

## 1. Review of Economic Situation

- a. Performance of last year was commendable in regard to economic growth, especially in the mining industry. However, there was no emphasis on equitable distribution of wealth from this 'growing economy'. Therefore, this economic growth has not translated into poverty reduction.
  - i. In this regard, we fully support government's decision not to enter into any contracts with investors over the discovered oil deposits in the country until legislation has been reviewed. It was disheartening in the past to find that the country was losing out on the benefits of the mines because of the contracts entered into before. We encourage the government to make this review of contracts as consultative as possible for the sake of equitable national development. In the same vein, we back government's stance on the mining contracts and urge that the benefits of this should be seen on the ground through enhanced development programmes.
  - ii. The areas that government must invest in are those that directly benefit the poor. These are the areas that government must be seen to be investing more in. Government has taken a positive step towards recognising these areas as priority areas in the FNDP. Now it is a matter of bringing that prioritisation into reality by putting the most money into the health, education, water and sanitation, infrastructure development and agriculture, among others.
- b. The launch of the FNDP in January 2007 represented a new dawn for Zambia in that for the first time in many years, we had a comprehensive plan for national development for Zambia. This plan could be said to have been inclusive in its formulation. CSPR participated in its formulation during 2005 and 2006. To complement government effort, CSPR carried out sensitisation and simplified the FNDP and endeavored to translate the simplifications. This increased the sense of national ownership of the FNDP.
- c. Government's engagement with civil society also showed good progress during 2007. This in regard to government's invitations to SAGs, FNDP launch and discussions and amicable collaboration with the different Ministries. A good example is CSPR's collaboration with Ministry of Finance in organising a National workshop to discuss the Paris Declaration on Aid Effectiveness.
- d. During 2007, CSPR conducted a baseline to set pace for monitoring of the FNDP. In addition, we conducted a study on the effectiveness of the abolishing of health user fees. The findings are currently being analysed and shall be shared with different stakeholders within the first quarter of 2008. This

is in tandem with our quest to have evidence based advocacy and offer alternative thinking for national development.

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