	2017	N/A	4.3	●
d) Clerical support workers	1.4	2017	N/A	1.3	▲
e) Service and sales workers	32	2017	N/A	26.8	▲
f) Skilled agricultural, forestry and fisheries workers	19.9	2017	N/A	17.4	▲
g) Crafts and related trades workers	11	2017	N/A	11.3	●
h) Plant and machine operators, and assemblers	5.9	2017	N/A	5.8	▲
i) Elementary occupations	16.3	2017	N/A	17.6	
<b>Proportion of cooperatives (by sector) (%)</b>					
a) Crops	29.14	2017	25	data not available	N/A
b) Marketing	0.19	2017	5	data not available	N/A
c) Multi-purpose	68.68	2017	30	data not available	N/A
d) Livestock	0.97	2017	15	data not available	N/A
e) Fishing	0.19	2017	14	data not available	N/A
f) Producer	0.66	2017	10	data not available	N/A
<b>Overall Outcome Rating: Off Track</b>					▲

KEY		
●	On Track	
■	Partially on Track	
▲	Off Track	

### a) Employment in Selected Economic Activities

**Employment in selected economic activities marginally increased at mid-term.** Apart from the financial and insurance services sector, employment in the remaining economic sectors marginally increased. The percentage of employed persons aged 15 years or older in agriculture, forestry and fishing increased from 25.9 percent in 2017 to 27.6 percent in 2018 (CSO: 2017, 2018).

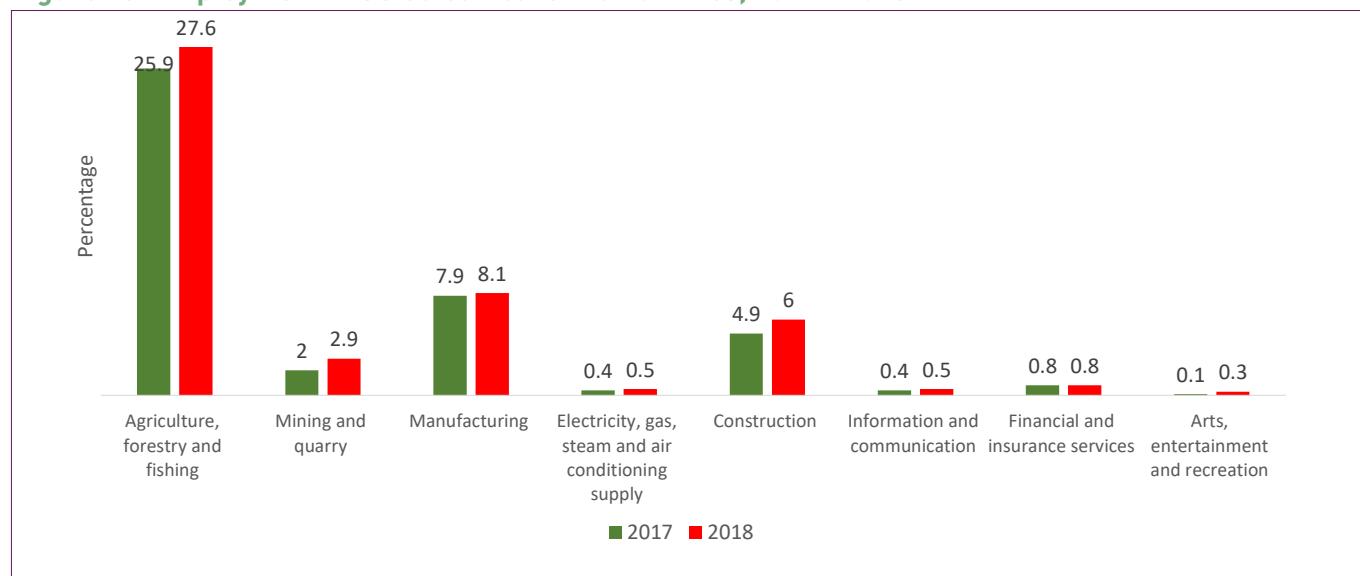
Similarly, the percentage of employed persons aged 15 years or older increased in mining and quarry (from 2.0 percent in 2017 to 2.9 percent in 2018), manufacturing (from 7.9 percent to 8.1 percent), electricity, gas, steam and air conditioning supply (from 0.4 percent in 2017 to 0.5 percent in 2018), construction (from 4.9 percent in 2017 to 6.0 percent in 2018), information and communication (from 0.4 percent in 2017 to 0.5 percent in 2018),



and arts, entertainment and recreation (from 0.1 percent in 2017 to 0.3 percent in 2018) (see Figure 26). The modest performance of employment was due to the slump in the domestic economy as explained above. Prolonged droughts during the 2017/18 and 2018/19 agricultural seasons,

energy deficits, reduced public spending, and unfavourable macroeconomic conditions caused production in most sectors to reduce, forcing businesses to downsize or cease to operate. This led to a general reduction in employment opportunities in the economy.

**Figure 26: Employment in Selected Economic Activities, 2017 - 2018**



Source: CSO and Ministry of Labour and Social Security, Labour Force Survey Reports, 2017, 2018.

Despite the average performance of the indicators, the MTR noted that the Government had been implementing several strategies to promote job creation in all the sectors of the economy. To achieve enhanced decent job opportunities in the economy during the Plan period the Government identified promotion of industrialisation and job creation. Regarding progress at mid-term, the findings were that the Government had produced the Industrialisation and Job Creation Strategy (IJCS) as an additional response to the challenge of lack of job creation in the formal sector despite the country recording economic growth in the recent past. The Strategy has attributed the lack of formal sector jobs to Zambia's pattern of growth which had mainly been in capital-intensive sectors such as mining.

Labour-intensive sectors such as agriculture, construction and wholesale and retail trade had not been fully exploited and were marred by low productivity, infrastructure deficits, and poor human capital development. To address this challenge, the IJCS has selected four sectors with the greatest potential in terms of high labour intensity, ability to absorb youth labour, and skilled and semi-skilled workers. These sectors are agriculture, tourism, construction, and manufacturing. Although the IJCS had not been followed through consistently, the MTR noted limited progress in priority sectors which could lead to some job creation soon. Between 2018 and 2019, a total of 51 value chains were developed across the sectors as part of the Government's broader job creation efforts. The value chains covered pineapple, honey, dairy, gemstones, fish, cotton, soya bean, rice, mango, cassava, beef,

poultry, palm oil, groundnuts, block-making, and tourism. Some examples of value-added products funded include starch from cassava in Kalumbila District, mango juice in Mongu District, stock feed in Chipata District, bottled water in Kazungula District, cotton lint in Mumbwa District, palm oil in Mwense District, soya cooking oil in Kasama District, mealie meal in Nakonde District, furniture in Ndola District and fruit juice in Lusaka District.

### b) Formal Sector Employment

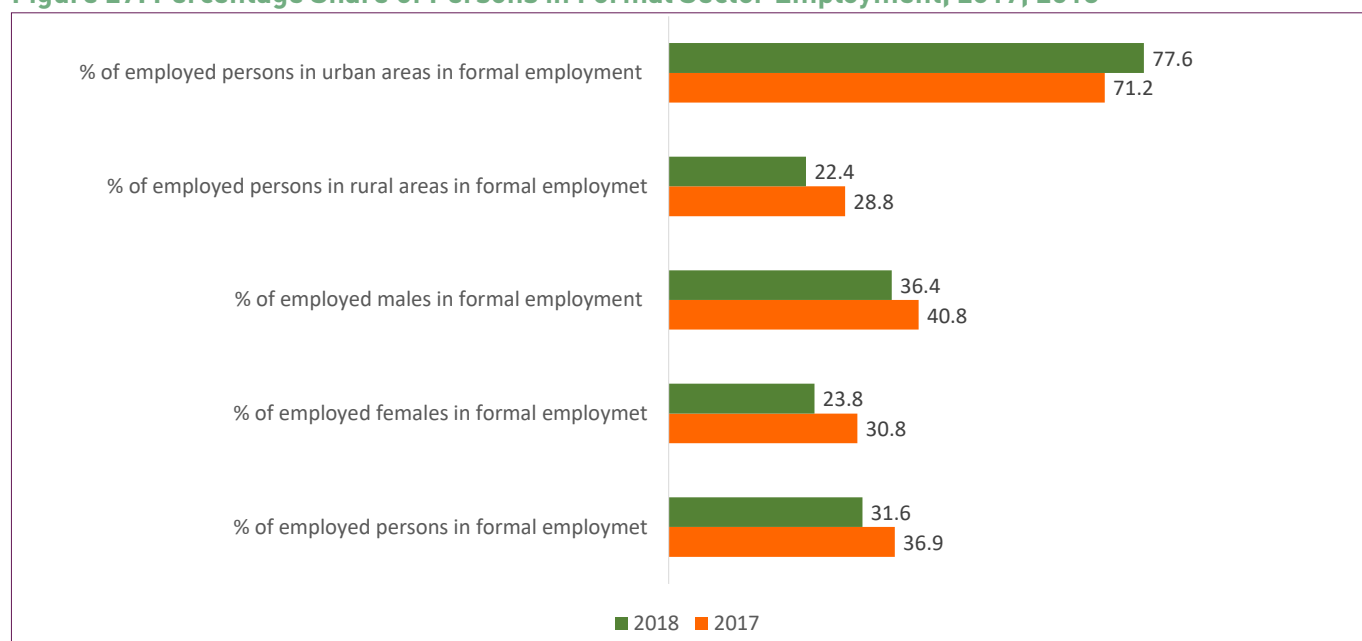
#### The share of employed persons in formal sector employment decreased at mid-term.

Due to a general decline of the economy arising from a combination of factors (droughts, energy deficits, unfavourable macroeconomic factors, e.g. depreciation of the exchange rate and high debt levels) during the period under review, the proportion of employed persons in formal sector employment decreased from 36.9 percent in 2017 to 31.6 percent in 2018 (see Figure 27). When disaggregated by gender, the findings were that the share of employed females in formal employment decreased from 30.8 percent in 2017 to 23.8 percent in 2018. Given the poor performance, the

indicator was off track at mid-term. Similarly, the male counterparts proportion employed in formal employment decreased at mid-term from 40.8 percent in 2017 to 36.4 percent in 2018.

Likewise, the share of employed persons in the formal sector decreased in most of the sectors that were considered at mid-term. For example, apart from the electricity, gas, steam and air conditioning supply sectors (where there was an increase from 85.2 percent in 2017 to 87.5 in 2018) the proportion of employed people in formal employment in (i) mining decreased from 88.9 percent in 2016 to 80.3 percent in 2018; (ii) manufacturing decreased from 39.5 percent in 2017 to 33.2 percent in 2018; (iii) construction decreased from 33.9 percent in 2017 to 23 percent in 2018; (iv) financial and insurance services decreased from 79.6 percent in 2017 to 53.7 percent in 2018; and (v) information and communication sectors decreased from 87.3 percent in 2017 to 76.2 percent in 2018. This entails that additional efforts are required to create more decent and formal jobs in all the sectors of the economy.

Figure 27: Percentage Share of Persons in Formal Sector Employment, 2017, 2018



Source: CSO and Ministry of Labour and Social Security, Labour Force Survey Reports, 2017, 2018.



Despite the negative performance of the indicators, the MTR noted efforts by the Government aimed at enhancing the labour policy frameworks to address the problem of informality in employment. To address the employment challenges and contribute towards creating decent jobs, Zambia's first Employment Policy was drafted in 2004. The Employment Policy recognised the challenges that the informal sector poses to the country and tried to prescribe remedies to the problem. However, the informal sector had continued to dominate the labour sector. To further address the issue of informality, the 2015 Employment Policy was launched that identified key sectors for employment creation which included agriculture, manufacturing, tourism and education and training. The Policy postulated that a strong manufacturing base would increase demand for raw agriculture materials leading to a ripple effect by increasing output and employment in the agriculture sector. Although the 2015 Employment Policy addressed several labour market challenges it was revised and replaced with the National Employment and Labour Market Policy (NELMP) of 2018. The NELMP seeks to contribute towards promotion of decent employment for all.

In addition, during the period under review, Zambia enacted the Employment Act No. 3 of 2019, which repealed and replaced the Employment Act of 1965, the Employment (Special Provisions) Act of 1966, the Employment of Young Persons and Children Act of 1933 and the Minimum Wages and Conditions of Employment Act of 1982. The essence of repealing and replacing these Acts was to ensure that a law was enacted to address the lacunas in the Acts and to respond to current and emerging labour market dynamics. The 2019

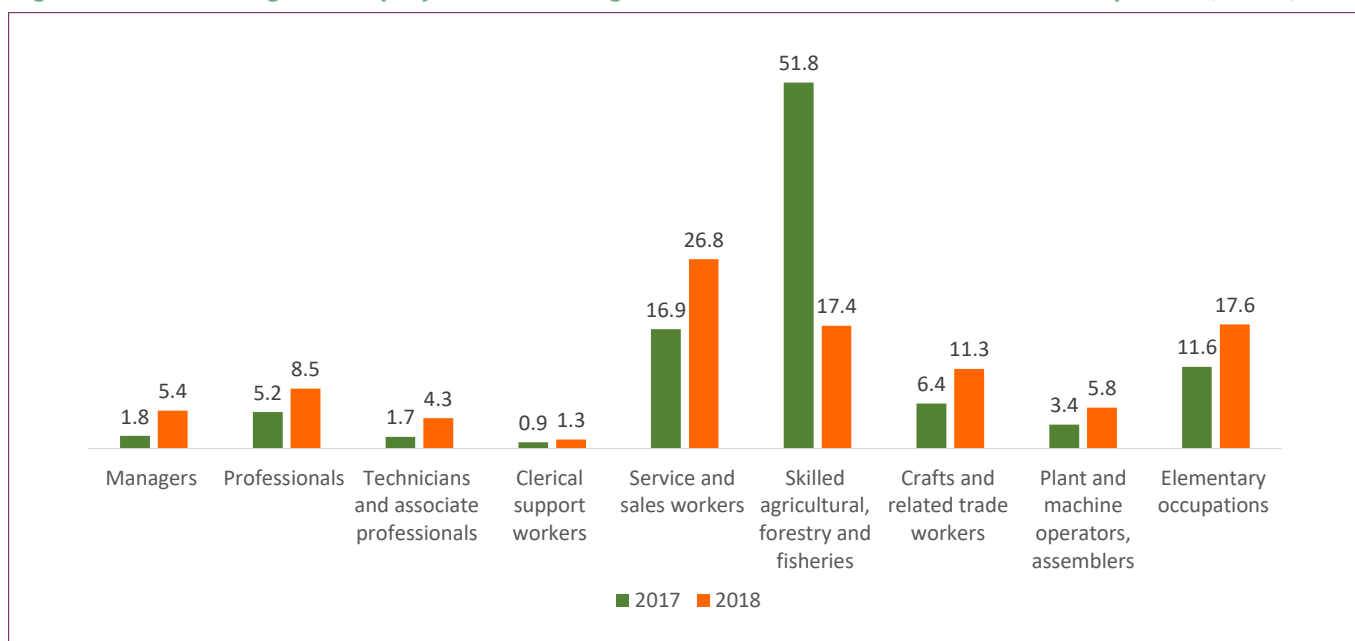
legislation aims at improving workers' conditions of service, i.e. maternity leave, discrimination, casualisation, prioritisation of employing citizens, governing contracts, probation, and establishment of a Redundancy and Skills Advisory Committee.

### **The share of employed persons in urban areas in formal sector employment increased at mid-term.**

The percentage share of employed persons in urban areas in formal sector employment increased from 71.2 percent in 2017 to 77.6 percent in 2018. Conversely, the percentage share of employed persons in rural areas in formal sector employment decreased from 28.8 percent in 2017 to 22.4 percent in 2018. These findings identify a need for additional efforts beyond what has been tried in the past to enhance the creation of decent/formal job opportunities in rural areas. The Government had during the period under review embarked on several programmes to increase employment opportunities in rural areas. These included: (i) the Public Works Development Labour Intensive Industries Promotion Programme; (ii) Rural Employment Guarantee Scheme Promotion Programme; and (iii) the Public Works Development Programmes including infrastructure projects.

### **c) Employment in Selected Occupations**

**The share of employed persons in managerial positions, professional fields, arts and crafts and service sectors increased at mid-term.** Indicating progress in diversifying employment sources, the findings indicated an increase in the proportion of employed people in professional fields, arts entertainment and crafts, and the service sectors in general (see Figure 28). The contribution of these to total employment creation was smaller at baseline.

**Figure 28: Percentage of Employed Persons Aged 15 Years or Older in Selected Occupations, 2017, 2018**

Source: CSO and Ministry of Labour and Social Security, Labour Force Survey Reports, 2017, 2018.

#### d) Promotion of Cooperatives Development

**The number of cooperatives established and strengthened increased at mid-term.** Although data were missing for the outcome indicator (proportion of cooperatives by sector), the findings were that the Government had during the first half of 7NDP implementation embarked on a programme of developing and strengthening cooperatives as a way of enhancing job creation. Promotion of cooperatives is one of the strategies that the Government has identified for achieving the objectives for Enhanced Decent Job Opportunities in the economy outcome. In 2019, a total of 91 financial cooperatives were formed out of a total annual target of 100. Hence 13 gold mining cooperatives were formed from the initial target of four. Three of these cooperatives were in Rufunsa District while 10 were in Petauke. Further, a total number of 802 cooperatives were capacity built in 2019 against an annual target of 1,000 cooperatives to enhance their effectiveness and efficiency. In 2018, 1,253 cooperatives were capacity built.

#### 6.1.9.3 Noted Challenges

##### a) Unemployment levels still high

The data from the 2018 Labour Force Survey show that Zambia still has a problem of high unemployment. As of 2018, the unemployment rate was 11.4 percent. The male unemployment rate was 10.5 percent and that of females was 12.9 percent. Youth unemployment was 16.0 percent. Interviews with stakeholders identified several factors that explain the low access to adequate and decent jobs in the country. These included the following:

- i) Low labour productivity because of use of poor technology, low entrepreneurship, and technical skills training. This limits industrial growth and contribution from respective industries/sectors to employment creation and economic growth.
- ii) A weak skills development system which is also unresponsive to the labour market, especially



for youths entering the workforce; the private sector, which is the largest employer, continues to face challenges recruiting workers with appropriate skills.

iii) The Technical Education, Vocational and Entrepreneurship Training (TEVET) system has challenges such as funding, lack of equitable access to training, outdated curriculum, insufficient information about the evolving labour market requirements, and low priority for training workers in the informal economy. Further, girls and women, rural residents, those living with disabilities and children from low-income families still do not have equal access to TEVET, including poor quality of instruction and/or poor or non-availability of equipment for conducting practical skills training.

**b) Proportion of cooperatives (by sector) indicator not assessed due to lack of data**

Due to lack of availability of disaggregated data on cooperatives, the MTR failed to measure the sub-indicators under proportion of cooperatives (by sector) indicator.

#### **6.1.9.4 Overall Performance**

Considering the performance of the assessed indicators, the MTR found the overall performance of the outcome to be off track at mid-term. Due to a general decline in the economy and thus the labour sector, most of the assessed indicators performed poorly at mid-term.

#### **6.1.9.5 Recommendations**

Based on the assessment of the factors contributing to address inadequate access to decent jobs, the MTR recommends the following for enhancing decent job opportunities in the economy:

**a) Improve quality of education to emphasise practical skills**

Introduction of the two-tier system (academic and vocational career pathways) is a progressive step towards skills enhancement in the country.

**b) Promote entrepreneurship to enhance employment creation**

For instance, the 3,500 youths to be trained and supplied with start-up kits under the 2020 national budget must be monitored and supported with entrepreneurship skills.

**c) Promote effective use of Skills Development Fund**

Prioritise areas for investment through social dialogue and areas such as the provision of adequate teaching and learning staff, effective teacher training programmes, and programmes for rural and out-of-school youth.

**d) Increase budgetary allocation to the education sector for skills development**

**e) Promote PPPs in infrastructure development for the education sector, especially in TEVET institutions**

**f) Increase budgetary allocation towards TEVET**

For instance, the Skills Development Fund allocation of K179 million in the 2020 budget is inadequate to accelerate skills development and entrepreneurship training to significantly contribute to job and wealth creation.

**g) Provide incentives to companies promoting internship and provide mentorship opportunities to young people entering the labour market**

This is where work-based learning becomes appropriate, to provide students with hands-on skills work experiences where they can apply academic and technical skills while improving

their employability. This should encompass a diversity of formal, non-formal and informal arrangements, including apprenticeships, work placement and informal learning on the job.

### 6.1.10 Enhanced Research and Development

#### Outcome 10: Enhanced Research and Development

##### 6.1.10.1 Background Context

World over, Research and Development (R&D) has been found to play a critical role in the innovation and development process of any country and community. R&D results in improvement of the quality and quantity of production. Research is a key element of many developmental agendas and, when well-planned and used, enables a government to formulate evidence-based policies that lead to notable economic gains over a period of time. Fields closely related to R&D such as science, technology and innovation (STI) are recognised today as the most important drivers of sustained and inclusive development. Considering the aspirations of both the Vision 2030 and the 7NDP, R&D was at the launch of 7NDP implementation expected to play a critical role in the diversification process and to explore opportunities that will enhance the productive capacities of the various sectors of the economy.

In 1996, the Government formulated the National Science and Technology Policy which led to a complete reorganisation of the legal and institutional framework that existed from 1970. This policy gave rise to an important set of statutory instruments and various sector Acts and policies, that for several years provided the institutional and legal framework for the operation

of science and technology in the country. However, implementation of this Policy had highlighted various challenges affecting the advancement of STI. The challenges included human capital, research infrastructure and equipment, funding, and quality assurance. The Government planned to collaborate with stakeholders to invest in R&D to generate evidence to inform cost-effective programming and policy changes and allow positive contributions to economic diversification and creation of decent jobs. As part of the broader research agenda, the Government intends to ensure that higher institutions of learning strengthen research capacities to conduct various research activities and also develop capacities in the Zambian people to carry out research programmes to internationally accepted standards.

The 7NDP planned to accomplish the enhanced research and development outcome through two strategies namely:

- a) Enhance research and development, and innovation capacity;
- b) Enhance policy formulation and analysis.

##### 6.1.10.2 Performance of Outcome Indicators at Mid-Term

Enhanced Research and Development has eight outcome indicators which were planned for the Plan period (see Table 19). However, the Plan had no budget and responsible sectors to implement the programmes and projects during the first half of the Plan period. Because of this, the performance of the outcome could not be assessed at mid-term.





**Table 19: Performance of Enhanced Research and Development Outcome Indicators**

Programmes	Programme Outputs	Output Indicator	Baseline	Plan Target	Indicator Status (2019)	Indicator Rating
<b>Strategy 1: Enhance Research and Development and Innovation Capacity</b>						
a) Laboratory infrastructure development	Laboratories constructed and equipped	Number of laboratories constructed per year	7	6	data not available	N/A
		Number of laboratories equipped per year	7	6	data not available	N/A
b) Infrastructure upgrading	Laboratories rehabilitated and equipped	Number of laboratories rehabilitated per year	6	11	data not available	N/A
		Number of laboratories equipped per year	13	17	data not available	N/A
c) Quality assurance enhancement	National Academy of Science established	National Academy of Science operational	0	1	data not available	N/A
d) Financing Improvement	National Research Fund established	National Research Fund in established	0	1	data not available	N/A
<b>Overall Output Rating</b>						<b>N/A</b>
<b>Strategy 2: Enhance Policy Formulation and Analysis</b>						
a) Research quality assurance	Accreditation of laboratory facilities	Number of laboratories accredited per year	2	10	data not available	N/A
b) Policy review and analysis enhancement	Science, Technology and Innovation Policy reviewed	Revised Science, Technology and Innovation Policy implemented	1	1	data not available	N/A
c) Diversification agenda research promotion	National Research Promotion Agenda developed	National Research Promotion Agenda implemented	0	1	data not available	N/A
d) System and capacity assessment	National database for Science, Technology and Innovation established	National database for Science, Technology and Innovation implemented	0	1	data not available	N/A

### 6.1.10.3 Noted Challenge

#### Performance of R&D indicators not measured due to lack of data and coordinated reporting

Despite the prioritisation of R&D, the evaluation team found it difficult to measure the performance of the R&D indicators due to lack of specific indicator data and lack of coordination in implementation of and reporting on R&D activities. The study found that synergies rarely exist among research institutions including academia. This is despite the fact that the 7NDP is promoting working in clusters as opposed to working in silos.

### 6.1.10.4 Overall Performance

Overall performance of the outcome was not assessed at mid-term due to lack of data on the indicators as well as lack of coordination in implementation of and reporting on R&D activities.

### 6.1.10.5 Recommendations

Based on the challenges facing the outcome, the MTR makes the following recommendations for the Government:

#### Enhance design of the Plan

The MTR found that in general, all the pillar indicators do not speak to R&D as evidenced by the non-allocation of the sectors to report on the outcome as well as the lack of dedicated funds under the Plan towards R&D.

In the remaining period of 7NDP implementation, the Government should identify all programmes in the five Clusters which are R&D in nature and link them to the relevant indicators under the R&D outcome. In addition, as the programmes are implemented, stakeholders should actively report on R&D activities.

### 6.1.11 Overall Performance of the Economic Diversification and Job Creation Pillar

Table 20 presents performance of key performance indicators (impact indicators) at mid-term.

**Table 20: Overall Performance Rating for the Economic Diversification and Job Creation Pillar**

Key Performance Indicators	Base line	Year	Status 2019	Target 2021	Indicator Rating
Total value of export earnings (traditional and non-traditional) exports) in USD billion	5.968	2016	0.59	11.936	▲
Percentage share of non-traditional exports in total export earnings	27.3	2016	31.9	40	■
Value of non-traditional exports in USD billion	1.63	2016	0.188	4.77	●
Trade balance in USD billion	-1.61	2015	0.008	1.56	●
<b>Total value of exports by major product categories (%)</b>					
Consumer goods	11.7	2016	18.7	23.4	●
Raw materials	4.2	2016	6.3	23.4	▲
Intermediate goods	78.5	2016	71.5	61.2	●
Capital goods	5.6	2016	3.5	11.2	▲



Key Performance Indicators	Base line	Year	Status 2019	Target 2021	Indicator Rating
<b>Gross value-added percentage growth rates in selected economic activities (constant 2010 prices)</b>					
Agriculture, forestry & fishing	7-7.7	2015	-0.3	7.8	▲
Mining and quarry	0.2	2015	-0.9	1	▲
Manufacturing	5.6	2015	0.4	10.6	▲
Electricity, gas and steam & air conditioning supply	-1.5	2015	-0.1	12.4	▲
Construction	18	2015	-0.2	12.5	▲
Information and communication	2.5	2015	1.1	25.4	▲
Financial and insurance services	12.5	2015	0.1	15.4	▲
Arts, entertainment and recreation	3.8	2015	0.1	12.5	▲
Gross value-added (growth of transport sector)	0.6	2015	0	6.5	▲
<b>Unemployment rate among persons 12 years or older</b>					
Total	15.8	2015	11.4	7.9	●
Male	14.9	2015	10.5	7.5	●
Female	16.8	2015	12.9	8.4	●
Rural areas	25.6	2015	10.6	7.2	●
Urban areas	25.6	2015	11.9	12.8	●
Percentage share of small-scale industries in total value-added	29.9	2015	Not available	40	●
<b>ICT penetration rate (%)</b>					
Mobile subscription	74.9	2016	99.1	90	●
Mobile internet	32.2	2015	60.3	50	●
<b>Overall Performance of Economic Diversification Pillar: Partially on Track</b>					■

KEY	●	On Track
	■	Partially on Track
	▲	Off Track

Considering the set targets, the assessment of the impact indicators indicated that the overall performance of the Economic Diversification and Job Creation Pillar 1 was partially on track at mid-term. The number of indicators that were on track is almost equal to the indicators that were off track. The MTR attributed the average performance of Pillar 1 to, among other issues, slow implementation of planned programmes due to reduced funding, the slump in both domestic and global economies, and unfavourable macroeconomic and climatic conditions.

The MTR noted that during the period under review, the Government continued to pursue

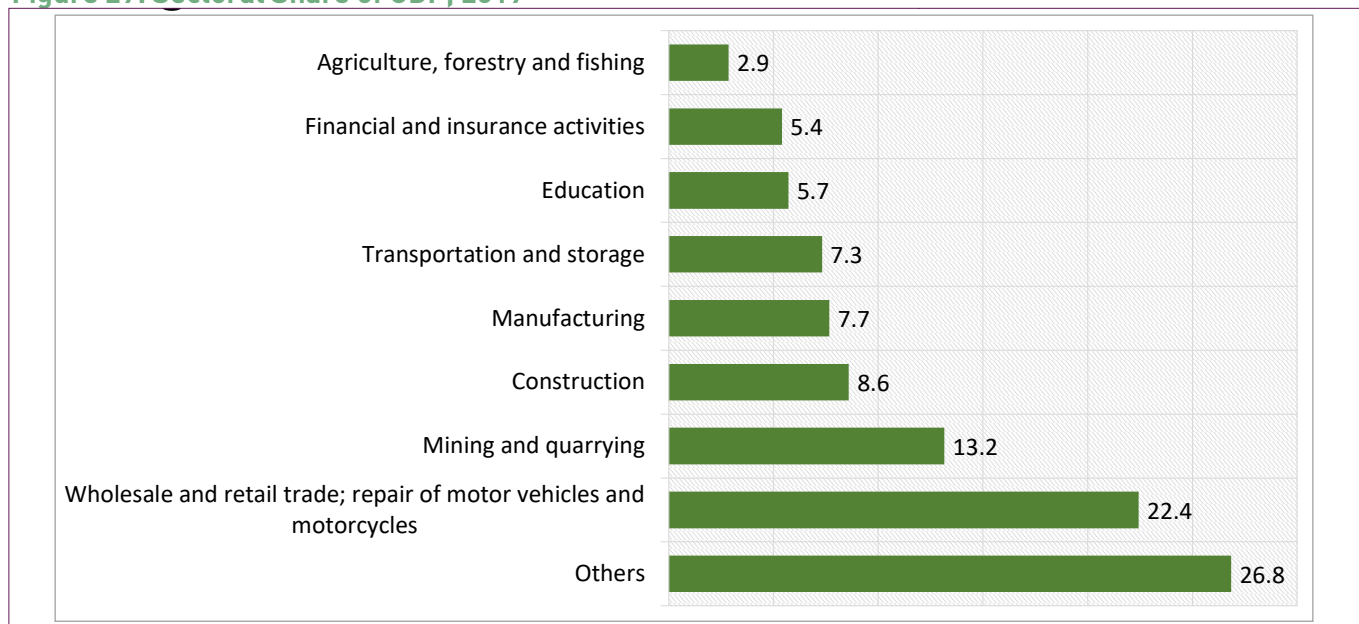
policies aimed at delivering fiscal consolidation and inclusive growth. Nevertheless, the macroeconomic environment was faced with many challenges ranging from tight liquidity conditions to adverse weather conditions which negatively impacted total output. This led to a lower than programmed economic performance with real GDP growth estimated at 1.4 percent in 2019 compared to 4.0 percent recorded in 2018. The economy also faced heightened inflationary pressures leading to an annual inflation outturn of 11.7 percent, above the target range of 6-8 percent. The period under review also saw the Kwacha depreciate against all its major trading partner currencies as demand for foreign exchange by the

public, bureaux de change, wholesale and retail players, and the manufacturing sector increased. International reserves were reduced to two months of import cover against a policy target of at least three months. In general, the majority of the key macroeconomic indicators performed below targets set in the 7NDP and the annual budgets.

Despite the challenges, the findings indicated some signs of economic diversification away

from the mining sector into other growth sectors. An analysis of sector performance at mid-term showed an increase in the contribution of other growth sectors to the diversification objective of the Plan. In 2019, the wholesale and retail sectors accounted for the highest share of GDP at 22.4 percent, while mining and quarrying accounted for 13.2 percent. The construction, manufacturing and transportation and storage sectors respectively accounted for 8.6 percent, 7.7 percent and 7.3 percent of GDP in 2019 (see Figure 29)

**Figure 29: Sectoral Share of GDP, 2019**



Source: ZamStats, 2019 Preliminary GDP Figures.

### Sustainable Development Goals

Based on the findings, the Pillar is more likely to contribute to the attainment of SDG 9 on increasing access to ICT and affordable internet. The performance of the ICT indicators was impressive at mid-term considering the 7NDP targets. Progress was noted regarding the provision of and access to clean and renewable energy sources such as solar at mid-term but more effort will be needed if the country is to attain SDG 7 on universal access to affordable, reliable, clean and efficient energy services and sources. Similarly, the MTR noted reasonable progress in improving

the transport systems and infrastructure during the period under review but more resources are required if the country is to achieve the set 7NDP targets and thus contribute to attaining SDG 9 on developing quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being. Further, the results indicate that the country needs to ensure adequate implementation of programmes to achieve significant inclusive growth for poverty reduction. Albeit the relative improvements in the proportion of people in formal sector employment, the findings indicated that more still needs to be



done to ensure full and productive employment and decent work for all, including women, men, young people and people with disabilities (SDG 8).

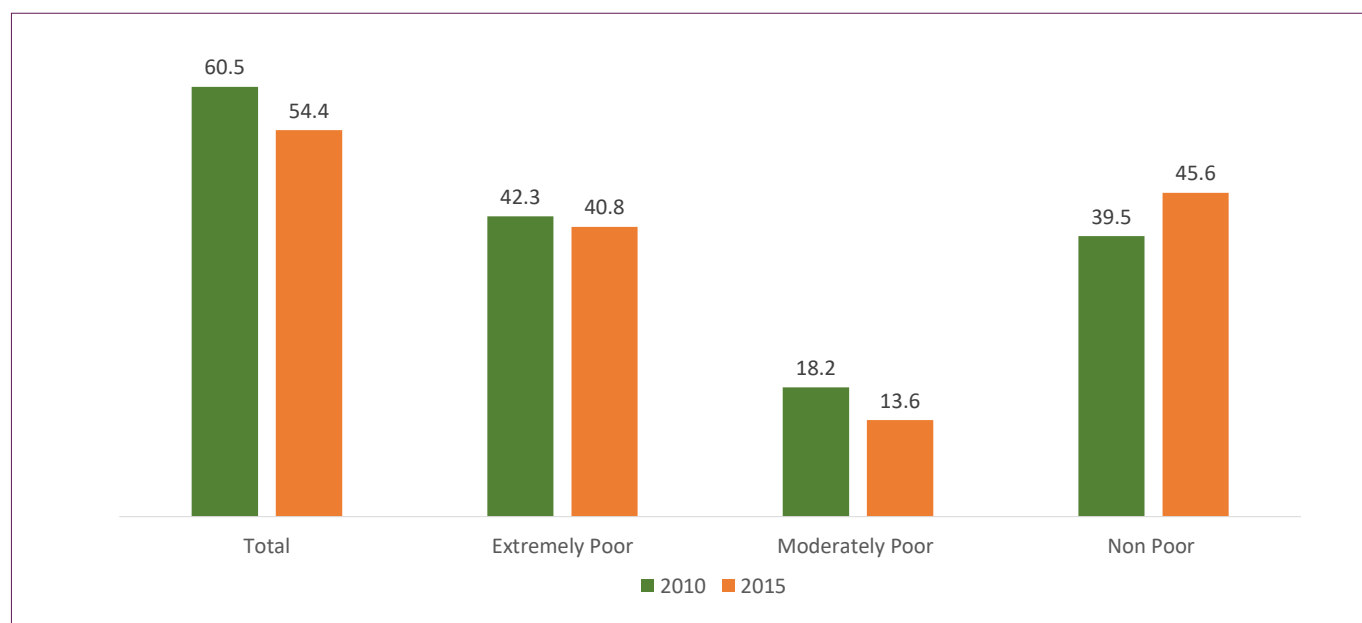
## 6.2 Pillar 2: Poverty and Vulnerability Reduction

### Overview of Poverty and Vulnerability at the Inception of the 7NDP

In September 2000, Zambia joined 188 other countries to become a signatory to the then Millennium Development Goals (MDGs). The MDGs set human and economic development goals and targets to be attained between 2000 and 2015. Eradicating extreme poverty and hunger was goal number one, whose specific targets were to reduce extreme poverty and hunger by half by the end of 2015. However, by the end of 2015, Zambia was still one of the poorest countries in the world with an estimated poverty rate of 54.4

percent (see Figure 30). The multidimensional poverty rate (those deprived in three or more dimensions) for ages 0-17 was 40.8 percent in 2015 compared to a monetary child poverty rate of 60 percent. Poverty continued despite strong and steady economic growth. About half of the population lived below the poverty line (USD 1.90). The situation was even worse in rural areas where an estimated 76.6 percent lived in poverty. In addition, the number of vulnerable households comprising of people with limited access to essential services that are necessary for human survival (e.g. health, education, water and sanitation) was rising. Further, high incidences of poor nutrition reinforced the occurrence of food insecurity among the poor, eroding the human capital potential in affected households. This reinforced the intergenerational transfer of poverty and kept these households trapped in a vicious cycle of poverty.

Figure 30: Poverty Trends, 2010-2015



Source: CSO, 2015 Living Conditions Monitoring Survey

While progress during the MDGs period proved challenging, Zambia again joined the rest of the world in fighting poverty through the SDGs. The SDGs seek, among other issues, to end poverty and reduce vulnerabilities by 2030. During the Plan period, the Government committed to reduce poverty by 20 percent. To achieve this target, the Government, in line with SDG 1, planned to implement nationally appropriate social protection systems to achieve substantial coverage of the poor and vulnerable population. This is aimed at ensuring that the entire population, in particular the poor and the vulnerable, have equal rights to economic resources, and access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance. In terms of multidimensional poverty, there is need for designing of poverty interventions that are effective and responsive to the specific deprivations experienced by households.

The Poverty and Vulnerability Reduction Pillar rallies the efforts of institutions that implement interventions with a strong influence on changing the lives of poor and vulnerable individuals, households, groups and communities. These institutions include: Ministries of Community Development and Social Services; Labour and Social Security; Health; Lands and Natural Resources; Agriculture; Transport and Communications; Livestock and Fisheries; Gender; Local Government; Youth, Sport and Child Development; and the Office of the Vice President. This section assesses the performance of the Poverty and Vulnerability Reduction outcome at mid-term (2019) and the likelihood of attaining the planned outcomes by 2021. The structure is arranged according to the three KRAs for the Pillar. An assessment of each KRA is done with the key recommendations and performance rating under each KRA.

## 6.2.1 Enhanced Welfare and Livelihoods of the Poor and Vulnerable

### Outcome 1: Enhanced Welfare and Livelihoods of the Poor and Vulnerable

#### 6.2.1.1 Background Context

The Government had been implementing a number of social protection policy interventions targeted at the extremely poor and vulnerable individuals to improve their welfare and livelihoods. These interventions provide support to households to enhance food security and other basic needs, including investments in human capital thus cutting the intergenerational cycle of poverty. Interventions under social protection include the Public Welfare Assistance Scheme (PWAS), Social Cash Transfer Scheme (SCT), nutrition and supplementary feeding interventions such as the Home-Grown School Feeding Programme, bursaries and scholarships, and the resettlement and rehabilitation of people with disabilities and orphans and vulnerable children include those that seek to provide support to households and groups who lack sufficient capacity to generate adequate and reliable income that strengthens their livelihoods (livelihood and empowerment). Generic forms of livelihood and empowerment interventions typically include provision of finances, agricultural inputs and entrepreneurship skills including public works to promote community infrastructure and assets. Some of the programmes under implementation include the Farmer Input Support Programme (FISP), Food Security Pack (FSP), Youth Empowerment Fund, Women Empowerment Fund (WEF), Functional Literacy and Skills Training, Community Self-Help Initiatives and Micro-Bankers Trust.

The implementation of these programmes has, however, faced challenges due to weak coordination; duplication of efforts among players



including CPs, CSOs, and the Government; and delays in funding. Recent reviews and performance assessments of the social protection programmes highlighted the following two challenges that were affecting implementation and achievements of the intended results: (i) poor targeting of intended beneficiaries leading to significant inclusion and exclusion errors of beneficiaries; and (ii) inefficiency in delivery timeliness, costs and operations to ensure transparency and accountability in the process ranging from beneficiary identification, delivery of entitlements, and monitoring and reporting of progress. Furthermore, statistical data on poverty was not collected regularly, which presented a challenge in tracking progress on the effects of social protection programmes. In addition, reviews have highlighted inadequacies in existing interventions. The main challenges are limited coverage, inefficiencies, lack of a decentralised system of implementation and inadequate and erratic funding, making some interventions less effective. Further, social protection in Zambia was

at the inception of the 7NDP not regulated by law, which, among other issues, presented a constraint to the application of minimum standards and continuity.

To achieve the desired results of the Enhanced Welfare and Livelihoods of the Poor and Vulnerable three strategies were identified namely:

- Strengthen coordination of social protection systems;
- Improve coverage and targeting of social protection programmes;
- Implement pension reforms.

#### 6.2.1.2 Performance of Outcome Indicators at Mid-Term

Table 21 presents performance of Enhanced Welfare and Livelihoods of the Poor and Vulnerable outcome indicators at mid-term.

**Table 21: Performance of Enhanced Welfare and Livelihoods of the Poor and Vulnerable Outcomes**

Outcome Indicators	Baseline	Year of Base-line	Target	Indicator Status (2019)	Indicator Rating
Multidimensional Poverty Index[1]	0.28	2014	0.26	0.25[2]	●
Headcount poverty (percent)	50	2014	-	44	●
Poverty intensity (percent)	56	2014	-	56	▲
<b>Proportion of extremely poor households receiving at least one social assistance and one livelihoods and empowerment benefit disaggregated by sex, age group, type (PWAS, FSP, FISP, SCT and Women/Youth Empowerment) by province</b>					
a) Total	27	2015	40.8	38[3]	●
b) Rural	Not available	2017	50	75	●
c) Urban	Not available	2017	50	12.5	▲
Proportion of workers in the informal economy that contribute to social security schemes (disaggregated by sex, age, disability, urban, rural and socio-economic status) (percent)	0.6	2017	2	0.8[4]	■
Overall Outcome Rating: Partially on Track					■

KEY		
	●	On Track
	■	Partially on Track
	▲	Off Track

To come up with the assessment of poverty from a deprivation perspective which was used in the MTR as a measure of poverty, three dimensions were assessed: (i) education status; (ii) health status; and (iii) living standards. To assess the health dimension, two indicators namely, stunting and underweight are used internationally as a measure of the health status of the country's population. The indicators used in the assessment of deprivation associated with education included: (i) secondary school completion for the household head; and (ii) school attendance for children of school going age.

The living conditions dimension was assessed from a perspective of six indicators namely: (i) floor material of the housing unit occupied by the household; (ii) source of drinking water; (iii) state of sanitation; (iv) energy used for cooking; (v); access to information (household has no TV, radio

or mobile phone); and (vi) access to electricity. The poverty analysis was based on these 10 indicators.

#### a) Analysis of Poverty

##### Incidence of poverty reduced at mid-term.

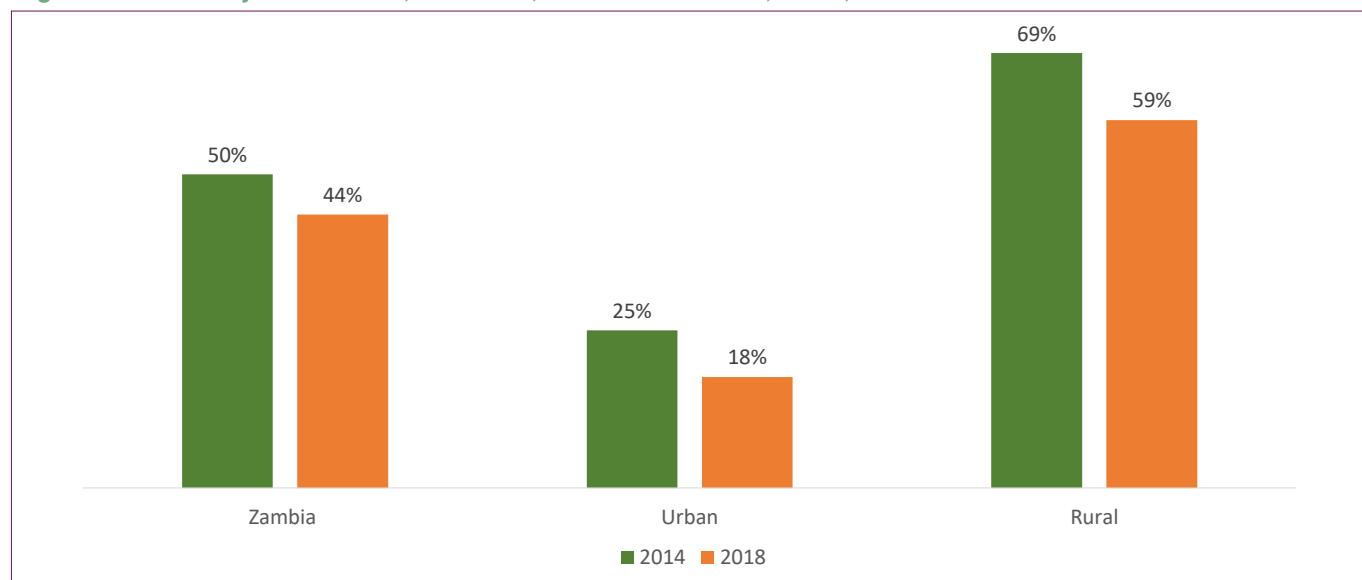
Assessment of multidimensional poverty using the 2014 and 2016 Zambia Demographic and Health Survey (ZDHS) data, indicated a reduction in headcount poverty and acute poverty, respectively. Poverty intensity, however, remained at the same level between 2014 and 2018.

#### b) Headcount Poverty

##### Headcount poverty reduced from 50 percent in 2014 to 44 percent in 2018.

Poverty headcount is the proportion of households who were deprived in at least 40% of the indicators under the three dimensions of health, education and living conditions. Figure 31 shows changes in headcount poverty between 2014 and 2018.

**Figure 31: Poverty Headcount, National, Rural and Urban, 2014, 2018**



Source: MNDP, ZamStats, ZIPAR, UNDP (2020). National Multidimensional Poverty Index.

Figure 31 further shows how poverty had evolved in rural and urban areas between 2014 and 2018. Generally, poverty headcount in both rural and urban areas reduced during this period. Poverty headcount was, however, higher in rural areas compared to urban areas. Poverty headcount

in urban areas declined from 25 percent to 18 percent, while rural poverty headcount declined to 59 percent in 2018 from 69 percent in 2014. Comparison between urban and rural areas shows that rural areas experienced more deprivations in education, health and acceptable living conditions.

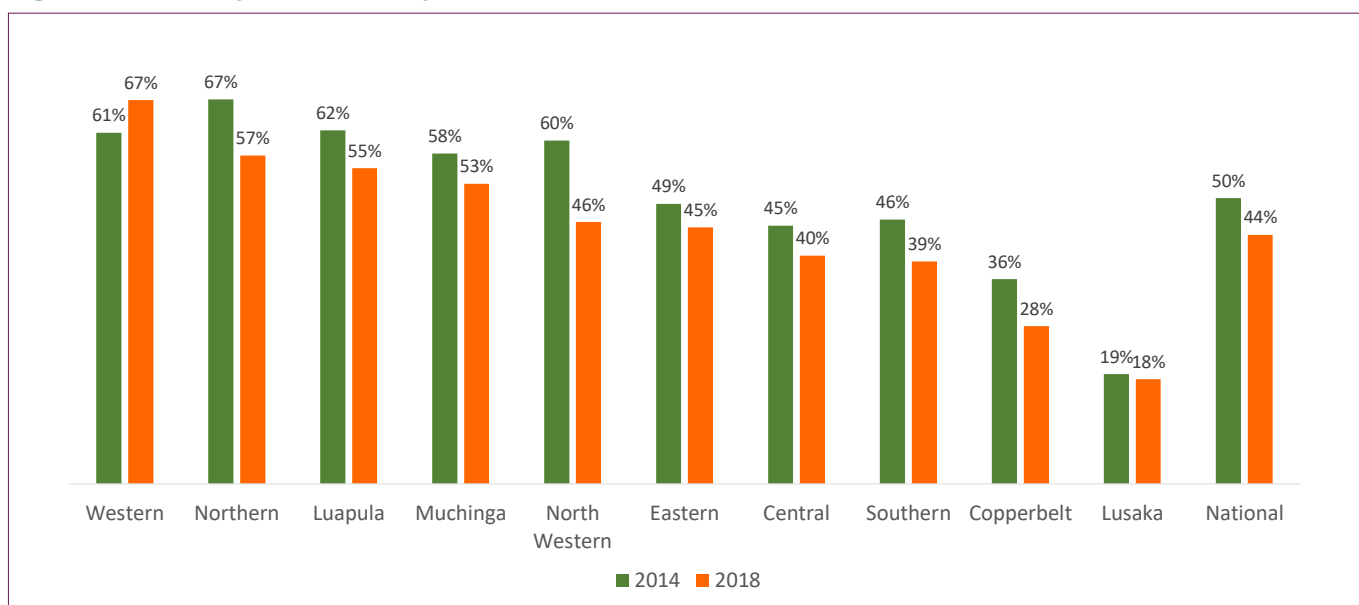




Notwithstanding, comparison across time periods shows an improvement in the level of deprivation in rural areas as the number of households deprived of education, health and acceptable living conditions reduced between 2014 and 2018. Analysis of poverty headcount from a regional perspective showed a general reduction in poverty across all the provinces, except for Western Province. North-Western Province had the largest decline in poverty headcount, from 60 percent in 2014 to 46 percent in 2018, representing a

reduction of 14 percentage points. This means that access to education, living conditions and health services has improved in this province. Lusaka on the other hand had the least reduction in head count, which declined from 19 percent in 2014 to 18 percent in 2018 while Western Province poverty headcount rose from 61 percent of the population in 2014 to 67 percent in 2018. Figure 32 shows poverty headcount by province between 2014 and 2018.

**Figure 32: Poverty Headcount by Province, 2014, 2018**

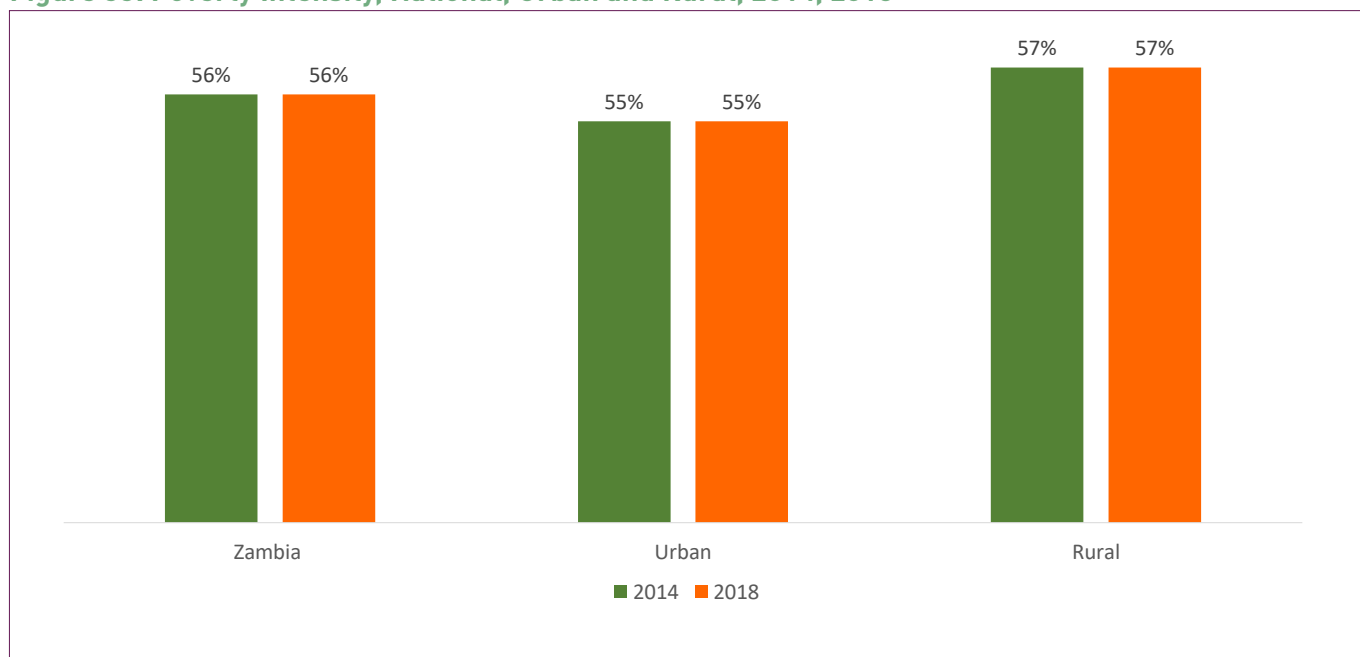


Poverty headcount reduced in Northern Province, from 67 percent in 2014 to 57 percent in 2018. In Luapula, poverty headcount reduced from 62 percent in 2014 to 55 percent in 2018. Similarly, in Muchinga Province, poverty headcount dropped from 58 percent to 53 percent between the two time periods. Poverty headcount for Eastern Province also declined: from 49 percent in 2014 to 45 percent in 2018. In Central Province poverty declined from 45 percent to 40 percent and from 46 percent to 39 percent in Southern Province, respectively. In the Copperbelt Province, poverty headcount declined from 36 percent in 2014 to 28 percent in 2018.

### c) Poverty Intensity

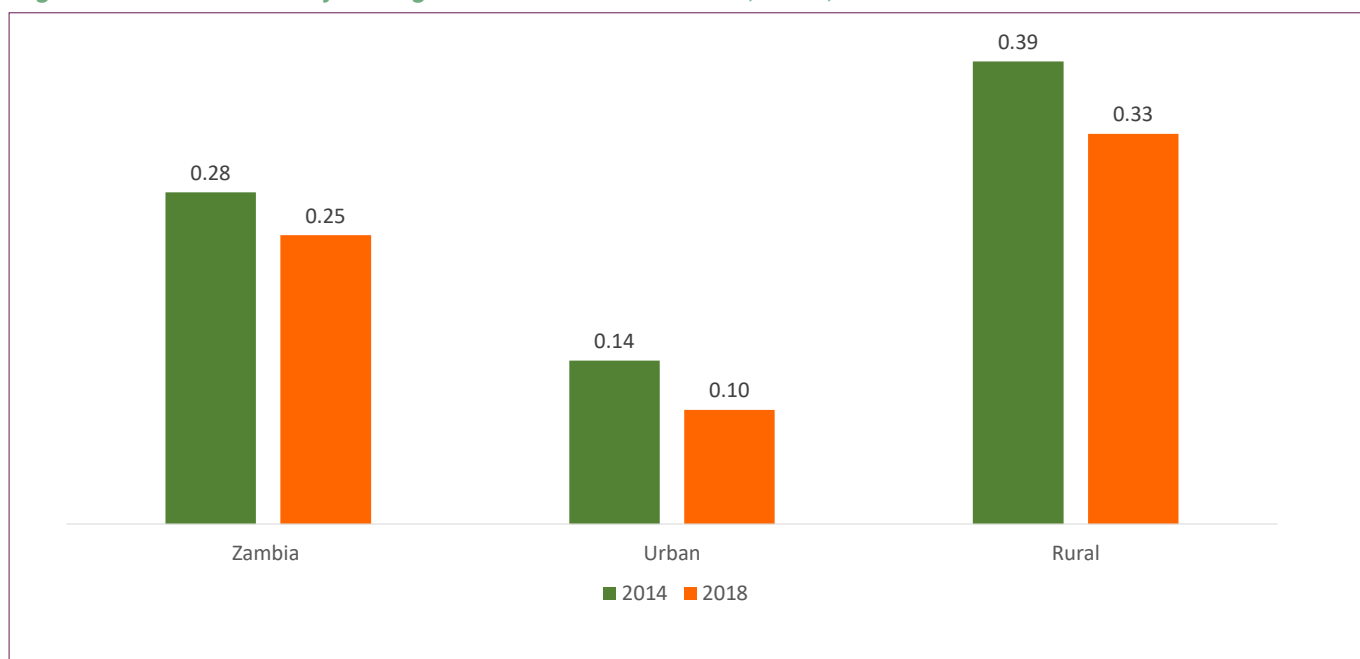
#### **Poverty intensity was constant at mid-term.**

Poverty intensity measures the extent to which those who are poor are deprived. It is the average number of deprivations that the poor suffer expressed as a percentage of total deprivations of the poor. Poverty intensity is also a measure of the depth of poverty. The multidimensional poverty assessment found no significant changes in poverty intensity or poverty depth between 2014 and 2018 (see Figure 33).

**Figure 33: Poverty Intensity, National, Urban and Rural, 2014, 2018**

Source: MNDP, ZamStats, ZIPAR, UNDP (2020). National Multidimensional Poverty Index.

**Acute poverty reduced at mid-term.** Acute poverty between 2014 and 2018 at national level and by rural and urban dimensions reduced as shown in Figure 34.

**Figure 34: Acute Poverty at Regional and National Level, 2014, 2018**

Source: MNDP, ZamStats, ZIPAR, UNDP (2020). National Multidimensional Poverty Index.



#### **d) Multidimensional Poverty**

**The Multidimensional Poverty Index (MPI) reduced at mid-term.** Confirming the reduction in the incidence of poverty, results from the assessment show a decline in the MPI from 28 percent in 2014 to 25 percent in 2018. Acute poverty for rural areas declined from 39 percent to 33 percent between 2014 and 2018. Similarly, the urban MPI declined from 14 percent to 10 percent. At the provincial level, the multidimensional poverty rate had declined for all provinces except for Western Province. In measuring multidimensional poverty, a household will be considered poor if deprived in 40 percent or four of the total 10 indicators. Considering the 7NDP target of 26 percent by 2021, the indicator is on track.

#### **e) Proportion of Extremely Poor Households Participating in Social Assistance and Livelihood and Empowerment Programmes**

**The proportion of extremely poor households participating in at least one social assistance and one livelihood and empowerment programme increased at mid-term.** According to the 2019 Social Protection Joint Annual Review Report, the proportion of extremely poor households who were participating in at least one social assistance and one livelihood and empowerment programme increased from 27 percent at baseline in 2015 to 38 percent in 2019. Considering the 7NDP target of 40.8 percent by 2021, the indicator is on track. When disaggregated by region, the findings indicate that 75 percent of extremely poor households in rural areas were participating in at least one social assistance and one livelihood and empowerment programme. Due to the low prevalence of poverty, urban areas had a significantly low proportion of extremely poor households who were participating in at least one social assistance and one livelihood and empowerment programme, at 25 percent.

According to the social assistance programme administrative records, 632,327 households (465,804 female-headed and 166,523 male-headed) were enrolled on the SCT programme as of June 2019 in all the 116 districts in the country against the target of 700,000 households. The MTR findings indicate that at mid-term, the SCT was benefitting 33.8 percent (3,302,394) of the poor individuals in the country. The Home-Grown School Feeding Programme was reported to have benefited 1,060,000 children in 2,618 schools countrywide while the Keeping Girls in School programme reported to have supported 16,082 girls (refer to page 151) in 16 districts. In addition, the PWAS had reached out to about 3,288 vulnerable children and adolescents.

For the livelihood and empowerment programmes, the number of beneficiaries for the FSP was 54,663 farmers (45.6 percent) out of the targeted 120,000 for the 2019/2020 farming season. The Government allocated K1.8 billion to the FISP, for the 2018/2019 agriculture season. A total of one million farmers were targeted to access inputs countrywide. Of these, 998,903 benefitted from the FISP, making it the largest livelihood and empowerment programme in the country.

The Government also introduced Weather Index Insurance to make the FISP climate-smart through the subscription of K100 as crop insurance premium from the K400 that a farmer contributes. Further, the Supporting Women's Livelihood Programme (SWLP) had trained 27,094 beneficiaries representing 91.9 percent achievement against the targeted individuals. Of those trained 24,900 were given empowerment grants. Further, the SWLP facilitated the creation of savings groups in 1,679 communities in 31 districts and trained 1,670 Community-Based Volunteers.

Using the FISP as the overall indicator of access to livelihood and empowerment programmes, the 2018 Labour Force Survey shows that as much as 44.0 percent of the poor households in the country (75.5 percent rural and 12.5 percent urban) had benefitted from livelihood and empowerment programmes as at the end of 2018.

If the benefits were reaching the targeted beneficiary households, the findings would have generated high impact on poverty among the vulnerable households by the various social protection programmes during the period under review. The findings were that if the FISP was the largest contributor to empowerment among the poor and vulnerable its impact would be minimal on these households considering that the targeted farming households under the FISP are not those who experience severe deprivation.

**f) Proportion of Extremely Poor Households Receiving Benefits from Social Assistance and Livelihood and Empowerment Programmes**

**The proportion of extremely poor households receiving actual benefits from social assistance, livelihood and empowerment programmes reduced during the first half of 7NDP implementation.** Despite more households having been enrolled on various social protection programmes, findings indicated that beneficiaries were not paid in time and in full due to reduced and delayed funding towards social protection programmes from the Government and CPs. This severely affected implementation of social protection and other interventions under this key result area. For instance, the largest social assistance programme, the SCT programme, which provides bi-monthly transfers to beneficiaries who receive a total of six payment cycles each year, only managed to achieve this in 2015. Thereafter, the number of payment cycles decreased to four in 2016, five in 2017, and three

in 2018. In 2019, the SCT encountered significant issues with payments and only managed to deliver one payment with only 60 percent of beneficiaries receiving the cash. Furthermore, between 2018 and 2019, the number of poor beneficiary farmers under the Food Security Pack (FSP) programme reduced by 67 percent due to the reduction in the FSP annual budget, from K140 million in 2018 to K100 million in 2019.

Similarly, the FISP programme also encountered delivery challenges as evidenced by the constant changes to the mode of delivery. The FISP had initially been implemented using a direct input distribution system to poor but viable farmers. During the 2015/2016 and 2016/2017 agriculture seasons, the FISP was implemented via an electronic voucher system. The switch from the manual to an electronic mechanism was implemented in a bid to transform the agriculture sector by introducing an input subsidy programme that addresses the diverse needs of different kinds of farmers countrywide. This entailed that livestock and fish farmers could also access their inputs through the e-voucher scheme and the new system also enhanced private sector participation in the input marketing system. This was envisaged to induce efficiency and reduce on administrative costs in the management of the input supply process.

The e-FISP, however, encountered implementation challenges associated with limited access to information technology, telecommunication connectivity and inadequate financial support services for farmers which necessitated a scale-down on e-FISP implementation from 60 percent coverage in the 2018/2019 agricultural season, to 40 percent in the 2019/2020 season. The core challenge identified in the previous farming season was that most small agro-dealers had insufficient financial resources to procure and supply inputs in advance. This was at the back



of delayed disbursement of funds owed to agro-dealers by the Treasury. Despite the financial constraints faced by agro-dealers, pre-financing of inputs to farmers by agro-dealers continued during the 2019/2020 farming season. Interviews with stakeholders indicated that the challenges in FISP implementation caused significant delays in the distribution of farming inputs in some regions; this, coupled with frequent drought spells that the country experienced during the period under review, affected crop yields.

Even though the roll-out of e-FISP had challenges, the MTR found that the e-FISP programme created an opportunity for streamlining public spending by reducing the overall cost of FISP administration. The review findings also indicated that the e-FISP created an opportunity for agro-dealers to enhance rural economies and employment creation. In addition, farmers were given an opportunity to choose inputs of their choice. The MTR found that the majority of stakeholders in the sector, including CPs, CSOs, researchers and farmer organisations, had continued to advocate for the Government to revert to full-scale e-FISP implementation.

During the 2018/19 agricultural season, the Government introduced an automated Direct Input Supply System; a digitalised card-less system linked to the Zambia Integrated Agriculture Management Information System operated by the Smart Zambia Institute. The findings were that the Ministry of Agriculture, through a tender process awarded a single distributor of fertilizer and seed in each district, thereby doing away with the provision of other types of inputs such as those required for livestock and fish farming.

The findings also indicated that not all the households and individuals enrolled on the various social protection programmes were receiving the benefits from the programmes at mid-term, due

to lack of or inconsistent funding.

#### **g) Coordination of Social Protection Programmes**

**An integrated policy framework was in place at mid-term to coordinate social protection programmes.** The findings were that the Integrated Framework of Basic Social Protection Programme (IFBSPP) was developed and launched in 2018 to resolve challenges and improve coordination of social protection programmes and policies. Among other issues, the IFBSPP is expected to enhance implementation of the various social protection programmes in the country. In addition to the integrated policy framework, the MTR found that the Government, through the Smart Zambia Institute, in 2019 developed an electronic system called the Zambia Integrated Social Protection Information System which had an SCT payment system module and was to be rolled out to 10 districts. Further, to provide a legal framework for social protection, the findings were that the Government had embarked on the process of developing and enacting the National Social Protection Bill and associated Statutory Instruments. At the time of the MTR, the draft National Social Protection Bill was developed and submitted to the Ministry of Justice for finalisation.

#### **h) Proportion of Workers in the Informal Economy Contributing to Social Security Schemes**

**The proportion of workers in the informal economy that contribute to social security schemes marginally increased from 0.6 percent at baseline in 2017 to 0.8 percent in 2019 against a target of 2.0 percent in 2019.** Of the 1,687,500 persons that were employed in the informal sector as at June 2019, 13,500 (0.8 percent) were registered with social security schemes. The informal sector forms the largest part of the working age population in Zambia. According to the 2018 LFS, informal employment marginally declined from 74.4 percent in 2017 to 68.4 percent

in 2018. The total number of persons employed in 2018 was 2,948,971. This implied that most of the workers in Zambia lacked access to social protection or social security. According to the 2018 LFS, whereas persons in formal employment are entitled to social security coverage in addition to annual paid leave, or any such entitlement and any legal registration for own account workers/employers, workers in informal employment are not entitled to annual paid leave and, in most cases, lack social security.

Despite the low proportion of employees registered under social security in the informal sector, the MTR noted that efforts were under way by the Government to extend the provision of social protection coverage to the informal sector. In an effort to broaden provision of social security/protection services to the informal sector, the Government through the National Pension Scheme Authority in 2018 signed a memorandum of understanding with the representatives of the workers and employers in the informal sector, among them the National Arts Council; Zambia Bus and Taxi Workers Union; Bus and Taxi Drivers Association of Zambia; United House and Domestic Workers Union; Zambia National Marketers Credit Association; and National Association for Small and Medium-Scale Contractors. In addition, the Government designed a pension scheme through issuance of Statutory Instrument No. 72 of 2019 in the last quarter of 2019 to extend social security coverage to the informal sector.

The existing social security schemes at 7NDP mid-term included contributory pension schemes under the National Pension Scheme Authority, Public Service Pension Fund, Local Authority Superannuation Fund and other occupational schemes offered by the private sector. Other social security services included the medical schemes and the Workers' Compensation Fund that compensate employees who are unable to

continue with work due to work-related injury. The findings indicated an urgent need to liquidate the Government pension debt which at mid-term was almost the size of the national budget. This is a threat to the sustainability of the social protection systems in the country because most of the public resources were going towards pensions since they are a legal entitlement while the non-contributory forms of social protection (e.g. SCT) are discretionary.

### 6.2.1.3 Noted Challenges

#### a) Absence of overarching legal framework on social protection

Although Zambia has a fairly long history in the provision of social protection services through public and private schemes, the country did not have a legal framework to coordinate the social protection sector. This led to social protection being skewed towards the formal sector, leading to fragmentation of social security programmes and incomprehensive assessment of social security needs in the country. Notwithstanding, the National Social Protection Policy was adopted in 2014 and provides a more comprehensive and integrated approach to social protection as a tool for sustainable poverty reduction.

#### b) Several challenges limiting provision of social security to informal sector

Besides the lack of a legislative framework, the MTR found other hindering factors for extending social security coverage to informal sector workers. These included the following:

- i) The low and irregular income of informal economy workers is a major obstacle in ensuring secure resources to regularly support contributory social protection schemes. Irregular contributions, and absence of effective administrative infrastructure, affect



efficient collection of contributions.

- ii) The benefits structure of existing programmes is not responsive to the priority needs and required flexibility of constrained resource experienced by workers in the informal economy.
- iii) There is a general lack of awareness of the social security concept among potential contributors to social protection schemes. This is coupled with the general distrust of public sector-driven schemes due to historical sustainability challenges where contributors have experienced delays and, in some cases, have not accessed the benefits when most needed. This was found to negatively affect willingness to pay contributions.

#### **c) Performance of monetary poverty indicators not measured**

The MTR failed to evaluate performance on monetary poverty indicators (incidence of poverty; incidence of extreme poverty; and the poverty gap ratio) because the Living Conditions Monitoring Survey (LCMS) which is supposed to provide the data had not been conducted since 2015 on account of lack of funding. Hence the MPI was used to assess the trends in poverty.

#### **6.2.1.4 Overall Performance**

Considering the 7NDP targets, the overall performance of the outcome was partially on track at mid-term. While the performance of some of the indicators was on track, the performance of the other indicators was below par.

#### **6.2.1.5 Recommendations**

Based on the analysis of Enhanced Welfare and Livelihoods of the Poor and Vulnerable outcome the MTR makes the following recommendations:

#### **a) Improve funding towards social protection programmes**

Both the long-term and medium-term planning instruments have recognised the potential of social protection in effectively promoting and providing sustainable social security against deprivation and extreme vulnerability by 2030. The MTR strongly recommends that the Government should have sustainable financing for social protection programmes to improve effectiveness and impact.

#### **b) Provide adequate resources for studies to generate data for evidence-based policy-making and performance evaluation**

The MTR failed to assess the poverty indicators based on the LCMS which is supposed to provide updated poverty data based on 2015 baseline figures. Consequently, critical programmes such as the SCT which depend on poverty statistics relied on outdated data in targeting the poor and vulnerable households. The Government working with other stakeholders should formulate and implement a statistical calendar and mobilise resources for conducting studies and other data generating activities to facilitate learning, and generation of evidence to support development planning and policy revisions.

#### **c) Enhance provision of social security services to informal sector**

The low level of social protection coverage needs to be addressed by the Government engaging other stakeholders through wide sensitisation, while providing adequate investments in existing schemes to build public confidence. There is need to also develop diverse and flexible benefit structures that are responsive to the requirements of potential contributors in the informal sector.

#### **d) Expedite enactment of National Social Protection Bill**

The MTR noted that fragmented implementation of programmes in the social protection sector had continued, leading to spreading few resources thinly and duplication of efforts in other instances. It is against this background, that the MTR recommends the quick enactment of the National Social Protection Bill and associated Statutory Instruments to enhance coordination among players and design appropriate interventions.

#### **e) Liquidate government pension debt**

High pension debt by the Government was found to threaten the sustainability of the social protection systems because of the disproportionate allocation of more resources towards pensions at the expense of non-contributory forms of social protection payments. Prioritisation of the pension debt is required to enhance the sustainability of social protection systems.

### **6.2.2 Climate Change and Disaster Risk Reduction**

#### **Outcome 2: Climate Change and Disaster Risk Reduction**

##### **6.2.2.1 Background Context**

Zambia had been experiencing the effects of climate change resulting in extreme weather conditions, such as droughts, rising temperatures and unpredictable rainfall patterns, resulting in negative impact on the economy and livelihoods

especially for the most vulnerable. It was estimated that the impact of climate change cost Zambia approximately 0.4 percent of annual economic growth (USD 13.8 billion), and that without action, rainfall variability alone could lead to losses of 0.9 percent of GDP growth over the next decade, thereby keeping a significant section of Zambia's population below the poverty line. In addition, the fall in the country's hydropower generation at 7NDP inception by about 600 MW was mainly attributed to poor rainfall patterns. The resulting lower supply of electricity hampered growth prospects of Zambia's productive sectors of the economy, including among others, agriculture, manufacturing and mining. Other adverse effects led to increased costs of treating climate-related diseases such as malaria and the loss of natural environments, damage to infrastructure and disruption of biodiversity.

During the Plan period, the Government had envisioned to implement climate change adaptation and mitigation interventions to promote social well-being, including better health, growth of the economy and at the same time reduce environmental risks, such as shortage of water, air pollution and other negative effects.

##### **6.2.2.2 Performance of Outcome Indicators at Mid-Term**

Table 22 presents Performance of Climate Change and Disaster Risk Reduction outcome indicators at mid term.





**Table 22: Performance of Climate Change and Disaster Risk Reduction outcome indicators**

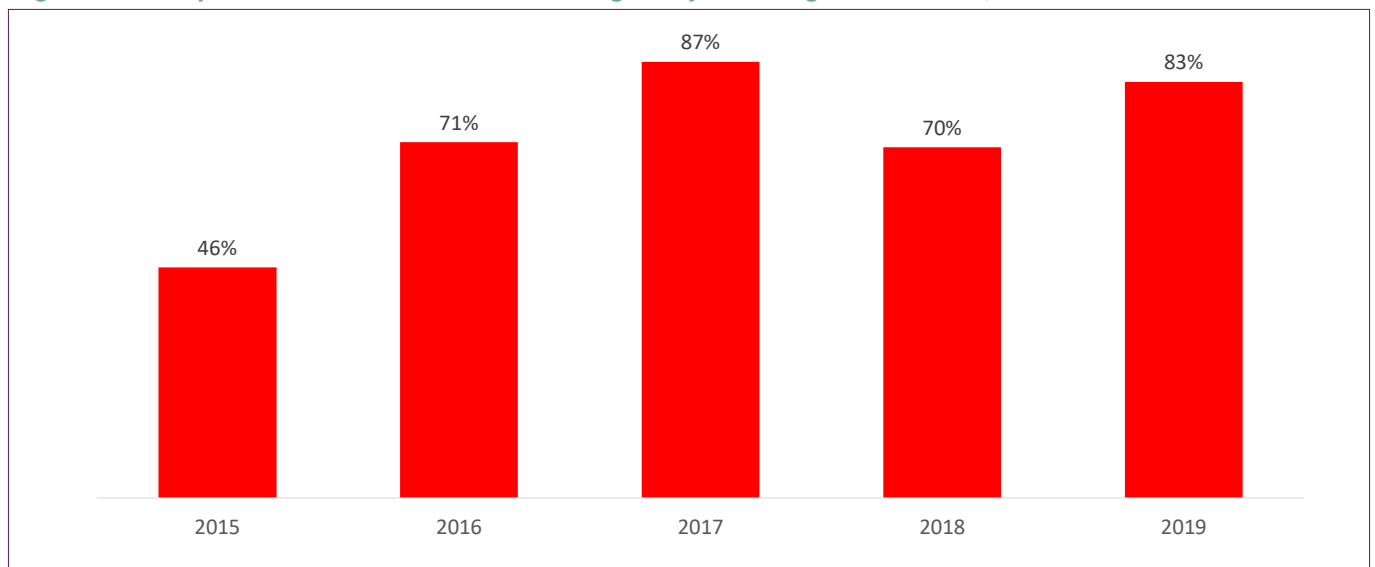
Outcome Indicators	Baseline	Year of Baseline	Target	Indicator Status (2019)	Indicator Rating
Level of resilience to climate change impact attained for both human and biophysical systems	Low	2016	High	Medium	●
Percentage of households with early warning information	20	2015	80	83	●
Proportion of risks addressed based on national information system	60	2015	80	82	●
Overall Outcome Rating: On Track					●

KEY	●	On Track
	■	Partially on Track
	▲	Off Track

#### a) Percentage of Households with Early Warning Information

The percentage of households with early warning information increased from 46 percent at baseline in 2015 to 83 percent at mid-term, thereby surpassing the set target of 80 percent by 2021. According to data provided by the Disaster Management and Mitigation Unit, the percentage of households that received early warning information about impending shocks or hazards increased from 20 percent in 2015 to 83 percent in 2019 (see Figure 35). The MTR attributed the high performance of the indicator to the efforts by the Government and CPs to improve metrological infrastructure countrywide. The findings were that the Government with support from CPs had during the MTR period began the process of modernising weather meteorology infrastructure in the country

as part of the broader efforts to mitigate and adapt to climate change through generation of reliable early warning information. The findings were that 120 rainfall stations and 35 meteorological stations were installed during the period under review by the Zambia Meteorological Department with support from CPs. All these efforts were reported to have contributed to the generation and transmission of weather data to service users (institutions and households). According to the Progress Report by the 7NDP Cluster Advisory Group 2 covering the period January-September 2019, the number of institutions and households utilising meteorological data for planning and decision-making had increased to 83 percent during the first half of 7NDP implementation from the baseline of 46 percent.

**Figure 35: Proportion of Households Receiving Early Warning Information, 2015-2019**

Source: Ministry of Transport and Communications Administrative Data.

#### **b) Proportion of Risks Addressed Based on National Information Systems**

**The proportion of risks addressed based on national information systems increased from 60 percent in 2015 to 82 percent at mid-term.**

Interviews with stakeholders revealed that given that climate change is a cross-cutting challenge, interventions to address climate change and related effects have been mainstreamed in all the five Pillars of the 7NDP, i.e. all the ministries and stakeholders are concerned with implementation of climate change programmes in one way or another. In addition, the Government and CPs had during the first half of 7NDP implementation embarked on rehabilitating old and installing new metrological infrastructure to enhance the country's early warning systems and preparedness against disasters.

Under the key result area on Climate Change and Disaster Risk Reduction, one of the goals was to address climate change-related risks based on information generated from a national integrated surveillance system. At mid-term, the findings showed that the proportion of risks addressed based on the national information system had

increased from 60 percent in 2015 to 82 percent in 2019, thereby surpassing the 7NDP target of 80 percent by 2021. The positive performance of the indicator was attributed to the improvement of the surveillance systems and better utilisation of climate data and early warning information, which saw many of the risks addressed. To facilitate coordinated sharing of climate change-related early warning information, the MTR found that a multi-hazard early warning system was developed at national level in 2018 while plans were under way to replicate the system at provincial and district level. Supported by the installation of new metrological stations to provide early warning information, the improved surveillance system helped the country to respond to a number of hazards such as floods, dry spells, pest infestation and epidemics such as cholera in a timely and coordinated manner.

#### **c) Level of Resilience to Climate Change Impact Attained for Both Human and Biophysical Systems**

**The level of resilience to climate change impact attained for both human and biophysical systems increased from low at baseline in 2016**



**to medium in 2019 against the target of high in 2021.** Considering the efforts that the Government and cooperating partners have made in climate change preparedness, such as mainstreaming of climate change in all sectors, urban planning frameworks and programmes, and enactment of policies and implementation, the MTR rated the level of resilience to climate change effects for both human and biophysical as medium. In 2017, Zambia launched the National Climate Change Policy aimed at stemming the impact of climate change and subsequent reduction of the country's annual economic growth due to crop failure and reduced energy production. The National Climate Change Policy is an important policy development that introduces a well-structured and coordinated national strategy to effectively tackle the adverse effects of climate change, giving special consideration towards vulnerable groups such as poor rural women, children and the youth.

The MTR also showed evidence of implementation of several programmes to strengthen and build resilience against climate change. Notable ones include the Pilot Programme for Climate-Resilience (PPCR Phase II) 2019-2022 and the Strengthening Climate-Resilience of Agricultural Livelihoods in Agro-Ecological Regions (SCLERA, I and II) Project, among others. The PPCR Phase II Project is designed to support Zambia's National Climate Change Programme by ensuring that the country makes climate change a core part of its economic development. The development objective of the PPCR Project is to strengthen Zambia's institutional framework for climate-resilience and improve the adaptive capacity of vulnerable communities in the Barotse and Kafue sub-basins of the Zambezi flood plains. On the other hand, the SCLERA Project supports the Government to strengthen the capacity of 940,000 farmers to plan for climate risks that threaten to derail development gains, promote climate-resilient agricultural production and diversification

practices to improve food security and income generation, improve access to markets, and foster the commercialisation of climate-resilient agricultural commodities. Further, to enhance preparedness and raise the level of resilience against climate change, the Government through the Disaster Management and Mitigation Unit in 2017 conducted trainings for 16 of the 156 constituencies in disaster risk resilience.

### **6.2.2.3 Noted Challenges**

#### **a) Lack of cohesion in climate change issues**

Although there is consensus on the serious threats that climate change poses to development, and that more sustainable resource management is necessary to promote future economic development, a review of the various policies including the 7NDP indicated that selected policy documents do not show a high degree of cohesion regarding climate change issues. For instance, though climate change has been mainstreamed in all the 7NDP Pillars, only Pillar 2 under Poverty and Vulnerability Reduction has clearly identified programmes and indicators on climate change. This status has potential to limit the extent to which climate change issues are addressed and tracked in the other four Pillars. Related to this, integration of climate change in Zambia's policies seemed contradictory in certain instances. In general, the MTR found that quite often, measures designed to spur economic development contradict those aimed at promoting climate change and climate mitigation and adaptation.

#### **b) Slow implementation of programmes**

Despite the progress, some programmes had been delayed because of inadequate funding. For instance, in 2018, to enhance coverage of early warning centres, the Government planned to construct four multi-hazard early warning systems while the target for the proportion of preparedness plans for 2018 was 16. However,

none of these targets were achieved in 2018. Similarly, in 2019, there was a plan to establish six Emergency Operation Centres (EOCs) but only the national EOC was developed while the one for Lusaka Province was in the process of being developed.

#### 6.2.2.4 Overall Performance

Considering the 7NDP targets, the MTR found the overall performance of the Climate Change and Disaster Risk Reduction outcome at mid-term to be on track and is likely to attain both the 7NDP and SDG targets. Among other issues, the impressive performance of the indicators during the first half of 7NDP implementation was due to adequate implementation of programmes, particularly investments in metrological infrastructure aimed at enhancing the generation of early warning information and thus provided response to risks and disasters.

#### 6.2.2.5 Recommendations

##### a) Improve utilisation of national information system

The Government should apply more deliberate efforts in improving the utilisation of the national integrated surveillance system among stakeholders and institutions. The starting point should be sensitisation of the various population groups and institutions on the existence of the information system and the usefulness of applying this information in socio-economic activities to mitigate the impact of climate change to build resilience and reduce disaster risks.

##### b) Promote sustainable urban development

At mid-term, some of the measures designed to spur economic development were found to contradict those promoting climate change adaptation. To avoid diluting the gains in climate change mitigation and adaptation, there is need to provide different development pathways to promote and achieve more sustainable urban patterns of growth in the country.

##### c) Improve coherence of policies on climate change

At mid-term, weak coherence of policies, strategies and plans on climate change were identified as issues that need to be harmonised. Some documents focus mainly on disaster risk management while others propose a more holistic perspective. A comprehensive national climate change planning and implementation framework should be developed with clear guidance on how to implement resilience, mitigation, adaptation and disaster risk reduction and management at national, cluster, sector, and sub-national levels in an equitable and sustainable management of resources.

##### d) Improve funding towards climate change and risk reduction

Despite the impressive performance of the indicators, the MTR indicated slow implementation of the identified strategies and programmes. This has potential to affect performance implementation of climate change and risk reduction. Given the reduced fiscal space, the Government should in the remaining period of 7NDP implementation find alternative financing options and strategies for completing the unfinished projects by 2021. One such recommendation is through stakeholders' engagement in form of PPPs to finance commercially viable projects.



### 6.2.3 Reduced Vulnerability Associated with HIV/AIDS Prevalence

#### Outcome 3: Reduced Vulnerability Associated with HIV/AIDS Prevalence

##### 6.2.3.1 Background Context

Zambia had an estimated 1.2 million people living with HIV (PLHIV). However, the country had been able to stabilise the epidemic with HIV prevalence decreasing from 15.6 percent in 2002 to 11.6 percent in 2016. Between 2009 and 2016 the rate of new HIV infections dropped by more than 41 percent. Nonetheless, there are still about 46,000 new HIV infections annually and concerted efforts are required to address this. There is need for continued domestic investment and leadership to reduce new HIV infections and eventually achieve zero new infections. As at 2017, approximately 800,000 people who were living with HIV were on life-saving anti-retroviral therapy (ART). As part of its efforts towards the fight against HIV/AIDS, Zambia committed to the 2016 High Level Meeting Political Declaration that reaffirms member states' commitment to ending HIV/AIDS by 2030 in solidarity with the global community and ensuring country ownership, leadership and accountability. This commitment aims at achieving the 90-90-90 treatment targets by 2020. The 90-90-90 targets

refer to 90 percent of people living with HIV know their HIV status, 90 percent of people tested positive for HIV get access to treatment services and 90 percent of people on anti-retroviral treatment achieve HIV viral load suppression.

The Government's strategy in the Plan period is to reduce the national HIV prevalence which stood at 11.6 percent in 2016. The Government planned to build on efforts to reduce the disease burden, the national HIV prevalence rate, and the relatively high HIV prevalence for pregnant women. In addition, in the quest to reach a target of zero HIV transmission rate, the Government planned to adopt a holistic multi-sectoral approach towards the management of HIV/AIDS programming so as to avert the scourge in a well-coordinated and sustainable manner. Programmes targeting prevention, mitigation, treatment, care and support, such as prevention of mother-to-child transmission in family setups and integration of prevention strategies at all levels of health care services to reduce the disease burden, were prioritised during the Plan period.

##### 6.2.3.2 Performance of Outcome Indicators at Mid-Term

Table 23 presents the outcome indicators and their performance at mid-term.

**Table 23. Performance of Reduced HIV/AIDS Prevalence Outcome Indicators**

Outcome Indicators	Baseline	Year of Baseline	Target	Indicator Status (2019)	Indicator Rating
<b>Percentage of PLHIV who are virally suppressed</b>					
a) 0-14 years	52	2016	90	75	●
b) 15-49 years	52	2016	90	75	●
Overall Outcome Rating: On Track					●

KEY	●	On Track
	■	Partially on Track
	▲	Off Track

### **Proportion of Virally-Suppressed People Living with HIV**

**Of the people living with HIV (PLHIV) who are on ARVs, 89 percent were virally-suppressed at mid-term.** With regard to HIV/AIDS response, the country has been seeking to achieve three specific targets: (i) 90 percent of PLHIV tested; (ii) 90 percent of those tested and found with HIV put on treatment; and (iii) 90 percent viral suppression for those on treatment. Thus, to reduce the vulnerability associated with HIV/AIDS, the MTR found that the Government has, together with CPs, been implementing policies, programmes and activities to reduce HIV infection rates and to increase access to treatment for those living with HIV. These include: the (i) Test and Treat Policy; (ii) introduction of self-test kits; and (iii) pre-exposure prophylaxis for high risk populations.

To support efforts to achieve the targets on HIV, the Government in 2017 adopted a policy on Universal HIV Routine Testing and Treatment. Previously, only pregnant women were subjected to mandatory HIV testing so as to prevent mother-to-child transmission of HIV. To ensure more people are tested and put on treatment, the HIV Routine Testing and Treatment Policy extended the testing requirement to the entire population visiting health facilities for any health problem. In addition, starting as a pilot in Chongwe and Kapiri-Mposhi Districts, self-testing kits had been rolled out to all the districts in the country as at mid-term to get more people tested and, if found with HIV, victims were enrolled on treatment. On the other hand, the Test and Treat Policy allowed those found with HIV upon testing to be put on immediate treatment, reversing the previous criterion which had a threshold of 500 CD4 count as a pre-requisite for treatment.

Findings were that out of the 1,200,000 people estimated to be living with HIV in Zambia at mid-term, 1,028,016 were enrolled by the second

quarter of 2019 representing 85.6 percent. Of the 1,028,016 enrolled on ART, 978,108 (male: 367,581 and female: 610,527) were adults aged 15 and above, while 49,908 (male: 24,090 and female: 25,818) were children aged 0-14 years. Statistics further indicated that 75 percent of PLHIV were virally suppressed.

The positive performance of HIV/AIDS indicators was due to the high level of support including funding towards the HIV/AIDS programmes and interventions by the Government and CPs. For instance, an analysis of the 7NDP budget during the period under review found that the health sector had the second largest budget in the Enhancing Human Development Pillar budget. The findings also imply that the country is on course in meeting the SDG targets on HIV/AIDS. Further, an analysis of the trends in the region indicate that strong and steady domestic and international commitment and funding have fuelled an acceleration of evidence-informed HIV prevention, testing and treatment programmes. As a result, the incidence of HIV in Sub-Saharan Africa (among adults aged 15 to 49) has declined by 27 percent, from 3.39 infections per 1,000 uninfected people in 2010 to 2.49 in 2015 and 2.14 in 2017. Though the rate of global HIV incidence among adults aged 15 to 49 declined from 0.44 to 0.40 between 2015 and 2017 and overall, by 22 percent between 2010 and 2017, the declines are short of the required trends to meet 2020 and 2030 targets.

#### **6.2.3.3 Noted Challenges**

Zambia continues to have data challenges with regard to harmonised HIV reporting due to variations in HIV data sources which are many. Lack of data on key populations is a major issue, making it impossible to determine the size, vulnerability, and targeted solutions to prevent HIV for these groups. The MTR indicated that data on HIV/AIDS in Zambia are provided by two principal



surveys, namely, the Zambia Demographic and Health Survey (ZDHS) and the Zambia Population-Based HIV Impact Assessment (ZAMPHIA). Despite the importance of the two surveys, the findings indicated non-harmonisation of calendars and designs for these surveys. The challenge of inadequate resources towards research studies and surveys has led to supply-driven survey programmes which tend to perpetuate multiple sources. For instance, the 2018 ZDHS had collected data on HIV and the ZAMPHIA also launched a survey programme just before the launch of the ZDHS results.

#### **6.2.3.4 Overall Performance**

Due to adequate implementation of programmes and interventions, overall outcome rating for Reduced HIV/AIDS Prevalence is on track and is likely to attain both the 7NDP 2021 and SDG targets. Among other issues, this result highlights the importance of allocating sufficient resources (both human and financial) towards implementation of 7NDP programmes.

#### **6.2.3.5 Recommendations**

##### **a) Continue support to sustain and improve gains in HIV/AIDS**

Significant gains have been achieved at mid-term largely due to high level of support from the Government and CPs as well as implementation of enabling policies such as the Universal HIV Routine Testing and Treatment. To sustain and improve upon the gains recorded at mid-term, there is need for continued investments by the Government and CPs in the social sectors.

##### **b) Provide adequate resources for studies to generate monitoring data**

To facilitate learning from implementation of programmes and policies, the Government working with other stakeholders should allocate resources for studies and other data generating activities. Besides facilitating learning, the empirical evidence generated from the data will help in designing interventions that are evidence-based for use by policy and decision-makers.

#### **6.2.4 Overall Performance of the Poverty and Vulnerability Reduction Pillar**

Table 24 presents performance of key performance indicators (impact indicators) at mid-term.

**Table 24: Overall Performance of the Poverty and Vulnerability Reduction Pillar**

Key Performance Indicators	Baseline	Baseline Year	Target	2019 Status	Indicator Rating
<b>8a Incidence of poverty by region (%)</b>					
Headcount poverty (%)	50	2014	-	44	●
Headcount poverty (%)	50	2014	-	44	●
Poverty intensity (%)	56	2014	-	56	▲
8c Percentage of social cash transfer beneficiary households who are judged as severely insecure	9		0	9	▲
<b>8d HIV prevalence among adults 15-49 by sex (%)</b>					
a) Total	11.6	2016	7.8	11.1	■
b) Female	14.5	2016	9.7	14.2	■
c) Male	8.6	2016	5.8	7.5	●
<b>8e Percentage of adults aged 15-49 living with HIV that know their status by sex</b>					
a) Total	67.3	2016	75	87.0 <sup>86</sup>	●
b) Female	70	2016	77.6	90.6	●
c) Male	62.8	2016	70.4	83.4	●
<b>8f Percentage of adults aged 15-49 living with HIV that know their status and are on treatment by sex</b>					
a) Total	85.4	2016	90	89.0 <sup>87</sup>	●
b) Female	84.9	2016	90	87.7	●
c) Male	86.2	2016	90	90.3	●
<b>8g Percentage of adults aged 15-49 living with HIV that know their status, are on treatment and have achieved viral load suppression</b>					
a) Total	89.2	2016	100	75 <sup>88</sup>	▲
b) Female	89.7	2016	100	75	▲
c) Male	88.2	2016	100	75	▲
<b>8h Percentage of households with health cover</b>	3.9	2014	30	data not available	N/A
<b>Overall Performance of Economic Diversification Pillar: Partially on Track</b>					■

KEY		
	●	On Track
	■	Partially on Track
	▲	Off Track

It was not possible to assess the performance of monetary poverty indicators. As an alternative, the 2020 MPI results were used to assess the trends in poverty at mid-term. Considering the 7NDP targets, the overall performance of the key performance indicators (impact indicators) for Pillar 2 was partially on track at mid-term. While the performance of some of the indicators was on

track, the performance of the other indicators was below par.

Based on the MPI results, poverty levels declined modestly during the first half of 7NDP implementation due to an increase in income levels among households and increased provision of services (e.g. education, health and sanitation)

<sup>86</sup>UNAIDS (2019).

<sup>87</sup>Ibid.

<sup>88</sup>Ibid.





by the Government. Due to the Government policy on Universal HIV Routine Testing and Treatment adopted during the first half of 7NDP implementation, relatively more people were tested, and as a result, more people knew their HIV status. Because the policy requires that all those found with the disease commence treatment immediately, the policy contributed to reducing the prevalence of HIV (from 11.6 percent to 11.1 percent among adults aged 15-49) at mid-term.

### **Sustainable Development Goals**

Against the performance of outcome indicators on HIV/AIDS, the country is likely to meaningfully contribute to the attainment of SDG 3 (Goal # 3: good health and well-being) and targets on ending the HIV/AIDS epidemic. With the Universal HIV Routine Testing and Treatment in place, more and more people will be tested and treated in the remaining period of 7NDP implementation. However, concerted effort will be required given the poor performance of some of the indicators (particularly the indicator for people living with HIV that know their status, are on treatment and have viral load suppressed).

## **6.3 Pillar 3: Reducing Developmental Inequalities**

### **Overview of Reducing Developmental Inequalities at the Inception of the 7NDP**

The thrust for this Pillar was reducing income and gender inequalities and the rural-urban divide across a wide range of areas including access to electricity, infrastructure, housing, finance, employment opportunities, education, health and productivity. Unlike other pillars, the pillar on reducing developmental inequalities has only one development outcome area, namely “Reduced Inequalities”.

## **6.3.1 Reduced Inequalities**

### **6.3.1.1 Background Context**

Major disparities exist between rural and urban areas which have undermined the capacity of rural populations to contribute meaningfully to economic growth. Disparities include access to electricity with only 3.8 percent having access to electricity in rural areas compared to urban areas with 61.5 percent as at 2014. The Gini coefficient as a measure of income inequality was at 0.69 in 2015, placing Zambia in the category of most unequal countries. The Gender Inequality Index (which reflects gender-based inequality in reproductive health, empowerment and economic activities) was 0.517 in 2017 reflecting high levels of gender inequality. Most rural parts in Zambia have poor road networks to attract investment and contribute to diversification and job creation especially in the agriculture sector. Contributing factors that have led to inequalities include inability to effectively implement the decentralisation policy to an extent that resources and decision-making have excluded people at lower levels from effectively participating in planning and implementation processes. Furthermore, the majority of people in the informal sector are characterised by high levels of unemployment and low productivity, culminating in low disposable income at household level.

At the inception of the 7NDP, there were several challenges related to inequality, particularly with respect to vulnerable groups such as women, the youth and persons with disabilities. The thrust of the outcome on reducing developmental inequalities was increased number of households with access to electricity especially in rural areas, increased area under irrigation, increased access to primary and secondary schools especially for populations in rural areas, increased markets for rural produce, increased income levels for

rural populations and upgrading of informal settlements among others.

To achieve the outcome on reduced inequality, four strategies are under implementation:

- Promote integrated rural development;
- Promote urban and peri-urban economies;
- Reduce gender inequality;
- Enhance income opportunities for poor and marginalised groups.

### 6.3.1.2 Performance of Outcome Indicators at Mid-Term

Table 25 highlights the performance of outcome indicators for reduced inequalities. At mid-term, 13 outcome indicators were on track, five

indicators were partially on track and 10 were off track. However, the majority of the outcome indicators had data gaps (area under irrigation, households within 5 km of a secondary school and a health facility and within an agro-input market, tertiary education net attendance rate (aged 19-22), secondary school completion rates, average monthly income earned by households by rural stratum, average monthly income earned by households by urban stratum, ratio of deficit in housing stock, percentage of households living in planned settlements, number of informal settlements, proportion of population with access to financial services and access to titled land). As such with the amount of data gaps it was difficult to determine the overall performance of the outcome indicators for the outcome at mid-term.

**Table 25: Performance of the Reducing Developmental Inequalities Outcome Indicators**

Outcome Indicators	Baseline	Year of Baseline	Target	Indicator Status (2019)		Indicator Rating
<b>Percentage of households with access to electricity</b>						
a) Total	27.9	2013/14	55.8	32.8		■
b) Rural	3.8	2013/14	30	8.1		▲
c) Urban	61.5	2013/14	75	67		●
Area under irrigation	79.035	2016	135.4	N/A		N/A
<b>Percentage of households within 5 km of a secondary school</b>						
a) Total	31.6	2015	63.2	N/A		N/A
b) Rural	21.1	2015	42.2	N/A		N/A
c) Urban	40.9	2015	60.9	N/A		N/A
Percentage of households that own at least one mobile phone (percent) <sup>93</sup>	64.5	2016	100	Urban	Rural	■
				88.1	61.6	
				Men	77.6	
				Women	53	
<b>Percentage of households within 5 km of a health facility</b>						
a) Total	34.7	2015	70	N/A		N/A
b) Rural	57.5	2015	70	N/A		N/A
c) Urban	97.6	2015	100	N/A		N/A



Outcome Indicators	Baseline	Year of Baseline	Target	Indicator Status (2019)	Indicator Rating
<b>Percentage of households within 5 km of an agro-input market</b>					
a) Total	26.2	2015	55	N/A	N/A
b) Rural	17.8	2015	50	N/A	N/A
c) Urban	42.4	2015	60	N/A	N/A
<b>Poverty headcount ratio:</b>					
Scenario 1	64	2016	40.6	60[2]	●
Scenario 2	50	2016	40.6	44[3]	●
Scenario 3	-	-	-	54[4]	●
Early childhood education attendance rates (5-6 years)	29.8	2015	50	51.1	●
<b>Primary school net enrolment rates</b>					
a) Total	90	2016	100	83.6	●
b) Female	89	2016	100	85.8	●
c) Male	90	2016	100	81.4	●
<b>Secondary school net enrolments</b>					
a) Total	40	2016	60	20.2	▲
b) Female	25.7	2016	60	19	▲
c) Male	30.5	2016	60	21.4	▲
Outcome Indicators	Baseline	Year of Baseline	Target	Indicator Status (2019)	Indicator Rating
<b>Tertiary education net attendance rates (19-22 years)</b>					
a) Total	29.4	2015	50	N/A	N/A
b) Female	22.5	2015	40	N/A	N/A
c) Male	36.3	2015	60	N/A	N/A
<b>Primary school completion rates</b>					
a) Total	90	2016	100	67.5	▲
b) Female	83.6	2016	100	99.8	●
c) Male	88	2016	100	94.8	●
<b>Secondary school completion rates</b>					
a) Total	40	2016	60	N/A	N/A
b) Female	27.4	2016	60	66.4	●
c) Male	34.3	2016	60	81.9	●
<b>Average monthly income (Zambian Kwacha) earned by households by rural stratum</b>					
a) Small-scale agro households	693.1	2015	>693.1	N/A	N/A
b) Medium-scale agro-households	1,862.20	2015	>1862.2	N/A	N/A
c) Large-scale agro-households	10,751.90	2016	10,751.90	N/A	N/A
d) Non-agro households	1,627.90	2015	>1,627.9	N/A	N/A

Outcome Indicators	Baseline	Year of Baseline	Target	Indicator Status (2019)	Indicator Rating
<b>Average monthly income (Zambian kwacha) earned by households by urban stratum</b>					
a) Low-cost household	2180.5	2015	>2180.5	N/A	N/A
b) Medium-cost household	5,320.70	2015	>5,320.7	N/A	N/A
<b>Ratio of deficit in housing stock</b>					
a) Low	133,200	2016	79,920	N/A	N/A
b) Medium	66,600	2016	19,980	N/A	N/A
c) High	22,200	2016	2 220	N/A	N/A
<b>Percentage distribution of households by electricity connection</b>					
Total	31.4	2015	44	34.2	■
a) Rural	4.4	2015	8	8.4	●
b) Urban	67.3	2015	80	69.1	■
<b>Percentage of households living in planned settlements</b>					
a) Rural	64	2016	70	N/A	N/A
b) Urban	36	2016	40	N/A	N/A
<b>Number of informal settlements</b>					
a) Upgraded	1	2016	2	0	▲
b) Urban	1	2016	2	-	N/A
c) Renewed	0	2016	1	N/A	N/A
<b>Proportion of population with access to financial services</b>					
a) Rural	50.2	2015	70	N/A	N/A
b) Urban	70.3	2015	90	N/A	N/A
<b>Access to titled land</b>					
a) Male	68	2016	50	N/A	N/A
b) Female	30	2016	50	32%	▲
<b>Gender gap/inequality index</b>					
	<b>0.65</b>	<b>2016</b>	<b>0.75</b>	<b>N/A</b>	<b>N/A</b>
Proportion of seats held by women in the Cabinet	34.4	2016	50	34.4	▲
Proportion of seats held by women in Parliament	18.7	2016	50	19	▲
Proportion of local government seats held by women	10	2016	50	37.95	■
Proportion of seats held by youths in Parliament	2.4	2016	10	2.4	▲
Overall performance of the outcome:					N/A

KEY		
	●	On Track
	■	Partially on Track
	▲	Off Track



### a) Proportion of Households with Access to Electricity

The following show the performance of access to electricity at mid-term:

- i) The average proportion of households with access to electricity increased from 27.9 percent at baseline in 2013/14 to 32.8 percent at mid-term against a set target of 55.8 percent.
- ii) The percentage of households with access to electricity in rural settings increased from 3.8 percent in 2013/14 to 8.1 percent as reported in the 2018 ZDHS against a set target of 30 percent by 2021.

- iii) The proportion of urban households with access to electricity increased from 61.5 percent to 67 percent at mid-term according to the 2018 ZDHS against a set target of 75.0 percent by 2021.

Analysis of the performance of outcome indicators shows access to rural electrification is seriously behind the set targets. The country is most unlikely to achieve a gap of 21.9 percent access within the remaining two years. The country is on track to achieve the target for access to electricity for urban settings. With greater effort, it may be possible for the country to reach the 2021 targets. Despite the relatively poor performance towards the Plan targets, attempts have been made to enhance access to electricity (see Table 26).

**Table 26: Electrification Projects and Corresponding Stakeholders Benefiting**

Technology	Grid
Number of schools	48
Number of rural health centres	11
Chief palaces	3
Staff houses	373
Business entities	140
Other facilities	3
Initial connections	471
People enrolment at schools	19,257
Catchment population at rural health centre	594,393

Source: Rural Electrification Authority

As of 2019, the Government had successfully completed projects that benefited various stakeholders in rural settings as presented in Table 26. The proportion of households with access to electricity on the national grid increased from 4.4 at baseline to 8.4 at mid-term against a set target of eight. For off-grid, a survey was yet to be carried out at the time of the review. By mid-term, the Rural Electrification Authority had completed 471 connections, mainly to public institutional staff houses, schools, and rural health centres. Grid extension projects also contributed to increased access to rural electrification.

### b) Percentage of Households within 5 km of a Health Facility

Data on the proportion of population within a 5 km radius to a health care facility could not be ascertained. However, findings from the 2018 ZDHS indicated that 26 percent of households reported challenges in accessing health care facilities. Table 27 presents the proportion of households reporting difficulty in accessing a health facility by province, which provided a picture of the rural-urban divide.

**Table 27: Proportion of Households Reporting Challenges in Accessing Health Services**

Province	Percent
Central	19.9
Copperbelt	14.8
Eastern	43.6
Luapula	26.3
Lusaka	16.6
Muchinga	49.0
Northern	45.9
North-Western	25.8
Southern	38.3
Western	37.7
Rural	43.4
Urban	12.0

Source: 2018 ZDHS

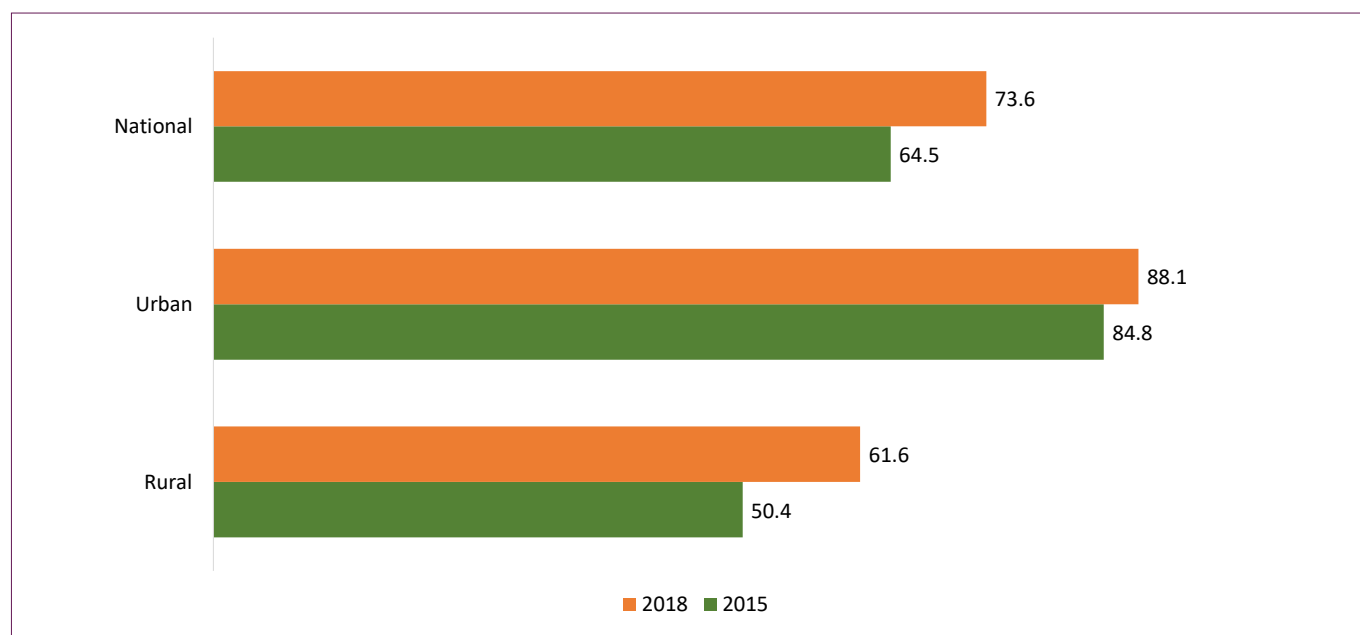
Analysis of the statistics for access to health facilities from the 2018 ZDHS indicated that as much as 43.4 (nearly 50 percent) of rural populations face challenges in accessing health facilities. The most affected regions were: Muchinga (49 percent) Northern (45.9 percent), Eastern (43.6 percent), Southern (38.3 percent), Western (37.7 percent) and Luapula (26.3 percent). Accordingly, only 56.6 percent of rural households have easy access to health care facilities against a set target of 70 percent by 2021. As such the country is partially on track to meet the 7NDP target. The country will have to make concerted efforts to meet the targets.

### **c) Percentage of Households Owning at Least One Mobile Phone**

The proportion of households owning a mobile phone increased from 64.5 percent in 2016 to 73.6 percent at mid-term against an end target of 100 percent by the end of the 7NDP. The analysis indicated that at mid-term, the proportion of households owning a mobile phone was 88.1 percent and 61.6 percent in urban and rural settings, respectively (see Figure 36). Equally, the proportion of men owning a mobile phone in urban and rural areas was 77.6 percent and 53 percent, respectively.



**Figure 36: Proportion of Households with Access to Mobile Phones, 2015, 2018**



Source: MNDP, ZamStats, ZIPAR, UNDP (2020). National Multidimensional Poverty Index.

#### **d) Poverty Headcount Ratio**

Poverty remains Zambia's greatest development challenge and there is consensus to rally efforts towards its reduction. At national level, the poverty headcount ratio reduced from 50 percent in 2014 to 44 percent in 2018 using the multidimensional measure of poverty. This shows a decrease in the number of households acutely deprived in education, health and living conditions. The outcome indicator is on track towards attaining the 7NDP end target. According to the data from the 2014 and 2018 ZDHS, the Multidimensional Poverty Index (MPI) reduced from 0.28 in 2014 (baseline) to 0.25 percent in 2019 showing a decrease in poverty levels in Zambia.

#### **e) Attendance Rates in Early Childhood Education**

The attendance rates in Early Childhood Education (ECE) increased from 29.8 percent in 2015 to 51.1 percent in 2019 against a 2021 target of 50 percent. The 2019 statistics indicate that the outcome indicator had already surpassed its set target at mid-term. Despite the positive outcome indicator

performance, further analysis on access to ECE highlighted challenges for increased access to ECE, mainly limited infrastructure including play grounds, classrooms, desks and sanitation facilities especially in rural areas.

#### **f) Primary School Net Enrolment Rates**

The following were the performance rates for net enrolment at primary school level at mid-term:

- i) Primary net enrolment rate reduced from 90 percent in 2016 to 83 percent at mid-term against a set 2021 target of 100 percent.
- ii) Net enrolment rate of female learners in primary school dropped from 89 percent in 2016 to 85.8 percent at mid-term against a set target of 100 percent.
- iii) Male learners' net enrolment rate in primary schools dropped from 90 percent in 2016 to 81.4 percent at mid-term against a target of 100.

Analysis of the primary net enrolment rates across categories (total, male, female) showed a declining trend, signalling potential failure to meet the 2021 set targets. However, the analysis could not establish the reasons for low net enrolment rates in primary education. This requires in-depth analysis at household level to establish the dynamics affecting child school enrolment. Potential reasons could be beyond the learners' willingness to access learning arising from poverty especially for rural communities, distance to schools, early marriage and child labour.

#### **g) Primary School Completion Rates**

Transition rates from primary to secondary school for females increased from 83.8 percent at baseline to 99.8 percent at mid-term against an end target of 100 percent. The rate for males also increased from 88 percent at baseline to 94.8 percent at mid-term against a target of 100 percent in 2021. The country is on track and is highly likely to attain the 2021 set targets.

#### **h) Secondary School Net Enrolment Rates**

The net enrolment rate for secondary schools reduced from 40 percent in 2016 to 20.2 percent in 2019 against a target of 60 percent, thus falling far short of set targets. It is even lower for female pupils who had a 19 percent enrolment rate in 2019 against a target of 60 percent. Consultations with stakeholders pointed out limited access to secondary school infrastructure especially in rural areas as a major contributing factor.

#### **i) Tertiary Education Net Attendance Rates (19-22 years)**

The tertiary education net attendance rates (19-22 years) stood at 29.4 percent at baseline (2015) against a set 7NDP end target of 50 percent of which 60 percent of these should be female and 40 percent male. The data for this outcome indicator were not available at mid-term. However, the analysis used proxies for the net attendance

rates for age groups 7-13 (primary) and 14-18 (secondary). At mid-term, the primary school net attendance ratio (NAR) for children aged 7-13 was 79 percent, of which 81 percent was for girls and 77 percent for boys. For secondary school, the net attendance dropped to 40 percent at mid-term. The trends show a decreasing net attendance ratio from primary to secondary education. The likelihood of even lower ratios of net attendance at tertiary institutions is high. Learners from rural areas are less likely to have access to tertiary institutions than their urban counterparts due to costs and availability of such services in rural provinces. The analysis also noted that variations in the net enrolment was mainly attributed to geographical location, where for urban areas it was 56 percent and for rural settings it was 29 percent.

#### **j) Access to Financial Services**

The proportion of the rural population accessing financial services stood at 50.2 percent in 2015 with a 2021 end target of 70 percent, while access to financing in urban settings stood at 70.3 percent against a set target of 90 percent.

At mid-term there were no comparative statistics to determine progress. However, available statistics from the 2018 ZDHS on households using mobile phones to access financial services suggest an increase in access to financial services. The 2018 ZDHS survey noted that 67.7 percent of urban and 36.6 of rural households were using mobile phones to access financial services. Furthermore, the ZDHS indicated that 10% of women and 18.4% of males had access to bank accounts. The statistics suggest a general improvement in access to financial services. However, the 2019 Annual Report for Pillar 3 indicated the need for a survey to determine the proportion of people with access to general finance in both rural and urban settings.





### k) Access to Titled Land

The proportion of men with access to titled land stood at 58 percent at baseline against a 7NDP target of 50 percent, while the proportion of women with titled land slightly increased from 30 percent in 2016 (baseline) to 32 percent in 2019 against a 7NDP target of 50 percent.

The performance of women's access to titled land at mid-term was not on track. However, despite the relative under-performance of

women's access to titled land under the review period, some programmes aimed at increasing women's access were implemented. A total of 776 hectares of non-titled land had been allocated to women's cooperatives by traditional leaders in 17 chiefdoms that were empowered with mechanised agricultural equipment by the Government.

Table 28 shows the proportion of women in decision-making positions. It can be deduced that the majority of decision-making positions are held by males.

**Table 28: Proportion of Women in Decision-Making Positions**

Indicator	Baseline (2016)	Set Target (2021)	Status at mid-term	Indicator Rating
Cabinet seats	34.4 [2016]	50	34.4	▲
Members of Parliament	18.7 [2016]	50	19	▲
Mayors and Chairpersons	-	8.7	8.6	▲
Councillors	10.00 [2016]	10	37.9	●
Public sector participation by women (Permanent Secretaries, Directors and Heads of Department)	-	50	26.2	▲

Source: MNDP, Consolidated Quarterly Progress Report for the 7NDP, Third Quarter, 2019

KEY	●	On Track
	■	Partially on Track
	▲	Off Track

### l) Proportion of Seats Held by Women in Cabinet

The proportion of seats held by women in the Cabinet remained static at 34.4 percent at mid-term against a 2021 target of 50 percent. The country is thus off track towards achieving the 7NDP set target.

### m) Proportion of Seats Held by Women in Parliament

The proportion of women parliamentarians increased from a baseline of 18.7 percent in 2016 to 19 percent at mid-term. This was, however, far below the 7NDP target of 50 percent. From the launch of the 7NDP, the next elections were scheduled for 2021 where a significant change

could happen. The slight increase in the proportion of women parliamentarians was a result of by-elections that occurred between the baseline year and the mid-term of the plan period.

### n) Proportion of Local Government Seats Held by Women

The proportion of female representation in local government rose from 10 percent in 2016 to 38 percent at mid-term against a set target of 50 percent. The analysis was not able to establish the facilitating factors for the positive results at mid-term. However, the country is partially on track to meeting the 2021 7NDP 50/50 target.

**o) Public Sector Participation by Women**

Performance on participation of women in the public service at the levels of Permanent Secretary, Director and Head of Department, is generally off track having achieved only 26.2 percent at mid-term against the target of 50 percent at the end of the Plan period. At mid-term, female Permanent Secretaries constituted only 27.6 percent (16 out of 58), while there were only 23.7 percent female Ambassadors and High Commissioners. At mid-term, the country had 104 female Directors out of 344 Directors in the civil service, representing 30 percent. As such the country is unlikely to meet the 7NDP target of gender parity in decision-making positions in the public sector unless the Government takes deliberate steps to bridge the gap.

**p) Proportion of Seats Held by Youths in Parliament**

The proportion of parliamentary seats held by youths has remained static at 2.4 percent since the launch of the 7NDP against the 2021 target of 10 percent. As such, the country is unlikely to meet the 7NDP target.

**q) Formalisation and Upgrading of Informal Settlements**

The following are the outcome indicators relating to settlements:

- i) The proportion of households living in rural area planned settlements stood at 64 percent at baseline with a 7NDP target of 70 percent while that of urban areas was 36 percent at baseline with a target of 40 percent.
- ii) The percentage of informal settlements in urban areas stood at 1 percent at baseline with a 7NDP target of 2 percent. The proportion of informal settlements upgraded was 1 percent at baseline with a 7NDP target of 2 percent, while the proportion of renewed informal

settlements was 0 percent at baseline with a 7NDP target of 1 percent.

At mid-term, no data were available to determine the performance of the outcome indicators on planned settlements for both rural and urban areas. Equally, there were no data to assess performance of the outcome indicators on informal settlements. Efforts to upgrade 2 informal settlements were under way, but these were not realised at mid-term as no informal settlements were upgraded though some works towards upgrading one of them had started.

**r) Ratio of Deficit in Housing Stock**

The following are the outcome indicators for the ratio of deficit in housing stock for low, medium, and high density areas:

- i) The ratio of deficit in low density housing stock stood at 133,200 units with a 7NDP target of 79,920.
- ii) The ratio of deficit in medium density housing stock stood at 66,600 with a 2021 target of 19,980.
- iii) The ratio of deficit in high density housing stock stood at 22,200 at baseline with a 7NDP 2021 target of 2,220.

At mid-term, no statistics were available to inform performance of this indicator by category of residential area. However, the 2019 7NDP Annual Progress Report assessment of housing contraction used different sets of indicators. While the 7NDP outcome indicators used terms such as low density, medium density and high-density housing units, the 2019 Pillar 3 Annual Progress Report instead used terms such as low and medium cost houses. The 7NDP planned number of high density housing units to be constructed over the Plan period was 20,000 across the country.



By mid-term the country was expected to have constructed at least 10,000 high density housing units. The 2019 Pillar 3 Annual Progress Report indicated that only 340 low cost houses were constructed thus rendering the outcome indicator off track. The 7NDP planned to construct 46,020 medium density housing units over the Plan period with a minimum of 23,010 housing units expected at mid-term. At mid-term only about 150 medium cost houses had been constructed. The country was therefore, far from meeting the 7NDP targets. The number of housing units constructed by mid-term falls short of the 7NDP targets, making the country unlikely to meet the 7NDP targets. It should also be noted that the 2019 Annual Progress Report did not link the performance of outputs on construction of houses to the 7NDP outcome indicators for reducing housing deficits across the three categories of housing.

The following is the list of outcome indicators for which performance data at mid-term were not available.

- a) Area under irrigation;
- b) Percentage of households within 5 km of an agro-input market;
- c) Tertiary education net attendance ratio;
- d) Average monthly income (Zambia Kwacha) earned by households by rural stratum;
- e) Average monthly income (Zambia Kwacha) earned by households by urban stratum;
- f) Ratio of deficit housing stock;
- g) Percentage of households in planned settlements;
- h) Number of formal settlements;
- i) Access to titled land for men;
- j) Gender gap index.

However, some of the outcome indicators without data were analysed using available information and relevant proxy indicators.

### **6.3.2 Overall Performance of the Reducing Developmental Inequalities Pillar**

From the analysis done using the available outcome indicators, it could be deduced that overall performance of the Pillar was partially on track. Outcome indicators that performed well included early childhood education, primary school attendance ratio, primary school net attendance rates, primary school completion rates, participation of women in local government, and access to urban electricity. Outcome indicators that did not perform well included access to electricity for rural households, primary school net attendance rates, secondary net enrolment rates, female participation in politics at cabinet and parliament level, participation of females in the public sector and youth participation in the Parliament.

#### **a) Sustainable Development Goals**

Against the above analysis, the country is more likely to contribute to SDGs where the outcome indicators have performed well. The Pillar contributes to SDG Goal # 10 on reducing inequality within and among countries. Areas where more effort is required to contribute to reducing inequalities are learner participation in secondary education, female participation in politics and decision-making (Cabinet and Parliament), and female participation in the public sector.

#### **b) African Union Agenda 2063**

Performance of the outcome indicators at mid-term showed limited contribution to the African Union Agenda 2063 Aspiration 6 advocating for development that is people-driven and relies on the potential of African people, especially women, the youth and caring for children.

### **6.3.3 Recommendations**

To reduce development inequalities in the country, the Government should consider implementing the following recommendations:

- a) The off-grid rural electrification target of 8 percent is too ambitious; the Government should consider re-visiting the targets, with respect to population density to make it practical. Population density is higher in urban and peri-urban areas than in rural areas.
- b) Given the apparent low performance in the participation of women in decision-making, there is need for the Government to consider innovative and deliberate efforts to improve this important aspect of gender equality.
- c) There is need to facilitate synergies on development programmes such as infrastructure development to enhance the secondary school net enrolment rate, provision of ICT learning equipment and access to rural finance.
- d) The Government should consider allocating resources based on formulas which favour the most deprived regions so as to reduce regional developmental inequalities.
- e) There is need to institutionalise and regularly conduct statistical surveys and censuses timely to enhance data availability and quality.

## 6.4 Pillar 4: Enhancing Human Development

### Overview of Enhancing Human Development at the Inception of the 7NDP

Human development encompasses longevity as denoted by life expectancy at birth; knowledge or education measured by mean years of schooling among the adult population and expected years of schooling for children of school-entry age; and standard of living measured by gross national income per capita. Human development is measured by an index called the Human Development index where zero (0) denotes

complete lack of human development while one (1) denotes a complete mark of perfect human development. At the inception of the 7NDP, Zambia's HDI was 0.58 (2016). The sectors enhancing human development are health, education, water, and sanitation. This section is arranged according to three result areas and an individual assessment of each is done with key recommendations as well as performance rating. It should be noted that the assessment of Human Development Pillar will mainly be pitched at the outcome level. The discussion will assess the degree to which planned outcome results for health, education, water, and sanitation are likely to be accomplished by 2021.

### 6.4.1 Improved Health and Health-Related Services

#### Outcome 1: Improved Health and Health-Related Services

##### 6.4.1.1 Background Context

At the launch of the 7NDP, health-related challenges included high doctor and nurse to population ratios, and high maternal mortality ratio and infant mortality rate at 398/100,000 and 45/1,000, respectively. Additionally, the proportion of the population covered by health insurance was very low at 3.9 percent.

The 7NDP planned to accomplish the outcome on Improved Health and Health-Related Services through the following strategies:

- a) Strengthen public health programmes;
- b) Expand capacity to increase access to quality health;
- c) Enhance food security and nutrition;



- d) Promote private sector participation in health care delivery;
- e) Accelerate human resource outputs, recruitment and retention.

#### 6.4.1.2 Performance of Outcome Indicators at Mid-Term

The performance of outcome indicators for Improved Health and Health-Related Services at mid-term is as outlined in Table 29 below:

**Table 29: Performance of Health-Related Services Outcome Indicators**

Relevant Outcome Indicators	Baseline percent/ No.	Baseline year	Target 2021	Status (2019)	Indicator Rating
1. Doctor/population ratio	1:10886	2016	1:5900	1:7908	■
2. Nurse/population ratio	1:1366	2016	1:995	1:743	●
3. Percentage of facilities with no stock-outs of tracer drugs and vaccines	97.3	2016	100	100	●
4. Proportion of persons living with HIV on ART (%)	70.6	2016	83	93	●
5. Proportion of children living with HIV accessing ART (%)	74	2016	83	89	●
6. Percentage of HIV-infected pregnant women on ART	89	2016	100	96	●
7. Maternal mortality ratio per 100,000 live births	398/100,000	2014	100/100 000	278/100 000	■
8. Infant mortality per 1,000 live births	45/1,000	2016	15/1000	42/1000	▲
9. Prevalence rate of HIV (15-49)	11.6	2016	5	11:1	▲
10. Proportion of eligible population covered by health insurance* (At the time of formulating the Plan, eligible meant the entire population; however, when the National Health Insurance Scheme was implemented, eligible meant only those who qualified to be on the scheme.)	3.9	2014	100	12	▲
<b>Prevalence rate of under-five children who are:</b>					
Stunted	40.1	2014	14	35	▲
Underweight	14.8	2014	9	12	■
Wasted	6	2014	4	4	●
<b>Proportion of the population living within 5 km of a health facility</b>					
a) Urban	97.6	2015	100	-	N/A
b) Rural	57.5	2015	70	-	N/A
<b>Overall Outcome Rating: Partially on Track</b>					■

KEY		
	●	On Track
	■	Partially on Track
	▲	Off Track

As indicated in Table 29, the performance of outcome indicators on Improved Health and Health-Related services is as outlined below.

**a) Doctor to Population Ratio**

The desirable WHO doctor/population ratio is 1:1,000. The planned 2021 doctor to population ratio was 1:5,900 from a baseline of 1:10,886. At mid-term the ratio was 1:7,326, therefore, the country is partially on track to reach this target. The country still experiences shortages of qualified doctors. Furthermore, institutions training doctors remain few including the University of Zambia, Copperbelt University, Mulungushi University and the recently opened Levy Mwanawasa Medical University. In addition, there are a few private universities such as Texila American University, Lusaka Apex University, Cavendish University and the University of Lusaka contributing to bridging the gap in the generation of doctors. However, the current pace of production of doctors is inadequate to meet the gap for doctor/patient ratios.

**b) Nurse to Population Ratio**

The nurse/population ratio at baseline was 1:1,366 against a 2021 target of 1:995. At mid-term, the ratio was 1:907. The country is more likely to attain the 2021 target. The Government with the support of CPs contributed to significant recruitment of health care personnel to enhance health care service delivery. The 2018 7NDP Annual Progress Report noted that to complement government efforts, a total of 1,232 personnel were recruited in 2017 and 2018 with the support of CPs. A total of 269 community health assistants were supported, in addition to recruitment of 182 clinical officers, 196 nurses and 170 community health assistants.

**c) Health Facilities with No Stock-Out of Drugs and Vaccines**

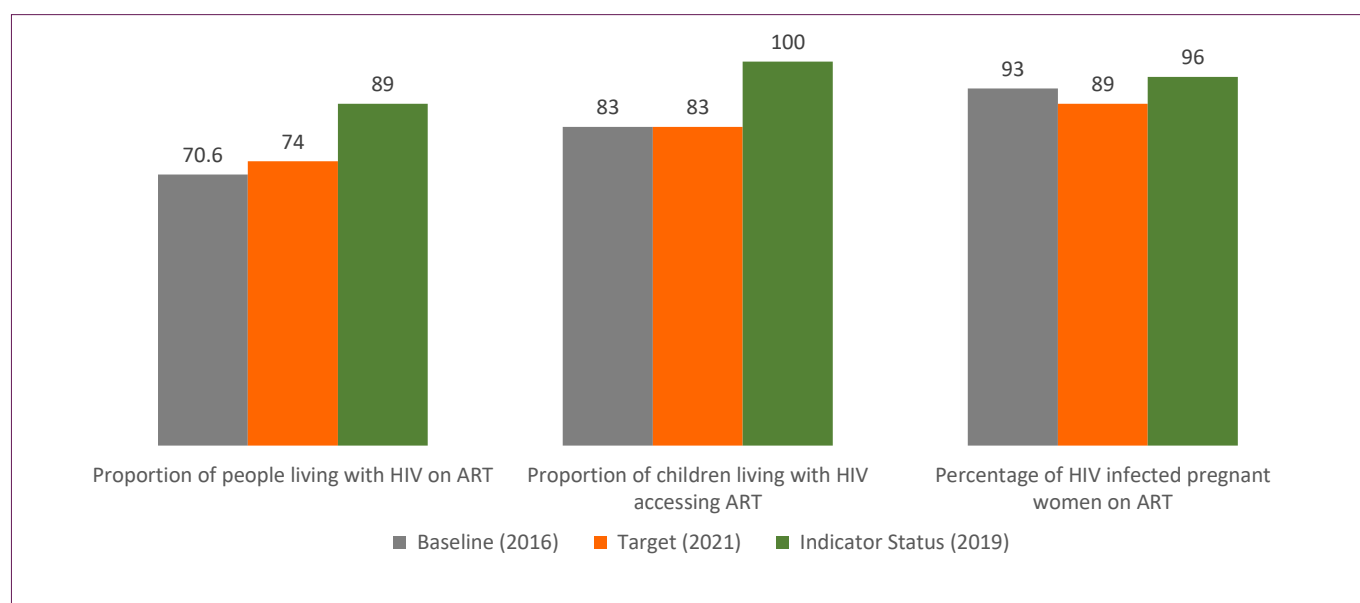
The percentage of facilities with no stock-out of tracer drugs and vaccines increased from 97.3 percent (2016 baseline) to 100 percent at mid-term against a set target of 100 percent in 2021. The country is on track and managed to achieve the end target at mid-term.

**d) Access to Anti-Retroviral Therapy**

All outcome indicators on access to anti-retroviral therapy (ART) are on track and in some cases surpassing the set targets. The 7NDP 2018 Annual Progress Report indicated that 76 percent of people living with HIV (PLHIV) were put on treatment against the target of 76 percent in 2018. This was a positive performance which significantly contributed to the attainment of set targets at mid-term. A substantial proportion of PLHIV enrolled on ART. These achievements were attributed to the Government's policy on Universal HIV Routine Testing and Treatment. Key programmes namely: (i) reducing HIV incidence; (ii) promotion of the well-being of PLHIV; and (iii) social behaviour change communication contributed to positive results on access to ART. Under these programmes the target was to increase access to treatment by 72 percent for children. The ART target has surpassed the planned 2021 target of 83 percent by 10 percent. This implies that the country has to maintain the momentum in order not to slide back. The ART target for children reached 89 percent at mid-term against an end target of 83 percent.; the country has surpassed the end target at mid-term. The ART target for pregnant women reached 96 percent at mid-term against the 2021 target of 100 percent. Therefore, the country has met its planned ART target (see Figure 37).



**Figure 37: Proportion of Persons with Access to ART**



Source: MNDP, Pillar 4: Enhancing Human Development, Annual Progress Report, 2019

Figure 37 presents the proportion of people including children and pregnant women who have access to ART. There was noted improvement on access to treatment for PLHIV. All of the indicators were on track towards the attainment of set targets in 2021. Stakeholders concurred that among the facilitating factors to the positive performance on access to ART and HIV-related services was the role played by CPs in supporting the health sector. The same outcome indicator is shared under Pillar 2 on Poverty and Vulnerability Reduction which has an outcome on HIV/AIDS.

#### e) Maternal Mortality Ratio

The maternal mortality ratio (MMR) had reduced from 398/100,000 live births in 2014 to 278/100,000 live births (2018 ZDHS) against a 2021 target of 100/100,000. By 2021 the country is expected to have attained 100/100,000 MMR; the gap is relatively wide to be achieved within the remaining two years. Some of the facilitating factors to this reduction included an increase in supervised deliveries. As much as 78.2 percent of deliveries took place in public health facilities under the

supervision of a qualified health professional against a target of 68 percent in 2018. According to the MTR for the GRZ-UN Partnership Framework, 2016-2021, the programme revised the regular maternal death surveillance and strengthened the response system to prevent maternal mortality at all levels. It also strengthened maternal death notification systems and provinces are now able to receive notifications on a weekly basis. To strengthen the mentorship programme through Emergency Obstetric and New Born Care (EmONC), the Ministry of Health developed EmONC tools to improve the quality of services. Despite the improvement in maternal mortality, more needs to be done as maternal deaths still continue to be high.

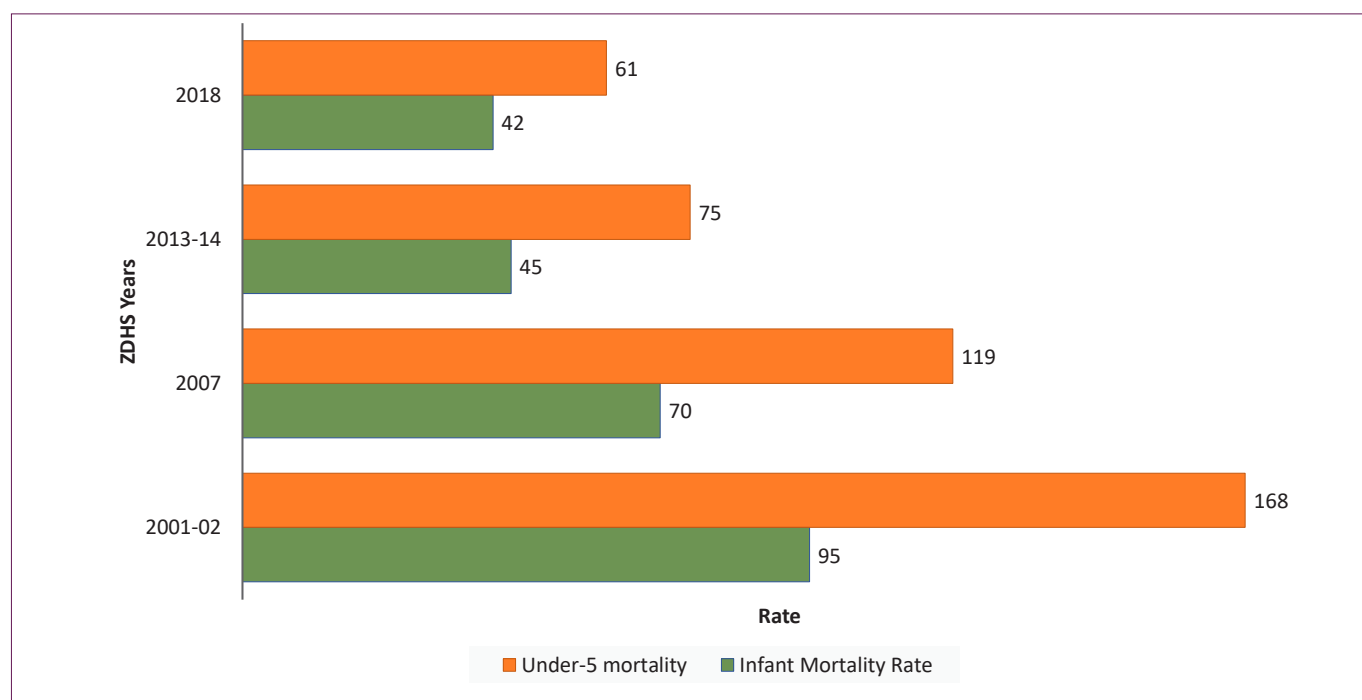
#### f) Infant Mortality Rate

The infant mortality rate only decreased from 45 per 1,000 live births in 2014 (ZDHS) to 42 per 1,000 live births at mid-term making it impossible for the country to meet its 2021 target of 15/1,000. Zambia is experiencing slow progress in addressing infant mortality. Births attended to by skilled personnel

remain relatively low because only about six in 10 deliveries are taking place in health facilities. The proportion of women visiting a health professional at least once for antenatal care (ANC) in the last five years (ZDHS period) has not changed from 97 percent in the previous ZDHS compared to 96 percent in 2018. Across provinces 70 percent of women in North-Western had four or more ANC visits compared to 59 percent of women residing

in Lusaka and Western Provinces. The likelihood of having four or more ANC visits increased with the mother's level of education. Furthermore, women with no education and those living in Luapula and Muchinga Provinces are less likely to report receiving ANC from a skilled provider (2018 ZDHS). Figure 38 shows the trends in infant and under-five mortality rates.

**Figure 38: Trends in Child Mortality, 2001-2018**



As shown in Figure 38, the trends in child mortality indicate that under-five mortality remains very high as compared to infant mortality for four consecutive ZDHS (2001 to 2018). Despite the significant decrease, child mortality remains a development issue requiring urgent attention. The underlying causes of high infant mortality rate

in Zambia are prematurity, sepsis, and asphyxia. Neonatal mortality in Zambia is higher than post-neonatal mortality and accounts for 64 percent of infant mortality rate. The neonatal mortality increased from 24/1,000 in 2014 to 27/1,000 livebirths in 2018 while the post-neonatal mortality reduced from 20/1,000 in 2014 to 14/1,000 in 2018.





### **g) Proportion of Eligible Population Covered by Health Insurance**

The proportion of the eligible people covered by health insurance slightly increased from 3.9 percent in 2014 to 12 percent at mid-term against a 2021 target of 100 percent. The statistics fall short of the 7NDP 2021 target. The Government had planned to increase government health expenditure as well as reducing out of pocket payment to 10.6 percent, which was likely to increase health insurance to 50 percent, but this was not met. Government expenditure only accounted for 38 percent and out of pocket payment increased to 12 percent. The country enacted a National Health Insurance Act in 2018 and regulations to operationalise the scheme were subsequently issued in 2019 to provide medical cover as an additional social security contingency. Despite not meeting the 2019 target the developments in the implementation of the health insurance are positive and are likely to yield positive results if systems are put in place to fully implement the Health Insurance Act.

### **h) Stunting, Underweight and Wasting**

The prevalence rate of under-five children who are stunted, underweight and wasted decreased slightly across the board:

#### ***i. Stunting***

Stunting for children under five years old slightly reduced from 40.1 percent in 2014 to 35 in 2019 against the 2021 target of 14 percent. As such, the country is unlikely to meet its 2021 stunting target. Children residing in urban areas (32 percent) are less likely to be stunted than those living in rural areas (36 percent). The 2018 ZDHS notes that the prevalence of stunting decreases with increasing education of the mother.

#### ***ii. Underweight***

The expected reduction for underweight is 0.8 percent per year. In 2019, Zambia should have been at 10.7 percent. The country is short of 2 percent at mid-term; however, at this pace, it is likely to meet the 9 percent target in the remaining two-year period. Furthermore, the analysis noted that the proportion of underweight varies by sex with 14 percent of boys and 10 percent of girls being underweight. However, relative to stunting the percentage of children who are underweight is low. Underweight prevalence ranges from 11 percent to less than 1 percent.

#### ***iii. Wasting***

The prevalence rate of under-five children who are wasted decreased from 6 percent in 2014 to 4 percent in 2019 against the 2021 target of 4 percent. As such, the country has achieved its 2021 target at mid-term.

### **i) Health Infrastructure**

At mid-term the Government made significant improvements in the development of health infrastructure. The Government embarked on a major programme to improve health infrastructure, targeting the construction of health facilities. At the national level 600 health posts/health centres were targeted for the 7NDP period. The construction of Chipata, Mpika and Mansa provincial medical hubs and expansion of Medical Stores Limited have been completed and are now operational. The target at mid-term was to construct 23 first level hospitals and 18 were completed by end of 2019. The other hospitals were not completed due to limited resources. Consultations at sub-national level reinforced the progress made in health infrastructure development. On the same subject, stakeholders from sub-national level had this to say:

**“In Pemba we also had a fair share of the health centres, the district had a target of six of which five are complete and 1 is remaining. The Moyo level 1 hospital was completed in February 2018.”** Respondent from Pemba District 7NDP MTR stakeholder consultative meeting.

**“In the Eastern Province we targeted infrastructure development. We planned for 57 pre-fabricated health posts to de-congest hospitals and also to reduce distances that patients walk to reach health facilities.”** Stakeholder Representative in Chipata Province.

Despite the progress made on health infrastructure, the analysis of the MTR noted that a significant proportion of health infrastructure had not been completed mainly due to financial constraints, and government policy not to fund projects that were below 80 percent complete. Efforts to complete the outstanding health infrastructure will go a long way in triggering positive performance on other health indicators.

#### **6.4.1.3 Overall Performance**

Overall, the analysis of the performance of the health outcome performance indicators showed that the country was partially on track to reach its set outcome of Improved Health and Health-Related Services. Areas where the sector has performed well include access to ART across sub-population groups; facilities with no stock-out of tracer drugs and vaccines; nurse to population ratio; and decrease in underweight and wasted children. On the other hand, outcome indicators that have not performed as planned include infant mortality rate; maternal mortality rate; doctor to population ratio; and access to health insurance.

More research is required to determine the role of the private sector in contributing to the delivery of health sector services.

#### **6.4.1.4 Recommendations**

##### **a) *Maternal mortality ratio***

Against the global target for countries to reach at least 70/100,000 live births by 2030, and the 2021 7NDP target of 100/100,000, the Government has a long way to meeting both targets. It is strongly recommended that the Government mounts an innovative programme which can address the high rate of maternal mortality (278/100,000).

##### **b) *Infant mortality rate***

Every child has a right to life. The outcome indicator on infant mortality was on track. It is strongly recommended that the Government should maintain and scale-up programmes for addressing infant mortality in order not to slide back.

##### **c) *Incomplete infrastructure projects***

While performance on planned health infrastructure projects is on track, analysis of the MTR feedback notes a significant proportion of health infrastructure that are incomplete. Against this backdrop, it is strongly recommended that the Government finds options and strategies for completing and operationalising incomplete health infrastructure by 2021.

##### **d) *Insurance coverage***

The Government should endeavour to institute mechanisms to increase enrolment of the informal sector so as to achieve the 2021 target of 100 percent.



## 6.4.2 Improved Education and Skills Development

### Outcome 2: Improved Education and Skills Development

#### 6.4.2.1 Background Context

Broadly, the education sector comprises early childhood, primary, secondary and tertiary education. Improvements in human development indicators are an important measure of economic development. The major challenges in the sector are access to and relevance of education to the development process. Five strategies identified to address the development outcome of Improved Education and Skills Development were:

a) Enhance access to quality, equitable, and inclusive education;

- b) Enhance access to skills training;
- c) Enhance private sector participation;
- d) Continuous review and roll out of the curriculum;
- e) Enhance role of science, technology and innovation.

#### 6.4.2.2 Performance of Outcome Indicators for Improved Education and Skills Development at Mid-Term

The performance of outcome indicators at mid-term for Improved Education and Skills Development for primary and secondary levels is highlighted in Table 30.

**Table 30: Performance of Outcome Indicators for Improved Education and Skills Development: Primary and Secondary Education**

Outcome Indicators	Baseline	Year of Baseline	Target	Indicator Status (2019)	Indicator Rating
<b>Participation rates in early childhood education (%)</b>	24.0	2016	50.0	29.4	■
a) Male	31.0	2016	50.0	48.9	●
b) Female	29.8	2016	50.0	51.1	●
<b>Pupil: Teacher Ratio</b>					
Grades 1-7	43.3:1	2016	40:1	61.9:1	▲
Grades 5-7	48.9:1	2016	40:1	62.6:1	▲
Grades 8-9	23.9:1	2016	40:1	24.4:1	●
Grades 10-12	34.9:1	2016	35:1	36.9:1	■
<b>Percentage of children in lower primary achieving minimum proficiency in:</b>					
a) Reading	47.8	2016	60	12.5	▲
b) Mathematics	36.7	2016	60	13	▲
<b>Primary school net enrolment rates:</b>					
a) Total	90	2016	100	83.6	▲
b) Female	89	2016	100	85.8	▲
c) Male	90	2016	100	81.4	▲
<b>Secondary school net enrolment rates:</b>					
a) Total	40	2016	60	20.2	▲
b) Female	25.7	2016	60	19.0	▲
c) Male	30.5	2016	60	21.4	▲

Outcome Indicators	Baseline	Year of Baseline	Target	Indicator Status (2019)	Indicator Rating
<b>School transition rates (%):</b>					
a) Primary (7 to 8)	90.1	2016	100.0	69.1	▲
Male	88.4	2016	100.0	68.2	▲
Female	91.8	2016	100.0	70.6	▲
b) Secondary (9 to 10)	46.2	2016	75.0	50	■
Male	47.4	2016	75.0	57	▲
Female	44.8	2016	75.0	49.2	▲
Completion Rate – Grade 12:	36.0	2016	85.0	36.0	▲
a) Male	39.7	2016	85.0	40.4	▲
b) Female	32.2	2016	85.0	31.6	▲
Proportion of schools implementing Comprehensive Sexuality Education (%)	15.0	2015	100.0	100	●
Literacy rate (15 years and older):	67.5	2014	75	80	●
a) Male	83	2014	86	81	■
b) Female	68	2014	75	79	●
<b>Percentage of schools with access to:</b>					
a) Electricity	28	2016	35	100	●
b) Internet	6.3	2016	15	85.3	●
c) Basic hand washing facilities (as per the water, sanitation and hygiene (WASH) indicator definitions)	20	2016	40	83.3	●
Overall Rating for Primary and Secondary: Off Track					▲

KEY		
●	On Track	
■	Partially on Track	
▲	Off Track	



The performance of outcome indicators at mid-term for the Improved Education and Skills Development outcome for tertiary education is highlighted in Table 31.

**Table 31: Performance of Outcome Indicators for Tertiary Education**

Outcome Indicators	Baseline	Year of Baseline	Target	Indicator Status (2019)	Indicator Rating
School attendance rate for the tertiary education age group (19-22 years old)	29.4	2015	40	18	▲
Proportion of learners in TEVET institutions graduating in Science, Technology, Engineering and Mathematics (STEM)	20	2016	35	19	▲
Proportion of learners in universities graduating in Science, Technology, Engineering and Mathematics (STEM)	23	2016	40	30	■
<b>Enrolment by sex:</b>					
<b>a) TEVET (annual enrolment)</b>	20,367	2016	52,000	54,894	●
- Male	11,551	2016	28,000	29,717	●
- Female	8,816	2016	24,000	25,177	●
<b>b) University *</b>	75,520	2016	120,000	99,222	■
Number of innovation products developed	4	2016	12	4	▲
TEVET pass rate at completion	83	2016	90	93	●
Outcome Rating for Tertiary education: On Track					●
<b>Overall Outcome Rating for Education and Skills Development: Partially On Track</b>					■

KEY	●	On Track
	■	Partially on Track
	▲	Off Track

#### 6.4.2.3 Performance of Outcome Indicators for Early Childhood Education

##### Participation Rates in Early Childhood Education

The participation rates in Early Childhood Education (ECE) increased slightly from 24 percent in 2016 to 29.4 percent in 2019 against a 2021 target of 50 percent. The country is unlikely to meet the set 2021 target. The main challenge for increased access is limited infrastructure including play grounds and classrooms. There are a limited number of classrooms for ECE. In 2018, the target was to construct 240 classrooms. However, this was not accomplished. Feedback from stakeholder consultations at sector level

noted a situation where some Grade 1 classes were transformed to ECE classes. This created another challenge because of not having the right sizes of chairs for ECE children. This area is also affected by the limited number of qualified teachers for ECE. However, at mid-term the Government had recruited 427 ECE teachers. Despite these challenges, at mid-term, the results show positive development in the proportion of both girls and boys accessing ECE. As at 2019, the participation rates of males in ECE increased from 31 percent in 2016 to 48.9 percent in 2019 against the 2021 target of 50 percent. Equally participation rates for females increased from 29.8 percent in 2016 to 51.1 percent, surpassing the 2021 target of 50

percent. Stakeholder consultations at provincial level also noted that ECE centres were constructed with support from CPs to support the government policy on enhancing ECE.

#### **6.4.2.4 Performance of Outcome Indicators for Primary Education**

Performance of the primary education sub-sector in areas of (i) pupil to teacher ratio; ii) net enrolment; and iii) transition rates has not improved and is unlikely to meet the 2021 targets.

##### **a) Pupil to Teacher Ratio**

All the outcome indicators on primary education are off track. For Grades 1-7, the pupil to teacher ratio (PTR) deteriorated from 43:1 in 2016 to 61.9:1 in 2019 against a set target of 40:1 in 2021. Equally, the ratio for Grades 5-7 did not improve either, with the ratio increasing from 49.1 in 2016 to 62.9:1 in 2019. Studies have shown that pupils in under-staffed schools do not have the same opportunities as those in well-staffed schools. Consequently, some highly talented children in under-staffed schools may never develop to their full potential. A review of secondary data indicated views that the 2015 Ministry of General Education Standards and Evaluation Guidelines of having a PTR not greater than 40 might have been too

ambitious given current staffing levels. To achieve this target, there is need for approximately an additional 12,500 teachers. In Zambia, 73 percent of public primary schools lack teachers to achieve a PTR of 40:1. The International Growth Centre and Innovations for Poverty Action study of 2018 also noted inconsistencies in human resource management, especially in the general education sub-sector, exacerbating inequalities when it comes to deployment and transfer of teachers. Schools in need of teachers, especially in rural areas, are shunned by the newly recruited teachers leading to over-placement of teachers in relatively urban locations. This perpetuates a high PTR, especially in rural schools.

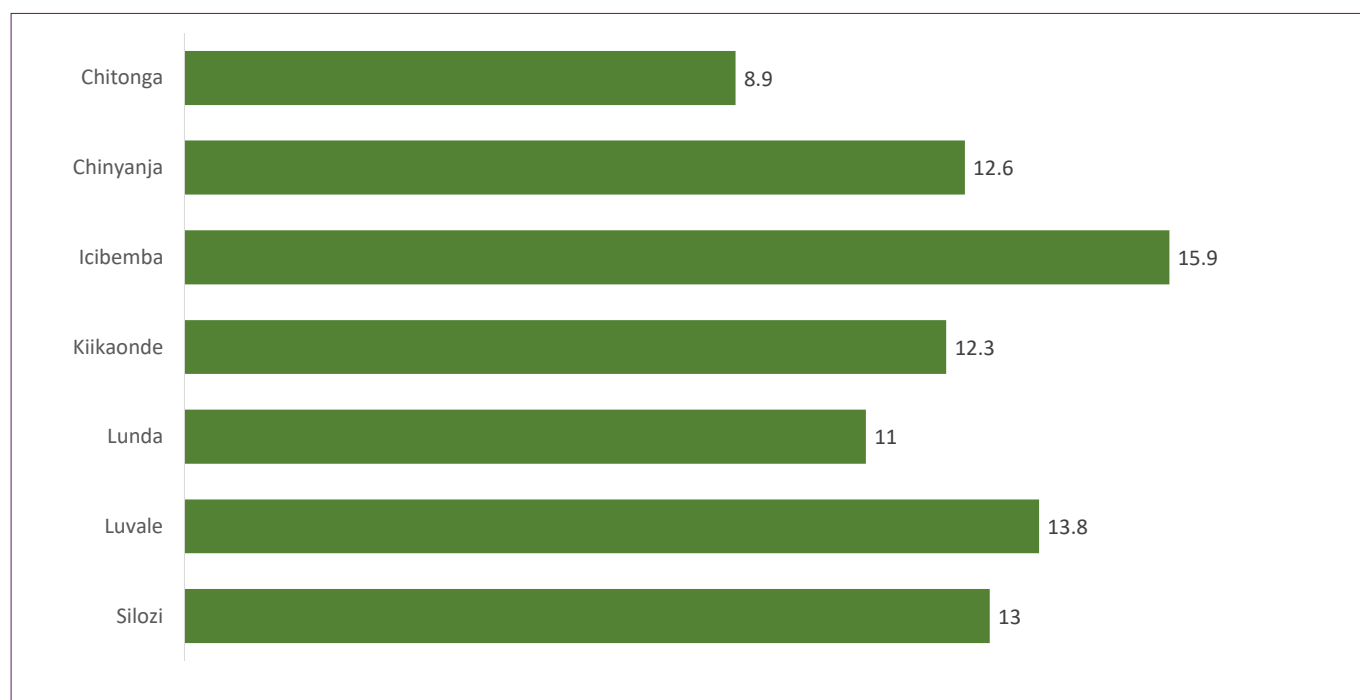
##### **b) Percentage of Children in Lower Primary Achieving Minimum Proficiency in Reading and Mathematics**

###### *i) Reading*

The proportion of children achieving minimum proficiency in reading decreased from 47.8 percent in 2016 (baseline) to 12.5 percent at mid-term against a 7NDP end target of 60 percent. The country is off track towards attaining the end target. The proportions of children with minimum proficiency in reading for local languages are shown in Figure 39.



**Figure 39: Proportion of Children Achieving Minimum Proficiency in Reading across Local Languages**



Source: MNDP, Cluster 4 2019 Annual Report

**ii) Mathematics**

The proportion of children achieving a minimum proficiency in mathematics reduced from 36.7 percent in 2016 to 13 percent at mid-term against a set target of 60 percent. The country is off track towards meeting the set 7NDP end-target by 2021.

**c) Primary School Net Enrolment Rate**

The performance rates of net enrolment for primary school at mid-term are depicted in Figure 40. Analysis of the primary school net enrolment rates across categories (total, male, female) all show a decreasing trend, signalling the potential for failure to meet the 2021 set targets. However, analysis could not establish the reasons for low net enrolment rates in primary education. Possible reasons could be poverty, especially for rural communities.

**Figure 40: Primary Net Enrolment Rates Disaggregated by Gender**

Source: Ministry of General Education Administrative Data.

#### d) Transition Rates

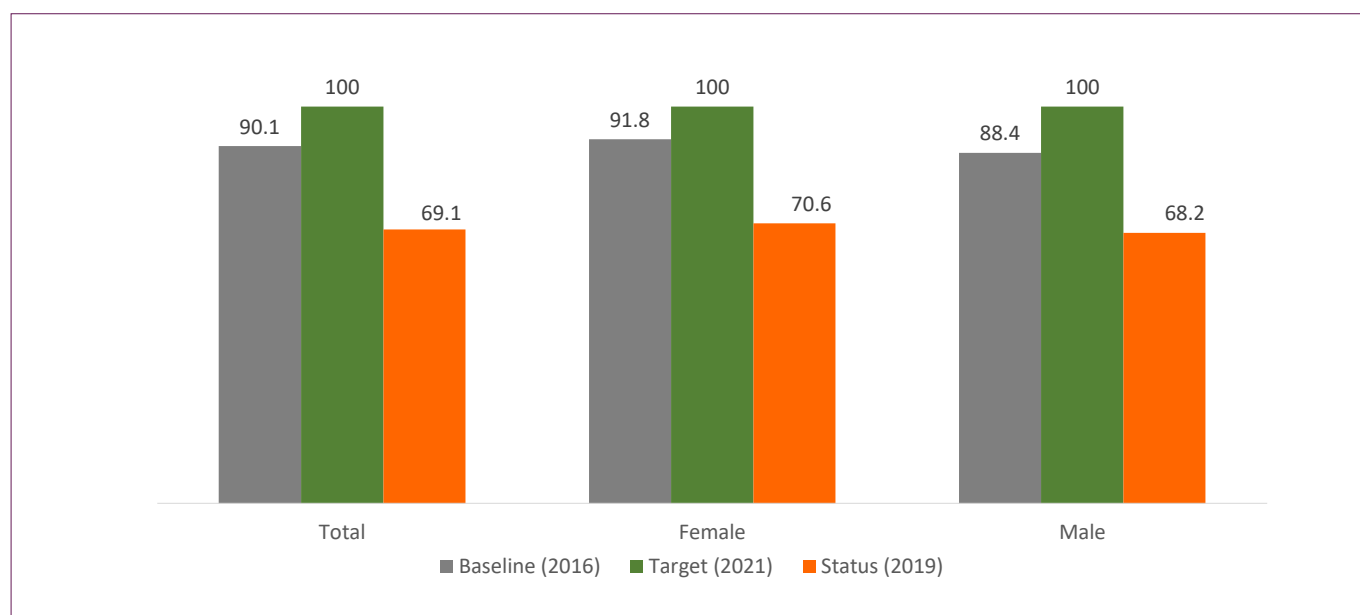
Primary school transition rates are depicted in Figure 41. Analysis of trends in the primary transition rate (Grades 7 to 8) indicates a decrease of nearly equal proportions for both male and female pupils (20.2 percent for males and 21.2 percent for females). The drop in transition rates continued to remain high mainly due to lack of places to accommodate learners. Other barriers

include school fees introduced in Grade 8 which are out of reach for the majority of poor families, especially in rural areas. Long distances also militate against transitions from lower primary to lower secondary education. The decreasing trend in transition rates is likely to contribute to failure to meet set targets of 100 percent transition rates in primary schools.





**Figure 41: Primary School Transition Rates Disaggregated by Sex**



Source: Ministry of General Education Administrative Data.

#### 6.4.2.5 Performance of Outcome Indicators for Secondary Education

##### a) Transition Rates

The secondary school transition rates for Grades 9 to 10 increased from 46.2 percent in 2016 to 50 percent in 2019 against a target of 75 percent in 2021. The outcome indicator is partially on track and if effective interventions are put in place, the country could attain the 2021 targets. The transition rates increased for both male and female pupils. For males, the transition rates increased from 47 percent in 2016 to 57 percent while those for females increased from 44.8 percent to 49 percent against the 2021 target of 75 percent.

To enhance performance in secondary enrolment, the Government in collaboration with CPs, is implementing various programmes to enhance secondary education outcomes especially among rural communities. One such programme is the Zambia Education Enhancement Project (ZEEP), focused at increasing access to secondary education. Once completed, the project will

benefit approximately 22,000 pupils. Under ZEEP, the process of constructing 82 secondary schools is under way. The Government plans to construct 115 secondary schools, inclusive of the ZEEP schools. Another project to enhance access to secondary education is being implemented under the component of Keeping Girls in School under the Girls' Education, Women Empowerment and Livelihoods project. In 2018, a total of 4,298 (refer to page 113) girls were financially supported to pursue their secondary education. Efforts are made to provide financial and material support to learners (adolescent girls) to help them stay in school.

Consultations at sub-national level confirmed the above findings and noted significant progress made towards increasing access to secondary education.

**“There are efforts by the Government and the World Bank where necessities (financial and material support) are provided to pupils (adolescent girls) making sure that children go to school. About 300 have been supported in Lusaka Province”.** Stakeholder Consultations, Lusaka Province.

**“Under education, we have a number of projects that are under way. There has been the construction of one secondary school at Makomba which is being supported by the World Bank”.** Pemba District.

#### **b) Pupil to Teacher Ratio (PTR)**

The pupil to teacher ratio (PTR) for Grades 8 to 9 slightly increased from 23.9:1 in 2016 to 24.4:1 against the 2021 target of 40:1, while that for Grades 10 to 12 deteriorated from 34.9:1 in 2016 to 36.9:1, thereby failing to meet the 2021 target of 35:1. These trends show low likelihood of the Government meeting the 2021 set targets. The statistics also show that there are relatively fewer pupils enrolled in secondary schools than in primary schools. Earlier discussion on PTR for primary schools showed a reverse challenge where efforts are to reduce the PTR. A discussion with stakeholders in the sector highlighted that while there are 10,000 primary schools, there are only 1,000 secondary schools which is not enough to absorb the high number of pupils from primary schools. To address this challenge, some primary schools are being converted into secondary schools.

#### **c) Net Enrolment Rate**

The net enrolment rate for secondary schools reduced from 40 percent in 2016 to 20.2 percent in 2019 against a target of 60 percent, thereby falling far short of the 2021 target. The rate is even lower for female pupils who had a 19 percent enrolment rate in 2019 against a target of 60 percent for 2021. Against these figures, the outcome indicator is off track.

#### **d) Completion Rate**

The Grade 12 completion rate did not change from 2016 to 2019 remaining very low at 36 percent against a set target of 85 percent. The low rate of non-completion is mainly due to the low completion rate for females which stood at 31.6 percent in 2019 against a set target of 85 percent. The major challenge for low completion rate is mainly high dropout rates due to poverty and early marriages. This assertion was also supported by consultations at sub-national level. One respondent from Vubwi District responded:

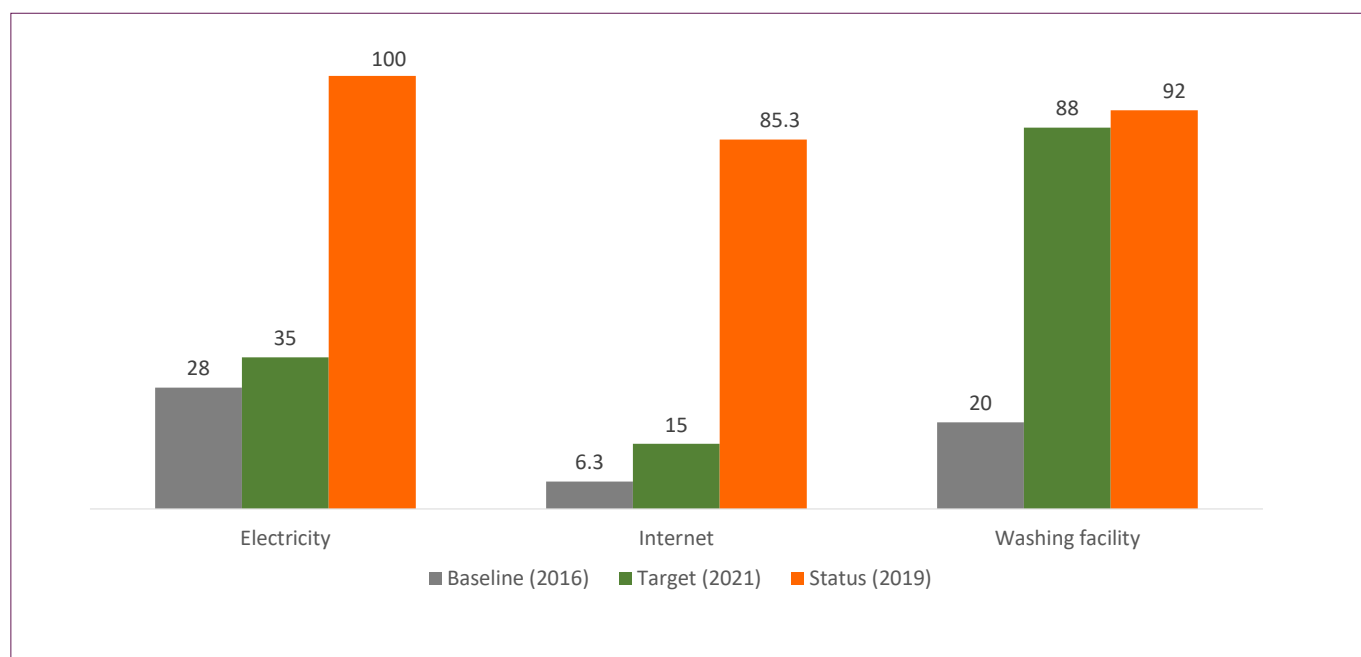
**“We had identified two major problems in the sector. Firstly, the high dropout rate is predominantly among female students, mainly due to high level of poverty. Due to high level of poverty, parents end up encouraging their girl children to marry under-age. As schools were closing, 140 children in Vubwi had dropped out from schools. Plan International introduced a programme to rescue these girls. We also developed community child labour committees which focused on selling dividends for educating the children. This is having to do with mind-set change.”** Stakeholder Consultation in Vubwi District, Eastern Province.

#### **e) Percentage of Schools with Access to Electricity, Internet and Basic Hand Washing Facilities**

Figure 41 presents performance at mid-term on the proportion of schools with access to electricity, internet, and basic hand washing facilities. Analysis of the proportion of institutions accessing electricity, internet, and basic hand washing facilities notes very positive performance with all areas surpassing the 7NDP end-targets. More research is required to determine facilitating factors for these outstanding results.



**Figure 41: Proportion of Schools with Access to Electricity, Internet and Basic Hand Washing Facilities**



Source: Ministry of General Education Administrative Data.

#### f) Literacy Rates

Literacy rates for the population aged 15 years and older increased from 67.5 percent in 2014 to 80 percent at mid-term, surpassing the 7NDP 2021

target of 75 percent. Table 32 shows variations in literacy rates by age-group and sex.

**Table 32: Literacy Rates in Zambia, 2018**

Literacy Rate (%)	Male	Female	Total
15-24 years	92.6	91.6	92.1
15 years and older	90.6	83.1	86.8
65 years and older	80.9	46.8	60.2

Source: UNESCO (2018)

Literacy rates increased to 80 percent in 2019 thereby surpassing the 2021 targets of 75 percent. The female literacy rates increased from 68 percent in 2014 to 79 percent in 2019 also surpassing the 7NDP target of 75 percent. To address the high illiteracy rates at primary level, the Government implemented a nationwide primary reading programme which has supported extensive training for primary level teachers. However,

access to supplementary reading materials in most public schools remains lacking. CPs are supporting the Government in primary education literacy targeting Grades 1 to 3. Consultations at sub-national levels shared information on how the literacy programmes were being implemented in some of their schools. A stakeholder in Eastern Province reported:

“In our primary schools, cooperating partners have supported introduction of programme interventions for early grades. A number of children in lower grades cannot read or write. As such, the targeted children are given an aptitude test in order for them to catch up with others at their levels. At the beginning, literacy rates in our district were 20 percent. However, we have moved to 53 percent for lower grades in primary.”

Respondent in Vubwi District consultative meeting for the 7NDP MTR.

#### g) Sexuality Education

The proportion of schools implementing sexuality education increased from 15 percent at baseline in 2015 to 100 percent by mid-term against a 2021 target of 100 percent. Thus, at mid-term, the country had already achieved the 2021 target.

### Box 1: Leaving no one behind through inclusive education

**Primary and Secondary School:** The Government has reduced user fees in secondary school to ensure that the poor, especially from rural settings, have access to education. The Public Welfare Assistance Scheme (PWAS) reached out to 1,056 orphans and vulnerable children with educational support in 2018. The Girls' Education, Women Empowerment and Livelihoods project financially supported a total of 4,298 girls to pursue their secondary education. With regard to disability inclusion, the Government successfully developed guidelines and strategies and a dedicated budget for three strategic government ministries to mainstream disabilities issues. With respect to the blind, the Government developed a curriculum especially for schools in Lusaka Province to adapt learning materials to cater for blind children. Teachers are trained to handle students with special needs.

#### 6.4.2.6 Performance of Outcome Indicators for TEVET and University

##### a) Learners in TEVET Institutions Graduating in STEM

The proportion of learners in TEVET institutions graduating in Science, Technology, Engineering and Mathematics (STEM) reduced from 20 percent in 2016 to 19 percent at mid-term against a 2021 target of 35 percent. The country is unlikely to attain the 2021 target of 35 percent. The proportion is still very low and requires more sensitisation by the Government. The Government plans to construct eight TEVET institutions and centres and by mid-term, two had been completed. Construction of additional hostels in existing TEVET institutions

was under way. The curriculum was reviewed and developed to align to the 7NDP development focus areas which include agriculture, mining, and tourism.

However, the pass rate at completion for TEVET increased from 83 percent at baseline to 95 percent at mid-term against a 7NDP target of 90 percent. The target was exceeded as a result of interventions such as open, distance and e-learning that enabled flexible learning modes for those who would otherwise not have participated through traditional institution-based learning modes.



### **b) Continuous Review of Curriculum**

During the period under review, a number of higher learning curricula were reviewed. These include:

- i) Out of the targeted 15 TEVET curricula all 15 were reviewed and developed;
- ii) A total of 130 university curricula of the targeted 150 were reviewed;
- iii) Out of the targeted 100, 78 new university curricula were developed.

### **c) University Students Graduating in STEM**

The proportion of learners in universities graduating in STEM increased from 23 percent in 2016 to 30 percent at mid-term against a 2021 set target of 40 percent. With this performance by mid-term, the country is likely to meet the set targets. This is premised on the view that there will be an increase in the number of tertiary institutions offering STEM and the construction of new public universities under way (King Lewanika and Paul Mushindo) will be completed. Furthermore, the construction progress of Mwense, Isoka, Kalabo, Mporokoso, Lundazi, and Mumbwa Trades Training Institutes was at least 50 percent complete.

### **d) Enrolment by Sex**

The following are figures showing performance on enrolment by sex for TEVET and university institutions at mid-term:

- i) Enrolment in TEVET increased from 20,367 (baseline 2016) to 54,894 at mid-term against a set 2021 target of 52,000. The target was exceeded as a result of the establishment of the Work-Based Learning Framework.
- ii) Male enrolment in TEVET increased from 11,551 in 2016 to 29,717 at mid-term against a 7NDP end target of 28,000. The target was

exceeded due to interventions to include sensitisation programmes on other forms of learning, recognition of prior learning, employer-based training, SME/informal sector training, and open and distance learning.

- iii) Female enrolment in TEVET increased from 8,816 in 2016 to 25,177 at mid-term against a 7NDP end target of 24,000. The target was exceeded due to concerted efforts to encourage enrolment of females in TEVET institutions, including the bursary support that was introduced by the Government with financing from the African Development Bank.
- iv) Enrolment in universities increased from 75,520 (2016 baseline) to 99,222 at mid-term against a 7NDP end target of 120,000. The target could not be met due to limited student accommodation. However, this is expected to improve due to the ongoing infrastructure development in various parts of the country.

### **e) Enhance Private Sector Participation**

Private sector participation in the provision of higher education services has increased since the launch of the 7NDP. Legislation to involve the private sector in the provision of higher education to meet increased demand was introduced. This has resulted in the increased number of private higher education institutions. Zambia has progressively accredited higher education institutions, an essential step to building an education system that delivers quality programmes. Apart from the seven public universities, approximately 55 private higher education institutions were registered by mid-term. Consultations with higher education sector stakeholders confirmed developments in private sector participation in the provision of services. They highlighted a growing interest of the private sector in higher education. In terms of TEVET, there are several players involved in the

provision of skills. A respondent from the sector said:.

**“We have some projects that the Ministry [of Higher Education] has involved itself in for example the ZAMITA project where there is collaboration with the private sector to bring in equipment. A group of companies has collaborated to provide heavy equipment”.** Respondent during Sector Consultations at National Level

However, the stakeholders in the sector noted some challenges around PPPs in the education sector. The curriculum and focus areas of the higher education programmes in the country need to be responsive to the country’s identified development needs and, therefore, relevant knowledge and skills should be built by the education and skills services providers. Some private sector players in the education and skills development sector were not sensitised on the human capital development objectives in the 7NDP. Thus, more interaction is needed between policy-makers and potential partners in tertiary education and skills development.

## **f) Enhanced Role of Science, Technology and Innovation**

### **Number of Innovative Products Developed**

The number of innovation products developed remained at four at mid-term compared to the baseline which was the same figure. The country is most unlikely to meet the 7NDP end target of 12 innovation products developed. The targets on the number of science, technology and innovation PPPs established by sector and the number of science, technology and innovation fairs held were both achieved. One PPP was established under a national technology business centre for enterprise training and commercialisation. Furthermore, a total of 12 science, technology and innovation fairs were held. The target for increasing government spending on R&D as a percentage of GDP was not met at 0.35 percent against the 2019 target of 0.45 percent. The targets on the number of inventions and private sector contribution to R&D were also not met. Box 2 shows the number of technological products developed during the period under review.

### **Box 2: Innovative Products under 7NDP**

Technological innovations undergoing commercialisation: Smart copper-based Nanoparticle drug carriers, laser forming of light alloys, air quality station, and Aflatoxin pesticide.

Centre for Nuclear Science and Technology: The Zambia draft nuclear policy and legal framework was completed by mid-term. Terms of reference for feasibility studies on the construction of a nuclear plant have been completed. The financing model for the power plant with ROSATOM is under way.

Science, Technology and Innovation Technologies: Two groups in North-Western Province had come up with a briquette-making innovation and were supplied with equipment for them to enhance the production of briquettes in the Kashima area (Praise God and Chiseke).



#### 6.4.2.7 Overall Performance

Overall, the outcome rating for primary and secondary education is off track and the 2021 7NDP targets are unlikely to be attained. All the indicators for primary and secondary education, were off track. This result signals the need to review policies in primary and secondary education.

On the other hand, performance in the tertiary sub-sector is on track at mid-term. The majority of the indicators are on track or have surpassed the 2021 targets as follows:

- a) Proportion of learners in universities graduating in STEM;
- b) TEVET annual enrolment for both males and females;
- c) University enrolments;
- d) Innovations to improve quality of education.

The outcome indicators that are not on track include the number of innovation products developed.

#### 6.4.2.8 Recommendations

##### **a) Increase access to ECE, particularly in rural settings**

At mid-term, access to ECE was noted to be limited, particularly in rural settings. The Government should consider working with CPs and civil society organisations, including the private sector, to enhance access to ECE. Suggested strategies include innovative approaches to creating classroom space within existing primary school

infrastructure, construction of play facilities for ECE children and increasing the number of ECE teachers deployed in rural sectors.

##### **b) Enhance literacy for primary level pupils**

The Government, the private sector and participating CPs should consider documenting positive results from efforts to increase literacy for Grades 1 to 3. Best practice information should be used to scale-up coverage of remedial education to schools not reached at mid-term.

##### **c) Provide secondary education infrastructure**

While the Government and partners have made significant efforts in the provision of education infrastructure, focus in the remaining years of the 7NDP should be on completing ongoing infrastructure programmes for secondary and tertiary institutions, especially in rural settings, and a number of skills centres and trade schools which are also under construction countrywide.

##### **d) Increase access to secondary education**

The Government and its partners should consider coming up with innovative programmes to increase access to secondary education, particularly in rural settings which lag behind the urban areas.

##### **e) Special needs education**

The Government and its stakeholders should consider scaling-up efforts to enhance teachers' skills in special needs learning. These include (i) in-service for already qualified teachers; (ii) incorporation of special needs training for those in teacher education; (iii) dedicated special needs teachers in all schools. The Government must also consider providing incentives to private players for them to offer education to special needs learners at affordable cost, as this will increase the number of schools that provide special needs services.

### Box 3: Leaving No One Behind through Inclusive Education

Tertiary Education: Persons with disabilities are being included in education provision. The Government has been targeting an increasing number of people including the youth and persons with disabilities at its vocational training institutes. For example, Mansa Trades School ensures that persons with disabilities and youths are empowered with survival skills. To ensure that training and education is affordable to most citizens, the Government has reduced tuition fees at vocational colleges.

#### 6.4.3 Improved Access to Water Supply and Sanitation

##### Outcome 3: Improved Access to Water Supply and Sanitation

##### 6.4.3.1 Background Context

At the start of the 7NDP, low levels of investment in primary water resource infrastructure development affected the availability of water resources for various uses, particularly for the provision of services and access to clean and safe water and sanitation. In 2015, 67.7 percent of households had access to safe water disaggregated as 51.6 percent in rural areas and 89.2 percent in urban areas. In terms of access to improved toilet facilities, only 39.7 percent of households had access. Poor water supply and sanitation conditions are major contributors to the burden of disease and exposure to water-borne and related ailments. Furthermore, solid waste disposal in undesignated places poses various health risks to the affected communities. Against this backdrop, the 7NDP prioritised promoting investment in water resource development to improve access in both rural and urban areas. Under the improved water supply and sanitation result area, stakeholder views on the Water and Sanitation Act No. 28 of 1997 were being incorporated into a layman's draft bill before submission to the Ministry of Justice in 2018.

The 7NDP planned to accomplish the outcome on Improved Access to Water Supply and Sanitation through five strategies as follows:

- a) Enhance provision of adequate safe water and sanitation;
- b) Improve availability of water and sanitation infrastructure;
- c) Enhance research in water supply and sanitation services;
- d) Promote alternative financing for water and sanitation;
- e) Enhance provision of adequate solid waste management Services.

The WARMA Act provides for a Water Trust Fund to facilitate mobilisation and re-enforcing of sustainable flow of resources to support water and sanitation initiatives; however, more work is required towards this goal. At mid-term, some work had been done towards establishing the Trust Fund and it was anticipated that the actual establishment of the Trust Fund would be accomplished during the last half of the 7NDP.





### 6.4.3.2 Performance of Outcome Indicators at Mid-Term

Table 33 presents the performance of outcome indicators at mid-term.

**Table 33: Performance of Outcome Indicators for Water, Sanitation and Hygiene**

Outcome Indicators	Baseline	Year of Base-line	Target	Indicator Status (2019)	Indicator Rating
<b>Percentage of households with access to improved drinking water</b>					
a) Total	64.5	2013-14	85.0	72.3	●
b) Rural	46.6	2013-14	67.0	58.0	▲
c) Urban	89.5	2016	98.0	91.8	●
<b>Percentage of households with access to improved sanitation</b>					
Total	25.4	2013-14	50.8	54.4	●
Rural	18.5	2013-14	37.0	37.2	●
Urban	35.0	2013-14	70.0	77.7	●
Percentage of a representative sample of water points that meets Zambia Bureau of Standards/WHO standards	64	2017	100	100	●
Percentage of households whose garbage is disposed of through improved methods	6.3	2015	20	N/A	N/A
Overall Outcome Rating: On Track					●

KEY	●	On Track
	■	Partially on Track
	▲	Off Track

#### a) Proportion of Households with Access to Improved Drinking Water

- i) The proportion of households accessing improved drinking water increased from 64.5 percent in 2014 to 72.5 percent in 2018 against a set target of 85 percent.
- ii) The proportion of households accessing improved drinking water in rural areas increased from 46.6 percent in 2014 to 58 percent at mid-term against a target of 67 percent for 2021. The target was not met, due to reduced investment towards construction and rehabilitation of water supply infrastructure.

- iii) For urban areas, the proportion of households accessing clean water increased from 89.5 percent in 2014 to 93 percent at mid-term against a target of 98 percent in 2021. The target was met due to increased efforts from utilities to extend services from internally generated resources, the Government and partner support.

The water projects implemented across provinces are likely to have contributed to the improvement of outcome indicators for access to water and sanitation. The country had for a long time benefited from financial and technical support from CPs in support of enhancing water supply

and sanitation. In recent years, the Government has also increased investment in water and sanitation infrastructure.

There were major projects under way during the review period to expand and enhance water supply and sanitation in some urban areas, these included the following:

- i) Lusaka Water Supply, Sanitation and Drainage Project;
- ii) Kafue Bulk Water Supply Project;
- iii) Kafulafuta Water Supply System Project;
- iv) Nkana Water Supply and Sanitation Project;
- v) Lusaka Sanitation Programme.

There were also other ongoing projects in the various provinces as follows:

- i) Emergency Water Supply Improvement Project in selected Peri-Urban Areas of Lusaka prone to water-borne diseases (involves construction of water supply infrastructure; connecting piped water to peri-urban settlements in Lusaka City with 95,000 people expected to benefit from improved water supply).
- ii) Water Supply and Sanitation Project in Mpulungu District which involves construction of water intake, rehabilitation and expansion of water supply infrastructure in Mpulungu District with 12,000 people expected to benefit through increased access to water supply and adequate sanitation.
- iii) Six Towns Water Supply Project, Phase II which involves construction and rehabilitation of water supply infrastructure in Mpika, Mbala and Kasama Districts of Northern Province with 300,000 people expected to benefit through increased access to water supply and adequate sanitation.

- iv) Transforming Rural Livelihoods in Western Province involves construction and rehabilitation of water supply and sanitation facilities in the 16 districts of Western Province with about 745,000 people expected to have increased access to water and 573,000 people expected to have improved sanitation services.

The following are some of the achievements regarding improving rural and urban water supply and sanitation over the 7NDP period:

- i) Water Supply in Chanida, Mwami and Mchinji - which involved the construction of new water supply systems and was commissioned in 2018, resulting in 7,400 people benefiting through improved access to water.
- ii) Kafubu Sustainable Water Supply and Sanitation Improvement Project - which involved rehabilitation of water and sanitation infrastructure in Ndola, Luanshya and Masaiti Districts and was completed in 2019, benefiting a total of 22,940 people.
- iii) Construction of Small Piped Water Schemes Kashiba/Lukwesa Piped Water Scheme - which involved the construction of a water reticulation system to improve access to water to 27,000 people in Mwense District. The project was commissioned in 2018.
- iv) Siavonga Piped Scheme - the project was completed and commissioned in 2018 resulting in 5,000 people benefitting from improved water supply.
- v) A total of 756 boreholes serving 194,300 beneficiaries were drilled in Southern Province. Of these, 650 boreholes were drilled by the Adventist Relief Agency (ADRA), servicing 162,500 beneficiaries, while 106 were drilled by Operation Eyesight Zambia benefiting 31,800 people.



- vi) Another 13 boreholes were constructed in 2018 through the partnership of ADRA in support of eradicating Trachoma.
- vii) A total of 10 boreholes were established under another partnership between the Government and Operation Eyesight Zambia in 2019 and 3,000 people benefited from improved access to water in Kapiri Mposhi District.
- viii) In Southern, Luapula and Western Provinces, 18 health facilities benefited from the drilling of boreholes and increased access to water through partnership with Water Aid Zambia in 2019.

Feedback from national stakeholders in the sector noted that Lusaka had very good ground water which needed to be protected from unplanned urban settlements. Feedback from participating CPs from the sector also recorded positive results from water projects, especially in urban settings. Consultations at the sub-national, provincial, and district levels indicated a general improvement in access to water for both urban and rural communities. The following excerpts confirm this positive feedback:

**“Faith Orphanage rehabilitated 15 boreholes in the district while the Government constructed three dams (two are completed and one is at 98 percent completion). Two dams will be used for multi-purposes but mostly supporting production (agriculture and irrigation). The other dam will be meant to provide water for the people”.** Stakeholder Consultation, Lufwanyama District.

**“As a province, we have been able to drill two boreholes and also sited two dams. To date, topographic surveys of the two major dams which are about 4 kms from Chipata have been done. The province is also working on the rehabilitation of Ochikoka Dam. Recommendations for**

**rehabilitation have been completed and are awaiting approval”.** Sub-national Consultation, Eastern Province.

**“As a district, we have a total of 400 boreholes within the townships. Southern Water and Sewage Company is providing services. The main change at mid-term is that initially the district relied heavily on water from the dam but now we have increased access to borehole water. Furthermore, we have some boreholes that are solar-driven, and we plan to install another three solar-powered boreholes. However, it should be noted that yield from the boreholes is not as good as we anticipated”.** 7NDP MTR Stakeholder Consultation, Pemba District, Southern Province.

There had been sound collaboration between the Government and CPs in supporting water and sanitation infrastructure projects in both rural and urban areas, hence the observed significant improvements in access to water supply and sanitation for both rural and urban areas. This demonstrates how financing from CPs can generate positive results once it is aligned to national development results for which there is also strong government commitment.

**b) Improvement in the Proportion of Households with Access to Sanitation**

- i) The proportion of households with access to improved sanitation increased from 25.4 percent (baseline 2017) to 54.4 percent at mid-term against a 2021 target of 50.8 percent.
- ii) The proportion of households with access to basic sanitation in urban areas increased from 35 percent at baseline to 77.7 percent in 2018 against a 2021 target of 35 percent.
- iii) Access to basic sanitation for people in rural areas increased from 18.5 percent at baseline to 37.2 percent in 2018 against a 2021 target

of 35 percent. The target was met due to increased investment towards construction and rehabilitation of water supply and sanitation infrastructure.

An analysis of the performance of all three outcome indicators for access to improved sanitation indicates positive progress with all the mid-term values having been met (in urban areas) or surpassed the set 2021 targets (at national level and rural areas). The Lusaka Water Supply, Sanitation and Drainage Project supported by the Millennium Challenge Corporation was one of the major urban water supply and sanitation projects focused on rehabilitation of existing water and sanitation infrastructure to extend the lifespan of the existing system while also improving drainage systems.

### c) Facilitating Factors

During the year under review, health education and sanitation and hygiene promotion were also undertaken to sensitise the public and enhance knowledge and healthy practices to reduce the incidences of diarrheal illnesses. This was done through the promotion of behavioural change and emphasis on construction of sanitation facilities by communities.

Approximately 113 percent (340,000 against the targeted 300,000) households had access to sanitation and hygiene promotion messages in 68 selected districts, in urban and peri-urban areas of the 10 provinces. This was done through the Sanitation and Hygiene Promotion programme which also promoted enhanced access to safe sanitation facilities. The programme achieved the following:

i) A total of 1,432 sewer connections were made to benefit 6,944 people in urban areas;

ii) A total of 670 improved ventilated pit latrines were constructed in Luapula Province;

iii) In Lundu, Muchinga Province one chiefdom attained the Zero Open Defecation (ODF) status out of the targeted 25 chiefdoms, bringing the total number of ODF chiefdoms to 53 out of the 288 chiefdoms in Zambia;

iv) Out of the 7,776,432 people targeted in 102 selected rural districts, 4,607,545 (60 percent) had access to a decent toilet and hand washing facility.

Consultations at sub-national level also highlighted the above improvements. For instance, a respondent at provincial level reported:

**"In the water sector, the Government obtained a loan on behalf of Mulonga Water and Sewage Company to a tune of 156 million Euros from the European Union to expand the water treatment plants and water distribution networks. This will improve sanitation for all the districts being serviced by Mulonga".** Respondent, Copperbelt Province.

### d) Percentage of a Representative Sample of Water Points Meeting Zambia Bureau of Standards/World Health Organisation Standards

The percentage of water points meeting Zambia Bureau of Standards/World Health Organisation standards increased from 64 percent at baseline in 2017 to 100 percent at mid-term against a set target of 100 percent. The target was achieved at mid-term due to improved water quality surveillance by commercial water utilities and introduced aspects of international standards in the monitoring regime.



#### e) Proportion of Households Whose Garbage Is Disposed of through Improved Methods

Unlike the last decade, the first half of the 7NDP has witnessed increased awareness among the

public on waste and water conservation issues. Users seem to be policing themselves around the water area.

### Box 4: Projects Implemented to Improve Water Supply and Sanitation

**Kafulafuta Water Supply Systems Project:** The project was implemented with support from the Commercial Bank of China, Standard Chartered Bank of China and the Government of the Republic of Zambia from 2018 and is envisaged to end in 2022. This project involves the construction of a dam and water supply system in Ndola, Luanshya, Masaiti and Mpongwe Districts. Approximately 108,000 people will benefit from the project.

**Nkana Water Supply Sanitation Project, Phase II:** This project is being implemented by the Government of the Republic of Zambia and Industrial and Commercial Bank of China. It started in 2017 and is expected to be completed by 2021 with a total of 750,000 people expected to benefit from the project. The project involves the construction, rehabilitation and expansion of water supply and sanitation infrastructure in Kitwe, Kalulushi, and Chambishi Townships.

**Lusaka Water Supply Sanitation and Drainage Project:** The project was financed by the Government of the Republic of Zambia and Millennium Challenge Corporation. The project ended in December 2018 and involved the construction, rehabilitation and expansion of selected water supply and sanitation infrastructure in the City of Lusaka with a targeted population of 1.2 million beneficiaries through increased access to clean and safe water and adequate sanitation.

#### f) Policy

The country made a major breakthrough, in December 2019, by developing for the first time, the Water Supply and Sanitation Policy which aims to achieve universal access to water supply and sanitation. The policy outlines measures aimed at attaining SDG and Vision 2030 targets for water and sanitation. The policy measures also aim to ensure that the Government actualises financing arrangements and strengthens water sector governance. The Government has since started considering capacity development for general water and sanitation infrastructure, all aimed at achieving SDG and Vision 2030 targets.

#### 6.4.3.3 Noted Challenge

##### Limited research in water supply and sanitation

R&D did not perform well due to limited resources. Efforts were under way by the Government to involve the University of Zambia in the water and sanitation R&D agenda-setting and to create synergies. Potential areas of study would be in Petauke District where there is accumulation of calcium in water pipes. Residents were flushing out calcium using power; a practice that is not sustainable. There are also increasing sources of non-revenue water, hence the need to explore, through studies, the most appropriate technology

and equipment for various water schemes across the country. Priority research areas were noted as follows:

- a) High iron content in water which corrodes pipes;
- b) Innovation in health climate change;
- c) Water financing. Current water financing modalities for the country are relatively expensive and involve major loans. Stakeholder consultations noted that PPP was not feasible as a modality for financing water.

#### **6.4.3.4 Overall Performance**

The outcome rating for water and sanitation is on track, and the country is likely to attain the 2021 7NDP targets and the SDG targets. The performance of the KRA for water and sanitation has been high at mid-term. All sanitation outcome indicators (total, rural and urban) are on track, either reaching the 2021 targets or surpassing them. Similarly, all the outcome indicators for improved drinking water are on track. However, the challenge that may impact water and sanitation outcome indicators is the limited research in water supply and sanitation.

#### **6.4.3.5 Recommendations**

##### **a) Improve governance of the Water Management Institute**

The Government should consider strengthening the governance systems of the Zambia Water Management Institute, particularly enhancing the capacity of the governing board for effective management of the Institute and putting in place a strong secretariat to manage day-to-day functions.

##### **b) Enhance research in water and sanitation**

The Government should consider working closely with academic institutions to conduct research which can inform policy and practice in the water and sanitation sector to address the current challenges and enhance the likelihood of meeting the 2030 SDG targets.

##### **c) Invest in Public-Private Partnerships**

The Government should consider investment in PPP for water as part of the strategy to enhance financing for large-scale projects. The country has not done well with promoting PPPs in water. On the part of sanitation, opportunities exist to expand the participation of private sector players in sanitation management as this is already ongoing in Lusaka City, though there is still room for more efficient service delivery.

#### **6.4.4 Overall Performance of the Enhancing Human Development Pillar**

Table 34 presents the performance of key indicators for the Enhancing Human Development Pillar at mid-term.



**Table 34: Overall Performance of the Enhancing Human Development Pillar**

Result Area	Key Performance Indicators	Baseline	Baseline year	2021 Target	Status 2019	Indicator Rating	
Enhancing Human Development	Human Development Index (rank)	0.586 (139)	2018	0.75	0.6	●	
	Adult literacy rate (%)	65.5 (female)	2013/14	85.0	86.5	●	
		82.7 (male)		90		●	
	Labour force productivity	3.6	2012	-		●	
	Life expectancy at birth	53.3	2015	>60	63.04	●	
	HIV incidence among adults 15-49 per 100 persons	0.7	2016	0.5	-	N/A	
	Percentage of population living below the poverty line	54.4	2015	<50	54	■	
	Percentage prevalence of:	Wasting	6.0	2015	4.0	4.0	●
		Underweight	12.8	2015	9.0	12	●
		Stunting	40.1	2015	35	35	●
	Maternal mortality rate	0.74	2013/14	0.37	0.40	■	
	Under-five mortality rate	75	2013/14	37.5	61	▲	
	Proportion of Grade 1 entrants with pre-school experience	24.4	2015	50	73.9	●	
<b>Overall Performance of the Enhancing Human Development Pillar: On Track</b>						●	

KEY	●	On Track
	■	Partially on Track
	▲	Off Track

The key indicators show excellent performance at mid-term. The majority of the outcome indicators are on track except for the under-five mortality rate which is off track. At mid-term, statistics for HIV incidence were not available as the ZAMPHIA had not yet been undertaken. However, other indicators, such as access to ART, were on track as discussed in earlier sections.

#### a) Sustainable Development Goals

Against the performance of outcome indicators on health, the country is likely to meaningfully contribute to the attainment of SDG 3 on ensuring healthy lives and promoting well-being for all at all ages. However, the country is likely to be off

track on the SDG target on under-five mortality. Informed by the analysis of the performance of the 7NDP at mid-term, the country is less likely to achieve SDG targets for early childhood education (ECE) (SDG 4.2) and primary and secondary participation (SDG 4.1). The country still battles with challenges of access to ECE due to limited facilities and ECE teachers, especially in rural settings.

Further, transition from primary to secondary and access to secondary education also remain as challenges. However, performance of outcome indicators for tertiary education including TEVET, STEM, and university enrolments showed positive

results. The country is likely to meaningfully contribute to the attainment of SDG 4.3. Analysis of performance of the water and sanitation indicators at mid-term indicates positive performance; the country is likely to meet its 7NDP end targets in this area. Against this backdrop, Zambia is also likely to contribute to the attainment of SDG 6 on “Ensuring availability and sustainable water and sanitation for all.”

#### **b) SADC RISDP**

The Enhancing Human Development Pillar of the 7NDP is aligned to the SADC Regional Indicative Strategic Development Plan (RISDP) Priority D on human development programmes, including health and gender. The positive progress recorded under health and education and especially tertiary education is likely to contribute to the SADC RISDP Priority D, particularly the following objectives:

- i) Increased access to quality and relevant education and skills for industrial development and other areas for social and economic entrepreneurial development;
- ii) Increased availability and access to quality health and HIV and AIDS services and commodities.

#### **c) African Union Agenda 2063**

The 7NDP Enhancing Human Development Pillar is strongly aligned to the African Union Agenda 2063 Aspiration 6 advocating for development that is people-driven and relying on the potential of African people, especially its women, youth, and those caring for children. The progress made in the Pillar shows a positive trajectory towards meeting Aspiration 6.

### **6.5 Pillar 5: Creating a Conducive Governance Environment for a Diversified and Inclusive Economy**

#### **Overview of Creating a Conducive Governance Environment for a Diversified and Inclusive Economy at the Start of the 7NDP**

The focus of Pillar 5 was to create a conducive governance environment to accelerate Zambia’s diversification and inclusive growth agenda by striving to achieve a resilient and diversified economy, especially in the key sectors of agriculture, tourism, manufacturing and mining. The Pillar also aims at promoting good governance systems which encompass democracy, constitutionalism, the rule of law, human rights, sound professional and insulated public institutions and officers, and transparent and accountable economic and administrative systems, among others. At the start of the 7NDP, development challenges for this Pillar included (i) inadequacies and inconsistencies in the regulatory framework and policy environment; (ii) limited access to justice; (iii) relatively weak transparency and accountability; and (iv) slow pace of implementation of decentralisation reforms. These challenges were further compounded by inefficiencies in legal frameworks and poor enforcement of laws which hamper efforts to promote workers’ rights and decent work. The Government experienced a backlog of court cases, congestion in prisons, high costs of legal services, and delayed disposal of cases. It is against this backdrop that the performance of Pillar 5 will be assessed at mid-term.

The Pillar has the following six outcome areas:

- a) Improved policy environment;
- b) Improved transparency and accountability;
- c) An inclusive democratic system of governance;
- d) Improved service delivery;





- e) Improved rule of law, human rights and constitutionalism;
- f) Enhanced national values, principles and ethics.

### 6.5.1 Improved Policy Environment

#### Outcome 1: Improved Policy Environment

##### 6.5.1.1 Background Context

At the launch of the 7NDP, institutional arrangements for the coordination of development plans were already in place. A major challenge which is key to the coordination structures was the establishment of the Ministry of National Development Planning (MNDP) which was given the mandate for the coordination of the implementation, monitoring and evaluation of national development plans. At mid-term, the MNDP was found to be a relatively well-established institution with relevant departments in place to coordinate the implementation of the 7NDP (National Planning; Monitoring and Evaluation; Public Investment Planning; Development Cooperation; and Population Planning and had other agencies under it such as: the Zambia Statistics Agency (ZamStats), National Economic Advisory Council, Zambia Institute for Policy Analysis and Research (ZIPAR) and the Policy Monitoring and Research Centre.

The need for establishing a standalone Ministry to oversee the implementation of national development plans was a positive move by the Government which was meant to address the need for stronger coordination of national development. The MTR findings further noted that this objective had been achieved partially as the MNDP had strong convening power on development and national planning issues. The MNDP is able to engage the Presidency on the development trajectory needed for the country.

The new institution can also lobby CPs and the private sector to plan their cooperation around national priorities for development. Furthermore, the Ministry is putting in place mechanisms for coordinated public planning and financing. This is to strengthen the country's capacity to identify appropriate projects for public investment, which should have undergone a full feasibility process to get value for money and attain optimal use of public funds to optimise development results.

The MNDP also oversees the operationalisation of national development plan (NDP) coordination structures: Cluster Advisory Groups (CAGs), Provincial Development Coordinating Committees (PDCCs), District Development Coordinating Committees (DDCCs) and Ward Development Committees (WDCs). Other stakeholders (CSOs, the private sector and CPs) in NDP implementation are also brought on board to optimise their contribution to the implementation of the national plan. At the national level, the National Development Coordinating Committee (NDCC) already existed and was continuing to play an oversight role in the implementation of development plans. Previous NDPs were mainly coordinated through Sector Advisory Groups. In contrast, the 7NDP introduced CAGs which reinforced multi-sectoral and common objectives.

Coordination of the NDP at sectoral level emphasised intra- and inter-sectoral integration which addressed common strategic areas of development. Equally, although the PDCCs and DDCCs were already established and were already acquainted with their responsibility, there was need to strengthen their operations. Provincial level coordination and implementation focused mainly on ensuring that districts were working progressively towards meeting the targets set in the NDPs. At district level, the focus was on implementing programmes and projects that were devolved to the district within the framework

of decentralised planning and monitoring and evaluation. The districts were expected to develop their own plans and monitoring and evaluation systems. Although ward level development committees had been established, their role to oversee development initiatives was yet to be realised as most of them had just been established and their capacities needed to be enhanced. At the ward development committee level, planning, monitoring and evaluation activities mostly related to projects planned at that level, including those that were either at provincial or national level but within their locality.

At mid-term there were two competing views on the evolution of decentralisation in Zambia. On the one hand, it was noted by national level informants that decentralisation had registered some progress with respect to functions devolved administratively, where some local authorities were operating in collaboration with sector ministries by having staff from the sectors working within the framework of the district council coordination mechanism. On the other hand, sub-national level stakeholders were of the view that decentralisation had moved at too slow a pace due to non-implementation of financial devolution. The National Decentralisation Policy provides for the transfer of functions and resources through devolution by legal and constitutional provisions to the lower levels. The transfer is institutionalised by constitutional means. The implementation, however, is by a series of complex administrative and legal processes. To this end, the Constitution Amendment Act No. 2 of 2016 institutionalises the identified devolved functions. Other Acts, which are precursors to administrative implementation of decentralisation by devolution, include the Service Commissions Act No. 10 of 2016, the Local Government Act No. 2 of 2019, the Public Financial

Management Act No. 1 of 2018, the Rating Act No. 21 of 2018, and the Planning and Budgeting Bill of 2019. New administrative structures have been developed and implemented in the local authorities. According to Circular No. 10 of 2014, 13 government Ministries and two institutions were identified to have functions devolved.

The output indicator in the 7NDP Implementation Plan speaks to the number of Central Government Ministries/Institutions transferring functions to Local Authorities. In 2017, 10 Sector Devolution Plans out of the targeted 19 were approved. The eight indicated under baseline in the Implementation Plan were finalised but not approved before 2017.

Under the outcome, the Government planned to focus on establishing a conducive and stable policy environment to provide certainty to the general public, businesses, and public sector institutions leading to investor and public confidence. To attain the outcome results, the Government planned to employ the following strategies:

- a) Reform and re-establish inclusive consultative structures;
- b) Reform labour policy and legislative frameworks;
- c) Accelerate implementation of the decentralisation policy;
- d) Enhance national data and information systems.

#### **6.5.1.2 Performance of Outcome Indicators at Mid-Term**

Table 35 presents the performance of outcome indicators under Improved Policy Environment.



**Table 35: Performance of Outcome Indicators on Improved Policy Environment**

Outcome Indicators	Baseline	Year of Base-line	Target 2021	Indicator Status (2019)	Indicator Rating
Statistical capacity index	52	2017	60	62.5	●
Proportion of formal jobs	24.8	2017	40	28.9	■
Government effectiveness index	-0.55	2015	0.55	-0.56	▲
<b>Overall Rating for the Outcome Indicator: Partially on Track</b>					■

KEY	●	On Track
	■	Partially on Track
	▲	Off Track

### a) Statistical Capacity Index

The statistical capacity index for Zambia increased from 52 to 62.5 at mid-term against a 7NDP target of 60. The statistical capacity indicator is a composite score assessing the capacity of a country's statistical systems. It is based on a diagnostic framework assessing many areas including methodology, data sources, periodicity, and timeliness. Countries are scored against 25 criteria in these areas using publicly available information. Analysis of the status of the country indicates that Zambia surpassed the 7NDP targets by 2.5 units. One of the favourable factors for the country attaining this milestone includes the growing capacity of the National Statistical Agency. Furthermore, periodicity and timeliness of statistical programmes was reported at 76.7 percent in 2018. The commencement of the implementation of the National Statistical System also contributed to this achievement. In addition, the Government upgraded its Nationwide Management Monitoring System (MMS) to ensure that it incorporated the entire results framework for the 7NDP. This enhanced the ability of institutions to see clearly how their results fed into the national high-level results. In 2019, the system was rolled out to over 80 percent of the targeted 41 institutions at national and provincial levels. Uploading of data on 7NDP performance into the MMS for all results at output, outcome,

and key performance indicator levels for the years 2017 to 2019 was still ongoing at the time of the MTR.

### b) Proportion of Formal Jobs

The proportion of formal jobs increased slightly from 24.8 percent in 2017 to 28.5 percent at mid-term against a set target of 40 percent. Of the formally employed population, the proportion of females was only 28.5 against 71.5 males. The change of labour force definition mainly limiting it to formal employment has contributed to the limited performance on this indicator. The country is not on track to meet the 7NDP target of 40 percent. Closing the 11.5 percent gap between 2019 and 2021 is a major undertaking.

### c) Government Effectiveness Index

The government effectiveness index includes the following aspects:

- i) perceptions of the quality of public service;
- ii) quality of civil service and the degree of its independence from political interference;
- iii) quality of policy formulation and implementation;
- iv) credibility of the Government's commitment to such policies.

The measurement ranges from approximately -2.5 to 2.5. At mid-term, the performance of Zambia's effective index had dropped to -0.56 from a baseline value of -0.55 against a 7NDP target of 0.55. The analysis noted that the country is not on track to meet the 7NDP target. It is unlikely that the country will close the wide gap by the end of the 7NDP. The statistics show that the country is sliding back below the 2017 targets.

## 6.5.2 Improved Transparency and Accountability

### Outcome 2: Improved Transparency and Accountability

#### 6.5.2.1 Background Context

At the launch of the 7NDP, Zambia's corruption index was ranked at a score of 38/100. The status of corruption in 2017 included, but was not limited to, red tape in the public sector which would fuel bribery in all business operations. This was common in services that included company registration, obtaining construction permits or paying taxes, and kickbacks and bribes in the tendering processes for government contracts. Despite this, the Zambian Anti-corruption Act prohibits corruption, extortion, bribery of a foreign public official, abuse of office, and money laundering.

At the launch of the 7NDP, enforcement of the Zambian anti-corruption legislation was relatively weak. The Mo Ibrahim index of African governance ranked Zambia 18th out of 54 countries, placing it in the top 20 least corrupt countries. At that time, according to the analysis of trends from 2008 to 2017, Zambia was classified as a country in the category of "improved governance". However, the country is in the lower end of that category showing "Warning Signs" for worsening governance.

Transparency and accountability in the management of public resources is essential for a country to attain a diversified and resilient economy. To enhance transparency and accountability mechanisms, the Government planned to employ the following strategies:

- a) strengthen transparency and accountability mechanisms;
- b) strengthen public financial management.

#### 6.5.2.2 Performance of Outcome Indicators at Mid-Term

The performance of outcome indicators for Improved Transparency and Accountability is presented in Table 36.



**Table 36: Performance of Outcome Indicators on Improved Transparency Accountability**

Outcome Indicators	Baseline	Year of Baseline	Target	Indicator Status	Indicator Rating
Corruption Perception Index (rank/score)	Rank: 87/176; Score: 38/100	2016	50/100	35/100	▲
<b>Overall Rating for the Outcome Indicator: Off Track</b>					▲

KEY		
●	On Track	
■	Partially on Track	
▲	Off Track	

### Corruption Perception Index

The Corruption Perception Index for Zambia worsened from 38/100 (2016 baseline) to 35/100 at mid-term, moving in the direction of poor performance. The performance at mid-term indicates that Zambia is likely to be off track in meeting the Corruption Perception Index score of 50/100. The Anti-corruption Commission reported that out of the 745 cases received from the public of suspected corruption in 2019, 343 were corruption-related. Despite the existence of corruption in the country, the Government is undertaking several measures to curb it.

In 2018, an automated management audit system was developed and is being piloted through phased modules. Furthermore, the Office of the Auditor-General successfully managed to address all the outstanding matters cited in its report. The status at mid-term was that 52 percent of outstanding matters requiring action had been addressed, thereby surpassing the mid-term target. In addition, in most areas where payment of services to the public was in cash, electronic payments were being encouraged to reduce chances of bribes and leakages.

Despite the low rating on corruption perception, the Government had partially strengthened public financial management systems through various strategies: by mid-term the Government had added an additional seven ministries, provinces, and other spending agencies (MPSAs) using the

Integrated Financial Management Information Systems, thereby exceeding the planned target of including an additional six MPSAs, to the 46 MPSAs at baseline. In addition, the target to have the Public Procurement Act No. 12 of 2008 and its regulations reviewed and enacted was achieved. Furthermore, the Government significantly contributed to efficient tax administration, thereby meeting the set targets at mid-term. During the period under review the Government managed to broaden the tax base to include the informal sector by 0.8 percent against a target of 1.5 percent. This was made possible due to enhanced collaboration with the ZRA and local authorities to bring the informal sector into the tax net and to use electronic payment systems and tax online systems.

### 6.5.3 An Inclusive Democratic System of Governance

#### Outcome 3: An Inclusive Democratic System of Governance

##### 6.5.3.1 Background Context

At the launch of the 7NDP, participation of women in Parliament was low at 18.1 percent. Furthermore, participation of women in decision-making positions in the public sector, at Director and Permanent Secretary (P.S.) levels was also low at 27 percent. An inclusive democratic system of governance in the Zambian context includes all

efforts aimed at consolidating and strengthening democratic processes and institutions. The need for government actions to be legitimised by citizens, renders citizen participation key to sustainable development. To secure an inclusive and democratic system of governance, the country was going to implement the following strategies:

a) Promote platforms for citizen engagement and participation;

b) Strengthen electoral processes and systems.

### 6.5.3.2 Performance of Outcome Indicators at Mid-Term

The performance of outcome indicators for an Inclusive Democratic System of Governance is presented in Table 37

**Table 37: Performance of Outcome Indicators on Women in Decision-Making Positions**

Outcome Indicators	Baseline	Year of Baseline	Target	Indicator Status (2019)	Indicator Rating
Percentage of women in Parliament	18.1	2016	50	19	▲
Percentage of women in decision-making positions in the public sector (at Director and P.S. level)	27	2016	50	28	▲
<b>Overall Rating for the Outcome Indicator: Off Track</b>					▲

KEY	●	On Track
	■	Partially on Track
	▲	Off Track

#### a) Proportion of Women in Parliament

The proportion of women parliamentarians increased from a baseline of 18.1 percent in 2016 to 19 percent at mid-term against a 7NDP target of 50 percent. Most by-Elections fielded female candidates instead of male. This led to a slight increase in the percentage of women in the Parliament during the period under review.

#### b) Percentage of Women in Decision-Making Positions in the Public Sector (Director, P.S. Level)

The percentage of women in decision-making positions in the public sector only increased by 1 percent from a baseline of 27 percent to 28 percent at mid-term against a 7NDP target of 50 percent. These statistics show that women are still in the minority with respect to participation in senior decision-making roles. At this pace the country is unlikely to meet its 7NDP targets.

### 6.5.4 Improved Service Delivery

#### 6.5.4.1 Background Context

At the launch of the 7NDP, population satisfaction with public services was relatively low at 54.8 percent against a target of 60 percent. The nation's rank on the Ease of Doing Business stood at 85 in 2017, out of 190 economies. Improved service entails coming up with reforms to enhance professionalism and efficiency in the public service. This is done through reforms aimed at building public satisfaction and confidence. The Government put in place mechanisms to improve the work culture in public service through instituting measures to account for performance by public service workers. During the Plan period, the Government also targeted improved land administration. It is against this backdrop that assessment of the performance of service delivery at mid-term was conducted.



To attain the outcome results, the Government planned to employ the following strategies:

a) Scale-up public service reforms;

b) Strengthen land administration and management.

#### 6.5.4.2 Performance of Outcome Indicators at Mid-Term

**Table 38: Performance of Outcome Indicators on Improved Service Delivery**

Outcome Indicators	Baseline	Year of Baseline	Target	Indicator Status (2019)	Indicator Rating
Proportion of population satisfied with public service	54.8%	2009	60%	N/A	N/A
Ease of doing business ranking	85	2017	50	85	▲
Overall Rating for the Outcome Indicator: Off Track					▲

KEY	Indicator	Description
●	On Track	On Track
■	Partially on Track	Partially on Track
▲	Off Track	Off Track

#### a) Proportion of Population Satisfied with Service Delivery

The above indicator can only be recorded when the country commissions a specific survey on the population's level of satisfaction with public services. At mid-term, the Government had only been able to put in place relevant foundations to improve service delivery in the public sector. Some of the strategies employed were:

##### i) Service Delivery Charter

A Service Delivery Charter is a commitment of an institution to the public. The Government aimed to have an increasing number of public institutions with Service Delivery Charters that would commit the institutions to enhancing the quality of services for citizen satisfaction. At mid-term, the Government had cumulatively developed 21 Service Delivery Charters against the Plan target of 30.

##### ii) Salaries Rationalisation

The Government intended to increase, harmonise and rationalise salaries and conditions of service in public institutions. At mid-term, 79 out of 150 institutions had submitted information required for rationalisation and harmonisation of salaries and conditions of service. Thus, the Government

was on course to meet the output target by the end of the Plan. To facilitate this process, approval was granted in principle for the expansion of the Remuneration Division's mandate.

##### iii) Key Processes towards Improving Service Delivery by the public service

The following were the processes undertaken to improve service delivery by the public service:

- government institutions connected to government ICT infrastructure platforms;
- online government services provided;
- public service human resources audited;
- effective service delivery surveys conducted;
- national recruitment and placement policy implemented;
- Emoluments Commission Bill enacted;
- State Audit Commission Bill enacted.

#### b) Ease of Doing Business Ranking

The above ranking is an index which provides an aggregate figure that includes different parameters which define the ease of doing business in a country. Zambia is ranked 85 among 190 economies in the ease of doing business according to the World Bank annual ratings. The rank improved to 85 in 2019 from 87 in 2018. The

performance of Zambia's ease of doing business at mid-term indicates that the country was off track in meeting its 2021 target of 50.

### 6.5.5 Improved Rule of Law, Human Rights and Constitutionalism

#### Outcome 5: Improved Rule of Law, Human Rights and Constitutionalism

##### 6.5.5.1 Background Context

At the launch of the 7NDP, many factors hindered achievement of a conducive governance environment. The country was characterised by a slow pace of implementation of key reforms such as decentralisation, judicial and private sector reforms. Observance of the country's human rights and the rule of law were hindered by long backlog of court cases, congestion in prisons, delayed disposal of court cases, high cost of legal services and long distances to courts. There was weak transparency and accountability mechanisms and overly centralised oversight institutions such

as the Anti-Corruption Commission, Office of the Public Protector, Drug Enforcement Commission, and Office of the Auditor-General.

Improved rule of law, human rights and constitutionalism are critical elements for sustainable development. The thrust of the outcome is on enactment of policies, legal frameworks and strategies aimed at enhancing access to justice and the observance of rule of law and human rights. Following the 2016 amendment to the Republican Constitution, within the framework of the 7NDP, the country planned to enact consequential legislation to give effect to the provisions in the Constitution. To attain the outcome results, the Government planned to employ the following strategies:

- Strengthen prosecution systems;
- Enhance access to justice;
- Promote human rights.

##### 6.5.5.2 Performance of Outcome Indicators at Mid-Term

**Table 39: Performance of Outcome Indicator on Improved Rule of Law, Human Rights and Constitutionalism**

Outcome Indicators	Baseline (%)	Year of Baseline	Target	Indicator Status (2019) (%)	Indicator Rating
Rule of Law Index	-0.25	2015	0.25	0.47	●
Remand-Convict Ratio	29	2009	15	26	▲
Voice and Accountability Index	-0.11	2015	0.25	-0.3	▲
<b>Backlog of cases (%)</b>					
a) Small Claims Court	68	2016	10	56	■
b) Local Court	34	2016	10	16	■
c) Subordinate Court	40	2016	10	39	▲
<b>High Court (see divisions below)</b>	59	2016	10	N/A	N/A
a) General	59	2016	10	65	▲
b) Commercial	-	2016	10	63	▲
c) Industrial Relations Court	45	2016	10	54	▲
Ratio of full-time lawyers per 10,000 population	0.59	2016	1	85	●
<b>Overall Rating for the Outcome Indicator: Partially on Track</b>					■

KEY	●	On Track
	■	Partially on Track
	▲	Off Track





**a) Rule of Law Index**

Zambia's rule of law index increased from -0.25 in 2016 to 0.47 at mid-term, surpassing the planned 7NDP end target of 0.25. The MTR notes some progress in the policy and legal frameworks around access to justice and a significant increase in the pool of qualified paralegals. Pertaining to Constitutional Review, the Government approved and actioned the 2018 Legal Aid Policy; the Policy aimed at enhancing equal access to justice, especially for poor and vulnerable groups. At mid-term, a Draft Parole Act was in place.

**b) Remand-Convict Ratio**

The remand-convict ratio decreased from 29 in 2009 to 26 at baseline against a set target of 15. The slow performance in addressing this issue indicates the likelihood of the country failing to meet the set targets by 2021.

**c) Voice and Accountability Index**

At mid-term, the Voice and Accountability Index worsened from -0.11 in 2015 to -0.30 at mid-term against a 7NDP set target of 0.25.

**d) Backlog of Cases**

An analysis of the backlog of cases from the Small Claims Court up to the Constitutional Court noted very slow progress implying that the country is less likely to meet the 2021 targets for reducing the backlog of cases to 10 percent across all the levels of the court system. At mid-term, the Government was not able to decentralise legal services as per plan and the pace of concluding human rights cases fell short of the 7NDP planned targets. The Government could not decentralise the planned 18 district-level National Prosecution Authorities. During the period under review, the Government was not able to construct the planned 51 Local Courts, six High Court structures, and a multi-purpose Supreme Court. However, at mid-term, with support from CPs, six Gender-Based Violence (GBV) Fast Track Courts were

constructed in Kabwe, Lusaka, Mongu, Choma, Chipata and Ndola out of the planned target of six in 2017. In 2019, the Government also constructed an additional Fast Track Court in Kitwe. This increased access to justice for survivors of GBV and enabled quick processing of court cases. There is need for further studies to find out the efficiency of the Fast Track Courts, compared to the time it took to complete Sexual and GBV cases prior to the establishment of the Fast Track Courts. While this was a noble intervention, the demand for court services remained high.

**e) Ratio of Full-Time Lawyers per 10,000 Population**

The proportion of full-time lawyers increased from 59/10,000 in 2016 to 89/10,000 in 2019 against a set target of 100/10,000. This performance indicates that the country is likely to meet its 2021 Plan target. One of the main facilitating factors included the increase in the pool of professional lawyers and a robust paralegal system. At mid-term, the Zambia Institute of Advanced Legal Education (ZIALE) had contributed significantly to the pool of qualified lawyers, especially paralegal lawyers who had been certified. Furthermore, a total of 700 qualified paralegals had graduated, serving various courts across the country. In addition, ZIALE was offering continuous professional development services in the legal field.

During the review period, the Constitution underwent a consultative process that was aimed at refining it and removing identified lacunas. This culminated into Bill 10 of 2019 which was submitted to the Parliament for consideration. Furthermore, to enhance access to justice and human rights for prisoners, the Government established Paralegal Desks at correctional centres in Lusaka, Ndola, Kitwe, Chingola, Mazabuka, Choma, and Livingstone to provide information on inmates' rights, such as the right to legal representation.

### 6.5.6 Enhanced National Values, Principles and Ethics

#### Outcome 6: Enhanced National Values, Principles and Ethics

##### 6.5.6.1 Background Context

At the launch of the 7NDP, inculcation of national values, ethics and principles into all aspects of state affairs and engagement of religious organisations in the development agenda were minimal. National values and principles play a key role in the interpretation of the Constitution; enactment and interpretation of the law; attainment of national cohesion; and development and implementation of state policy. The engagement of religious organisations in the development of the country is critical as these have an influential role in shaping societal values and belief systems, especially in a society that prides itself in being religious. The core values, principles and ethics that are at the centre of the development agenda of the country are extensively enshrined in the 2016 Amended Constitution. As such, the mainstreaming of national values, principles and ethics in the country's development agenda, while promoting citizen ownership and participation, becomes paramount. For the 7NDP,

the targeted institutions to drive this agenda are local and traditional authorities, churches, learning institutions, grassroot level groups, and both public and private sector players.

To attain the outcome results, the Government planned to employ the following strategies:

- Promote inculcation of national values and principles;
- Promote platforms for religious engagement and participation;
- Enhance research in application of values and principles.

##### 6.5.6.2 Performance of Outcome Indicators at Mid-Term

This result area had no outcome indicators; only output indicators were presented. Therefore, the performance of this result was not anchored on analysis of outcome indicators. Against the absence of explicitly stated outcome indicators, for the assessment of the performance of this result area, selected output indicators were used as a basis to analyse the degree to which the planned strategy of result area 6 had performed at mid-term.

**Table 40: Performance for Enhanced National Values, Principles and Ethics Outcome Indicators**

Outcome 6: Enhanced national values, principles and ethics				
Output Indicator	Baseline	Plan Target	Status (2019)	Indicator Rating
Policy on national guidance Implemented	0	1	50%	●
Guidelines on values and principles implemented	0	1	50%	●
Communication and advocacy strategy in place	0	1	50%	●
Number of dialogue platforms established and operationalised:	0	5	100%	●
National Value based transformation framework in place	0	1	N/A	N/A
<b>Performance of the outcome: On Track</b>				●
<b>KEY</b>	●	On Track		
	■	Partially on Track		
	▲	Off Track		



#### **a) Policy on National Guidance Implemented**

The planned target was to have one policy on national guidance implemented against a baseline of none in existence. The processes towards accomplishment of the national guidance policy were estimated to be at 50 percent completion at mid-term. By mid-term, a policy on national values, principles and religious affairs document had been developed and consultations with stakeholders were under way.

#### **b) Guidance on Values and Principles Implemented**

At the launch of the 7NDP, the country did not have in place guidelines on national values and principles. By mid-term, progress had been made towards the accomplishment of this indicator which was estimated to be at 50 percent completion. While the guidelines had not yet been developed, other activities to increase awareness and the importance of national values and principles had commenced. Implementation of guidelines on values and principles awaited completion of the policy. In terms of advocacy issues, the Government had taken a stance to ensure that all three stanzas of the National Anthem as opposed to one with its chorus were sang at all public events. Furthermore, there is increased stakeholder engagement in both public sector and private sector initiatives and community participation in projects to ensure that national development is achieved.

#### **c) Communication and Advocacy Strategy in Place**

When the 7NDP was launched, the country did not have a communication and advocacy strategy in place. At mid-term, the analysis observed that positive progress had been made towards the development of a communication and advocacy strategy. Consultation with relevant stakeholders estimated the performance around this indicator to be at 50 percent. The country was likely to be

on track to having a strategy on communication in place by 2021. Public awareness on issues of national values through media had been enhanced. Due to this public awareness, citizens were more aware of and were debating issues related to acceptable moral conduct and values, including dress code. Because of patriotic values instilled through awareness campaigns at the community level, the old approach that all problems at individual, household and community levels must be resolved by the Government is slowly being taken over by a spirit of ownership and patriotism. For example, when disease outbreak occurred, communities responded and contributed resources and time to address the problem. The creative industry also contributed to awareness campaigns through traditional dance music, drama and video animations.

#### **d) National Value-Based Transformation Framework in Place**

At mid-term, no monitoring data were gathered around the above indicator. However, a national mechanism for gathering evidence on the application of national values and principles was developed.

#### **e) Number of Dialogue Platforms Established and Operationalised**

At mid-term, the country had achieved the establishment of the planned dialogue platforms from 0 at baseline to five by 2018. As such the country is on track regarding potential to achieve this indicator. At mid-term, a church-state dialogue forum had been created at national level and to a limited extent at sub-national levels. This contributed to the establishment of the Day of Prayer involving and led by the clergy. In the past, this event was predominantly led by the Government. The Ministry of Health used the church-state platforms to communicate health messages, especially in cases of disease outbreaks. Despite these notable improvements,

the institution for promotion of national ethics and values lacked adequate staff and funding to effectively perform its mandate. There were only four staff members at the Headquarters of the Ministry of National Guidance and Religious Affairs who were responsible to coordinate issues related to promoting national ethics, values and principles across the whole country, with only one staff member allocated to each province. This was compounded by limited resources to support the

staff to undertake sensitisation and advocacy for national ethics, values and principles.

### 6.5.7 Overall Performance of the Creating a Conducive Governance Environment for a Diversified Economy Pillar

Overall performance of outcomes for Pillar 5 was below target in five out of the six key result areas. Thus, performance was partially on track (see Table 41).

**Table 41: Overall Performance Rating for Pillar 5**

Result Area	Key Performance Indicators	Baseline	Year of baseline	Target 2021	Status	Indicator Rating
Creating a Conducive Governance Environment for a Diversified and Inclusive Economy	11a Ease of doing business ranking	111	2015	90	85	▲
	11b Value of net foreign direct investment inflows (USD million)	1,777	2015	3,554	N/A	N/A
	11c Government revenue as a percentage of GDP	18.6	2015	>20	20.43	●
<b>Performance of Pillar 5 Outcome Results: Partially on Track</b>						■

KEY	●	On Track
	■	Partially on Track
	▲	Off Track

Notwithstanding the overall poor performance of outcomes for Pillar 5, below are some of the positive developments.

#### 6.5.7.1 Positive Accomplishments under Pillar 5

- Automation and digitalisation of land management system to support the issuance of certificates of land titles.
- Positive progress on decentralisation (devolved ministries and devolution plans).
- Inclusion of an additional seven ministries, provinces, and other spending agencies (MPSAs) using the Integrated Financial Management Information System, exceeding the planned target of six additional MPSAs included.
- Achieving the target to have the Public Procurement Act No. 12 of 2008, and its regulations reviewed and enacted.
- The Government significantly contributed to efficient tax administration through introduction of innovative tax registration and payment systems, thereby meeting set targets.
- The Government broadened the tax base to include the informal sector by 0.8 percent against a target of 1.5 percent.
- Digitalisation of national registration cards or registration of eligible voters as part of consolidating electoral processes and systems was under way.
- In increasing citizen engagement and participation, the



Parliament has increased the platforms for public participation from the traditional public hearings and committee meetings. The new strategies include:

- Open Days in Constituency Offices;
- Roadshows;
- Inter-school parliamentary debates.

### **6.5.7.2 Sustainable Development Goals**

Based on the performance of outcome indicators, the country was unlikely to meaningfully contribute to the attainment of SDG 16 on Peace, Justice and Strong Institutions (promoting peaceful and inclusive societies for sustainable development; provision of access to justice for all; and building effective, accountable and inclusive institutions at all levels). To significantly contribute to the attainment of SDG 16, there is need for concerted efforts by all stakeholders to speed-up implementation of various governance, public and private sector development reforms which have a strong potential to quickly deliver the planned results in the remaining two years of the 7NDP.

### **6.5.7.3 African Union Agenda 2063**

The 7NDP Governance Pillar was strongly aligned to the African Union (AU) Agenda 2063 Aspirations 3 and 5 advocating for democratic values, practices, universal principles of human rights, justice and rule of law entrenched, capable institutions and transformative leadership in place, and African cultural renaissance. Analysis on the performance of the Pillar at mid-term suggests limited contribution towards the attainment of Aspiration 3 of the AU Agenda 2063.

## **6.5.8 Recommendations**

### **a) Clear Roadmap for Effective Decentralisation**

There is need for a clear roadmap for attainment of full decentralisation, including reviewing the Implementation Plan that has been formulated to operationalise the policy. The roadmap should consider scaling-up fiscal decentralisation and streamlining roles, responsibilities and reporting structures for government and council employees at sub-national levels.

### **b) Human Rights Commission Bill**

There is need for the country to speed-up the process of enacting the Human Rights Commission Bill, through an Act of Parliament, given its importance in maintaining the country's status under the global alliance of national Human Rights Institutions.

### **c) Court Infrastructure**

The country should consider increasing court infrastructure and adopting legal reforms to promote efficiency in justice delivery to address the high backlog of cases.

### **d) Addressing Corruption**

There is need to enhance Integrity Committees in order for them to be proactive in implementing anti-corruption interventions in their respective institutions.

### **e) Service Delivery**

There is need to put in place a system for assessment of citizens' perceptions regarding the level of satisfaction with public service delivery and this can be done through innovations such as 'Customer Feedback' boxes at the service delivery facilities or by establishing mobile or online surveys for assessing feedback on public service delivery, using the E-Government Platform.





## 7.0 Efficiency and Financing of the 7NDP

## 7.0 EFFICIENCY AND FINANCING OF THE 7NDP

### 7.1 Efficiency of the 7NDP

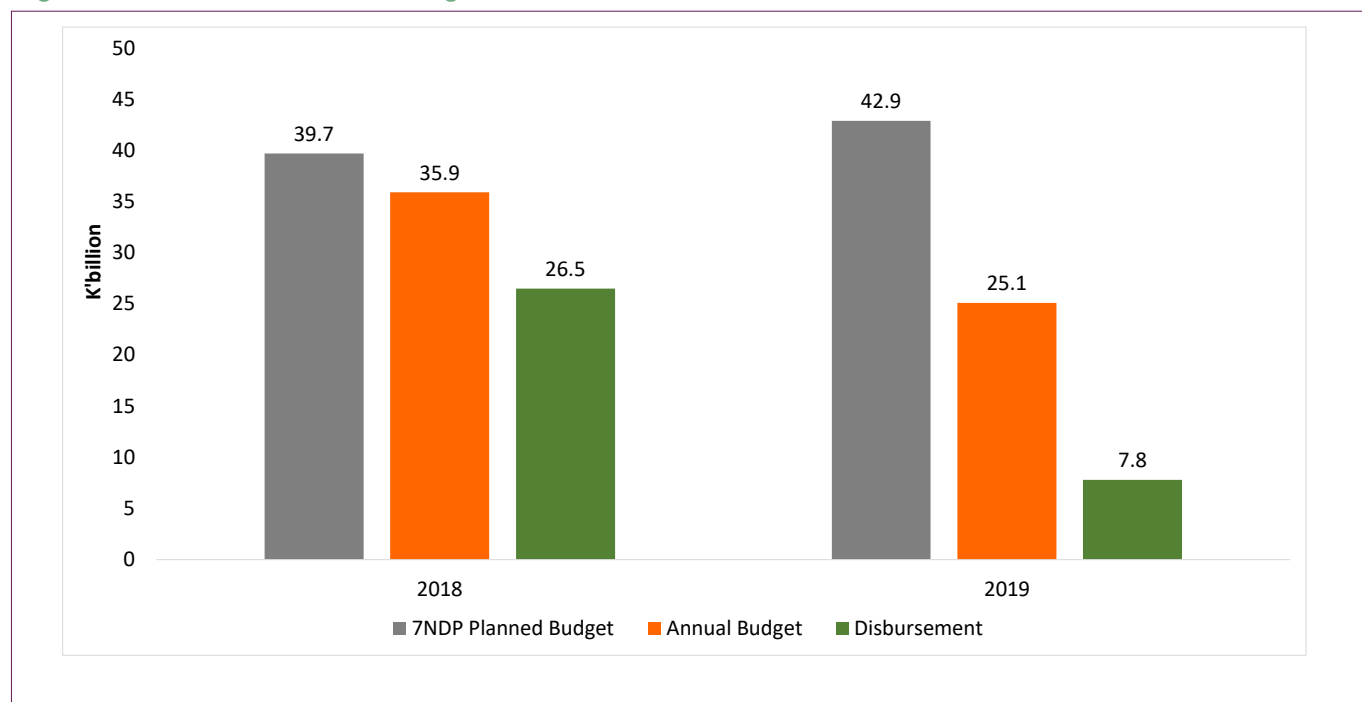
In terms of efficiency, there was mixed performance across the five Pillars, with regard to the extent to which the planned resource outlays in the Plan were released and expended.

#### 7.1.1 Key Results

**Disbursements towards the planned 7NDP activities were low at mid-term.** Releases towards the implementation of 7NDP programmes and projects were significantly low during the first

half of 7NDP implementation. In 2018, the 7NDP planned budget was K39.7 billion while the 2018 annual budget was K35.9 billion, representing a variance of 9.6 per cent. A total of K26.5 billion was disbursed. The 2019 annual budget allocation of K25.1 billion was quite low in comparison to the 7NDP planned budget of K42.9 billion. The variance of 41.5 per cent between the 2019 7NDP allocation and the annual budget against the K7.8 billion disbursed, indicates low efficiency in resource allocations and disbursements (see Figure 42).

**Figure 42: 2018–2019 7NDP Budget Allocations and Disbursements (K' billion)**



Source: Ministry of National Development Planning

Performance by Pillar varied; budget releases against 7NDP planned allocations were generally unsatisfactory for all the Pillars, except Pillar 2 and Pillar 4 which had releases above 50 percent

of their 7NDP budget in 2018. In 2019, only Pillar 2 had above 50 percent released against the planned allocations (see Table 42).





**Table 42: 2018 and 2019 Budget Performance (K'billion)**

Cluster/Region	7NDP Planned	Annual Budget*	Released*	Expenditure*
<b>Year 2: 2018</b>				
Pillar I: Economic Diversification and Job Creation	29.53	7.47	4.84	4.81
Pillar II: Poverty and Vulnerability Reduction	1.17	6.66	4.94	5.18
Pillar III: Reducing Developmental Inequalities	3.87	1.05	0.48	0.27
Pillar IV: Enhancing Human Development	4.57	19.73	16.16	16.16
Pillar V: Creating a Conducive Governance Environment for a Diversified and Inclusive Economy	0.59	0.23	0.09	0.085
Regional Budget	0	0.81	0.85	0.03
<b>Total</b>	<b>39.74</b>	<b>35.96</b>	<b>27.37</b>	<b>26.54</b>
<b>Year 3: 2019</b>				
Cluster/Region	7NDP Planned	Annual Budget	Released	Expenditure
Pillar I: Economic Diversification and Job Creation	30.02	15.68	2.94	2.77
Pillar II: Poverty and Vulnerability Reduction	2.66	3.26	1.76	6.67[1]
Pillar III: Reducing Developmental Inequalities	2.71	0.82	0.45	0.44
Pillar IV: Enhancing Human Development	5.67	4.77	2.29	2.29
Pillar V: Creating a Conducive Governance Environment for a Diversified and Inclusive Economy	1.88	0.54	0.36	0.31
<b>Total</b>	<b>42.95</b>	<b>25.08</b>	<b>7.8</b>	<b>12.47</b>

\* = non-personal emoluments

Source: Ministry of National Development Planning and Ministry of Finance

In 2018, releases for Pillars 2 and 4 stood at K4.9 billion and K16.2 billion, respectively, against 7NDP budget allocations of K1.2 billion and K4.6 billion. The two Pillars accounted for over 70 percent of the total amount of K27.4 billion released for the five Pillars, with the balance shared among the other three Pillars. In 2019, Pillar 2 received 66 percent of its 7NDP allocation as releases for the other four Pillars fell below 50 percent of their allocations. Unlike 2018, however, releases in 2019 were seriously unsatisfactory. A total of K7.8 billion was released translating into 18.2 and 31.1 percent, respectively, of the 7NDP planned allocations and against the approved annual budget. The outturn on Pillars 2 and 4 in 2018 was attributed to the high level of support from CPs.

Findings from interviews revealed that the poor performance of the 7NDP budget during the first half of 7NDP implementation had been mainly due to: (i) non-alignment of the annual budgets to planned programmes in the 7NDP, resulting from limited consultations between the Ministry of Finance and the MNDP during the process of developing the annual budgets and annual plans; and (ii) undesirable macroeconomic situation mainly arising from high levels of indebtedness, which led to constrained fiscal space. The findings showed that reduced funding during the period under review had significantly slowed implementation of the planned programmes under the Plan, and this diminished the likelihood of achieving the planned 7NDP outcomes. For instance, as at October 2019, the SCT programme

had a caseload of 632,327 households against a target of 700,000 households. However, more than six months of payments amounting to K1.4 billion had not been disbursed to the beneficiaries since May/June 2018, except for Copperbelt and Lusaka-based beneficiaries.

**The disbursed resources were utilised according to the Plan at mid-term.** Where the resources were diverted to other unintended uses, the findings showed that the Government had instituted corrective measures to recover all such resources.

### 7.1.2 Noted Challenges

#### a) Annual Budgets Not Fully Aligned to Planned Programmes

Successful implementation of the 7NDP relies heavily on the effective implementation of strategies under the economic diversification and job creation cluster. Resources from domestic revenue, borrowings and grants to finance planned programmes and activities during the first half of 7NDP implementation (2017-2019), were estimated at K199.6 billion, with an average of K66.5 billion per year. However, the findings indicated that, due to high debt repayment obligations during the review period, the approved annual budgets during the first half of the 7NDP did not match the planned 7NDP budgets in terms of both size and focus.

In 2017, the annual budget was not comprehensively aligned to the 7NDP as it was prepared and presented to the Parliament (in 2016) before the Plan was officially launched and it was envisaged that the alignment was going to be achieved from 2018 onwards. However, the alignment was not fully achieved by mid-term. The total 7NDP planned budget in 2018 was K39.7 billion while the annual approved budget was K35.9 billion. In 2019, the total 7NDP planned budget was

K42.9 billion while the annual approved budget stood at K25.1 billion (see Table 42). Besides the mismatch between the 7NDP and the 2017 annual budget, certain priority areas of the Plan, such as R&D, were not explicitly covered by the annual budget. Regarding expenditure, constitutional and statutory expenditures (non-discretionary), which include debt service payments, salaries and subventions to other spending agencies and earmarked expenditures, were projected at at least 83 percent of the resources from domestic revenues, borrowing and grants, leaving a balance of 17 percent (K11.3 billion) for implementing other programmes. The Government planned to allocate the discretionary resources towards programmes that would support its Economic Stabilisation and Growth Programme, with emphasis on completion of ongoing projects before embarking on new ones and reducing expenditure on subsidies by migrating to full-cost recovery prices.

Further, the Government planned to settle arrears across all sectors as a prerequisite to the realisation of the objectives in the Plan. At the same time, a decision was made by the Government to direct its expenditure towards agriculture, tourism, industrialisation and MSME development, energy and logistics infrastructure, health, education and social protection in a more integrated approach, to ensure the efficient use of resources and maximum benefit to the economy. Noting the low resources available for discretionary items, the Government sought to enhance traditional sources and exploit alternative modalities to mobilise more resources required for the implementation of the 7NDP.

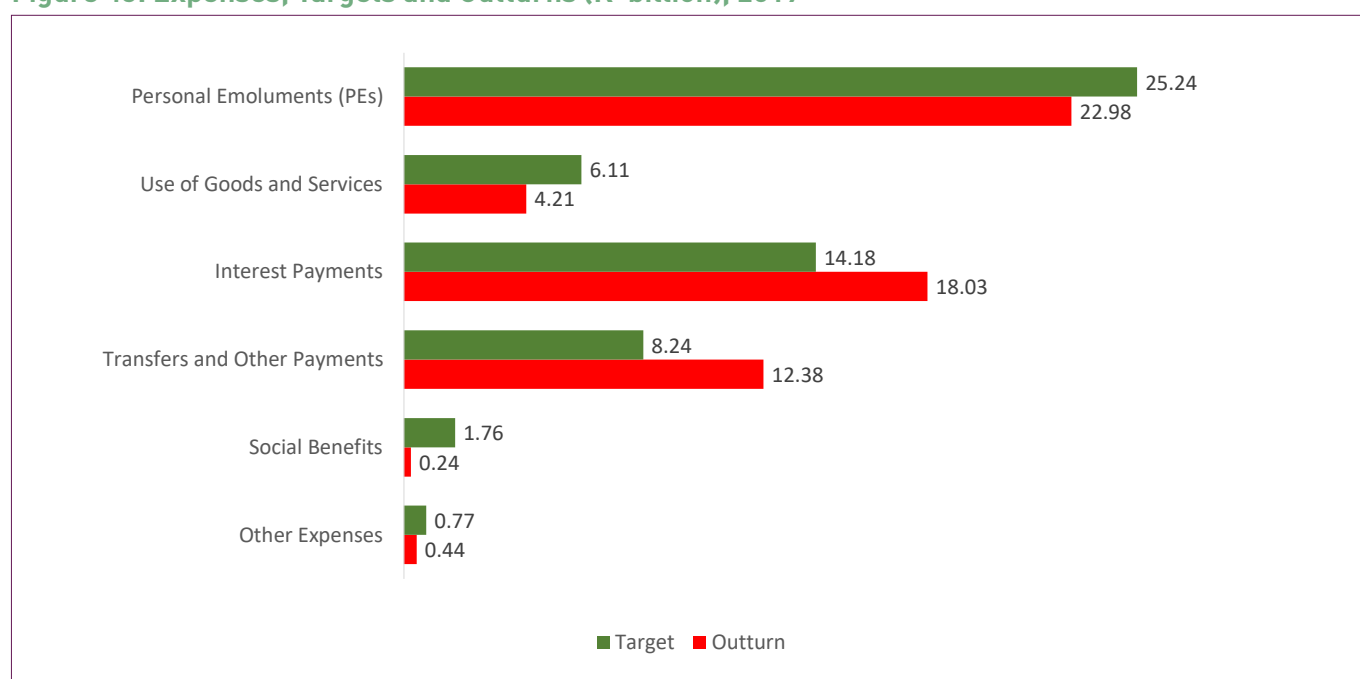
However, the MTR findings showed that implementation had been slow due to, among other issues, inadequate funding towards 7NDP planned activities partly because of lack of prioritisation of 7NDP planned activities in the annual budgets. The findings showed that the amount of the discretionary budget that was



allocated towards planned 7NDP outlays had been reducing over time. Preliminary figures indicate that total expenditure including amortisation in 2019 stood at K96.6 billion against the budget of K86.8 billion, translating to 11.3 percent above target. Domestically financed expenditure amounted to K60.6 billion; foreign financed expenditure amounted to K26.3 billion; while amortisation was at K9.7 billion. Expenses were

above target by 3.6 percent at K58.3 billion against the projected K56.3 billion (see Figure 43). Due to higher expenditure relative to revenues, the fiscal deficit on cash basis was 9.1 percent of GDP, against a budget target of 6.5 percent. This was mainly due to higher external debt service payments on account of the depreciation of the Kwacha and more than programmed spending on capital projects and the FISP.

**Figure 43: Expenses, Targets and Outturns (K' billion), 2019**



Source: MoF Administrative Data

### **b) 7NDP Financing Sources Undiversified at Mid-Term**

One of the reasons cited for the reduced funding towards 7NDP programmes was decreased fiscal space resulting from high indebtedness because of over-spending, mostly on infrastructure projects. Despite outlining several financing sources, findings from the interviews revealed that the Government had during the period of 7NDP implementation and before used public funds

to finance projects in both social and economic sectors, a development that has led to higher debt levels for the country. This in turn, was found to have reduced the amount of resources that could be spent on the programmes prioritised in the Plan. The MTR evaluation team learnt that, when debt servicing and personal emoluments were paid, only about 10 percent of the total annual government revenues remained for implementing programmes.

### 7.1.3 Key Recommendations

#### a) Operationalise Non-Traditional Financing Sources

Given the high debt levels which have reduced the amount of resources that can be spent on planned programmes, it is strongly recommended that the Government should operationalise alternative financing options and strategies for completing the unfinished projects by 2021. One such recommendation is the full use of PPPs to finance commercially viable projects such as international roads so as to relieve pressure on the public Treasury and allow the Government to focus more on social sectors.

#### b) Fully Align Annual Budgets to Annual Planned 7NDP Programmes

In the remaining period of 7NDP implementation, as the Ministry responsible for the country's finances and budgeting processes, the Ministry of Finance needs to ensure that annual budget allocations match the estimates of 7NDP programmes to be implemented in each year.

## 7.2 Financing of the 7NDP

In the Plan period, resources from domestic revenues, borrowing and grants were estimated at K341.3 billion (about K68.3 billion per year). Of this, the Government planned to spend K284.1 billion (83 percent) on constitutional and statutory expenditures (non-discretionary), leaving a balance of only K57.2 billion as discretionary budget or resources available for implementing the other programmes. To raise more resources to adequately finance the Plan, the 7NDP has outlined several financing options. These include

domestic revenue (tax and non-tax revenue), foreign borrowing, private sector financing, grants from CPs and alternative sources, such as joint ventures, private sector investments and PPPs. The financing arrangements for the 7NDP are presented in the 7NDP, 2017-2021. The sections below present the analysis of the performance of the different financing options identified by the 7NDP.

### 7.2.1 Key Results

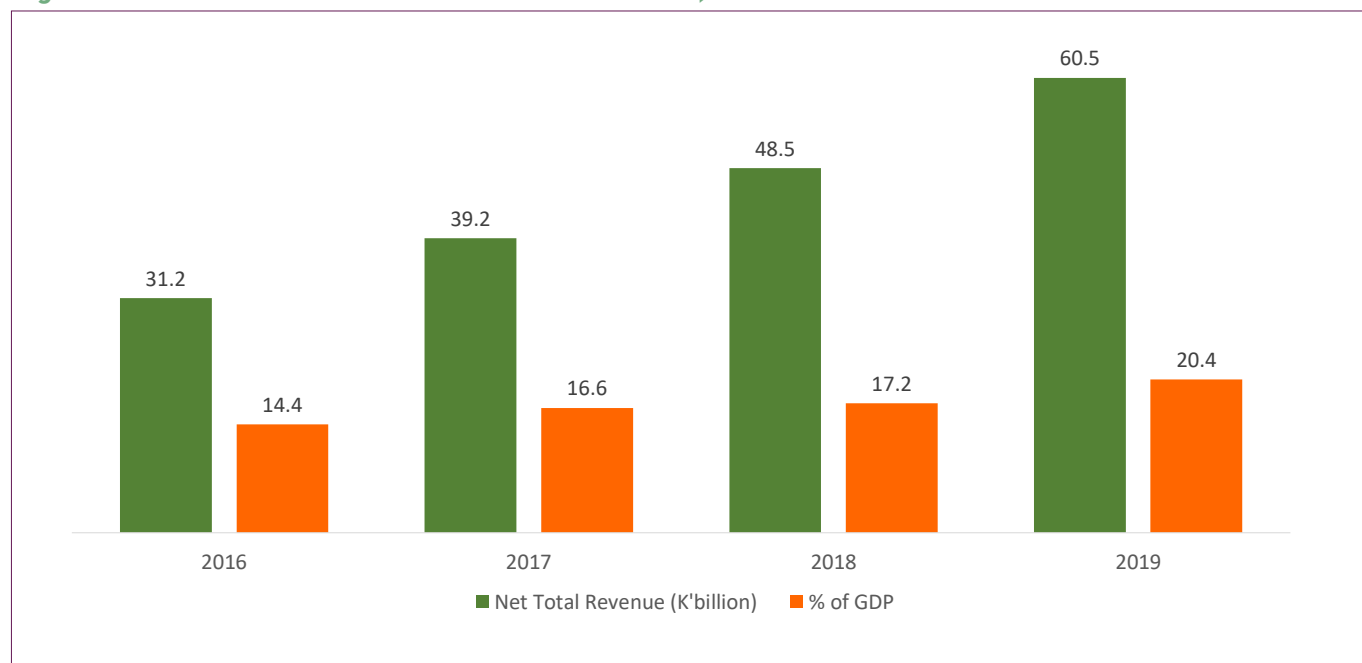
Total revenue performance was positive at mid-term as demonstrated by a major increase of 42.5 percent between 2017 and 2019. The total revenue collected was K43.03 billion in 2017, K53.4 billion in 2018 and K60.5 billion in 2019.

This was as a result of consistent public finance reforms undertaken particularly with regard to modernisation of revenue administration and introduction of automated and online mechanisms for tax payments.

In 2019, total domestic revenue increased from K48.5 billion in 2018 to K60.5 billion (see Figure 44). Of this amount, K48.4 billion was from tax collection, which exceeded the target of K46.7 billion while K12.1 billion constituted non-tax revenue and this was 28.3 percent above the projected amount of K9.4 billion. Tax revenues were mainly driven by improved compliance on VAT and high collections on Pay As You Earn which was more than expected. With regard to non-tax revenue the outturn was mainly attributed to improved Appropriation in Aid funding mechanisms by the Treasury and higher dividend earnings.

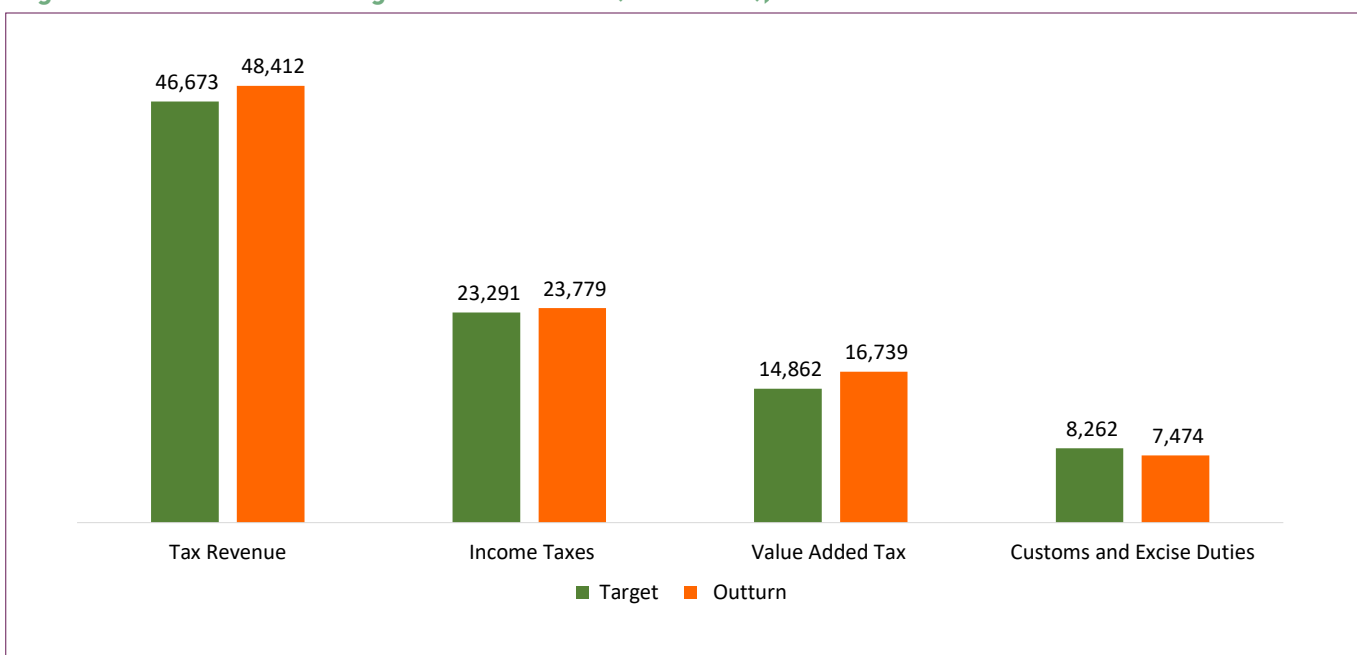


**Figure 44: Distribution of Zambia's Net Tax Revenue, 2016-2019**



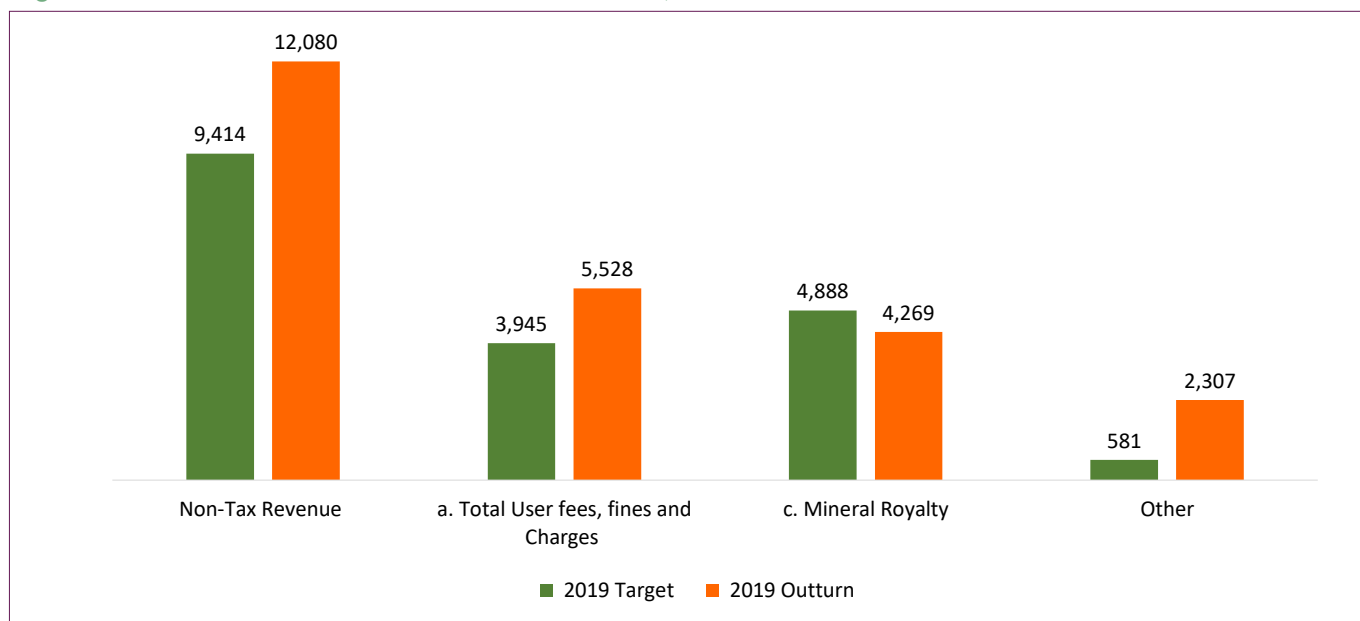
Source: Zambia Revenue Authority

**Figure 45: Tax Revenue Targets and Outturns (K' million), 2019**



Source: Ministry of Finance

Figure 46: Non-Tax Revenue Outturns (K' million), 2019



Source: Ministry of Finance

**a) PPPs were still in infancy stage at mid-term.**

Although, the MTR showed an increase in the proportion of PPPs across the various Pillars, particularly Pillars 1 and 4, interviews with stakeholders indicated that PPPs had not been fully exploited as a financing option during the first half of 7NDP implementation. This is despite the fact that the Government now has a Unit solely dedicated to PPPs and that PPPs contribute to resourcing for the 7NDP and ensures participation of the country's private sector in contributing to the development of the country. However, the results indicated that even in sectors where it is economically viable for the private sector to invest and thus where PPPs can thrive (e.g. infrastructure development and education), the participation of the private sector through PPPs was significantly low. As a result, the Government continued to allocate more funds to projects and programmes even in sectors in which the private sector could invest. Given the level of investments that the Government has been making in infrastructure development, this was reported to have reduced the amount of

resources that the Government could invest in social sectors where PPPs are less likely to thrive.

**b) The performance of external grants was poor at mid-term.** During the course of 7NDP implementation, the Government plan was to continue strengthening relationships with CPs both on bilateral and multilateral levels in undertaking measures aimed at ensuring that the economic challenges the country is facing are addressed. The Government assumed that CPs would contribute at least K12.6 billion over the Plan period. However, the MTR showed that the performance of external grants had been poor during the first half of 7NDP implementation. In 2017, grants inflows were K466.62 million against a target of K2.23 billion. During the first half of 2018, grants reduced to K212.6 million and were 82.6 percent below the target of K1.22 billion. In 2019, grants stood at K840 million against the target of K1.92 billion. The lower than projected inflows were found to have negatively impacted on the implementation of projects in



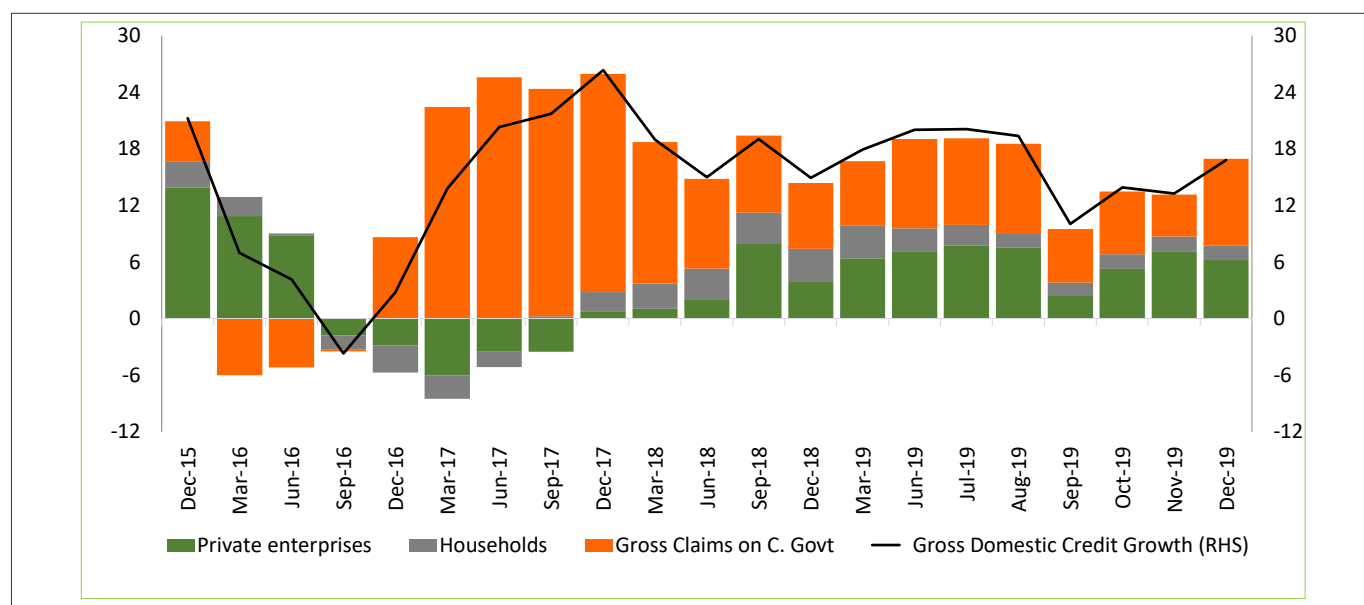
various sectors supported by CPs (particularly health, education and agriculture).

**c) External and domestic borrowing was high at mid-term.** To meet the shortfalls in funding, the Government had continued to borrow to finance 7NDP programmes, particularly infrastructure projects. The external debt stock increased from USD 8.5 billion in 2017 to USD 10.0 billion in 2018 and further increased to USD 11.2 billion by December 2019. In terms of composition, private bank facilities at 51.5 percent accounted for the largest proportion of government external debt. This was followed by multilateral creditors, and export and suppliers' credit facilities, accounting for

18.9 percent and 26.2 percent, respectively. The share of bilateral credit was the lowest at 3.3 percent.

Similarly, the findings indicated that the Government had to a large extent been able to borrow reasonable amounts from domestic sources. Domestic credit (including foreign currency loans) expanded by 16.8 percent to K83.1 billion at end-December 2019 from K71.1 billion at end-December 2018 (see Figure 47). The rise in credit was mainly driven by lending to the Government. Credit to the Government contributed 9.2 percentage points to overall credit growth, while credit to the private sector contributed 6.2 percentage points.

**Figure 47. Contribution to Gross Credit Growth**



Source: Bank of Zambia

### 7.2.2 Structural and Legal Reforms Noted at Mid-Term

During the period under review, the Government continued to implement policy, regulatory and structural reforms. These reforms aimed at enhancing domestic resource mobilisation, refocusing expenditure, narrowing the fiscal

deficit, reducing the pace of debt accumulation, and dismantling domestic arrears.

#### a) Public Finance Management

In June 2019, the Government commenced construction of an e-Government Platform also known as the Government Service Bus and Payment Gateway. This digital ecosystem will

enable cost-effective delivery of government services online and is envisaged to achieve interoperability among government departments. The system will also enhance accounting for government revenues by progressively eliminating human intervention or handling of cash by persons collecting government revenues. The integration of various payment methods for government services through a government payment gateway will include credit and debit card payments, mobile payments and internet and mobile banking.

#### **b) Structural Reforms**

The Government continued to implement structural and legal reforms in the following areas in 2019:

- i) Rolled-out the Output Based Budgeting system to 22 institutions to enhance tracking of outputs generated from public funds;
- ii) Rolled-out the Management Monitoring System to enhance monitoring and tracking of programme and project implementation to 41 institutions (Ministries, Provinces and Agencies);
- iii) Undertook National Planning and Budgeting reforms to enhance the linkage between the National Development Plan and the National Budget;
- iv) Developed a Public Finance Management Strategy (2019 to 2022) to guide Phase II of the Public Finance Management Act implementation.

#### **7.2.3 Noted Challenge**

##### **Lack of Cohesion among Government Departments Engaging with Cooperating Partners**

Findings from interviews at the national level revealed that the Development Cooperation Department in the MNDP and the Ministry of

Finance are both engaged in overseeing varying aspects of development coordination with CPs. However, interviews revealed that most times there is no complementarity in the way the different government units engage with the partners, leading to conflicts in CP management.

#### **7.2.4 Key Recommendations**

##### **a) Harmonise and streamline the roles of the Development Cooperation Department in the MNDP and the Ministry of Finance to better engage and manage relationships with CPs**

There is need to quickly assess areas of conflict and complementarity among government departments involved in development coordination.

##### **b) Enhance the effectiveness of PPPs to diversify sources of finances**

Based on the findings, the MTR recommends that the Government should do more to sensitise the private sector on the role they can play on PPPs so as to increase the rates of their participation. Specifically, in the remaining two years of the Plan the Government should consider scaling-up awareness on the role and opportunities of PPPs. In addition, the findings identified a clear need to allocate more resources (finances and personnel) to the PPP Unit to enhance its effectiveness.

##### **c) Enhance cooperation with the private sector and cooperating partners**

To reduce spreading resources too thinly as well as mobilise additional resources, the Government should enhance cooperation with the private sector and CPs through joint planning and implementation of programmes.

##### **d) Scale-up e-government programmes**

The Government should scale-up implementation of e-government programmes for improved service delivery and increased revenue collection.





## 8.0 Design, Planning, Monitoring and Evaluation

## 8.0 Design, Planning, Monitoring and Evaluation

This chapter analyses the design, planning, and monitoring and evaluation of the 7NDP and presents key recommendations for the remaining period of the Plan.

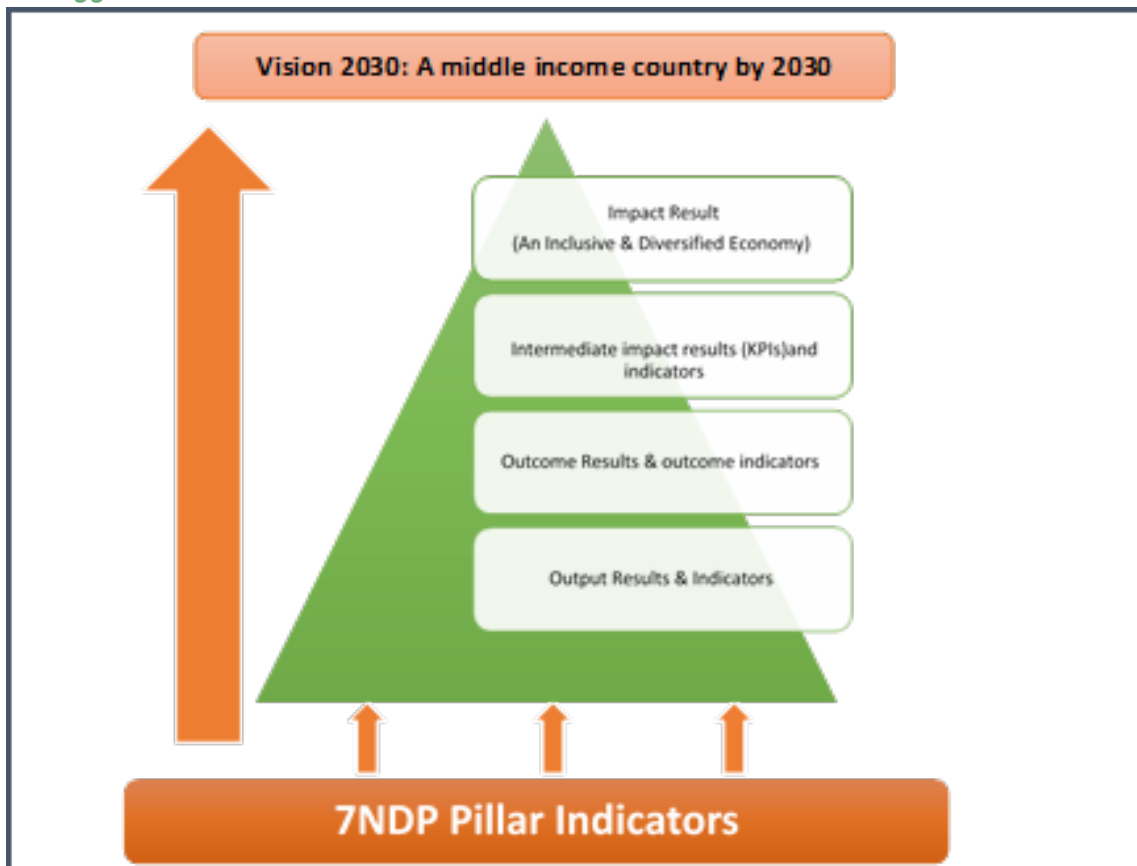
### 8.1 Design of the 7NDP

The design of the 7NDP includes the strategy for implementing the 7NDP. The review will analyse the Theory of Change and the robustness and adequacy of the Results Framework.

#### 8.1.1 Theory of Change

The 7NDP has a sound Theory of Change, albeit with room for improvement. The Theory of Change is presented in Volume II of the 7NDP which is the Implementation Plan, 2017-2021. The pictorial ToC shows the links between the key performance indicators (impact results), the outcome results and the overarching Vision 2030 strategic objective. However, at mid-term, while the key elements of the ToC were in place, the analysis indicated a need for improvement in the flow of thematic areas. Figure 43 suggests the proposed thematic flow of the Theory of Change. Volume 1 of the 7NDP has a section on the ToC (1.4.1) which highlights how the strategies and programmes contribute to planned outcomes and impact results through a series of intermediate results (see Figure 48).

Figure 48: Suggested Flow of the Result Areas for the 7NDP





At mid-term, when the suggested flow of the ToC was considered, the 7NDP ToC remained relevant to the development context. In line with the latest language used for results-based management, it is suggested that key performance indicators (KPIs) be replaced by intermediate impact results and an overarching impact result be articulated. The analysis of MTR results notes the omission of the risks and assumptions for the 7NDP ToC. Given the importance of the SDGs in Zambia, the ToC should also encompass the inclusion of the role of SDGs in the design and implementation of the 7NDP.

### 8.1.2 The 7NDP Results Framework

**a) The Plan has a relatively strong results matrix.** The analysis of the results framework for the 7NDP at mid-term notes the existence of a relatively strong results matrix. The five Pillars of the 7NDP are supported by respective outcome results with relevant outcome indicators. Each outcome area is supported by a list of outputs and supportive output indicators. Above the outcomes, the result chain has key performance indicators (suggested to be intermediate impact results) in earlier sections. The analysis of the 7NDP MTR observed the omission of a layer of results (impact result) into which the five intermediary results should feed. There is an observation that the results matrix can be improved by including four layers of results as indicated in figure 49. The 7NDP also has a large number of outputs supported by output indicators.

**b) The development of the results matrix was participatory and knowledge by 7NDP stakeholders on the results framework was high.** Feedback from stakeholder consultations indicated relatively high participation of various stakeholders in the

design and development of the elements of the results matrix. There was back and forth consultation between stakeholders and MNDP on the selection of results and indicators for measuring performance. This indicated strong agreement on the expected results from the 7NDP. Furthermore, the analysis showed that stakeholders across the board (Government, CSOs, private sector and others) and at national and sub-national levels were highly knowledgeable of the content and detail of the results matrix.

#### 8.1.2.1 Observed Areas for Improving the 7NDP Results Framework

The 7NDP MTR findings noted the need for improving aspects of the results framework. The following are the highlights of areas for improvement:

**a) The analysis notes the need for articulation of the overarching impact results**

The five 7NDP Pillars have impact results (KPIs), which represent the intermediate impact results. The overarching impact result of an inclusive and diversified economy is not well-articulated. The Zambia Statistics Agency indicated they were working on a Zambian Index which would measure a diversified and inclusive economy.

**b) The KPIs representing intermediate impact results require refinement**

**Pillar 1** on a Diversified Economy and Job Creation has 10 KPIs. The KPIs are too many and almost all of them focus on aspects of diversification, and only one performance indicator – “Unemployment rates among persons 12 years and older by sex and region” – focuses on job creation. The 7NDP MTR suggests the need for at least two intermediate impact results, one on diversification and the other on job creation. The existing indicators on employment can be perfected.

**Pillar 2** on Poverty and Vulnerability Reduction has eight performance indicators, which is relatively too many. Analysis of the key performance indicators shows non-inclusion of climate vulnerability issues. The 7NDP MTR suggests the need to move the HIV-related aspects to Pillar 4 on enhancing Human Development. Following this suggestion, the Pillar would, therefore, have only two intermediate impact results on poverty and climate variability. A comprehensive measure on poverty can be used (Poverty Headcount Ratio), and, for climate vulnerability, the 7NDP MTR results suggest use of the Global Climate Risk Index. This index was developed by Germanwatch which analyses quantified impacts of extreme weather events including meteorological (storms, severe weather); hydrological (river flooding, landslides); and climatological (wildfires and droughts).

**Pillar 3** on Reducing Developmental Inequalities has three KPIs. The Gender Parity Index in school only addresses gender disparities in the general education sub-sector, therefore making it selective. The poverty gap is encompassed in the Gini coefficient. The 7NDP MTR results suggest the use of only one KPI on Gini coefficient for Pillar 3.

**Pillar 4** on Enhancing Human Development has 10 performance indicators. The MTR suggests the use of the Human Development Index which is a comprehensive measure covering both health and education, excluding water, sanitation and hygiene (WASH). To address WASH issues, the MTR suggests the use of the index called "WASH Performance Index". This index is a comparison of country performance in realising universal WASH standards in the following components: water access, water equity, sanitation access, and sanitation equity.

**Pillar 5** on Creating a Conducive Governance Environment for a Diversified and Inclusive Economy has three KPIs. Analysis of the performance indicators suggests that the title of the Pillar is a repetition of what is in Pillar 1. Against this background, it is suggested that KPIs 11b and 11c be moved to Pillar 1 as they contribute to the greater picture of a diversified economy. The MTR analysis further suggests the need to develop a country indicator that shows what constitutes a conducive governance environment as well as service delivery.

### 8.1.3 Quality of Outcome Indicators

**a) The 7NDP background and M&E information suggests an estimate of 95 percent evaluability rating (estimate of independent consultants).** An evaluability assessment analyses the degree to which a programme can be evaluated in a reliable and credible manner. It assesses the existence of planning for future evaluation of the programme at its inception. Evaluability assessments assess, among others, the following components:

- a) Existence of a results framework;
- b) Availability of baseline information as a basis for tracking progress or lack of it;
- c) Existence of monitoring indicators at all levels (output, outcome, impact);
- d) Set results targets at both mid and end term of project;
- e) Availability of monitoring indicator data.

A review and analysis of the 7NDP results framework suggest an evaluability rating of about 95 percent. The 7NDP has a robust results framework presented in its Implementation Plan. The results framework includes a Theory of Change output and outcomes, including baselines; and monitoring indicators. Further analysis noted



the following minor gaps in evaluability:

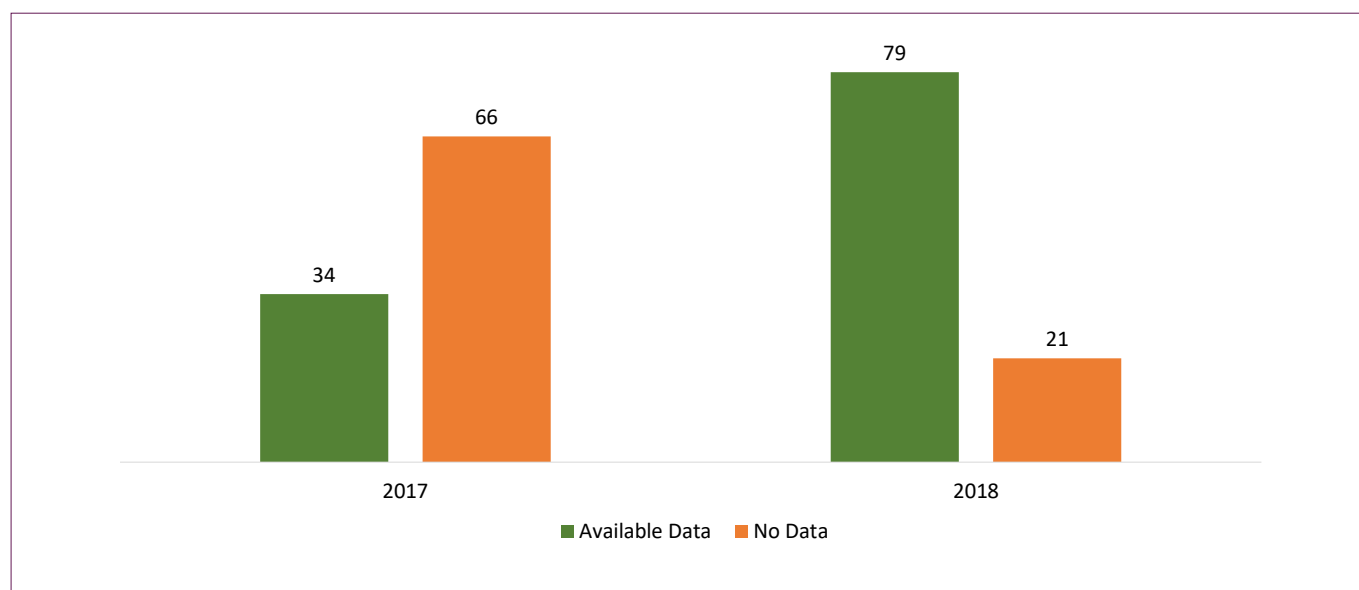
- i) the 7NDP results framework lacks the overarching impact results and its supportive impact indicators;
- ii) the mid-term targets (for 2019) for outcome indicators were not set in the Plan;
- iii) some of the 7NDP outcomes do not have outcome indicators as outlined:
  - KRA 1: Outcome 10: Enhanced Research and Development
  - KRA 5: Outcome 6: Enhanced National Values Principles and Ethics

The 7NDP stakeholders were satisfied with the key results and indicators and suggested minor changes to strengthen monitoring and evaluation of the Plan.

**b) The utility of the results framework and reporting on results gradually improved with stakeholder awareness of the**

**results framework.** During the first year of implementing the 7NDP, it was observed that the use of the results framework to report on the performance of the indicators was limited. The CAGs are responsible for reporting on results through their quarterly reports which use the templates provided in Volume II of the 7NDP. The MNDP conducted some assessments in 2017 and 2018 to gauge whether non-reporting on results framework was a factor of unavailability of M&E data. The assessment found that data were available to inform the results. However, most stakeholders were not aware of the availability of data. Figure 49 presents the overview of data sources. The MNDP emphasised to stakeholders the importance of reporting on the key performance indicators and that non-reporting was construed as non-performance on the part of the respective CAGs. This resulted in an improvement of stakeholder utility of the results framework.

**Figure 49: Overview of Data Sources and Availability**



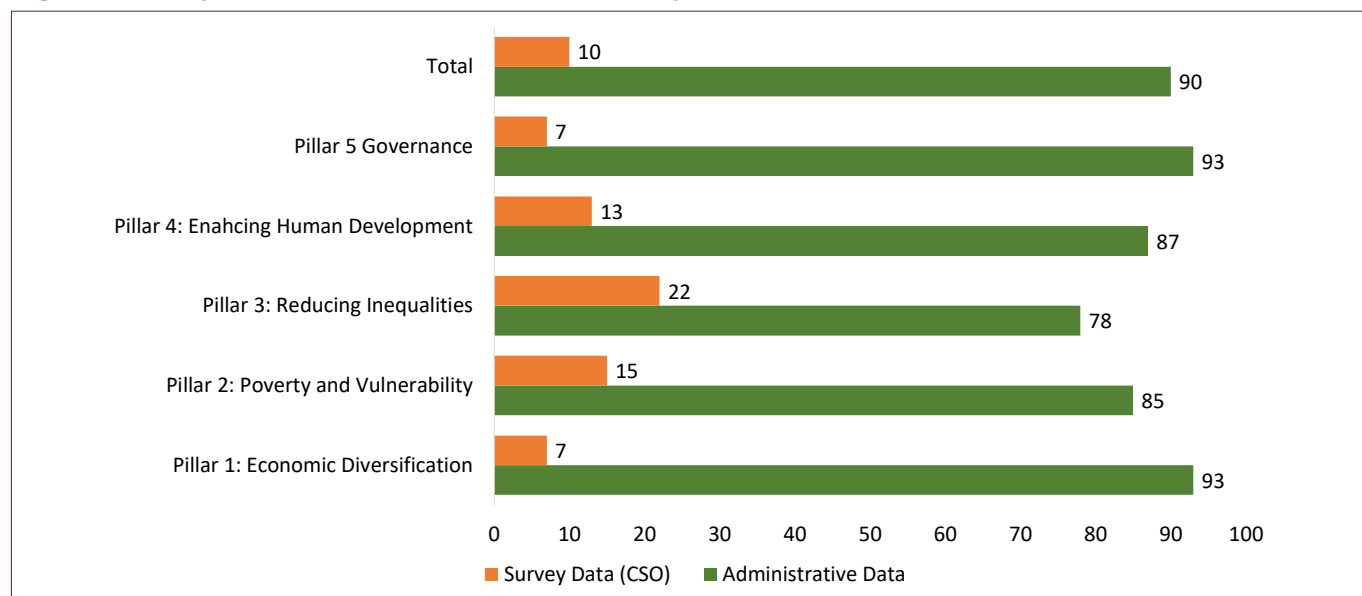
Source: Ministry of National Development Planning

The results of the assessment showed that the reporting on 7NDP results framework improved by 45 percent from 34 percent in 2017 to 79 percent in 2018.

The assessment also indicated that most of the indicator data were mainly informed by administrative data.

At mid-term, the Demographic and Health Survey results had just come out, which increased the availability of survey data to inform the 7NDP results framework. Therefore, it can be concluded that availability of monitoring data had improved.

**Figure 50: Proportion of Administrative and Survey Data for the 7NDP Results Framework**



Source: Ministry of National Development Planning.

The analysis of the MTR results noted that at outcome level, most indicators are survey-based. However, at output level, indicators are mostly informed by administrative data sources. At least 75 percent of data across all pillars come from administrative data sources. Survey data from ZamStats and other international sources, relevant for 7NDP reporting, account for as little as 10 percent of all data requirements. As such, the process of defining indicators should involve experts from various Clusters representing various areas of 7NDP interventions.

## 8.2 Planning for the 7NDP

The analysis of the 7NDP MTR findings notes that the planning for the implementation of the Plan by sub-national levels was effective. In this section, attention will be given to how the 7NDP was translated to sub-national level, unpacking national targets to sub-national levels, and appropriateness of the 7NDP monitoring and reporting tools to sub-national levels. The section will conclude by providing key recommendations for planning in the remaining two years and the subsequent national development plan.



**a) There was no structured system for translation of the 7NDP to provincial and district level planning.** Analysis of feedback from stakeholders at sub-national level indicated variations in the translation of the 7NDP to provincial and district levels. In some provinces, provincial plans preceded the development of respective district plans while in some provinces the reverse was true. These variations in approach to the adoption of the 7NDP are likely to have negative effects on standardisation of the planning process at sub-national level. One of the respondents had this to say:

“There was no sensitisation on how to use the 7NDP to develop district plans. Lack of guidance has led to an omission of annual work plans. The major challenge when reporting to PDCC, is that they want us to report in reporting template of 7NDP which does not make sense to us. When we present reports in our own way, we face challenges as people will not understand how to adopt the district report contents into provincial and national reporting frameworks.” Male Respondent, District Level, Eastern Province.

**b) National level targets for the 7NDP were not disaggregated by province or district, thereby creating several planning challenges.** The fact that the 7NDP Implementation Plan did not explicitly disaggregate and prioritise targets by province and district presented several planning and programme implementation challenges at sub-national levels. The planning teams, at these levels, tended to make their own decisions regarding measurement of performance and in some cases the respondents indicated that they divided national level targets by 10 according to the 10 provinces. There was no formula

for disaggregating national targets to sub-national levels. The commonly cited examples from the stakeholders was the case of the five farm blocks as a national target, which made it difficult to determine which provinces would work towards the target. The delay in introducing the 7NDP approach to sub-national levels affected its institutionalisation in terms of development of sub-national indicators and targets. The majority of the provinces reported receiving orientation for planning only in March 2018, almost one year after the launch of the Plan.

Consultations with sub-national levels indicated that in some instances the indicator targets set at national level were relatively lower than those set at sub-national level. For example, community conservation areas at national level are only 500,000 hectares while in Nyimba District alone, 489,000 hectares were reached. There were many other targets that the sub-national levels had set which were higher than those set at national level. Furthermore, feedback from national level stakeholders noted line ministries had routine activities which were not covered in the 7NDP outputs and activities. For example, the Agriculture Ministry is responsible for maintaining the health of animals and would conduct routine vaccinations; such activities were not reflected in the 7NDP.

**c) The reporting templates for the 7NDP were not designed to systematically capture progress of implementation at sub-national level.** Consultations at sub-national level revealed the difficulties they faced in reporting on progress of the implementation of the Plan using the templates provided in Volume II of the 7NDP (the planning and monitoring and evaluation templates for the Plan outlined in Chapter 9 track progress by pillar covering

performance of outputs, outcomes and key performance indicators). Stakeholders at sub-national level found the reporting templates not appropriate to capture sub-national performance. For example, most indicators in the 7NDP are at national level making it difficult for provinces and districts to report on 7NDP progress using the templates in Volume II. The existing reporting templates are only relevant for national level reporting as they do not accommodate provincial district level data disaggregation.

### 8.2.1 Suggestions for Strengthening Planning Processes for the 7NDP

Informed by the analysis of the stakeholder feedback, the following are suggestions for strengthening implementation planning of the 7NDP:

#### a) Unpacking national level targets for sub-national levels

When a national development plan is being developed, the implementation plan must include annexes of how the national programme targets are disaggregated to provincial and district levels, using a robust prioritisation approach.

#### b) Development of performance indicators for sub-national levels

As part of development of the implementation framework, the development of performance indicators for both provinces and districts needs to be considered to standardise reporting and also ensure that such performance indicators contribute to the achievement of national targets within a smart results framework.

#### c) Timeliness and capacity of sub-national levels to develop plans

Within the first quarter of launching the national Plan, the capacity of provinces and districts to develop sub-national plans must be built. This will enhance the capacities of provinces and districts to appreciate the planning processes and contribute to the implementation of the 7NDP in a timely manner.

#### d) Development of appropriate reporting templates for sub-national levels

The 7NDP implementation framework should include reporting templates for both the provinces and districts to enable these levels to effectively report on their contribution to the implementation of the 7NDP.

#### e) Guidelines on the development of sub-national plans and monitoring and evaluation frameworks

The MTR suggests the need for the development of sub-national plans with clear guidelines on development of sub-national targets and formulation of aggregated indicators. Planning must be based on the principle of prioritisation where targets are set for areas with the greatest need for development. Monitoring functions should be clearly allocated across national and sub-national structures in line with the reporting and accountability guidelines.

### 8.3 Monitoring and Evaluation of the 7NDP

The assessment noted a relatively sound monitoring and evaluation (M&E) system for the 7NDP, with room for improvement. A monitoring plan for the 7NDP is in place and is well-articulated. The second volume of the 7NDP outlines the M&E processes and plans. Monitoring is done at various levels, including institutional, cluster, national, and decentralised structures. The MTR analysis observes that the M&E systems of the 7NDP are





built on a strong results-based management approach. As such M&E tracks performance of all the key results outlined in Volume II (outputs, outcomes, KPIs) against the set targets.

### 8.3.1 Regularity of Monitoring Systems

The second volume of the 7NDP outlines four forms of monitoring schedules outlined as monthly, quarterly cluster performance, annual progress monitoring and project spot monitoring visits, with commensurate reports to be produced. The review observed that at mid-term, all these forms of monitoring were being conducted by internal stakeholders including the Government and non-state actors (CSOs, CPs, and the private Sector. A review of the 7NDP noted plans to undertake baseline, mid-term and final evaluations of the 7NDP to provide insights to progress being made towards achieving set targets. A final end-term review is also planned at the end of the 7NDP. The MTR was well-coordinated with the involvement of the national task force.

### 8.3.2 Importance of Strengthening Technical Capacities of M&E at All Levels

In earlier sections of this report, the discussions have pointed to the difficulty on the use of national level templates for reporting. Under the chapter on coordination, it was also noted that the contributions of sub-national level stakeholders are captured within the frameworks of the national reports that are captured by the CAGs. As a result of challenges discussed in earlier sections, the MTR observes that contribution and performance of sub-national level structures are not adequately reflected in national level reports. With respect to capacities for M&E at national level, stakeholder feedback notes the need for enhancing capacities of Technical Working Groups on M&E skills as these groups are made up of personnel with different skills (some are trained

in M&E, while others are not). Thus, reporting through the current Regional Reports does not adequately cover the breadth of implementation of the 7NDP at sub-national level.

## 8.4 Suggestions for Strengthening Planning, Monitoring and Evaluation

The analysis of the MTR results notes several challenges related to the conceptualisation, planning and monitoring processes of the 7NDP. In light of these, below are areas for improvements in the remaining two years of 7NDP implementation and in the formulation and implementation of the subsequent NDPs.

### a) Design of the 7NDP

- i) Informed by the analysis of the MTR, the design of future NDPs should consist of stronger results frameworks which include intermediate impact results and impact results with attendant indicators showing the desired change to be produced by the NDP.
- ii) Future NDPs should have disaggregated 7NDP targets which indicate how the provincial and district levels will contribute to the targets for the NDP. This should be supported by a capacity building programme, especially for sub-national structures. Appropriate monitoring templates should also be formulated to guide performance tracking.

### b) Planning of the 7NDP

There is need for:

- i) Unpacking national level targets for sub-national levels, using a robust prioritisation approach;
- ii) Development of performance indicators for sub-national levels to standardise reporting and ensure contribution to the achievement of national targets;

- iii) Timeliness and capacity of sub-national levels to develop plans to enhance capacities of provinces and districts to appreciate the planning processes and how they feed into the bigger picture;
  - iv) Development of appropriate progress monitoring and reporting templates for sub-national levels;
  - v) Provision of guidelines on the development of sub-national plans for stronger alignment to the 7NDP and development of quality results-based management, compliant to sub-national level plans.
- c) Monitoring and Reporting**
- i) There is need for enhancing capacities of Technical Working Groups at national level for improved appreciation of M&E principles and promotion of acquisition of M&E skills.
  - ii) There is need for building capacities for effective planning and target-setting for effective programme implementation and monitoring of programme outputs and outcomes at sub-national level.
  - iii) The 7NDP annual progress reports should enhance tracking of performance and reporting of progress on outcome indicators to make end-term evaluation of the Plan more effective.



## 9.0 Sustainability

## 9.0 Sustainability

Analysis of sustainability of the 7NDP will focus on positive features of sustainability and areas which are likely to negatively affect realisation of Plan results. The following are the key elements of 7NDP sustainability:

### a) PPPs are a potential driver of sustainability for effective 7NDP implementation

At mid-term, the analysis of funding noted an increase in the proportion of PPPs across the various pillars, particularly Pillars 1 and 4. PPPs contribute to resourcing the 7NDP and ensuring participation of the country's private sector in contributing to the development of the country. However, the results of the assessment noted that PPPs were suitable for particular development areas (e.g. infrastructure development and education service provision) and less likely to be attractive in other sectors (such as rural water supply and electrification). The assessment observed that more must be done to sensitise the private sector on the role they can play in the PPP financing framework available in Zambia, so as to increase the rate of their participation. It was further noted that the legal provisions for PPPs needed to be reviewed and refined to deal with issues which currently inhibit private sector participation in PPPs. In the remaining two years of the Plan, consideration should be made towards scaling-up awareness in the use of this funding modality by the private sector.

### b) Initiatives in the extractive industry

Under Pillar 1 appreciable efforts were made towards adoption of alternative sources of electricity power supply including tapping on initiatives in the extractive industry. Maamba Collieries in the Southern Province is a good example of an environmentally-friendly and productive industry. The colliery contributes to the generation of electricity which is fed into

the national grid. In addition, the company has successfully rehabilitated previously degraded land by planting trees in places where huge pits were left by previous miners and has also established a nursery set aside for continuous planting and growing of trees to mitigate against the impact of coal mining on the local environment. The colliery has demonstrated corporate social responsibility through the provision of schools, road infrastructure, hospitals, and employment creation for over 1,000 families.

In Pemba, plans for quarry mining by a local investor were at an advanced stage. Once functional, the mine was expected to create employment to the locals, improve road networks, enhance the construction industry, and have other social responsibility impacts. At the time of the MTR, a visit to the site indicated that all relevant machinery was already installed and awaiting connection to the electricity grid. It was also noted that at sub-national level there was growth of agricultural value chains with potential for enhanced agricultural productivity and increased flow of income to rural farmers.

### c) Mobilising resources for development at sub-national level

Consultations at sub-national level observed that the provinces and districts organised investment expositions intended to attract private sector investment in those areas. For example, the Zambia Development Agency organised the Investment and Tourism Exposition in the Southern Province in 2019 to raise funds for investments at sub-national levels. Such initiatives have strong potential to positively contribute to the financing of development initiatives in the 7NDP, thus relieving pressure on the national Treasury.



**d) Capacities of institutions and structures to coordinate the 7NDP, especially at national level, were enhanced with room for improvement for sub-national structures, particularly the Ward Development Committees**

At mid-term, it was noted that at national level, coordination, monitoring and progress reporting capacities of institutions that are part of CAGs had been enhanced. However, at sub-national level, capacities to plan, implement, monitor and report progress on the 7NDP, especially at ward levels, remained weak. The Ward Development Committees lacked the relevant technical skills to supervise, monitor and report progress on various interventions within their jurisdictions.

**e) Overdependence on the Treasury to finance infrastructure projects, proved to be unsustainable as evidenced by increased budget deficit**

At mid-term, 90 percent of government revenue was used to service debt and to cover government running costs, leaving only 10 percent to finance 7NDP programmes. This has affected the performance of the Plan at mid-term.

**f) Infrastructure development has been enhanced even in rural areas contributing immensely to development sustainability**

The MTR observed that most projects in the health sector were generally running well with progress of above 70 percent to completion. The health and education sectors had built capacities in supervision of works since the inception of health and education infrastructure development programmes in the past few years. Furthermore, in the agriculture sector, works were also progressing well especially that the bulk of the infrastructure works in the agriculture sector are currently financed with support from CPs. The only issue noted with the projects under agriculture was that there seemed to be no advance planning for the procurement of furniture for newly constructed structures to be occupied immediately they are completed.

Works on bridges and roads were also observed to be progressing well, though at a slow pace as most works were below 50 percent to completion at mid-term. This poses a risk of possible suspension or termination of projects, for example, the Kalabo-Sikongo-Angola border gate road (85 km) in the Western Province which is being financed through a group consisting of the Kuwait Fund, Saudi Fund, Arab Bank for Economic Development in Africa, OPEC Fund for International Development and GRZ. The contractor suspended works due to cash flow constraints arising from delayed payments, and suspension was still in effect when the project was visited in December 2019.

FAILURE

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## 10.0 Lessons Learnt

## 10.0 LESSONS LEARNT

At mid-term, implementation of the 7NDP has generated several lessons which are vital for the remaining years of the Plan and for future development plans. The following are some of the key lessons learnt:

### **a) It is good practice to have in place a Project Implementation Planning System**

This prepares projects for implementation during the five-year NDP period and beyond, with feasibility studies done and costs already calculated to advise the financing model of the national Plan. This provides a realistic investment programme for the country and would give a good indication of what is realistically possible to be implemented.

### **b) Over-dependence on the national Treasury for development financing leads to major budget deficits**

There is need to strike a sound balance between public and private sector financing for development interventions to avoid over-burdening the national Treasury.

### **c) The diversification agenda would be achieved if the drivers of economic growth, diversification as well as employment, register significant and sustained upward trends that significantly change the structure of the economy with attendant socio-economic transformation**

The growth trajectory of 4.1 percent in 2017, 4 percent in 2018 and 1.4 percent in 2019 does not demonstrate sustained robust growth of the economy. The MTR noted slow implementation of planned programmes due to reduced funding as the macroeconomic environment was faced with many challenges ranging from tight liquidity conditions to adverse weather conditions which negatively impacted total output. Compounding

the situation was the slump in both domestic and global economies which led to lower than programmed economic performance during the first half of 7NDP implementation.

### **d) Setting realistic targets**

At the design of national development plans a rigorous risk analysis needs to take place to manage the probability of not delivering results. Furthermore, the targets set should be commensurate to the available resource envelope from the national Treasury and the private sector. Setting ambitious targets for output results is likely to contribute to poor performance of the output results. At the inception of the plan, past trends and feasible assumptions should be used to forecast the expected output results. Other factors such as the length of time it takes for enabling legislation to be put in place before a planned result is achieved should be taken into account.

### **e) Enhancing monitoring and evaluation frameworks at all levels**

If the M&E chain for crafting results is not well-designed, significant results that are generated at the sub-national level may remain unrecorded. To enhance monitoring of 7NDP at sub-national level it is important to develop sub-national level results frameworks at that level to respond to provincial level targets. Both district and provincial levels should set targets that feed into the national level.

### **f) Delay in processing legal frameworks**

Across all the pillars, a delay in the processing of an Act or a legal provision subsequently delays the development of relevant policies and related output results. For instance, the delay in the review of the Constitution affected performance around delivery of policy that relied on the Constitution. The same was true for the Land Act and subsequent policies. Generally, the development of key legal frameworks had been





very slow at mid-term which had in-turn delayed the implementation of the Plan.

**g) Enhanced capacities of sub-national levels**

When capacities of sub-national levels, districts and the national level are enhanced to appreciate the results of the 7NDP, there is potential for greater involvement of all structures and stakeholders in Plan implementation including to mobilise alternative resources to finance the Plan to deliver the expected results.

**h) Involvement of non-state actors**

The involvement non-state actors including CSOs in Plan implementation and monitoring has become a learning and meeting ground to understand development issues that affect everyone. Zambia is one of the countries with a strong inclusive development approach through the involvement of non-state actors. Participating CSOs were impressively knowledgeable of the results framework of the 7NDP depicting the results that the Plan aims to achieve.

**i) Strong audit oversight on checking for preparedness of government institutions towards alignment to SDGs targets**

The audit arm of the Government had taken a step in participating in holding the Government accountable to the implementation of the SDGs through the 7NDP. High level audit level institutions such as the national audit office had demonstrated strong oversight towards pushing for SDG preparedness among government institutions on alignment of their development programmes to SDG targets.

**j) Slow progress in operationalisation of decentralisation had negative effects on sub-national structures**

The MTR noted the disquiet at sub-national levels towards the decentralisation reforms, which was interpreted as low commitment by national level structures particularly with regard to fiscal decentralisation which lower level structures considered as key to unlocking the development potential of the country. Furthermore, there was a noted mismatch between resources allocated and activities to be undertaken, which has potential to negatively affect planned output and outcome targets.



The image features a background of interlocking puzzle pieces. The top half is white, and the bottom half is red. The word 'PROBLEM' is written in large, dark grey, sans-serif capital letters across the white puzzle pieces. The word 'SOLUTION' is written in large, white, sans-serif capital letters across the red puzzle pieces. The puzzle pieces are arranged in a way that suggests a transition from a problem to a solution.

PROBLEM

SOLUTION

## 11.0 Strategic Positioning

## 11.0 Strategic Positioning

At mid-term, development challenges outlined at the start of the Plan have remained. The challenges associated with climate variability, debt management, shrinking fiscal space, and relatively lower than expected economic growth rates have contributed to a relatively slow growth of the economy. At mid-term, performance of outcome results remained below expectations. The outcome results and the strategy continue to be relevant. While the country has made significant progress in operationalising the coordination processes of the Plan, the MTR observed some weaknesses that require urgent attention in the remaining two years of the 7NDP. Decentralisation in Zambia has the potential to unlock development opportunities at sub-national level. However, at mid-term, the process of decentralisation, particularly fiscal decentralisation, remained a challenge. Against this backdrop, the following are the key strategic positioning elements for consideration.

**a) Across all pillars, retain outcome results of the 7NDP while rationalising priority outputs and coming up with an implementation approach that supports economic recovery in view of the low GDP growth rates and other macroeconomic and fiscal challenges being experienced**

Against the shrinking fiscal space, the Government should consider rationalising priority outputs which will have ripple effects to contribute significantly to the attainment of set outcome results. This strategy will be effective if the rationalisation involves participation of sub-national levels in enhancing their contribution to outcome results. A common sense of purpose by national and sub-national levels is necessary to contribute to the achievement of results in the five Strategic Development Areas or Pillars of the Plan.

**b) Strengthening coordination structures of the 7NDP for enhanced delivery of planned results**

The Government must consider investing in a robust capacity building programme to enhance the contribution of sub-national level structures to the attainment of nationally-set development targets. To this end, the Government, through the MNDP, should consider conducting planning sessions involving strategic structures at national and provincial levels to disaggregate national targets to the 10 Provinces. The disaggregated targets would be supported by a provincial level result framework crafted in a manner to systematically direct attainment of national targets by the national and sub-national structures. Immediately after the national and provincial planning session for setting targets is complete, the MNDP should consider supporting provinces to facilitate a district level result framework formulation process, aimed at assigning accountability for development results to the district levels, thus contributing to the set provincial targets.

**c) Joint CAG and PDCC monitoring review meetings to capture realistic performance of the implementation of the 7NDP**

The current format and structure of monitoring performance of the implementation of the 7NDP has a tendency to separate performance at national level from that of sub-national levels. This has the negative impact of under-reporting performance at sub-national levels. The MTR analysis suggests joint 7NDP monitoring sessions involving CAGs and pillar chairs from the 10 provinces. This is likely to enrich the monitoring of the 7NDP.



**d) Scale-up efforts on decentralisation including fiscal decentralisation and enhance capacities of sub-national levels to plan, implement, monitor and report progress on development initiatives**

Decentralisation in Zambia has the potential to unlock development opportunities at the sub-national level. The process should go hand in hand with concurrent capacity enhancement of implementers of development at both provincial and district levels. Within the remaining two years of the 7NDP, the Government should consider identifying a third of provinces, especially those that are most disadvantaged (poorer provinces), and implement a full package of decentralisation even for the four devolved institutions. The pilot provinces should have effective fiscal decentralisation, and the capacities of staff at all levels including provinces, districts and wards should be enhanced to maximise results from the process. The Government could partner with CPs and CSOs keen to support the decentralisation agenda. Strengthening multi-sectoral coordination of development interventions in selected pilot districts is likely to contribute to enhanced attainment of development results.

**e) Operationalise non-traditional financing sources**

Attainment of the Plan objectives is dependent on adequate implementation of the programmes which in turn depends on the availability of adequate resources. Given the declining fiscal space, the Government should in the remaining period of the Plan, take proactive steps to operationalise alternative financing options and strategies as outlined in the 7NDP. This is required for completing the unfinished projects by 2021. One such recommendation is the full use of PPPs to finance commercially viable projects such as international roads, aviation infrastructure, power plants, irrigation infrastructure and other similar projects, so as to relieve pressure on the national Treasury. This is likely to free-up the fiscal space and allow the Government to focus more on those projects which may not easily attract private sector interest - projects mostly in the social sectors. Now that the Government has fully operationalised a PPP Unit, more resources (finances and personnel) should be allocated to the Unit to enhance its effectiveness. Further, the Government could consider reviewing PPP legislation to address the issues that have been cited as inhibiting potential PPP investors.





## **12.0 Conclusion and Recommendations**

## 12.0 CONCLUSION AND RECOMMENDATIONS

### 12.1 Relevance

To a very large extent, the 7NDP is relevant to development priorities at national, regional, and global levels. The thrust of the 7NDP contributes to Vision 2030 to see Zambia as a prosperous middle-income country. The five Pillars of the 7NDP responded to Zambia's development challenges as was articulated in the 2016 Common Country Assessment and the background context to the 7NDP. The Plan is aligned to the SADC Indicative Revised Strategic Development Plan (IRSDP) of 2015-2020. Pillars 1 and 2 of the 7NDP on Economic Diversification and Job Creation and Poverty and Vulnerability Reduction align to the SADC IRSDP Priority A on Industrial Development and Market Integration and Priority B on Infrastructure in support of regional integration, including energy, transport, tourism, ICT, meteorology, and water. Pillar 3 (Reducing Developmental Inequalities) and Pillar 4 (Enhancing Human Development) align to the IRSDP Priority D on Special Programmes of regional dimensions, covering Human Development, including health, gender, and labour. Finally Pillar 5 on Enhanced Governance Environment aligns to IRSDP Priority C on Peace and Security Cooperation.

The 7NDP Pillars and results areas are also strongly aligned to the Agenda 2063 Development Aspirations of the African Union (AU). Pillars 1 to 3 of the 7NDP align to Agenda 2063 Development Aspiration 1 on inclusive growth and sustainable development while Pillar 4 on Enhancing Human Development aligns to Aspiration 6 on people-driven development and potential of African people, especially its women, youth and caring for children, while Pillar 5 aligns to Aspiration 3 on an Africa of good governance, democracy, respect of human rights, justice and the rule of law. Using the UN Rapid Integrated Assessment (RIA), the

design of the 7NDP was strongly aligned to the Global SDGs (86 percent aligned with 75 percent fully aligned, 11 percent partially aligned and only 14 percent not aligned).

### 12.2 Effectiveness

#### a) Effectiveness of the 7NDP coordination structures

The assessment noted major achievements on coordination structures including (i) coordination structures that were functional both at national and sub-national levels with room for improvement; (ii) active participation from non-state actors in the coordination structures; and (iii) aligned coordination structures at sub-national to national level structures. Despite these positive observations, the following were noted as challenges: (i) the WDCs as coordination structures of the 7NDP were not yet operational; (ii) PDCCs did not hold sufficient meetings as planned; and (iii) reporting irregularities within the 7NDP coordination structures. Key areas for urgent attention include the need to enhance the capacities of WDCs and involvement of PDCC cluster chairs in CAG review meetings.

#### b) Integrated approach

The analysis of the MTR findings indicated that to a large extent the multi-sectoral approach was operational within clusters and across pillars. As such, investment in one particular sector is not in fact the concern of that particular sector only as it also benefits other sectors concurrently. The integrated approach to implementing the 7NDP has encouraged teamwork, especially at sub-national level. It has also contributed to the reduction in duplication of efforts across pillars. However, the analysis noted some challenges associated with the adoption of the multi-sectoral approach including (i) the slow process of adoption of the





integrated approach for the national budgeting process; and (ii) the ill-defined accountability of cluster results.

### **c) Effectiveness - performance of the 7NDP towards planned outcomes**

At mid-term the 7NDP is partially on track with some of the pillars performing very well and others lagging behind.

#### **i) Pillar 1: Economic Diversification and Job Creation**

The Pillar had a number of outcome indicators whose performance could not be assessed at mid-term on account of lack of data. This led to failure to assess the performance of some of the outcomes. The lack of data for some of the indicators was as a result of two reasons: (i) delayed commissioning of key studies and hold up of routine surveys as was the case for the Living Conditions Monitoring Survey (LCMS); and (ii) incomplete alignment of the reporting formats for the CAGs, provinces and districts to the 7NDP M&E framework.

Outcome indicators that performed well at mid-term included ICT penetration rates, proportion of persons employed in formal sector employment, aquaculture production, precious minerals production, production of renewable and alternative energy, percentage distribution of households with an electricity connection, non-traditional exports and contribution of trade to GDP, share of exports to SADC and COMESA, number of passengers by road and rail, and volume of water available for use per catchment. The outcome indicators that did not perform well included crop and livestock production, crop productivity, investments in tourism, international tourist arrivals, proportion of trans-boundary aquifers under sharing agreement, cargo transported by road, air and rail, exports to the European Union, hydro energy production and

gemstones production.

Outcome indicators for which performance data were not available at mid-term included: percentage of active artisanal and small-scale mines of the total licensed, percentage of artisanal and small-scale miners trading through the established mechanism, proportion of schools with computers for pedagogical use and all R&D outcome indicators. The average performance of the pillar is due to, among other issues, slow implementation of planned programmes due to reduced funding, slump in both domestic and global economic performance, and unfavourable macroeconomic and climatic factors.

#### **ii) Pillar 2: Poverty and Vulnerability Reduction**

Overall performance of Pillar 2 was found to be on track. The poverty measurement set out in the Plan based on income poverty measure (from the LCMS) was not assessed due to lack of data. However, using the Multidimensional Poverty Index (MPI) measure, the MTR noted a reduction in incidence of poverty at national and regional levels, based on assessment of the data from the 2014 and 2016 Zambia Demographic and Health Surveys (ZDHS). Headcount poverty, which is the proportion of households who were deprived in at least 40 percent of the indicators under the three dimensions of health, education and living conditions, reduced by 6 percent nationally, while urban poverty reduced by 7 percent and rural poverty by 10 percent, respectively.

Outcome indicators where data were available with positive performance included the following: proportion of extremely poor households enrolled on at least one social assistance and one livelihoods and empowerment programmes; level of resilience to climate change impact attained for both human and biophysical systems; percentage

of households with early warning information; and percentage of people living with HIV who are virally suppressed.

Considering the Plan targets, the performance of the two key results areas that were assessed (Climate Change and Disaster Risk Reduction and Reduced HIV/AIDS Prevalence) is on track at mid-term. Thus, analysis was limited to the indicators for which data were collected. In general, relatively more poor households had been recruited on the various social protection programmes although actual benefits were not reaching most of the beneficiaries due to financial constraints. In addition, due to the Government policy on Universal HIV Routine Testing and Treatment adopted during the first half of 7NDP implementation, relatively more people were tested, and as a result, more people came to know their HIV status. Because the policy requires that all those found with the disease commence treatment immediately, the policy contributed to reducing the prevalence of HIV (from 11.6 percent to 11.1 percent among adults aged 15-49) at mid-term.

### iii) Pillar 3: Reducing Developmental Inequalities

The Pillar had a number of outcome indicators whose data at mid-term could not be determined. This made it difficult to conclude on the overall performance of the Pillar. Outcome indicators where data were available with positive performance included the following: (i) secondary school completion rates (both males and females); (ii) percentage of rural households accessing electricity (the proportion of urban households accessing electricity was partially on track); and (iii) the proportion of local government seats held by females.

Outcome indicators, that did not perform well and are most likely not to meet the 7NDP targets included: access to titled land for women; total primary school completion rates; participation of women and youths in the Parliament; and participation of women in the Cabinet. Outcome indicators for which performance data were not available at mid-term included: area under irrigation; were households within 5 km of a secondary school; percentage of households within 5 km of an agro-input market; poverty head count ratio; tertiary education net attendance ratio; average monthly income earning by households by rural and urban stratum; ratio of deficit housing stock; proportion of households in planned settlements; proportion of females accessing titled land; and gender gap index.

## iv) Pillar 4: Enhancing Human Development

### a. Health

The outcome on Improved Health and Health-Related Services is partially on track. While some of the outcome indicators are on track others are either partially on track or off track. Outcome indicators that had performed well at mid-term and are likely to meet the 7NDP targets include: (i) nurse /population ratio; (ii) health facilities with no stock-out tracer drugs and vaccines; (iii) access to ART for persons living with HIV; and (iv) access to ART for children and infected pregnant women. Nutrition has also improved with outcome indicators for underweight and wasting under-fives being on track. The doctor/population ratio is partially on track to meet the 2021 targets. Outcome indicators that are most unlikely to meet the 2021 targets include: (i) infant and maternal mortality rates; (ii) HIV prevalence rates for ages 15-49; (iii) health insurance coverage and; (iv) stunting among under-five children.



### **b. Education and Skills Development**

At mid-term the outcome on Improved Education and Skills Development is partially on track. Analysis of data at mid-term indicated that the performance of outcome indicators for primary and secondary education was off track, thereby affecting performance of the outcome. The performance of outcome indicators for early childhood education and tertiary education is generally on track to meet the 2021 targets. Participation rates for early childhood learners is partially on track, while participation rates for males and females was also on track to meet the 7NDP targets. Nearly all outcome indicators for primary and secondary education are off track. They include low pupil-teacher ratio for Grades 1 to 9; low reading proficiency; poor performance in mathematics; low rates for primary and secondary net enrolments; and low level of transition rates.

All but two (the proportion of learners in TEVET institutions graduating in Science, Technology, Engineering and Mathematics (STEM) and the number of innovation products) outcome indicators for tertiary are on track to meet the 7NDP 2021 targets. Well-performing outcome indicators include: learners participating and graduating in TEVET; implementation of comprehensive sexuality education; and proportion of schools with access to electricity, internet and hand washing facilities.

### **c. Water and Sanitation**

At mid-term the outcome on Improved Access to Water and Sanitation had performed well. Most outcome indicators are on track to meet the 7NDP 2021 targets. Well-performing outcome indicators include: (i) proportion of households accessing improved drinking water disaggregated by average, rural and urban; (ii) proportion of households' access to sanitation disaggregated by total, rural and urban; and (iii) percentage representative of water samples meeting the

Zambia Bureau of Standards/WHO standards. At mid-term, data on the proportion of households whose garbage is disposed of through improved methods, could not be determined due to lack of data.

### **d. Overall Pillar Performance**

Overall performance of the key performance indicators (impact indicators) shows excellent performance at mid-term. Nearly all the impact indicators are on track with under-five mortality rates being partially on track decreasing from 75 at baseline in 2014 to 62 at mid-term against a target of 37.5. At mid-term, statistics for HIV incidence were not available as ZDHS data was still under analysis. The country is most likely to meet the SDGs 3, 4 and 6 on health, education and water and sanitation. However, Zambia lags behind on outcome indicators relating to participation in secondary education. Equally Zambia is likely to contribute to SADC-RISDP Priority D and the AU Agenda 2063 development Aspirations.

## **v) Pillar 5: Creating a Conducive Governance Environment for a Diversified and Inclusive Economy**

Pillar 5 has six outcome areas. Performance of five out of six outcomes is off track with the outcome indicators unlikely to meet the set 7NDP targets.

### **a. Improved Policy Environment**

Performance of the outcome in off track. Performance of the outcome indicators for this outcome is as follows: the country's statistical capacity index is on track, the proportion of formal jobs is partially on track, while the government effectiveness index is off track (worse than the baseline value).

**b. Improved Transparency and Accountability**

This outcome has performed badly at mid-term. The outcome indicator on corruption perception index is off track and is most unlikely to meet the set 7NDP target.

**c. An Inclusive Democratic System of Governance**

Both the outcome indicators for this outcome are off track. They include percentage of women in the Parliament and the proportion of women in decision-making positions. The country is unlikely to meet its 7NDP set targets.

**d. Improved Service Delivery**

At mid-term this outcome has not performed well. The outcome indicator on population satisfaction with public services had no data. There were outstanding output results which were necessary before the survey could be conducted. Only 10 out of 30 targeted (2019) public institutions had service charters. It can, therefore, be deduced that the outcome indicator was off track and most unlikely to meet the 2021 target. The outcome indicator on ease of doing business remained static at 85 (same as baseline) and was most unlikely to meet the 7NDP target within the remaining two years.

**e. Improved Rule of Law, Human Rights and Constitutionalism**

This outcome did not perform well. Only two out of 12 outcome indicators were on track. These included: ratio of full-time lawyers per 10,000 population and rule of law index. The rest of the outcome indicators were off track. These included: remand-convict ratio; Voice and Accountability Index; backlog of cases across different courts - Small Claims Court; Local Court; Subordinate Court; High Court; Industrial Relations Court; Court of Appeal; Supreme Court; and Constitutional Court.

**f. Enhanced National Values, Principles and Ethics**

Outcome indicators for this outcome were mainly process results on development of policies, guidelines, strategies, and dialogue platforms. At mid-term, most outcome indicators were at 50 percent performance. The country is most likely to meet the planned 7NDP targets within the remaining two years.

**g. Overall Pillar Performance**

Overall performance of Pillar 5 at mid-term is below expectations. Five out of six outcomes are off track. Against this performance, the country is unlikely to meaningfully contribute to SDG 16 on promotion of peaceful and inclusive societies for sustainable development. While Pillar 5 is aligned to the AU 2063 Aspirations 3 and 4, the country's contribution to these aspirations is likely to be limited.

**12.3 Design, Planning, Monitoring and Evaluation****a) Design**

The 7NDP has a relatively sound design in terms of Theory of Change and its results framework, albeit with room for improvement. At mid-term, the analysis noted the omission within the current results framework of the over-arching impact result. The current KPIs represent intermediate impact results. The MTR noted that the Zambia Statistics Agency (ZamStats) was already working on an Index that could measure inclusiveness and the diversified economy. The MTR suggests that within the remaining two years of the 7NDP, the ZamStats finalises and perfects an index that would measure the over-arching impact result.

**7NDP Results Framework**

The 7NDP has a relatively strong results matrix. The Pillars of the Plan have well-articulated



outcome results with supportive outcome indicators. Analysis of the results framework suggests an estimate of 95 percent evaluability rating, showing the robustness of the results chain. The results framework is strongly aligned to the SDGs (86 percent alignment) using the RIA. Utility of the results framework and reporting on results gradually improved with stakeholder awareness of the results framework. Observed areas for improving the results framework include the need for the articulation of an over-arching results framework and its supportive impact indicators and refining some of the KPIs across pillars.

#### **b) Planning**

Planning for the implementation of the 7NDP at sub-national levels was not favourable. There was no structured system for translation of the 7NDP to provincial and district level planning. National level targets for the 7NDP were not disaggregated by province or district, creating a challenge of disaggregating national targets to sub-national levels. The reporting templates of the 7NDP were not designed to systematically capture the progress of implementation at sub-national level. Suggestions for strengthening planning processes of the 7NDP include (i) unpacking national level targets for sub-national levels; (ii) developing performance indicators (outcome, outputs) for sub-national levels; (iii) increasing timeliness and capacity of sub-national levels to develop plans soon after the launch of the 7NDP; (iv) developing appropriate reporting templates for sub-national levels; and (v) developing guidelines on the development of the 7NDP.

#### **c) Monitoring and Evaluation**

The assessment noted the existence of a sound M&E framework in place with room for improvement. Monitoring is done at various levels including institutional, cluster, national, and decentralised structures. M&E is built upon

a strong results-based management approach. The Plan envisages this current MTR and end of term evaluation. With respect to capacities for M&E, there is need to enhance M&E skills for the Technical Working Groups at national level and for implementers at sub-national levels.

### **12.4 Strategic Positioning**

At mid-term, performance of outcome results remains below expectations. To enhance the performance of the 7NDP, the Government must develop relevant strategies to realise long-lasting change in the country. This entails adopting an implementation approach to attain economic recovery by addressing the fiscal and macroeconomic issues that are inhibiting economic growth and transformation. There is need to realign the budget to bring it in line with the integrated planning approach and operationalising fiscal decentralisation. At mid-term, the Government should retain outcome results of the 7NDP while rationalising priority outputs across all pillars. Coordination structures of the Plan need to be strengthened for enhanced delivery of planned results. Furthermore, joint CAG and PDCC monitoring review meetings that capture realistic performance of the implementation of the 7NDP should be enhanced, in addition to scaling-up efforts for fiscal decentralisation and enhancing of capacities of sub-national levels to plan, implement and monitor development initiatives.

### **12.5 Key Recommendations**

The following are the over-arching recommendations for the enhancement of implementation of the 7NDP:

- a) The Government should consider adopting an economic recovery plan implementation approach to leverage resources towards

the growth sectors by putting greater effort into those result areas (outcomes) that have been rated partially on track or off track. Equally, for those outcome areas with positive performance, the Government should maintain the momentum to achieve both 7NDP 2021 and SDG 2030 targets.

- b) Within the second quarter of 2020, the local councils, with support from the Ministry of National Development Planning (MNDP), should consider the orientation of WDCs on the 7NDP and developing simple monitoring templates to report on 7NDP key project interventions within respective DDCCs. Furthermore, the MNDP should develop simple modalities for policy advisory from national to sub-national levels to enhance feedback on monitoring reports.
- c) The Government should consider joint CAG and PDCC review meetings to adequately capture the degree of implementation of the 7NDP at sub-national levels.
- d) The Government should consider strengthening planning, implementation, monitoring and evaluation at provincial and district levels through (i) the disaggregation of national level targets to provincial levels; (ii) providing support to provinces with further disaggregation of provincial level 7NDP targets to district level; and (iii) developing relevant monitoring and evaluation templates for reporting on provincial and district 7NDP implementation progress.
- e) The Government should consider scaling-up PPP financing modalities to enhance effective implementation of the 7NDP. Furthermore, the sub-national level should be encouraged to mobilise resources from multi-stakeholders (the private sector, CSOs, and CPs) for implementing 7NDP targets at that level.
- f) Decentralisation should be scaled-up to enable continuity of projects, and responsibility and accountability by districts. This entails operationalisation of fiscal decentralisation.



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## Annex: List of 7NDP Mid-Term Review Team

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<b>SNo.</b>	<b>NAME</b>	<b>DESIGNATION</b>	<b>INSTITUTION</b>
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