

# **TRACKING POVERTY REDUCTION EXPENDITURES UNDER THE PRSP**

**An Analysis of 2002 and 2003 Budgets**



**A report prepared for Civil Society for Poverty Reduction  
June 2004**

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## **FOREWORD**

This study was commissioned as part of the Civil Society for Poverty Reduction (CSPR) Poverty Monitoring Programme.

CSPR is a network of Civil Society Organisations (CSOs) working around the various faces of poverty whose joint challenge is that of fighting the unacceptable poverty conditions in which the majority of Zambians live today. CSPR effectively participated in the process of formulating a Poverty Reduction Strategy Paper (PRSP) for Zambia and is now monitoring the implementation of this poverty plan.

This report aims to assist Government, civil society and other stakeholders in monitoring the implementation of the PRSP. It is our hope that it will help identify ways in which implementation can be improved so that ultimately, the intended beneficiaries of the programme, the poor, can testify to any reduction in poverty.

CSPR maintains that if the PRSP is to bring about any meaningful contribution to the fight against poverty, then it must be taken as a true tool for poverty reduction before being used as any conditionality.

We would like to acknowledge the expert research input of Lishala C. Situmbeko to the preparation of the report. We are also grateful to Pamela Chibonga and Savior Mwambwa for providing invaluable research support<sup>1</sup>. Further, special thanks go to Prof. Ventakesh Seshamani, Ernest Mwape and Gregory Chikwanka for providing insightful comments that contributed to the finalisation of the report.

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<sup>1</sup> **Disclaimer:** The views in the report are those of CSPR and do not purport to be those of any of our researchers or any official institution.

## List of Acronyms

|       |   |
|-------|---|
| ABB   | Activity Based Budgeting                              |
| ARV   | Anti-Retro Viral                                      |
| ASIP  | Agriculture Sector Investment Programme               |
| BOZ   | Bank of Zambia  |
| CBO   | Community Based Organization                          |
| CBU   | Copperbelt University                                 |
| CSPR  | Civil Society for Poverty Reduction                   |
| ESAC  | Enhanced Structural Adjustment Credit                 |
| ESAF  | Enhanced Structural Adjustment Facility               |
| GRZ   | Government of the Republic of Zambia                  |
| HIPC  | Heavily Indebted Poor Countries                       |
| IBRD  | International Bank for Reconstruction and Development |
| IDA   | International Development Agency                      |
| IMF   | International Monetary Fund                           |
| MCDSS | Ministry of Community Development and Social Services |
| MLGH  | Ministry of Local Government and Housing              |
| MoFNP | Ministry of Finance and National Planning             |
| MTEF  | Medium Term Expenditure Framework                     |
| NGO   | Non Governmental Organisation                         |
| NRDC  | Natural Resources Development College                 |
| OVP   | Office of the Vice President                          |
| PIP   | Public Investment Programme                           |
| PRGF  | Poverty Reduction Growth Facility                     |
| PRP   | Poverty Reduction Programme                           |
| PRSP  | Poverty Reduction Strategy Paper                      |
| PSMD  | Public Service Management Division                    |
| PSRP  | Public Service Reform Programme                       |
| PUSH  | Programme Urban Self Help                             |
| PWAS  | Public Welfare Assistance Scheme                      |
| RDC   | Recurrent Departmental Charges                        |
| RIF   | Rural Investment Fund                                 |
| RTC   | Road Traffic Commission                               |
| SI    | Statutory Instrument                                  |
| SMP   | Staff Monitored Programme                             |
| TNDP  | Transitional National Development Plan                |
| UNZA  | University of Zambia                                  |
| UTH   | University Teaching Hospital                          |
| ZNTB  | Zambia National Tender Board                          |
| ZRA   | Zambia Revenue Authority                              |
| ZSIS  | Zambia Security Intelligence Service                  |

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## EXECUTIVE SUMMARY

The mission of the current report is to track resources that have been used under the PRSP to fight poverty. In undertaking this task, we employ both budget (financial) data and results of document reviews including relevant statutes. The reason we use expenditure data is that public expenditure is the public policy instrument available to a government that best reflects its true priorities. Whereas a priority may be stated in a policy document, its actual implementation can easily be seen in expenditure data.

In order to put into context how the PRSP would be financed and what sort of resources could realistically be expected from domestic and external sources, various assumptions were made. The total available resources for the economy were defined as the sum of tax (Income, Excise, Value Added (both domestic and import), and Customs taxes) and non-tax (fees and fines) revenues, domestic budget deficit financing, and external support in the form of programme and project grants and external borrowing in the form of programme and project loans. In 2002, the total resource envelope was projected to be K4,999.0 billion while that for 2003 was projected to be K5,176.0 billion with a financing shortfall of K430.0 billion. For 2004, the resource envelope was projected at K5,657.0 billion with a financing shortfall of K336.0 billion.

The PRSP estimated a total of US \$1.2 billion that could be available for PRSP spending over the period 2002 – 2004. In terms of allocating what expenditures could be available in any given year, an allocation assumption of “20% 40% -40%” was used.

With regard to the law regulating public finances, the Constitution of Zambia provides the overall framework under which various other laws operate in the area of public finance. Below the Constitution is the Finance (Control and Management) Act. This Act defines the roles and responsibilities for the management of public finances by the executive arm of government. The Minister of Finance is charged with the responsibility for

managing, supervising, controlling and directing all financial matters of the Republic.

In deriving the programmes that were included under the Poverty Reduction Programmes (PRPs) in the annual budgets for 2002 and 2003, budgetary programmes under HIPC 2001 were selected from among those considered to have a strong pro-poverty focus. Since Zambia only reached HIPC Decision Point in December 2000, it was necessary to quickly find a way of including HIPC programmes in the 2002 Budget. Thus the HIPC programmes in the Yellow Book were transformed into PRP for 2002 and subsequently 2003. In 2003, Capacity Building and Coordination was added to the PRP as a whole programme mainly as a result of the re-introduction of an explicit planning function at the Ministry of Finance and National Planning (MoFNP).

The sectors in the PRSP were selected on the basis of submissions from break up sessions at the first PRSP National Conference held in July, 2000. At the first national conference, the following working groups were formed in the sectors that were considered to be critical to poverty reduction: Macroeconomic, Industry, Tourism, Education, Health, Agriculture, Governance, and Mining. Subsequently, other sectors such as Environment, Roads, Energy, Transport and Communications, Water and Sanitation, and Gender were added. Monitoring and Evaluation and Social Safety Net were added in the final analysis.

Analysis revealed that programmes contained in the PRP 2003 broadly answered the objectives under the PRSP. However, the match is imperfect as some PRPs do not easily map with PRSP programmes. This is because the budget was not adjusted to be in line with the way programmes in the PRSP appeared. Further programmes in the PRP may not fully represent what might be considered poverty spending in the Budget. On the other hand, while some programmes are considered as PRP, others that would suit to be under this category are left in Recurrent Departmental Charges (RDC).

In the area of budget execution, the Budget Office under the MOFNP undertakes the execution of PRP expenditures. The cash budgeting system is the general framework under which releases to various budget heads are made. A committee within the MOFNP makes the actual decisions regarding how much each budget head will receive for the various expenditure categories during a particular month. In making these decisions, attention is paid to the benchmarks agreed with the IMF in the PRGF programme and the IDA for social sector expenditure.

Having analyzed the patterns of resource allocations and releases under the PRPs, there does not seem to be a deliberate effort to link the budgets and releases to match the PRSP priorities. Further, the level and pattern of resources released would seem to confirm the notion that funding for PRPs is done on a residual basis. In addition, a great deal of prorating seems to take place at the point of funding and in some cases at the point of establishing the final ceiling for specific items under the PRP sub head. It is further clear from the above that from the time HIPC programmes were introduced and continued into PRP, the sub head has consistently received much less resources than budgeted.

In assessing whether the PRP expenditures were adequate judging from what should have been spent under the PRSP, data shows that in 2003, approximately K2,258.9 billion should have been spent on PRSP programmes representing 56.8 percent of the total annual budget for that year. However, the total PRP budget represented only 7.0 percent of total national budget in 2002 and 10.5 percent in 2003. This is clearly a very marked shortfall from what was supposed to be spent. It is clear that resources that were spent on PRP programmes fell well short of the requirement under the PRSP. Despite the fact that the PRP expenditures were short of what was required, the budgetary classification system is not revealing enough to concretely confirm this finding as the RDC expenditure category does not fully reveal which sector and programmes clearly benefited from the expenditure. This is cited as a limitation in this study.

The dismal performance of PRP expenditures may be cited on other expenditure pressures that prevented the release of resources to PRPs under the cash budget system. If this were to be the case, how possible is it that other non-poverty reducing expenditures actually received over 100 percent funding? A recommendation should be made for more political will to ensure that PRPs receive at least 100 percent of budgeted resources. Further, there is need for transparency in the budget classification system to unmask other expenditures that could be of a poverty reduction nature under the sub head of RDCs. Some grants (sub-head 3) do actually contain personnel, recurrent, capital and some kind of poverty related expenditures. This suggests that the budget is actually not a transparent document, as expenditure cannot be traced to its true function and sector.

As a recommendation, the Finance (Control and Management) Act and its Financial Regulations requires an extensive review and amendment to bring it in line with modern government operations. Control measures to curtail over expenditure and to articulate a transparent budget classification system requires to be put in place. Civil society should take an active role in advocating for the amendment of outdated laws in the area of public finance.



## 1.0 INTRODUCTION

In late 1999, the International Monetary Fund (IMF) and the World Bank responded to growing international criticisms of their development programming approaches by introducing development assistance frameworks considered to be pro-poor in their orientation and application. On the one hand, the IMF introduced the Poverty Reduction and Growth Facility (PRGF) which is a concessional financing window for IMF general resources. On the other hand, the World Bank introduced the Poverty Reduction Support Credit (PRSC) as a concessional financing window to countries that meet support criteria<sup>2</sup>. On the part of beneficiary countries, a Poverty Reduction Strategy Paper (PRSP), which is broadly consultative in its formulation, is supposed to be in place and national development options contained therein.

Since the PRSP was a requirement for countries with external payments difficulties and declining development indicators, Zambia responded by preparing a PRSP for 2002 – 2004. In her PRSP, Zambia outlined the programmes that she would implement in order to reduce poverty and respond to the Millennium Development Goals (MDGs). The PRSP has been in existence for two fiscal years and it is instructive at this point to pose the following questions: where are we on the PRSP? How much money has gone into the fight against poverty? Who has benefited? And many more other questions probing the progress made in the fight against poverty. Within the limitations of the current document, we may only tackle a few of the above questions.

The mission of the current report is therefore a tracking one; one that will attempt to answer how much resources have been put forward in the fight against poverty and what remains to be done. In undertaking this task, we employ both budget (financial) data and results of document reviews including relevant statutes. The aim is to firstly put into context the conduct of public financial management in Zambia specifically focusing on what the law says about how to handle finances meant for the benefit of the nation and also the institutional mechanisms currently in place for this purpose. We shall then focus on the budgets of 2002 and 2003 to analyze how expenditures meant for poverty reduction have actually evolved by comparing allocations, releases and expenditures on Poverty Reduction Programmes (PRP) as outlined in the Estimates of Revenues and Expenditures (referred to as the “Yellow Book”). One might legitimately ask why expenditure data should be used in evaluating poverty reduction programmes. One important reason is that public expenditure is the public policy instrument available to a government that best reflects its true priorities. Whereas a priority may be stated in a policy document, its actual implementation can easily be seen in expenditure data.

When the PRSP was drawn up, various assumptions at the macroeconomic level were laid out which drew the boundaries of the overall resource envelope (total financial resources that would be available to the economy). Further, assumptions were also laid out regarding the expectations of donor inflows and what the resource gaps would be. In

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<sup>2</sup> Further details regarding the financing instruments and approaches of the two institutions can be obtained from [www.imf.org](http://www.imf.org) and [www.worldbank.org](http://www.worldbank.org).

order to provide an exhaustive treatment of the environment under which the PRSP has been implemented, we review the financing issues surrounding the PRSP.

## **2.0 FINANCING THE PRSP: AN OVERVIEW**

In articulating the resources available for financing PRSP programmes, the PRSP was cautious in its language and appeared to steer away from generating a sense of heightened optimism. The idea was to put into context how the PRSP would be financed and what sort of resources could realistically be expected from domestic and external sources. Thus PRSP financing mainly focused on the following: underlying considerations, defining the resource envelope and priority PRSP expenditures. We discuss each of these in turn.

### **2.1 Underlying Considerations**

Five underlying considerations were outlined. The first was with respect to the need to continuously monitor and periodically review programmes and projects that were already receiving financing to ensure that where such financing was not delivering the required results, the financing would have to be redirected to some other more pressing and results-oriented programmes. This was considered one source of financing especially for programmes that had already been allocated funds before PRSP implementation commenced. The second underlying consideration cautioned that the amount of resources a particular sector was expected to receive should not be interpreted as implying its importance in the initial years of PRSP implementation as human resources and other capacities (including institutional) would have to be built so as to effectively manage the implementation process. This would particularly apply to new interventions. In the third consideration, the dependence on external financing and the impact of conditionality was acknowledged. As such, sustainable financing of the PRSP could only come from increased growth of the economy. In the fourth consideration, an invitation was extended to all stakeholders such as the private sector, non-governmental organizations (NGOs), community based organizations (CBOs), and communities themselves to partner with government in the expansion of the PRSP resource envelope through cost-sharing and co-financing among others. Lastly, the PRSP made a commitment to decentralizing decisions to do with public revenues and expenditures (fiscal decentralization) under the Decentralization Policy (which has now been approved by Cabinet). As such, any changes to the operating mechanisms of local authorities and other players would be taken on board in PRSP implementation.

### **2.2 Defining the Resource Envelope**

The total available resources for the economy were defined as the sum of tax (Income, Excise, Value Added (both domestic and import), and Customs taxes) and non-tax (fees and fines) revenues, domestic budget deficit financing, and external support in the form of programme and project grants and external borrowing in the form of programme and project loans. Graphically, the resource envelope could be as depicted in Table 2.1. Following the first line from Table 2.1, the resource envelope is a summation of revenues, grants, and financing from domestic and external sources for the budget deficit.

Where both domestic and external financing fail to meet the resource requirements in a given year, a financing gap then arises as the projected cases for 2003 and 2004 show. In 2002, the total resource envelope was projected to be K4,999.0 billion while that for 2003 was projected to be K5,176.0 billion with a financing shortfall of K430.0 billion. For 2004, the resource envelope was projected at K5,657.0 billion with a financing shortfall of K336.0 billion.

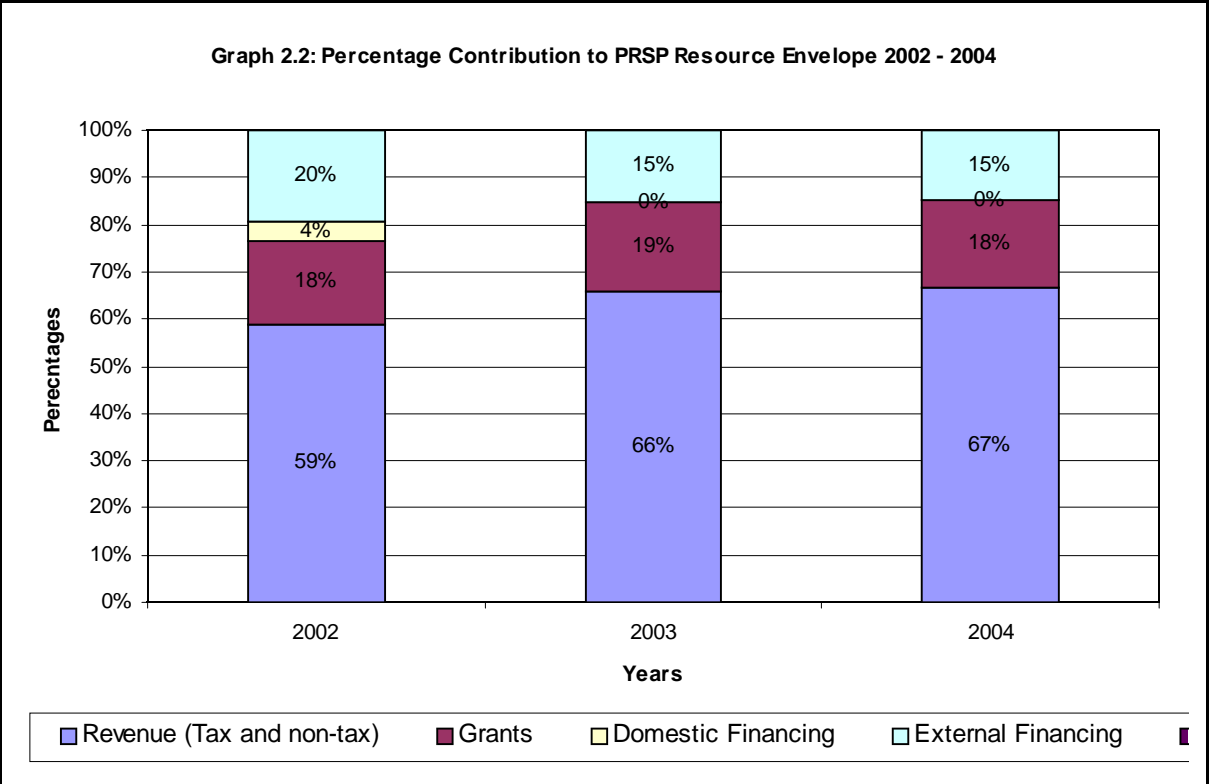
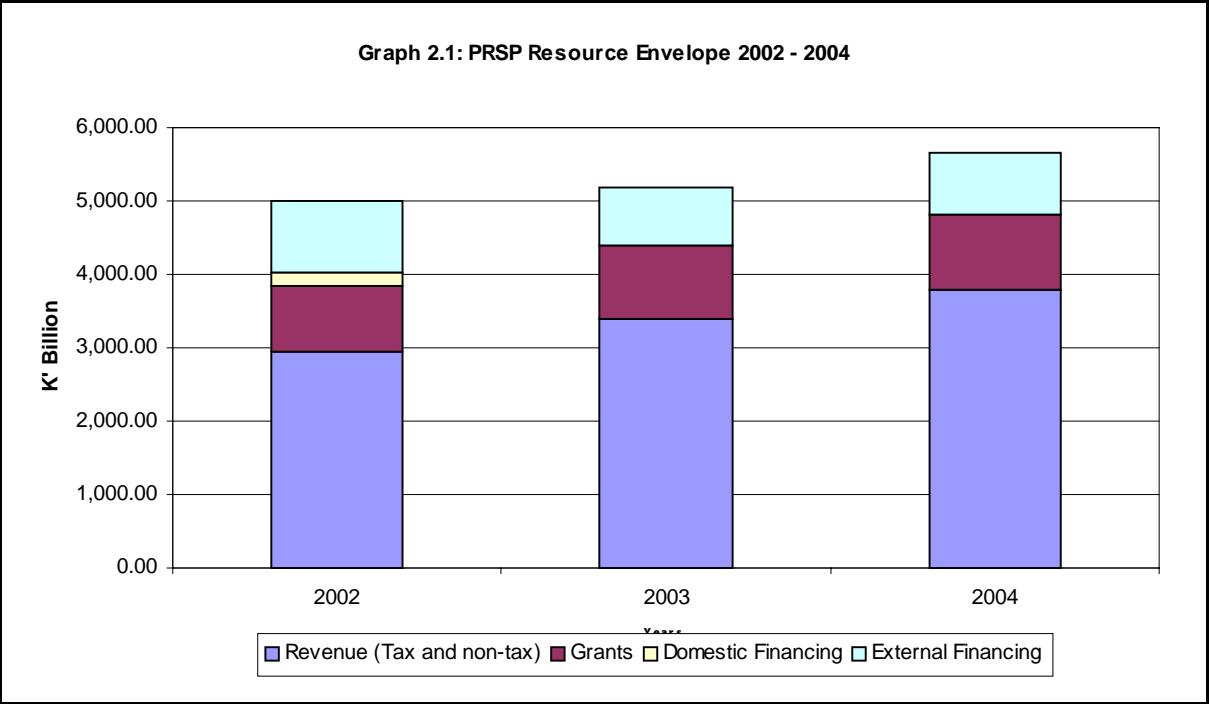
Table 2.1: Projected Overall Resource Envelope 2002 – 2004, K' Billion

| Years    | Revenue     |                 | plus | Grants                     | plus | Financing (Deficit)                  |  | = | Total Resource Envelope | Financing Gap (shortfall) |
|----------|-------------|-----------------|------|----------------------------|------|--------------------------------------|--|---|-------------------------|---------------------------|
|          | Tax revenue | Non-tax revenue |      | Program and Project Grants |      | Domestic Bank and non-Bank Financing | External Program and Project Loans (less amortization) |   | ⊗                       |                           |
| 2002proj | K2,878.0    | + K62.0         | +    | K891.0                     | +    | K193.0                               | + K975.0   | = | K4,999.0                | 0                         |
| 2003proj | K3,313.0    | + K90.0         | +    | K986.0                     | +    | 0                                    | + K787.0   | = | K5,176.0                | K430.0                    |
| 2004proj | K3,662.0    | + K120.0        | +    | K1,043.0                   | +    | 0                                    | + K832.0   | = | K5,657.0                | K336.0                    |

Source: Compiled by authors from PRSP document, Table 15.1 page 124.

From the overall resource envelope were deducted expenditures that could not be waived such as external debt service, domestic interest payments, and the maintenance of constitutional offices and functions. The residual is what was defined as PRSP Expenditure for the period 2002 – 2004. The PRSP made the point that most of the existing domestic revenues were going to be committed over the period of the PRSP (2002 – 2004) “with hardly any room left for spending on PRSP programmes beyond those that are already running”. As such, resources could only be saved or raised from measures aimed at reducing excess expenditure and the size of the public sector through the Public Sector Reform Programme (PSRP). The resources freed would then be channeled to poverty reducing programmes. At this point, it must be realized that no extra financing was actually available for financing the PRSP. Economic conditions were projected to be very tight over the implementation period and the best that could be achieved in terms of PRSP financing was to come from external sources and public sector savings from restructuring government and its operations.

Focusing on graphs 2.1 and 2.2, it is shown that the bulk of resources for the whole economy were expected to be generated from domestic revenues. In 2002, revenues were projected to contribute 59 percent, and 66 and 67 percent in 2003 and 2004 respectively. Grants were also an important financing source averaging 18.5 percent over 2002 – 2004. Financing from domestic sources was projected to be 4 percent of GDP in 2002 and zero in 2003 and 2004. This assumption was clearly unrealistic as domestic sources provide a significant source of financing for government operations.



**2.3 Priority PRSP Expenditures**

In general, PRSP expenditures did not include finances meant for payment of salaries (personnel related expenditures), recurrent running costs, and grants to ‘grant aided’ institutions. The exception is when such expenditures were deemed important for the achievement of a specific PRSP deliverable. The bulk of PRSP resources were deemed to be of a capital nature. Over the period 2002-2004, a total of US \$1,500.0 million was estimated to be available for capital expenditure of which donors were expected to provide nearly two-thirds of this amount. This particular assumption, with regard to PRSP financing meant that “... it is donor financial assistance, most of which is for capital expenditure and is by tradition labeled capital expenditure anyway whether genuinely or not, that should finance the PRSP” (GRZ 2002, p.127). The implication of this is that when donor assistance is not received and in the absence of available savings from public sector restructuring, then very minimal financing would be available for PRSP programmes. The key therefore lay in re-orienting capital expenditure to suit what was in the PRSP.

The PRSP estimated a total of US \$1.2 billion that could be available for PRSP spending over the period 2002 – 2004. In terms of allocating what expenditures could be available in any given year, an allocation assumption of “20%-40%-40%” was used. This implied that for any given amount of resources available to a particular sector, that figure would be divided by the “20%-40%-40%” formula for the years 2002, 2003, and 2004 respectively. The allocation of resources across sectors followed the priorities set out in the consultative processes. Below we present the sectoral share of the PRSP budget for the period 2002 – 2004.

**Table 2.2: Sectoral Share of PRSP Budget 2002 - 2004**

| <b>Sector</b>                        | <b>Cost (US \$)</b>    | <b>Share of Total Budget</b> |
|--------------------------------------|------------------------|------------------------------|
| Roads                                | 229,000,000.0          | 19.1                         |
| Health                               | 200,150,000.0          | 16.7                         |
| Agriculture                          | 173,000,000.0          | 14.4                         |
| Education                            | 147,500,000.0          | 12.3                         |
| Energy                               | 114,000,000.0          | 9.5                          |
| HIV/AIDS                             | 94,600,000.0           | 7.9                          |
| Tourism                              | 58,700,000.0           | 4.9                          |
| Water and Sanitation                 | 42,400,000.0           | 3.5                          |
| Macroeconomic Reforms/Institutions   | 38,200,000.0           | 3.2                          |
| Governance                           | 27,000,000.0           | 2.3                          |
| Mining                               | 26,600,000.0           | 2.2                          |
| Transport                            | 22,000,000.0           | 1.8                          |
| Industry                             | 12,500,000.0           | 1.0                          |
| Social Safety Net                    | 9,000,000.0            | 0.8                          |
| Environment                          | 3,000,000.0            | 0.25                         |
| Monitoring and Evaluation/Statistics | 1,500,000.0            | 0.12                         |
| Gender                               | 976,500.0              | 0.1                          |
| <b>Total</b>                         | <b>1,200,126,500.0</b> | <b>100.0</b>                 |

Source: Table 15.3 in Zambia Poverty Reduction Strategy Paper 2002 – 2004, Ministry of Finance and National Planning, p.130

The priorities that were going to receive the greatest attention in the fight against poverty were agriculture, tourism, transport and energy infrastructure on the productive side. For

the social sector, education, health and HIV/AIDS were considered critical intervention areas. Having considered the environment under which issues of PRSP financing were conceived, we may move to issues regarding how the execution was to be conducted. A preliminary consideration however has to be given to the legal and institutional framework that underlies public finances in Zambia. This is important for the stage to be set for the analysis of actual PRP expenditures and public finance issues under the PRSP. This is because the Annual Budget is the primary instrument for implementing expenditures on PRSP programmes.

### **3.0 LEGAL AND INSTITUTIONAL FRAMEWORK FOR PUBLIC FINANCES IN ZAMBIA**

In this section, we discuss the legal and institutional framework that underlies the powers of government to raise revenue through taxes and expend these revenues for government programmes. We do not dwell in depth into the legal issues, as this could be the focus of a separate study, but nevertheless touch on the aspects of the law that are relevant to the understanding of current practice and institutional linkages.

#### **3.1 The Legal Framework: the Law Authorizing and Regulating Public Finance**

For our purposes, we discuss the public finance provisions under the Constitution of Zambia and the Finance (Control and Management) Act. Other related legislation includes the Loans and Guarantees (Authorization) Act, the Bank of Zambia Act, the Zambia Revenue Authority Act, the Customs and Excise Act, the Income Tax Act and various legislations relating to fees and fines.

The Constitution of Zambia provides the overall framework under which various other laws operate in the area of public finance. Under Part X of the Constitution (as Amended by Act No. 18 of 1996), Articles 114 to 122 define the financial management roles of Parliament, the President, the Minister responsible for finance, and the Auditor General of the Republic of Zambia. The imposition or altering of taxes for purposes of raising government revenue is provided for under Article 114. Issues of government expenditure, from revenues so raised, are provided for under Article 115 of the Constitution. Generally, all revenues from taxes are raised with Parliamentary approval. All expenditure from the general revenues of the republic is to be made with the approval of Parliament. Some exceptions exist but such expenditures still have to be brought before Parliament for approval as supplementary expenditure.

Below the Constitution is the Finance (Control and Management) Act. This Act defines the roles and responsibilities for the management of public finances by the executive arm of government. The Minister of Finance is charged with the responsibility for managing, supervising, controlling and directing all financial matters of the Republic. The Act further authorizes the Minister of Finance to designate a Controlling Officer (usually a Permanent Secretary or at similar level) for each head of expenditure under the Yellow Book (Estimates of Revenue and Expenditure). The Controlling Officer is the Chief

Accounting Officer charged with the duty of controlling the resources under the relevant head, subject to directions given by the Permanent Secretary (Ministry of Finance)<sup>3</sup>. The Controlling Officer is then allowed to delegate some responsibilities to any accounting officer under his/her responsibility, and to provide the accounting officer with the necessary directions to secure the proper exercise of the delegated functions.

Having discussed the law regarding the management of public finances, a further question can be posed: What is the procedure for Parliament to approve estimates. More fundamentally, we look at what the procedure is from the process leading the Minister of Finance to present the Budget Speech to actual expenditure. Most matters, which actually govern the practice of public finance in Zambia, are located in the Financial Regulations<sup>4</sup> that are a subsidiary legislation under the Finance Act.

### ***3.1.1 The Estimates Procedure***

The procedure for the preparation of estimates for presentation in the annual budget essentially begins with the issue of the “Call Circular” to all Controlling Officers by the Secretary to the Treasury calling them to prepare Draft Estimates and the form in which such estimates should be framed. It is at this point that the incorporation of programmes in the PRSP essentially begins. The “Call Circular” informs Controlling Officers on their initial ceilings and how to prepare their draft estimates for the coming financial year. In addition, the Circular requires Controlling Officers to adhere to the plans and programmes approved by government and other planning and strategy documents such as the Public Investment Programme (PIP) for the case of capital expenditure. Under the Medium Term Expenditure Framework (MTEF) budget system, ministries, provinces and spending agencies are informed on the fiscal framework which details the block ceilings allocated to the various categories of expenditure. The estimates procedure is graphically depicted in figure 3.1.

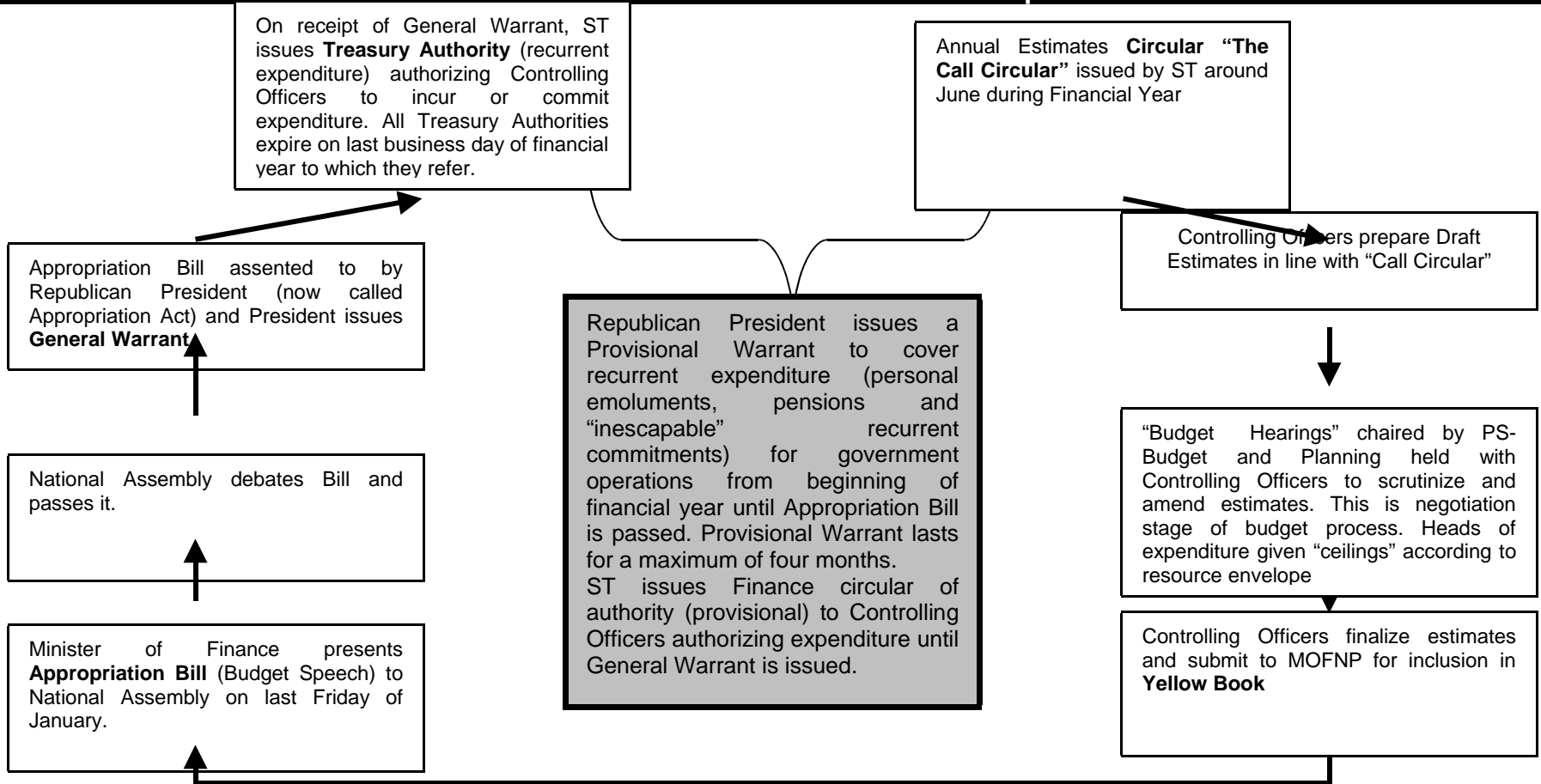
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<sup>3</sup> In the printed version of the Finance (Control and Management) Act, reference is only made to the Permanent Secretary (Ministry of Finance) where as the CD-ROM version of the same law mentions the Secretary to the Treasury. The authors are not aware of any time when the Finance Act was amended to make this position perform the functions ascribed to it in the CD-ROM version of the Laws of Zambia. It may be the case that the CD-ROM version (published by the Ministry of Legal Affairs) expressed an intention to establish the position of Secretary to the Treasury but such amendment was not placed before Parliament.

<sup>4</sup> It is worth noting that the Financial Regulations currently in force came into effect on 12<sup>th</sup> September 1969. While some changes have been made through various Statutory Instruments (S.I.), the regulations by and large remain outdated. It is ironic that despite fundamental changes being made to the Constitution over the years, the same ‘wind of change’ has never blown in the direction of the Financial Regulations and their principal Act, The Finance Act.

**Figure 3.1: Estimates**

**procedures**



At this point, a few points need to be mentioned. Firstly, the structures (in human resource terms) used to prepare budgets differ among line ministries. Some ministries utilize staff in their Accounting Units while others utilize staff in their Planning Units (for ministries that have such structures) and other ministries utilize a combination of staff from both units.

As to whether the staff utilized are able to translate the strategic vision given in the PRSP (and indeed the Transitional National Development Plan (TNDP)) is a matter for further inquiry. However, indications from discussions with officers at the MoFNP involved with this process, indicates that skill gaps exist at this level. While some staff may be familiar with the accounting interpretation of the Circular (as a budget preparation tool in the Financial Regulations), others may only be able to grasp strategic aspects. A further point is that the Finance Act does not seem to provide any sanction for non-incorporation of elements contained in planning documents such as the PRSP. This might indeed be a case where the Circular is issued as an administrative instrument with no legal backing in that it is not gazetted and issued as a legal instrument under the Finance Act.

For every Head of expenditure in the Yellow Book, there is a Controlling Officer. For instance, Head 01 (Office of the President - State House), the Controller at State House is the Controlling Officer while at the Electoral Commission (Head 05), the Controlling Officer is the Director of Elections. In the case of the MoFNP (Head 37), which has two Permanent Secretaries, the Permanent Secretary – Finance, Management and Accounting is the Controlling Officer. In other ministries that have two Permanent Secretaries, only one is Controlling Officer (usually the PS in charge of the administrative and accounting departments). At the Judiciary, the Controlling Officer is the Judiciary Administrator. For institutions such as the Zambia Police, the Permanent Secretary at the parent Ministry (Home Affairs) is the Controlling Officer.

Once Controlling Officers receive the Circular, they prepare Draft Estimates that are presented to the Permanent Secretary – Budget and Planning at the MOFNP. These Draft Estimates are debated and the Controlling Officer is requested to make amendments once a final ceiling has been issued to a particular ministry. Final Draft Estimates are then submitted to the MOFNP for incorporation into the Yellow Book. On Budget Day, the Minister of Finance tables the Appropriation Bill before the National Assembly for it to consider the Draft Estimates and pass the bill. At this stage, it must be pointed out that the National Assembly<sup>5</sup> is only permitted to propose savings in the budget and not to propose additional spending for a particular head of expenditure. As such, even where the national Assembly was of the view that additional spending was required in a particular area, this, under current law, cannot be done.

After the necessary debate is done in the National Assembly, the Appropriation Bill is approved. The approved Appropriation Bill is then signed (if he is satisfied) by the

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<sup>5</sup> During budget presentation, the Minister of Finance moves that the House resolve into the Committee of Supply on Estimates of Revenue and Expenditure for a particular financial year. Indeed the first two paragraphs of the Budget Speech highlight this procedural aspect and once the Speaker of the National Assembly grants the Minister of Finance's request, the Minister of Finance proceeds to present the Appropriation Bill as required under Article 117 of the Constitution.

President after which the General Warrant authorizing the drawing of the general revenues of the Republic is authorized. The Secretary to the Treasury then informs all Controlling Officers of the signing of the General Warrant and issues Treasury Authorities in respect of recurrent and capital as contained in the Yellow Book. With regard to capital expenditure, the law requires the Secretary to the Treasury to issue “instructions” “from time to time”. For capital expenditure, each ministry, province or spending agency is by law supposed to complete a Capital Requisition Form. This is not followed in practice and instead such requests are made in the form of a letter and releases made upon request. For PRP expenditures, the practice has been that spending agencies usually give a schedule indicating when they would be able to carry out activities under particular programmes. On the basis of this information, releases are made for PRPs.

### 3.2 Revenue-Expenditure Flow: Elements of Budget Execution

Having discussed the process that governs the approval of estimates of expenditure, we now turn our attention to revenue-expenditure flows. The basic question we are trying to answer in this section is how funds approved by the National Assembly actually move to the targeted beneficiary institutions and eventually the common person on the ground. It must be noted that when estimates are approved, the revenue side of the equation is implicitly assumed to respond as projected in the macroeconomic framework underlying the financial year in question. In other words, taxes are received as projected. Since most tax receipts depend on economic activity, the level of economic activity will inevitably affect tax receipts. We shall illustrate this flow process with the aid of figure 3.2. For expositional purposes, we make the assumption that an economic activity warranting taxation has already occurred and the Zambia Revenue Authority (ZRA)<sup>6</sup> has collected the tax.

Once the ZRA collects taxes through their revenue collection points, funds are transmitted to the Bank of Zambia (BOZ). It must be noted here that the ZRA is an agent of the government in administering the tax code. As such, ZRA’s revenue collection activities are driven by what the economic programme requires. BOZ, in this regard, performs its statutory function as banker to the government. In the same manner that individual economic agents deal with their commercial banks, the government deals with the Bank of Zambia albeit with certain peculiarities in their relationship. The revenue deposited with BOZ is held in particular revenue holding accounts before being transmitted into the general revenue account referred to as **Control Account 99**. Control Account 99 (referred henceforth as Account 99) holds all government revenue and it is from this account that government operations are funded. When enough revenue is in Account 99, Budget Office funds various line ministry accounts also held at BOZ. The release of funds to these government accounts is done with regard to various appropriations made to various heads and sub-heads in the Yellow Book. Individual

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<sup>6</sup> The situation is different when a department directly under the government, such as the Road Traffic Commission (RTC) collects revenue or another body such as the Zambia Police collects fines. These cases are guided by the Financial Regulations and we do not discuss them here.

Controlling Officers take over from this point as funds are now under their control and held in their respective control accounts.

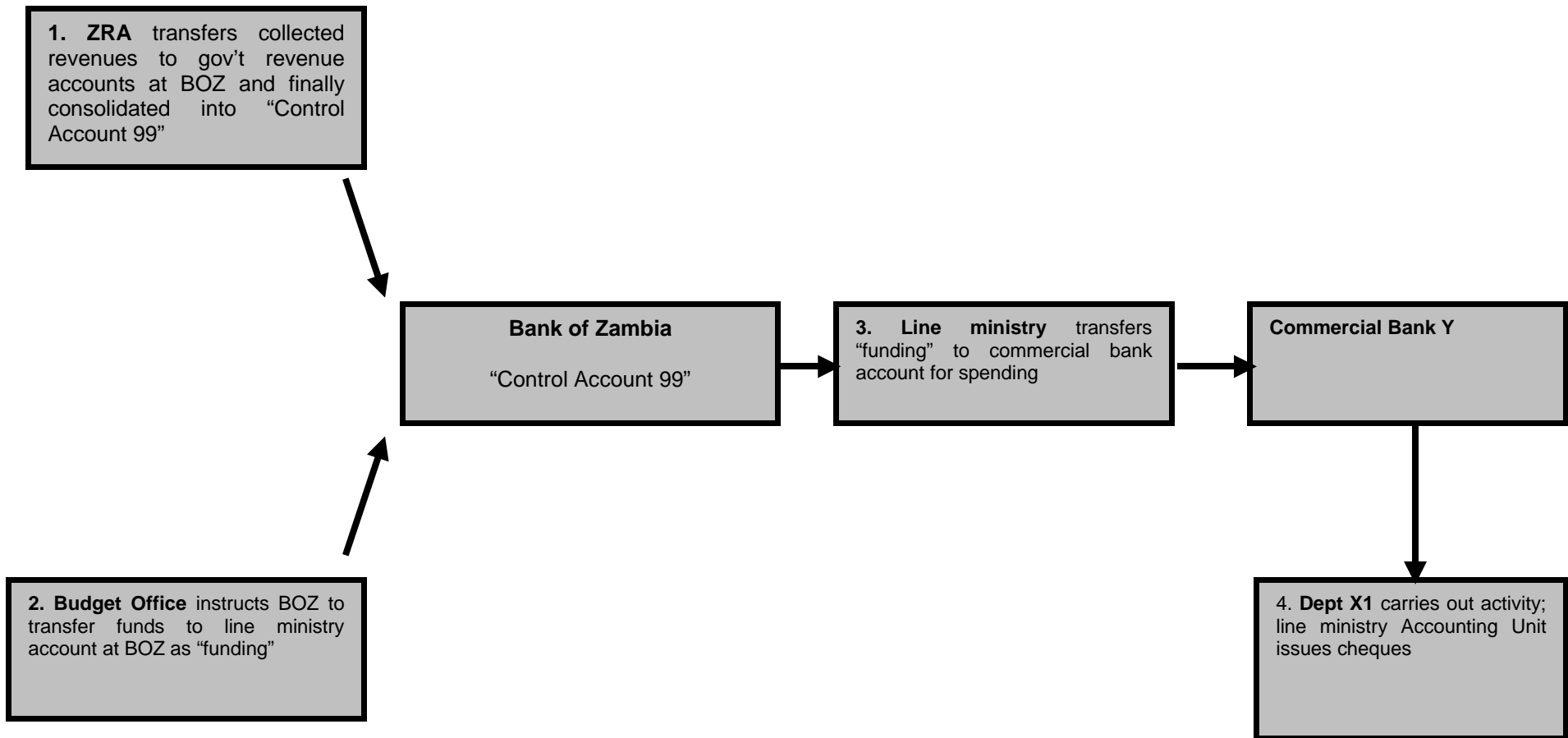
To facilitate expenditure, funds are transferred to commercial bank accounts held by ministries (including MOFNP). It is from these accounts that cheques are drawn to pay for various recurrent departmental charges, grants to statutory bodies and capital expenditure. The actual award of contracts to supply government is governed by the Tender Regulations and various guidelines issued under the Zambia National Tender Board (ZNTB)<sup>7</sup> Act with ministries having various thresholds over which procurement is referred to ZNTB. The Controlling Officers are responsible for what happens to government funds from this point on and are held accountable by the Public Accounts Committee in Parliament.

It is worth mentioning that all government ministries, with exceptions unknown to the authors, have officers to perform two key functions in the expenditure process: accountants and auditors. The accountants in all government departments are seconded from the MOFNP under the Accountant General's office. The internal auditors (distinguished from the Auditor General's office who has the mandate to perform external audits of government accounts) are under the Office of the Controller of Internal Audit at MOFNP. All these officers are under the Secretary to the Treasury. Thus, the release of funds to government ministries is undertaken by Budget Office, the accounting by accountants under the Accountant General and internal auditors check that these funds are in line with government Financial Regulations. It is a simple matter to determine that this system is porous judging from the persistent expenditure overruns in past years.

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<sup>7</sup> It must be noted that the ZNTB is an agent of the government in the public procurement process. Not all government procurement beyond ministerial thresholds is handled by ZNTB. Exceptions exist such as in cases of defense and security procurements. As to exactly what kinds of guidelines are used for such procurements is not known to the authors. Further, it is not clear whether all these procurements stand up to public scrutiny and how effective such scrutiny is under the respective Parliamentary Committee.

Figure 3.2: Simplified Revenue-Expenditure Flow



#### **4.0 PRSP PROGRAMMES AND PRP EXPENDITURES IN THE BUDGET: ANALYSIS OF 2001 TO 2003 BUDGETS**

In this section, we primarily analyze poverty reduction spending as contained in the annual budgets of 2002 and 2003. However, we add the expenditures of 2001 under the Heavily Indebted Poor Country (HIPC) Initiative as HIPC expenditures in 2001 were later transformed to PRP expenditures for the 2002 budget. Findings indicate that policy makers were concerned about securing authorities of expenditure for PRSP programmes once the PRSP was endorsed by the boards of the IMF and the World Bank. It was recognized that the PRSP would only be endorsed during the course of 2002, at which point budget execution would have already commenced. As such, it was important to ensure that the Yellow Book accommodated the PRSP programmes. A decision was therefore made to convert expenditures appearing under subhead 4 in the Yellow Book to PRP. This appeared to have been a pragmatic decision at the time. However, this should have been followed with more comprehensive reforms aimed at realigning the budget preparation, cash release and accounting processes to accommodate PRSP programmes. We discuss these issues in greater detail in due course. For the moment, we broadly consider the programme content of the PRSP and the PRP programmes as contained in the budget to gauge the level of coincidence.

##### **4.1 PRSP Programmes and PRP: A Comparison**

In table 4.1, we present various programmes contained in the Budget and the PRSP. For the case of 2001, which we refer to as HIPC 2001 in the table, eight (8) programmes are presented. These programmes were the HIPC programmes under the Yellow Book for 2001.

**Table 4.1: A Comparison of HIPC, PRP and PRSP Programmes**

| <b>HIPC 2001</b>     | <b>PRP 2002</b>                  | <b>PRP 2003</b>                    | <b>PRSP 2002 - 2004</b>                |
|----------------------|----------------------------------|------------------------------------|--|
| Rural Development    | Rural Development                | Rural Development                  | Agriculture                            |
| Education            | Education                        | Education                          | Education                              |
| Health               | Health                           | Health                             | Health                                 |
| HIV/AIDS             | HIV/AIDS                         | HIV/AIDS                           | HIV/AIDS                               |
| Water and Sanitation | Water and Sanitation             | Water and Sanitation               | Water and Sanitation                   |
| Social Safety Net    | Social Safety Net                | Social Safety Net                  | Social Safety Net*                     |
| Human Rights         | Human Rights and Good Governance | Human Rights and Good Governance   | Governance                             |
| Low Cost Housing     | Low Cost Housing                 | Housing Development                | Environment                            |
|                      | Urban Infrastructure             | Urban Infrastructure               | Roads                                  |
|                      | Youth Development                | Youth Development                  | Energy                                 |
|                      | Resettlement Programme           | Resettlement Programme             | Transport                              |
|                      | Colleges and Universities        | Colleges and Universities          | Macroeconomic Reforms and Institutions |
|                      | Industrial Development           | Industrial Development             | Industry/manufacturing                 |
|                      |                                  | Capacity Building and Coordination | Monitoring and Evaluation/Statistics   |
|                      |                                  |                                    | Gender                                 |
|                      |                                  |                                    | Tourism                                |
|                      |                                  |                                    | Mining                                 |

Sources: Yellow Book 2001, 2002, 2003 and Zambia PRSP 2002 – 2004

\* Social Safety Net was allocated a budget line of US\$ 9.0 million in the PRSP but not discussed as a sector.

The programmes were Rural Development, Education, Health, HIV/AIDS, Water and Sanitation, Social Safety Net, Human Rights, and Low Cost Housing. For PRP 2002, the programmes in HIPC 2001 were extended to include Urban Infrastructure, Youth Development, Resettlement Programme, Colleges and Universities and Industrial Development. In addition to the programmes in PRP 2002, PRP 2003 added Capacity Building and Coordination. Before discussing the programme linkages between what was in the Budget and the PRSP, we need to make a few points regarding the PRP programme in the Budget.

The programmes under HIPC 2001 were selected from the Budget from among those considered to have a strong pro-poverty focus. In 1996, Zambia signed the Economic and Structural Adjustment Credit (ESAC) II with the World Bank. Among other conditionalities attached to the credit, were that government redirects budget expenditures to the social sectors. In this arrangement, thirty six (36) percent of the total discretionary budget expenditures (expenditures that are not encumbered by issues such as debt service, personal emoluments, and generally things which government just has to pay) should be directed to the social sectors. At the time, the social sectors identified were those reflected in the HIPC 2001 column of table 4.1. Since Zambia only reached HIPC Decision Point in December 2000, it was necessary to quickly find a way of including HIPC programmes in the Budget. Thus the social sector programmes used to meet the ESAC II conditionalities were a natural starting point. Indeed it may have been the case that pragmatic considerations influenced this choice as the Budget was due for presentation a month after Decision Point<sup>8</sup>.

At the point of preparing the 2002 Budget, policy makers and technocrats faced one critical constraint: How will the PRSP expenditures be reflected in the budget? A solution to this problem was important as the PRSP was expected to be endorsed during 2002. Further, the PRSP was prepared for the period 2002 – 2004. As such, it may not have been practical to re-design the budget mid-way as this is logistically and legally cumbersome; the die would have been cast! Therefore, the 2002 Budget had to contain subheads that would facilitate the linkage of the PRSP into the Budget after it was endorsed by the World Bank and the IMF Boards. Thus the HIPC programmes in the Yellow Book were transformed into Poverty Reduction Programmes (PRP) for 2002 and subsequently 2003. As will be seen from Annex 7.1, the programmes added under each broad heading of the PRP increased in subsequent years. In 2003, Capacity Building and Coordination was added to the PRP as a whole programme mainly as a result of the re-introduction of an explicit planning function at the MOFNP.

The sectors in the PRSP were selected on the basis of submissions from break up sessions at the first PRSP National Conference held in July, 2000. At the first national conference, the following working groups were formed in the sectors that were considered to be

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<sup>8</sup> In most policy decision situations, timing and the political test of policy options are critical. Most of the decisions that have surrounded the HIPC and PRSP processes have been driven very much by the need to get out of the yoke of debt and debt service. As such, measures had to be undertaken to ensure that the quickest and most effective route to HIPC Completion Point was taken without necessarily 'reinventing the wheel'.

critical to poverty reduction: Macroeconomic, Industry, Tourism, Education, Health, Agriculture, Governance, and Mining. Subsequently, other sectors such as Environment, Roads, Energy, Transport and Communications, Water and Sanitation, and Gender were added. Monitoring and Evaluation and Social Safety Net were added in the final analysis.

In table 4.1, we have shaded the sectors that seem to coincide on the basis of title. Further, the programmes contained in the PRP 2003 broadly answer the objectives under the PRSP. The concern however, is the fact that programmes in the PRP may not fully represent what might be considered poverty spending in the Budget. While some programmes are considered as PRP, others that would suit to be under this category are left in RDCs.

## **4.2 Execution of PRP Expenditures**

The Budget Office under the MOFNP undertakes the execution of PRP expenditures. The cash budgeting system<sup>9</sup> is the general framework under which releases to various budget heads are made. A committee within the MOFNP makes the actual decisions regarding how much each budget head will receive for the various expenditure categories during a particular month. In making these decisions, attention is paid to the benchmarks agreed with the IMF in the PRGF programme and the IDA for social sector expenditure. It must be noted that some general criteria (World Bank 2003) are followed in the decision making process of the committee. Firstly, domestic debt service, contingency for unexpected shortfalls in revenue, and personal emoluments are considered. This is followed by the social sector protected expenditure under the ESAC II. RDCs, grants, and capital expenditures then follow. In a sense, the last categories of expenditures to be followed are really a residual. It therefore follows that if the amounts of funds available after debt service, contingency and personal emoluments are meager in nature, all programmes under RDCs and capital expenditures will necessarily receive reduced fundings.

Since 2001, an extra category of expenditures, at sub head level for qualifying heads of expenditures, was introduced as 'sub head 4': HIPC Programmes. These were subsequently transformed into PRPs in 2002 and retained in 2003. At the level of execution, PRPs are also subjected to the same criteria under the cash budgeting system and in a situation of limited funds in Account 99, the residual criteria applies. However, Budget Office takes into account the information supplied by line ministries regarding the timing profile of these expenditures. We now turn to the analysis of releases of expenditures as a proportion of budgeted expenditure. We refer to table 4.2 for this analysis.

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<sup>9</sup> The cash budget system essentially works under the principle that no cash would be released to line ministries and other budget heads for payment of their expenditures before sufficient funds are made available in Control 99 (World Bank, 2003).

**Table 4.2: HIPC and PRP Allocations and Releases 2001 – 2003 (K'million)\***

| Programme                          | 2001 HIPC        |                  |                            | 2002 PRP         |                  |                            | 2003 PRP         |                  |                            |
|------------------------------------|------------------|------------------|----------------------------|------------------|------------------|----------------------------|------------------|------------------|----------------------------|
|                                    | Allocation       | Releases         | Releases/<br>Budget<br>(%) | Allocation       | Releases         | Releases/<br>Budget<br>(%) | Allocation       | Releases         | Releases/<br>Budget<br>(%) |
| Rural Development                  | 98,673.0         | 95,100.0         | 96%                        | 129,697.0        | 57,274.0         | 44%                        | 169,341.0        | 115,933.0        | 68%                        |
| Education                          | 53,389.7         | 38,600.0         | 72%                        | 9,846.0          | 3,250.0          | 33%                        | 36,999.0         | 4,050.0          | 11%                        |
| Health                             | 39,972.4         | 19,800.0         | 50%                        | 21,500.0         | 8,500.0          | 40%                        | 67,700.0         | 33,550.0         | 50%                        |
| HIV/AIDS                           | 24,877.9         | -                | 0%                         | 1,000.0          | 500.0            | 50%                        | 37,800.0         | 19,360.0         | 51%                        |
| Water and Sanitation               | 26,555.1         | 10,200.0         | 38%                        | 11,262.0         | 5,550.0          | 49%                        | 9,300.0          | 3,950.0          | 42%                        |
| Social Safety Net                  | 24,039.3         | 18,296.0         | 76%                        | 16,800.0         | 16,700.0         | 99%                        | 13,000.0         | 19,531.0         | 150%                       |
| Human Rights and Good Governance   | 7,826.8          | 1,500.0          | 19%                        | 9,010.0          | 4,900.0          | 54%                        | 14,502.0         | 4,102.0          | 28%                        |
| Housing Development                | 4,192.9          | 1,500.0          | 36%                        | 1,300.0          | 4,576.0          | 352%                       | 22,000.0         | 4,000.0          | 18%                        |
| Urban Infrastructure               |                  |                  |                            | 3,000.0          | 400.0            | 13%                        | 10,840.0         | 2,380.0          | 22%                        |
| Youth Development                  |                  |                  |                            | 2,600.0          | 500.0            | 19%                        | 502.0            | 100.0            | 20%                        |
| Resettlement Programme             |                  |                  |                            | 7,300.0          | 2,550.0          | 35%                        | 4,700.0          | 1,650.0          | 35%                        |
| Colleges and Universities          |                  |                  |                            | 24,785.0         | 5,200.0          | 21%                        | 17,630.0         | 4,285.0          | 24%                        |
| Industrial Development             |                  |                  |                            | 1,900.0          | 300.0            | 16%                        | 11,345.0         | 3,200.0          | 28%                        |
| Capacity Building and Coordination |                  |                  |                            |                  |                  |                            | 2,000.0          | -                | 0%                         |
| <b>TOTAL</b>                       | <b>279,527.0</b> | <b>184,996.0</b> | <b>66%</b>                 | <b>240,000.0</b> | <b>110,200.0</b> | <b>46%</b>                 | <b>417,659.0</b> | <b>216,091.0</b> | <b>52%</b>                 |

**Source: Compiled from Ministry of Finance and National Planning data**

\*Data for 2003 is up to October.

In 2001, the programme of Rural Development received the highest releases as a proportion of budgeted expenditure at 96 percent. Most of the releases went to feeder roads (K40.0 billion) and farmer support programmes (K32.0 billion). Social Safety Net received 76 percent of its allocation with the majority of the funds going to disaster relief and Public Welfare Assistance Scheme (PWAS) at K9.9 billion and K8.4 billion respectively. The HIV/AIDS programme did not receive any funding from the budget. Overall, HIPC programmes in 2001 received 66 percent of budgeted expenditure during the fiscal year. Details of budgets and releases are presented in Annex 7.1 while a graphical layout is under Annex 7.2.

In 2002, Housing Development received three times more than the budget (325 percent) while Social Safety Net received 99 percent of what was budgeted. Urban Infrastructure received the least allocation of 13 percent of the budget. Despite receiving 44 percent of its allocation in 2002, Rural Development received the largest amount overall of K57.3 billion. When we analyze the specific allocations that received funding within the individual 2002 PRPs, interesting patterns that give an indication of the nature of the decision making process at the funding level emerge (Annex 7.1). Firstly, either a percentage criterion or an 'amount' criterion appears to be used for funding. For example, it is either programmes are allocated 25 percent or K100.0 million across the board. This pattern seems to permeate through all PRPs. This suggests a strong de-linkage between the expected programme outcomes and the resource requirements to achieve the desired outcomes.

Under Rural Development, greater priority seems to have been attached to feeder roads as all feeder roads received all the budgeted resources. This is a particular area of concern under the PRSP. Further, the access road to the Mosi-O-Tunya National Park received all the budgeted funds. As to whether the budgeting process adequately took into account the financing requirements for these projects is indeed another legitimate question. This is because all nine feeder roads budget items most likely represent a provincial profile than an expenditure priority profile. If this is the case, it is unreasonable to expect all nine provinces to have the same length of road requiring rehabilitation as all feeder roads programmes were allocated and funded K2.0 billion each. An analysis of the least funded programmes suggests the low priority attached to programmes dealing with research. Soil and Crop Research received 5 percent of budget while Seed Multiplication and Livestock Production received 6 and 7 percent of budget respectively.

In Education, Secondary School Rehabilitation was the priority receiving 52 percent of budgeted resources. Basic School Bursaries received 20 percent while Support to Community Schools received 25 percent. Under the Health PRP, two programmes influenced the proportion of releases to the budget. General drugs and HIV drugs were not budgeted for under Health but received K1.5 and 2.5 billion respectively. The Roll Back Malaria Programme received only 10 percent despite the strong importance attached to this programme in the PRSP. Interestingly, all other programmes received 25 percent of their budget. This is unlikely to have been a coincidence but a conscious effort driven by some level of logic. One plausible conclusion could be that the 'funding committee' decided to apply a rate of 25 percent of the available resources to the Health

PRP to yield the pattern of allocation that emerged. In this case also, it is unreasonable to expect all provinces to be allocated the same level of resources for rehabilitation of district hospitals despite the disproportionate endowments in districts and catchment areas those districts are supposed to serve. Further, the University Teaching Hospital (UTH) cannot be expected to receive the same quantum of funding as Chainama Hospital in addition to being allocated the same quantum at the budget level. Unfortunately, this was the case under 2002 PRPs in Health. Under Water and Sanitation, the bulk of the resources were released to either the police or prisons services. Under Social Safety Net, the majority of the resources were released to Disaster Relief which got K15.0 billion (153 percent of the budgeted allocation). Programmes such as Peri Urban Self Help (PUSH), Peri Urban Micro Credit and PWAS received 20 percent or less.

Under the Resettlement Programme, the same pattern of releasing the same quantum of resources to all provinces applies even to provinces that had a lower budget. All programmes under resettlement received K150.0 million – a criteria we find unreasonable and in line with comments made earlier. Similar release patterns can be observed for the remaining PRP programmes for 2002. We can also notice that almost all provinces have a budget for Bee Keeping under the Industrial Development programme. This situation raises a lot of concern when we consider the fact that not all provinces practice bee keeping or are conducting to bee keeping in terms of having a climatic and economic advantage.

As at October 2003, Social Safety Net PRPs had received 150 percent of their budget. Rural Development had received 68 percent of its budget but the highest amount overall. Most of the roads under rural development had already received all the budgeted resources. What is disturbing about these roads is why most roads cost approximately K500.0 million, K1.5 billion and K2.0 billion? Are they all the same length and state of disrepair? If not, then what could account for the pattern observed? Indeed these concerns raise budget credibility problems. One road seems to have received an exceptional level of funding. The Kasama-Luwingu-Mansa Rd had a budget of K5.0 billion but had by October 2003 received K15.0 billion which represents 300 percent of budget. It is not clear why this level of resources was released above budget; it remains an interesting area for further enquiry. Another notable programme under Rural Development is the Agricultural Input Support Programme. This programme had a budget of K10.0 billion and had by October 2003 received K30.7 billion (307 percent) of its budget. It is not clear from available data, under what circumstances this over funding occurred.

Education PRPs had only received 11 percent of budgeted resources while Capacity Building and Coordination had not received any of the budgeted resources. Out of the budgeted K417.7 billion for PRPs in 2003, 52 percent of PRP fundings had been made by October 2003. In the Education PRPs, all provinces were initially allocated K1.3 billion for the provision of school desks. As at October 2003, four provinces had received K200 million each while one province had received K150.0 million and another K100.0 million. This execution pattern does not seem to reflect any form of priority that links the budgets and expenditures to priorities expressed in the PRSP. The picture in the Health PRPs showed a marked improvement in 2003 compared to 2002. Drugs for HIV patients

and the Essential Health Drug Kits were clear priorities in the PRSP and have also received similar attention with fundings of K12.0 billion each in the PRPs. Rehabilitation of general and district hospitals has not been adequately funded with some hospitals having received no funding for this purpose. Anti-retro viral (ARV) drugs provision under the HIV/AIDS PRP seems to be receiving considerable priority. ARVs for Hospitals had received 88 percent of the budgeted allocation by October 2003. On the prevention side, Public Awareness Campaign for HIV/AIDS had received 60 percent of budgeted resources.

Under the Social Safety Net, most of the budgeted resources were released under the PWAS which by October 2003 had received K14.5 billion instead of the budgeted K5.0 billion reflecting 291 percent of budget. Whereas this seems welcome, it would be important to get an indication of which programmes exactly benefited from this funding.

Having analyzed the patterns of resource allocations and releases under the PRPs, there does not seem to be a deliberate effort to link the budgets and releases to match the PRSP priorities. Further, the level and pattern of resources released would seem to confirm the notion that funding for PRPs is done on a residual basis. In addition, a great deal of prorating seems to take place at the point of funding and in some cases at the point of establishing the final ceiling for specific items under the PRP sub head. It is further clear from the above that from the time HIPC programmes were introduced and continued into PRP, the sub head has consistently received much less resources than budgeted. Following from our justification for using expenditure data for this study, we may conclude that indeed poverty reduction has only been a priority at the policy level and not at the level of implementation and budget execution.

A subsidiary question may be asked as to where do the exact policy priorities lie? If poverty reduction is not the priority, what could be the priority? We attempt to answer this question using aggregate data that compares budget and releases for the whole budget for 2002 and 2003. We shall be selective in approach focusing only on those heads of expenditure that consistently receive higher resources than budgeted and vice versa. Our thinking is that if a particular sub head received fewer resources than budgeted, while at the same time the revenue forecasts were met and exceeded by ZRA, then it follows that some other sub heads received more than their fair share of national resources (detailed data on all the heads of expenditure are presented in Annex 7.3). Before going into this analysis, we first compare PRSP budgets for 2002 and 2003 with PRP budgets for 2002 and 2003.

### 4.3 The PRSP Budget and PRPs

Another useful way of analyzing PRSP expenditures is to compare the PRP expenditures with the PRSP budget as presented in Table 2.2. The budget in Table 2.2 (page 5) is presented in US dollars. In order to render it comparable with annual budget figures the data is converted into Kwacha. The Bank of Zambia annual average mid exchange rate (average of buying and selling exchange rate) is used to obtain the Kwacha figures. The data for 2002 and 2003 are obtained by decomposing the block figures presented in table 2.2 into three years using the allocation ratio of 20%-40% and 40% for the years 2002, 2003, and 2004 respectively for each sector. This breakdown then gives us an indication of what the PRSP budget for each sector represents in Kwacha terms.

**Table 4.3: PRSP Budget Vs PRP 2002-2003 K' billion<sup>10</sup>**

| <b>Sector</b>                             | <b>2002</b>          | <b>2003</b>     |
|---|----------------------|-----------------|
| Roads                                     | 197.21               | 431.04          |
| Health                                    | 172.36               | 376.73          |
| Agriculture                               | 148.98               | 325.63          |
| Education                                 | 127.02               | 277.63          |
| Energy                                    | 98.17                | 214.58          |
| HIV/AIDS                                  | 81.47                | 178.06          |
| Tourism                                   | 50.55                | 110.49          |
| Water and Sanitation                      | 36.51                | 79.81           |
| Macroeconomic Reforms/Institutions        | 32.90                | 71.90           |
| Governance                                | 23.25                | 50.82           |
| Mining                                    | 22.91                | 50.07           |
| Transport                                 | 18.95                | 41.41           |
| Industry                                  | 10.76                | 23.53           |
| Social Safety Net                         | 7.75                 | 16.94           |
| Environment                               | 2.58                 | 5.65            |
| Monitoring and Evaluation/Statistics      | 1.29                 | 2.82            |
| Gender                                    | 0.84                 | 1.84            |
| <b>Total PRSP Budget per year</b>         | <b>1,033.52</b>      | <b>2,258.94</b> |
| <b>Total GRZ Budget</b>                   | <b>3,429.75</b>      | <b>3,974.95</b> |
| <b>Total GRZ Releases</b>                 | <b>3,106.48</b>      | <b>3,000.65</b> |
| PRP Budget Allocation                     | 240.00 <sup>11</sup> | 417.66          |
| Actual PRP Expenditure                    | 110.20               | 216.09          |
| PRP Budget as percent of Total Budget     | 7.00%                | 10.51%          |
| PRP Budget as percent of PRSP             | <b>23.22%</b>        | <b>18.49%</b>   |
| Actual PRP expenditure as percent of PRSP | <b>10.66%</b>        | <b>9.57%</b>    |
| PRSP Budget as percent of annual Budget   | <b>30.13%</b>        | <b>56.83%</b>   |

**Source: Authors' computations**

<sup>10</sup> A figure of K417.7 billion for 2003 PRPs is used instead of K420.7 billion (which includes donor contribution of K210.0 billion) as presented in the Budget Speech. This is because our figure is an addition of individual programmes as presented in table 7.3 in the Annex.

<sup>11</sup> The K240.00 billion is the domestically generated government component. The MoFNP have in some cases quoted a figure of K450 billion, which includes the donor component.

Table 4.3 shows that in 2002, total budget of K1,033.5 billion should have been spent on PRSP programmes. This would have represented 30.1 percent of the total budget for that year. Data further shows that in 2003, K2,258.9 billion should have been spent on PRSP programmes representing 56.8 percent of the total annual budget for that year. However, the total PRP budget represented only 7.0 percent of total national budget in 2002 and 10.5 percent in 2003. This is clearly a very marked shortfall from what was supposed to be spent. It is clear that resources that were spent on PRP programmes fell well short of the requirement under the PRSP. Despite the fact that the required expenditures were short of what was required, the budgetary classification system is not revealing enough to concretely confirm this finding as the RDC expenditure category does not fully reveal which sector and programmes clearly benefited from the expenditure. Furthermore, some capital expenditure items were not included under PRPs in the annual budgets when such expenditures could actually have 'qualified' as such.

#### **4.4 Budgets vs. Releases by Head of Expenditure 2002 – 2003**

In this section, we compare budgeted expenditure and releases for all the heads of expenditure in the Yellow Book. The principle underlying our analysis is that if the policy maker considers a particular head of expenditure important for whatever reason, such a head of expenditure shall receive at least 100 percent of the budgeted funds. The reasoning behind this approach lies in the fact that true policy priorities exhibit themselves in expenditure data. In Annex 7.3, we have listed all heads of expenditure in the Yellow Book for 2002 and 2003. Using the percentage of releases compared to budgeted expenditure, we have ranked the expenditure heads from 1 to 49.

On the basis of 2002 data, we can make the conclusion that Cabinet Office (Head 08) was the most important priority for the Government as it received 512.5 percent of budgeted resources. In other words, Cabinet Office received five times its budget for 2002. We cannot immediately tell whether this was a case of poor budget preparation or excessive expenditure on the part of the Controlling Officer for this head of expenditure. From a budget of K8.9 billion, Cabinet Office received K45.8 billion in funding. We are not able to tell at this point which particular sub heads went over budget. Closely followed by Cabinet Office is State House (Head 01), which received 262.4 percent of the budgeted resources. Out of a budget of K3.9 billion, State House received K10.2 billion. The Office of the President – Special Division (Head 78) received 238 percent of budgeted expenditure i.e. out of a budget of K49.7 billion, K118.8 billion was released to the Zambia Security Intelligence Service (ZSIS). Out of the top 10 ranked heads of expenditure for 2002, only 3 had a PRP sub head: Ministry of Community Development and Social Services (Head 45 (MCDSS)), Electoral Commission (Head 05), and Copperbelt Province (Head 91). The head to receive the least from its budget was Constitutional and Statutory Expenditure (Head 99<sup>12</sup>) which received 22.0 percent of budgeted resources. Clearly, questions can be placed on the manner the budget is executed. Out of the 49 heads of expenditure, 26 received over 100 percent of their budget.

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<sup>12</sup> Not to be confused with Control 99 which is the general revenue holding account of the government at BoZ.

For the 2003 budget up to October 2003, the Office of the Vice President (Head 02 (OVP)) was leading in priority rank and had received 239.8 percent of its budget i.e out of a budget of K6.7 billion, OVP had received K16.2 billion by October 2003. This was closely followed by Cabinet Office with 178.1 percent and ZSIS with 159.2 percent. At the bottom of the rankings was Public Service Management Division (PSMD) with 21.5 percent.

The dismal performance of PRP expenditures may be cited on other expenditure pressures that prevented the release of resources to PRPs under the cash budget system. If this were to be the case, how possible is it for other non-poverty reducing expenditures to actually achieve over 100 percent funding? A case may actually be made for more political will to ensure that PRPs receive at least 100 percent of budgeted resources. Or indeed it may be the case that the budget classification system masks other expenditures that could be of a poverty reduction nature under the sub head of RDCs. Similarly, some Grants (sub head 3) do actually contain personnel, recurrent, capital and some kind of poverty related expenditures. This suggests that the budget is actually not a transparent document, as expenditure cannot be traced to its true function and sector.

## **5.0 CONCLUSION AND RECOMMENDATIONS**

### **5.1 Conclusion**

In this study, we sought to track PRP expenditures over the 2002 and 2003 budgets. In rising to this challenge, we initially considered the financing framework that underpinned the PRSP with a view to identifying some of the assumptions that were in place. It became clear from this analysis that external financing would play a significant role in financing programmes in the PRSP. With the decline in balance of payments support in 2002 and the subsequent need to pay debt service from the budget, PRP financing proved to be a challenge. Since the PRSP recognized this particular threat, it therefore lay on authorities to re-orient finances in the budget to achieve the required mix to fight poverty. This has not yet happened and the current poor performance of PRP expenditure may be one result. Following the review of the legal framework for public finance, it was established that the Minister of Finance bore the overall responsibility for the performance of the Annual Budget. What was also clear in this review is that the Finance (Control and Management) Act did not specify any criminal liability for Controlling Officers that did not stick to the budget. The many cases of expenditure exceeding the budget over the years are a case in point.

It was established that the PRPs are broadly in line with the PRSP programmes. However, the match was imperfect as some of the PRPs did not easily map with PRSP programmes. This was because the budget was not adjusted to be in line with the way programmes in the PRSP appeared. When we considered PRP expenditure, results showed that PRPs were considerably and consistently under funded. This raised the seriousness policy makers attached to the fight against poverty as other heads of expenditure received considerably more funding, in excess of 100 percent in most cases,

than provided for in the budget. It was also not easy to know exactly what some expenditures were actually meant for as the budget classification system actually masks this aspect<sup>13</sup>.

A limitation that the study faced was the manner in which budget data is actually classified. The classification into such broad categories as RDCs does not really bring out the use to which public resources put. Because of these deficiencies in the budget data, it became difficult to concretely compare PRSP budgets with PRP expenditures.

## **5.2 Recommendations**

Arising from the conclusions made in this study, we propose some recommendations for the consideration of the Civil Society for Poverty Reduction (CSPR). Indeed some of the recommendations are for the action of authorities in government. Suffice to state however that a clear advocacy role remains with CSPR and its partners to press for some of these recommendations to be adopted and acted upon. We classify these recommendations into four broad categories: legal environment, budgetary framework, monitoring and advocacy. The legal environment considers those recommendations that have to do with the legal architecture of the system of public finances and how improving this system can enhance the utility of public finances. The budgetary framework considers recommendations that affect the manner in which the budget and support documents are prepared. Monitoring looks at support activities that CSPR and its partners can consider conducting in order to enhance the tracking of progress or otherwise in government expenditure. Advocacy considers the areas that CSPR and its partners might want to focus on.

### **5.2.1 *Legal Environment***

1. The Finance (Control and Management) Act and its Financial Regulations requires to be extensively revised to reflect new practices in government financial operations.
2. The Act should clearly specify penalties for non-compliance with its provisions and the Appropriation Act for a particular year.
3. The Act (or appropriate regulatory structure in the Act) should contain the budgetary classification as it currently only recognizes the structure under the 'old' Yellow Book.
4. The Act should have a built in mechanism to limit politically motivated funding of programmes and projects – the budget should be followed.
5. The Act should clearly make it illegal to fund a programme above budget and restrict the conditions under which this can be done. This should ensure that realistic budget is practiced to reflect costs of implementation.
6. Ministers should be required to present to Parliament the performance of various programmes under their ministries in the previous year before the budget is passed for the following year to enhance accountability.

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<sup>13</sup> The authors are aware of the fact that Activity Based Budgeting (ABB) is being implemented in the 2004 budget with accompanying changes to the funding and accounting system codes.

### **5.2.2      *Budgetary Framework***

7. In the next round of the PRSP, an audit of current programmes attracting public finances should be undertaken and the database made public during the articulation phase of programmes
8. The PRSP and PRPs should be deliberately matched to enable effective monitoring of programmes.
9. There is need for transparency in the budget classification system to unmask other expenditures that could be of a poverty reduction nature under the sub head of RDCs.

### **5.2.3      *Monitoring***

10. Government should publicise data on releases to the PRPs in a disaggregated manner to the public on a quarterly basis.
11. CSPPR could consider setting up a statistical database with an accompanying short publication on various indicators (economic, social and governance) to track progress on the various issues that government has promised to undertake.

### **5.2.4      *Advocacy***

12. CSPPR needs to strongly advocate to government for the revision of the Finance (Control and Management) Act and make this process an urgent exercise.
13. There should be more political will to ensure that PRPs receive at least 100 percent of budgeted resources.
14. CSPPR should advocate that government programme implementation reflects poverty reduction as a true priority through public spending and not just policy documents.

## 6.0 REFERENCES

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## 7.0 ANNEXES

### 7.1 HIPC and PRP Budgets and Releases 2001 – 2003

|                                | 2001            |                 | Releases/Budget (%) |
|--------------------------------|-----------------|-----------------|---------------------|
|                                | Budget          | Releases        |                     |
| <b>RURAL DEVELOPMENT</b>       | <b>98,673.0</b> | <b>95,100.0</b> | <b>96%</b>          |
| Feeder Roads                   | 0.0             | 40,000.0        |                     |
| RIF                            | 0.0             | 4,500.0         |                     |
| Rural Electrification          | 0.0             | 8,000.0         |                     |
| Irrigation Development         | 0.0             | 0.0             |                     |
| Road Maintenance               | 0.0             | 8,100.0         |                     |
| Farmer Support/ Rural Finance  | 0.0             | 32,000.0        |                     |
| Community Farms for Disabled   | 0.0             | 0.0             |                     |
| Animal Draught Power           | 0.0             | 0.0             |                     |
| Environmental support Program  | 0.0             | 1,000.0         |                     |
| Animal Disease Control         | 0.0             | 1,500.0         |                     |
| <b>EDUCATION</b>               | <b>53,389.7</b> | <b>38,600.0</b> | <b>72%</b>          |
| School Requisites              | 0.0             | 17,000.0        |                     |
| Skills Training                | 0.0             | 1,900.0         |                     |
| Adult Literacy                 | 0.0             | 0.0             |                     |
| School Desks                   | 0.0             | 12,000.0        |                     |
| Rehab of Rural Sec. Schools    | 0.0             | 500.0           |                     |
| Support to Community Schools   | 0.0             | 0.0             |                     |
| Rural Teacher Housing          | 0.0             | 7,200.0         |                     |
| <b>HEALTH</b>                  | <b>39,972.4</b> | <b>19,800.0</b> | <b>50%</b>          |
| Essential Health Care PKG      | 0.0             | 3,000.0         |                     |
| Drugs                          | 0.0             | 11,000.0        |                     |
| Malaria Control Programme      | 0.0             | 5,800.0         |                     |
| <b>WATER AND SANITATION</b>    | <b>26,555.1</b> | <b>10,200.0</b> | <b>38%</b>          |
| Operation & Maintenance Grants | 0.0             | 8,200.0         |                     |
| Rural Water                    | 0.0             | 2,000.0         |                     |
| Support to Peri Urban          | 0.0             | 0.0             |                     |
| <b>SOCIAL SAFETY NET</b>       | <b>24,039.3</b> | <b>18,295.7</b> | <b>76%</b>          |
| Disaster Relief                | 0.0             | 9,895.7         |                     |
| PWAS                           | 0.0             | 8,400.0         |                     |
| PUSH                           | 0.0             | 0.0             |                     |
| Peri Urban Micro Credit        | 0.0             | 0.0             |                     |
| <b>HIV/AIDS</b>                | <b>24,877.9</b> | <b>0.0</b>      | <b>0%</b>           |
| Public Awareness Campaign      | 0.0             | 0.0             |                     |
| Home Based Care                | 0.0             | 0.0             |                     |
| Drugs for HIV/AIDS patients    | 0.0             | 0.0             |                     |

**Table 7.1: HIPC PROGRAMMES K' MILLION**

|   | 2001             |                  |                     |
|---|------------------|------------------|---------------------|
|   | Budget           | Releases         | Releases/Budget (%) |
| <b>HUMAN RIGHTS AND GOOD GOVERNANCE</b> | <b>7,826.8</b>   | <b>1,500.0</b>   | <b>19%</b>          |
| Prison Infrastructure Development       | 0.0              | 1,000.0          |                     |
| Training for Law enforcement officers   | 0.0              | 500.0            |                     |
| <br>                                    |                  |                  |                     |
| <b>LOW COST HOUSING</b>                 | <b>4,192.9</b>   | <b>1,500.0</b>   | <b>36%</b>          |
| <br>                                    |                  |                  |                     |
| <b>TOTAL</b>                            | <b>279,527.0</b> | <b>184,995.7</b> | <b>66%</b>          |

**Table 7.2: POVERTY REDUCTION PROGRAMMES K' MILLION**

|   | 2002             |                 | Releases/Budget (%) |
|---|------------------|-----------------|---------------------|
|   | Budget           | Releases        |                     |
| <b>RURAL DEVELOPMENT</b>  | <b>129,697.0</b> | <b>57,274.0</b> | <b>44%</b>          |
| RIF   | 6,000.0          | 5,000.0         | 83%                 |
| Rural Electrification   | 5,000.0          | 5,000.0         | 100%                |
| Fisheries Development   | 2,000.0          | 0.0             | 0%                  |
| Road Maintenance(Msoro, Chirundu,Mumbwa)                              | 9,774.0          | 9,774.0         | 100%                |
| Crop and Fertilizer credit Revolving Fund                             | 50,000.0         | 0.0             | 0%                  |
| Outgrower Schemes   | 0.0              | 5,000.0         |                     |
| Animal Disease Control (control of tick resistance)                   | 250.0            | 100.0           | 40%                 |
| Development of Goat & Chicken rearing techniques                      | 243.0            | 100.0           | 41%                 |
| Improving productivity of Dairy Animals                               | 130.0            | 100.0           | 77%                 |
| Rehab/Construction of Earth Dams                                      | 7,000.0          | 3,500.0         | 50%                 |
| Rural Water Development for Drought Drone Areas                       | 3,000.0          | 1,300.0         | 43%                 |
| Canal Development & Maintenance (Luapula,Western & Nothern Provinces) | 1,500.0          | 900.0           | 60%                 |
| Mosi-O-Tunya National Park Access Rd                                  | 1,000.0          | 1,000.0         | 100%                |
| National Master Development Plan                                      | 200.0            | 100.0           | 50%                 |
| Livingstone Tourism Development Project.                              | 6,900.0          | 500.0           | 7%                  |
| Solis & Crop Research   | 2,000.0          | 100.0           | 5%                  |
| Seed Multiplication   | 2,500.0          | 150.0           | 6%                  |
| Animal Disease Control  | 6,000.0          | 1,300.0         | 22%                 |
| Livestock Production  | 5,000.0          | 200.0           | 4%                  |
| Animal Draught Power  | 1,000.0          | 150.0           | 15%                 |
| Irrigation Development  | 2,000.0          | 800.0           | 40%                 |
| National Feeder Roads   | 2,000.0          | 2,000.0         | 100%                |
| National Feeder Roads   | 2,000.0          | 2,000.0         | 100%                |
| National Feeder Roads   | 2,000.0          | 6,000.0         | 300%                |
| National Feeder Roads   | 2,000.0          | 2,000.0         | 100%                |
| National Feeder Roads   | 2,000.0          | 2,000.0         | 100%                |
| National Feeder Roads   | 2,000.0          | 2,000.0         | 100%                |
| National Feeder Roads   | 2,000.0          | 2,000.0         | 100%                |
| Electrification of Chimtengo Saw Mills                                | 200.0            | 200.0           | 100%                |
| National Feeder Roads   | 2,000.0          | 2,000.0         | 100%                |
| National Feeder Roads   | 2,000.0          | 2,000.0         | 100%                |
| National Feeder Roads   | 2,000.0          | 2,000.0         | 100%                |
| <b>EDUCATION</b>  | <b>9,845.9</b>   | <b>3,250.0</b>  | <b>33%</b>          |
| Purchase of School Requisites   | 0.0              | 0.0             |                     |
| Training Expenses   | 0.0              | 0.0             |                     |
| Education Materials   | 0.0              | 0.0             |                     |
| Teachers Resource Centre  | 0.0              | 0.0             |                     |
| ZEPIU Secondary Education Maintenance                                 | 0.0              | 0.0             |                     |
| Secondary Schools Rehabilitation                                      | 3,845.9          | 2,000.0         | 52%                 |
| Support to Community Schools  | 1,000.0          | 250.0           | 25%                 |
| Bursaries Basic School  | 5,000.0          | 1,000.0         | 20%                 |
| <b>HEALTH</b>   | <b>21,500.0</b>  | <b>8,500.0</b>  | <b>40%</b>          |
| Drugs   | 0.0              | 1,500.0         |                     |
| Drugs for HIV/AIDS Patients   | 0.0              | 2,500.0         |                     |
| Roll Back Malaria Program   | 5,000.0          | 500.0           | 10%                 |
| Rehab of Ndola Central Hospital                                       | 1,000.0          | 250.0           | 25%                 |
| Rehab of Arthur Davison Hospital                                      | 1,000.0          | 250.0           | 25%                 |

**Table 7.2: POVERTY REDUCTION PROGRAMMES K' MILLION**

|   | 2002            |                 | Releases/Budget (%) |
|---|-----------------|-----------------|---------------------|
|   | Budget          | Releases        |                     |
| Rehab of Chainama Hospital  | 1,000.0         | 250.0           | 25%                 |
| Rehab of UTH  | 1,000.0         | 250.0           | 25%                 |
| Rehab of Lewanika General Hosp                                      | 600.0           | 150.0           | 25%                 |
| Rehab of Kitwe Central Hosp   | 600.0           | 150.0           | 25%                 |
| Rehab of Livingstone Gen. Hosp.                                     | 600.0           | 150.0           | 25%                 |
| Rehab of Chipata Gen. Hosp.   | 600.0           | 150.0           | 25%                 |
| Rehab of Solwezi Gen. Hosp  | 600.0           | 150.0           | 25%                 |
| Rehab of Mansa Gen. Hosp  | 600.0           | 150.0           | 25%                 |
| Rehab of Kasama Gen. Hosp   | 600.0           | 150.0           | 25%                 |
| Rehab of District Hospitals in Lusaka province                      | 800.0           | 200.0           | 25%                 |
| Rehab of District Hospitals in C/belt pr                            | 800.0           | 200.0           | 25%                 |
| Rehab of District Hospitals in Northern pr.                         | 800.0           | 200.0           | 25%                 |
| Rehab of District Hospitals in Eastern Pr.                          | 800.0           | 200.0           | 25%                 |
| Rehab of District Hospitals in Western Pr.                          | 800.0           | 200.0           | 25%                 |
| Rehab of District Hospitals in Luapula Pr.                          | 800.0           | 200.0           | 25%                 |
| Rehab of District Hospitals in Southern Pr.                         | 800.0           | 200.0           | 25%                 |
| Rehab of District Hospitals in Central Pr.                          | 800.0           | 200.0           | 25%                 |
| Rehab of District Hospitals in N/Western Pr.                        | 800.0           | 200.0           | 25%                 |
| Rehab of Kabwe Gen. Hosp.   | 600.0           | 150.0           | 25%                 |
| ZCCM  | 500.0           | 0.0             | 0%                  |
| <b>WATER AND SANITATION</b>   | <b>11,261.6</b> | <b>5,550.0</b>  | <b>49%</b>          |
| Police Camps Water Supply   | 3,000.0         | 1,000.0         | 33%                 |
| Police Cells Sanitation   | 500.0           | 600.0           | 120%                |
| Police Cells Sanitation   | 300.0           | 300.0           | 100%                |
| Prison Water and Sanitation   | 2,000.0         | 1,000.0         | 50%                 |
| Drainage and Sanitary system  | 1,500.0         | 900.0           | 60%                 |
| Support to Peri-Urban Water Supplies                                | 3,000.0         | 1,300.0         | 43%                 |
| Mkt Rehab and Maintenance   | 461.6           | 350.0           | 76%                 |
| Land Demarcation  | 500.0           | 100.0           | 20%                 |
| Environmental Support Program                                       | 0.0             | 0.0             |                     |
| <b>SOCIAL SAFETY NET</b>  | <b>16,800.0</b> | <b>16,700.0</b> | <b>99%</b>          |
| Disaster Relief   | 9,800.0         | 15,000.0        | 153%                |
| Copperbelt Support  | 0.0             | 0.0             |                     |
| Future Search   | 1,000.0         | 500.0           | 50%                 |
| Monitoring Implementation of PRP                                    | 3,000.0         | 500.0           | 17%                 |
| PUSH  | 2,000.0         | 200.0           | 10%                 |
| Peri Urban Micro Credit   | 1,000.0         | 200.0           | 20%                 |
| PWAS  | 0.0             | 300.0           |                     |
| <b>HIV/AIDS</b>   | <b>1,000.0</b>  | <b>500.0</b>    | <b>50%</b>          |
| HIV/AIDS Secretariat  | 1,000.0         | 500.0           | 50%                 |
| <b>HUMAN RIGHTS AND GOOD GOVERNANCE</b>                             | <b>9,010.0</b>  | <b>4,900.0</b>  | <b>54%</b>          |
| Computerisation for continuous Registration (Electoral Com)         | 300.0           | 300.0           | 100%                |
| Community Policing  | 500.0           | 250.0           | 50%                 |
| Prison Infrastructure Development                                   | 2,000.0         | 1,000.0         | 50%                 |
| Computerisation for continuous Registration (National Registration) | 700.0           | 700.0           | 100%                |
| Operations- DEC   | 1,000.0         | 0.0             | 0%                  |

**Table 7.2: POVERTY REDUCTION PROGRAMMES K' MILLION**

|   | 2002            |                |                     |
|---|-----------------|----------------|---------------------|
|   | Budget          | Releases       | Releases/Budget (%) |
| Rehab of Courts                                       | 800.0           | 800.0          | 100%                |
| Capacity Building for Good Governance                 | 200.0           | 200.0          | 100%                |
| Industrial Relations Court Building                   | 200.0           | 200.0          | 100%                |
| Capacity Building for Good Governance                 | 1,500.0         | 0.0            | 0%                  |
| Restatement of Customary Law                          | 250.0           | 150.0          | 60%                 |
| Construction of ACC Offices in Mongu, Solwezi & Mansa | 1,560.0         | 1,300.0        | 83%                 |
| Permanent Human Rights Commission                     | 0.0             | 0.0            |                     |
| <b>LOW COST HOUSING</b>                               | <b>1,300.0</b>  | <b>4,576.0</b> | <b>352%</b>         |
| Africa Housing Fund                                   | 1,000.0         | 1,000.0        | 100%                |
| Rural Housing for Medical Staff                       | 0.0             | 1,276.0        |                     |
| Rural Housing for Teachers                            | 0.0             | 2,000.0        |                     |
| Building of Low Cost Houses                           | 300.0           | 300.0          | 100%                |
| <b>URBAN INFRASTRUCTURE</b>                           | <b>3,000.0</b>  | <b>400.0</b>   | <b>13%</b>          |
| Export Processing Zones                               | 2,000.0         | 400.0          | 20%                 |
| Small Industries Development Board                    | 1,000.0         | 0.0            | 0%                  |
| <b>YOUTH DEVELOPMENT</b>                              | <b>2,600.0</b>  | <b>500.0</b>   | <b>19%</b>          |
| Dag Hammarskjold Stadium                              | 100.0           | 100.0          | 100%                |
| Youth Development Fund                                | 1,500.0         | 200.0          | 13%                 |
| Child Care Development Program                        | 1,000.0         | 200.0          | 20%                 |
| <b>RESETTLEMENT PROGRAMME</b>                         | <b>7,300.0</b>  | <b>2,550.0</b> | <b>35%</b>          |
| Alienation of Land for Agriculture Use                | 1,000.0         | 200.0          | 20%                 |
| Advocacy for Land demarcation                         | 1,000.0         | 200.0          | 20%                 |
| Construction of Earth Dams                            | 1,000.0         | 800.0          | 80%                 |
| Resettlement Programme                                | 500.0           | 150.0          | 30%                 |
| Resettlement Programme                                | 500.0           | 150.0          | 30%                 |
| Resettlement Programme                                | 500.0           | 150.0          | 30%                 |
| Resettlement Programme                                | 500.0           | 150.0          | 30%                 |
| Resettlement Programme                                | 500.0           | 150.0          | 30%                 |
| Resettlement Programme                                | 500.0           | 150.0          | 30%                 |
| Resettlement Programme                                | 300.0           | 150.0          | 50%                 |
| Resettlement Programme                                | 500.0           | 150.0          | 30%                 |
| Resettlement Programme                                | 500.0           | 150.0          | 30%                 |
| <b>COLLEGES AND UNIVERSITIES</b>                      | <b>24,785.0</b> | <b>5,200.0</b> | <b>21%</b>          |
| National College for Management & Development studies | 400.0           | 400.0          | 100%                |
| Rehab of NCMD   | 2,000.0         | 1,000.0        | 50%                 |
| Rehab & Re-equip of Research Labs                     | 1,075.0         | 300.0          | 28%                 |
| Rehab of Evelyn Hone College                          | 5,000.0         | 500.0          | 10%                 |
| Rehab of UNZA   | 5,000.0         | 500.0          | 10%                 |
| Rehab of CBU  | 3,000.0         | 500.0          | 17%                 |
| Rehab of Primary School Teacher's Colleges            | 3,300.0         | 500.0          | 15%                 |
| Rehab of NRDC   | 2,010.0         | 500.0          | 25%                 |
| Rehab of Mpika Agric. College                         | 1,500.0         | 500.0          | 33%                 |
| Rehab of Monze Agric. College                         | 1,500.0         | 500.0          | 33%                 |

**Table 7.2: POVERTY REDUCTION PROGRAMMES K' MILLION**

|                               |                  | 2002             |                     |
|-------------------------------|------------------|------------------|---------------------|
|                               | Budget           | Releases         | Releases/Budget (%) |
| <b>INDUSTRIAL DEVELOPMENT</b> | <b>1,900.0</b>   | <b>300.0</b>     | <b>16%</b>          |
| Bee Keeping                   | 300.0            | 0.0              | 0%                  |
| Bee Keeping                   | 300.0            | 0.0              | 0%                  |
| Bee Keeping                   | 300.0            | 300.0            | 100%                |
| Bee Keeping                   | 300.0            | 0.0              | 0%                  |
| Bee Keeping                   | 300.0            | 0.0              | 0%                  |
| Bee Keeping                   | 100.0            | 0.0              | 0%                  |
| Bee Keeping                   | 300.0            | 0.0              | 0%                  |
| <b>TOTAL</b>                  | <b>239,999.5</b> | <b>110,200.0</b> | <b>46%</b>          |

**Table 7.3: POVERTY REDUCTION PROGRAMMES K' MILLION**

|  | 2003             |                  |                     |
|--|------------------|------------------|---------------------|
|  | Budget           | Releases         | Releases/Budget (%) |
|  | <b>169,341.1</b> | <b>115,932.9</b> |                     |
| <b>RURAL DEVELOPMENT</b>                               | <b>1</b>         | <b>9</b>         | <b>68%</b>          |
| Advocacy & Increasing Agric Land Accessibility (women) | 500.0            | 250.0            | 50%                 |
| Promotion of alternate energy resources                | 2,000.0          | 0.0              | 0%                  |
| Electrification of Nalusanga & Kalumwange              | 4,000.0          | 0.0              | 0%                  |
| Construction of Court Buildings                        | 2,000.0          | 0.0              | 0%                  |
| National Feeder Roads                                  | 2,000.0          | 1,000.0          | 50%                 |
| National Rural Water supply                            | 1,000.0          | 1,400.0          | 140%                |
| ITCP Programme   | 600.0            | 0.0              | 0%                  |
| Rural Investment Fund                                  | 1,981.8          | 693.3            | 35%                 |
| Rural Electrification                                  | 0.0              | 0.0              |                     |
| Fisheries Development                                  | 1,000.0          | 0.0              | 0%                  |
| Road Maintenance(Msoro, Chirundu,Mumbwa)               | 2,500.0          | 2,000.0          | 80%                 |
| Chakwenga Mine Road                                    | 500.0            | 500.0            | 100%                |
| Chavuma - Zambezi Rd                                   | 800.0            | 800.0            | 100%                |
| Chilongozi- Sinda Rd                                   | 974.0            | 475.0            | 49%                 |
| Chilyabale Mwachilele - Great East Rd                  | 500.0            | 500.0            | 100%                |
| Chipata- Chadiza Rd                                    | 500.0            | 500.0            | 100%                |
| Chitongo- Monze Rd                                     | 500.0            | 500.0            | 100%                |
| D124   | 624.0            | 300.0            | 48%                 |
| Old Congo Rd   | 1,200.0          | 1,200.0          | 100%                |
| Kalabo- Sikongo Rd                                     | 600.0            | 300.0            | 50%                 |
| Kalabo- Sitoti Rd                                      | 1,000.0          | 500.0            | 50%                 |
| Kaleni Hills Mission- Congo Border Rd                  | 490.0            | 490.0            | 100%                |
| Kalengwa Mine- Chizerra Rd                             | 1,000.0          | 500.0            | 50%                 |
| Kalomo- Kabnga Mission Rd                              | 1,000.0          | 1,000.0          | 100%                |
| Kalulushi- Lufwayama Rd                                | 500.0            | 500.0            | 100%                |
| Kanona- Kundalila Rd                                   | 190.5            | 100.0            | 52%                 |
| Kanona- Lusiwasi Rd                                    | 200.0            | 100.0            | 50%                 |
| Kaputa - Kasama Rd                                     | 1,590.5          | 1,550.0          | 97%                 |
| Kawambwa- Mushota Rd                                   | 676.0            | 676.0            | 100%                |
| Kazimule - Katete Rd                                   | 1,306.0          | 500.0            | 38%                 |
| Lundazi- Malawi Border                                 | 200.0            | 100.0            | 50%                 |
| Mansa- Milenge Rd                                      | 300.0            | 150.0            | 50%                 |
| Mpongwe - Machiya Rd                                   | 1,500.0          | 500.0            | 33%                 |
| Mulobezi Rd  | 780.0            | 1,000.0          | 128%                |
| Mumbwa- Blue Lagoon Rd                                 | 500.0            | 500.0            | 100%                |
| Musofu Rd  | 300.0            | 500.0            | 167%                |
| Mvuye Bridge- Petauke Rd                               | 250.0            | 300.0            | 120%                |
| Mwense- Menda Rd                                       | 500.0            | 250.0            | 50%                 |
| Nakonde Border with Malawi Rd                          | 500.0            | 500.0            | 100%                |
| Namushaba Rd   | 500.0            | 500.0            | 100%                |
| Namushakande - Nalolo Rd                               | 1,500.0          | 500.0            | 33%                 |
| Nchelenge- Kawambwa Rd                                 | 500.0            | 500.0            | 100%                |
| Nsumbu- Bulaya Rd                                      | 346.5            | 300.0            | 87%                 |
| Ntambo T5 Junction Rd                                  | 490.0            | 200.0            | 41%                 |
| Ntombo- Kabompo Rd                                     | 500.0            | 300.0            | 60%                 |
| Nyima - Msirizi Rd                                     | 300.0            | 500.0            | 167%                |
| Nyimba- Utowe Bridge Site Rd                           | 300.0            | 300.0            | 100%                |
| Pemba- M11 Rd  | 800.0            | 800.0            | 100%                |
| Samfya- Kasaba Rd                                      | 1,000.0          | 1,000.0          | 100%                |
| Senanga - Zambezi Rd                                   | 800.0            | 600.0            | 75%                 |
| Shikabeta- Ching'ombe Rd                               | 400.0            | 400.0            | 100%                |

**Table 7.3: POVERTY REDUCTION PROGRAMMES K' MILLION**

|   | 2003     |          |                     |
|---|----------|----------|---------------------|
|   | Budget   | Releases | Releases/Budget (%) |
| Shiwang'andu M1 D53 Rd                                      | 700.0    | 700.0    | 100%                |
| Sinazongwe - Chipepo Rd                                     | 815.0    | 800.0    | 98%                 |
| Watopa- Lukulu Rd   | 700.0    | 450.0    | 64%                 |
| Mwamolo via Likoshi Leopards Hill Rd                        | 500.0    | 250.0    | 50%                 |
| Kasenga Resettlement Bridge                                 | 1,500.0  | 1,000.0  | 67%                 |
| Kapopo- Lusaka turn off Rd                                  | 1,000.0  | 1,000.0  | 100%                |
| Mwanguni Bridge Mansa                                       | 1,000.0  | 700.0    | 70%                 |
| Mporokoso- Bulaya- Kaputa - Mununga Rd                      | 2,000.0  | 1,800.0  | 90%                 |
| Samfya- Luwingu- Lubwe Rd Survey                            | 1,000.0  | 1,000.0  | 100%                |
| Kaputa- Mununga Rd  | 500.0    | 250.0    | 50%                 |
| Mumbwa- Itezhi- Tezhi Rd                                    | 1,000.0  | 1,000.0  | 100%                |
| Kasama- Luwingu- Mansa Rd                                   | 5,000.0  | 15,000.0 | 300%                |
| Lundazi - Chama Rd  | 500.0    | 500.0    | 100%                |
| Chundaponde- Muwele Rd                                      | 400.0    | 300.0    | 75%                 |
| Chalabesa- Kabinga Rd                                       | 300.0    | 300.0    | 100%                |
| Growing & production of Moringa Oleifera                    | 50.0     | 0.0      | 0%                  |
| Crop and Fertilizer credit Revolving Fund                   | 0.0      | 0.0      |                     |
| Outgrower Schemes (Tobacco, Coffee, Vegetable)              | 7,000.0  | 4,800.0  | 69%                 |
| Paprika Outgrower scheme                                    | 1,000.0  | 1,000.0  | 100%                |
| Animal Disease Control (control of tick resistance)         | 0.0      | 0.0      |                     |
| Development of Goat & Chicken rearing techniques            | 0.0      | 0.0      |                     |
| Improving productivity of Dairy Animals                     | 0.0      | 0.0      |                     |
| Rehab/Construction of Earth Dams                            | 5,000.0  | 1,800.0  | 36%                 |
| Rural Water Development for Drought Drone Areas             | 2,000.0  | 500.0    | 25%                 |
| Canal Devt & Maintenance (Luapula, Western & Northern Pr.s) | 750.0    | 750.0    | 100%                |
| Mosi-O-Tunya National Park Access Rd                        | 800.0    | 650.0    | 81%                 |
| Plantation Expansion Programme                              | 400.0    | 0.0      | 0%                  |
| Investment Promotion of Nchelenge Rubber Project            | 500.0    | 0.0      | 0%                  |
| Non Wood forest Prodx Development                           | 2,000.0  | 0.0      | 0%                  |
| Kafue National Park Development Project                     | 2,026.8  | 600.0    | 30%                 |
| Lower Zambezi/Siavonga Development Program.                 | 2,300.0  | 600.0    | 26%                 |
| Community Environment Management Program                    | 950.0    | 500.0    | 53%                 |
| Community Alternative Source of Income                      | 415.0    | 0.0      | 0%                  |
| Luangwa National Park Development Program                   | 2,620.0  | 1,500.0  | 57%                 |
| National Master Development Plan                            | 0.0      | 0.0      |                     |
| Livingstone Tourism Development Project.                    | 0.0      | 0.0      |                     |
| Solis & Crop Research                                       | 0.0      | 55.0     |                     |
| Seed Multiplication   | 1,060.0  | 464.0    | 44%                 |
| Dairy Outgrower Scheme                                      | 1,500.0  | 1,000.0  | 67%                 |
| Animal Disease Control                                      | 3,000.0  | 1,000.0  | 33%                 |
| Livestock Production  | 500.0    | 0.0      | 0%                  |
| Animal Draught Power  | 2,000.0  | 500.0    | 25%                 |
| Irrigation Development                                      | 6,000.0  | 2,000.0  | 33%                 |
| Land Development- Nsanga Farm Block                         | 5,000.0  | 950.0    | 19%                 |
| Land Devt- Kalumwange Farm Block                            | 5,000.0  | 700.0    | 14%                 |
| Land Development- Luena sugar Development                   | 5,000.0  | 1,000.0  | 20%                 |
| Aquaculture Development                                     | 2,500.0  | 0.0      | 0%                  |
| Agric Input Support Programme                               | 10,000.0 | 30,684.6 | 307%                |
| Development of Infrastructure in new districts (Lusaka pr ) | 300.0    | 300.0    | 100%                |
| Rehab of Local courts (Lusaka pr)                           | 500.0    | 200.0    | 40%                 |
| National Feeder Roads (Lusaka pr)                           | 2,000.0  | 700.0    | 35%                 |
| Development of Infrastructure in new districts (c/belt pr)  | 300.0    | 0.0      | 0%                  |
| Rehab of Local courts (C/belt pr)                           | 500.0    | 150.0    | 30%                 |
| National Feeder Roads (C/belt pr)                           | 2,000.0  | 950.0    | 48%                 |
| Fish Farming ( Central Pr)                                  | 500.0    | 0.0      | 0%                  |

**Table 7.3: POVERTY REDUCTION PROGRAMMES K' MILLION**

|   | 2003            |                |                     |
|---|-----------------|----------------|---------------------|
|   | Budget          | Releases       | Releases/Budget (%) |
| Animal Draught Power ( Central Pr)                            | 200.0           | 1,000.0        | 500%                |
| Irrigation Development (Central Pr)                           | 1,500.0         | 200.0          | 13%                 |
| Rehab of Local Courts ( Central Pr)                           | 500.0           | 0.0            | 0%                  |
| Development of Infrastructure in new districts (Central Pr)   | 300.0           | 0.0            | 0%                  |
| National Feeder Roads (Central Pr)                            | 2,000.0         | 1,200.0        | 60%                 |
| Mpika Farm Training Centre Rehab (Northern Pr)                | 500.0           | 250.0          | 50%                 |
| Electrification of Chilubi (Northern Pr)                      | 500.0           | 0.0            | 0%                  |
| Development of Infrastructure in new districts (Northern Pr)  | 300.0           | 0.0            | 0%                  |
| Rehab of Local Courts ( Northern Pr)                          | 500.0           | 0.0            | 0%                  |
| National Feeder Roads (Northern Pr)                           | 2,000.0         | 1,500.0        | 75%                 |
| Development of Infrastructure in new districts (Western Pr)   | 300.0           | 0.0            | 0%                  |
| Rehab of Local Courts ( Western Pr)                           | 500.0           | 0.0            | 0%                  |
| National Feeder Roads (Western Pr)                            | 2,000.0         | 800.0          | 40%                 |
| Development of Infrastructure in new districts (Eastern Pr)   | 400.0           | 300.0          | 75%                 |
| Rehab of Local Courts ( Eastern Pr)                           | 300.0           | 100.0          | 33%                 |
| District Development Fund - 08 Districts ( Eastern Pr)        | 1,600.0         | 0.0            | 0%                  |
| Irrigation and Water Harvesting (Eastern Pr)                  | 1,500.0         | 500.0          | 33%                 |
| National Feeder Roads (Eastern Pr)                            | 2,000.0         | 800.0          | 40%                 |
| Feasibility Study Agric. Lime                                 | 100.0           | 0.0            | 0%                  |
| Development of Infrastructure in new districts (Luapula Pr)   | 300.0           | 200.0          | 67%                 |
| Rehab of Local Courts ( Luapula Pr)                           | 500.0           | 0.0            | 0%                  |
| National Feeder Roads (Luapula Pr)                            | 2,000.0         | 600.0          | 30%                 |
| Electrification of Chimtengo Saw Mills (Eastern Pr)           | 100.0           | 0.0            | 0%                  |
| Land Demarcation (N/Western Pr)                               | 910.0           | 500.0          | 55%                 |
| Development of Infrastructure in new districts (N/western Pr) | 300.0           | 0.0            | 0%                  |
| Rehab of Local Courts ( N/Western Pr)                         | 500.0           | 0.0            | 0%                  |
| Infrastructure Devt Lumwana and Kansashi Mines (N/Western)    | 2,000.0         | 0.0            | 0%                  |
| National Feeder Roads (N/Western Pr)                          | 2,000.0         | 500.0          | 25%                 |
| Rehab of Local Courts (Southern Pr)                           | 500.0           | 0.0            | 0%                  |
| Fish Farming ( Southern Pr)                                   | 300.0           | 0.0            | 0%                  |
| Development of Infrastructure in New Districts ( Southern Pr) | 300.0           | 0.0            | 0%                  |
| Sinking Boreholes (Southern Pr)                               | 245.0           | 245.0          | 100%                |
| Restocking Cattle (Southern Pr)                               | 2,000.0         | 500.0          | 25%                 |
| Irrigation Development  | 2,000.0         | 1,000.0        | 50%                 |
| National Feeder Roads (Southern Pr)                           | 2,000.0         | 300.0          | 15%                 |
| National Feeder Roads   | 0.0             | 1,000.0        |                     |
| <b>EDUCATION</b>  | <b>36,999.4</b> | <b>4,050.0</b> | <b>11%</b>          |
| Construction of Classrooms in 59 Schools                      | 2,000.0         | 0.0            | 0%                  |
| Purchase of School Requisites                                 | 10,000.0        | 3,000.0        | 30%                 |
| School Feeding and De-worming                                 | 2,000.0         | 0.0            | 0%                  |
| Hardship Allowance for Teachers in rural Areas                | 2,000.0         | 0.0            | 0%                  |
| Construction of rural Sec Schools (Mufumbwe, Kaputa)          | 9,000.0         | 0.0            | 0%                  |
| Training Expenses   | 0.0             | 0.0            |                     |
| Education Materials   | 0.0             | 0.0            |                     |
| Teachers Resource Centre                                      | 0.0             | 0.0            |                     |
| ZEPIU Secondary Education Maintenance                         | 0.0             | 0.0            |                     |
| Secondary Schools Rehabilitation                              | 0.0             | 0.0            |                     |
| Support to Community Schools                                  | 0.0             | 0.0            |                     |
| Bursaries Basic School  | 0.0             | 0.0            |                     |
| Provision of School Desks (Lusaka Pr)                         | 1,333.3         | 200.0          | 15%                 |
| Provision of School Desks (C/belt Pr)                         | 1,333.3         | 200.0          | 15%                 |
| Provision of School Desks (Central Pr)                        | 1,333.0         | 0.0            | 0%                  |
| Provision of School Desks (Northern Pr)                       | 1,333.3         | 0.0            | 0%                  |

**Table 7.3: POVERTY REDUCTION PROGRAMMES K' MILLION**

|   | 2003            |                 |                     |
|---|-----------------|-----------------|---------------------|
|   | Budget          | Releases        | Releases/Budget (%) |
| Provision of School Desks (Western Pr)          | 1,333.3         | 200.0           | 15%                 |
| Provision of School Desks (Eastern Pr)          | 1,333.3         | 200.0           | 15%                 |
| Provision of School Desks (Luapula Pr)          | 1,333.3         | 150.0           | 11%                 |
| Provision of School Desks (N/Western Pr)        | 1,333.3         | 0.0             | 0%                  |
| Provision of School Desks (Southern Pr)         | 1,333.3         | 100.0           | 8%                  |
| <b>HEALTH</b>                                   | <b>67,700.0</b> | <b>33,550.0</b> | <b>50%</b>          |
| Drugs   | 0.0             | 0.0             |                     |
| Prevention of Epidemics                         | 4,000.0         | 2,400.0         | 60%                 |
| Essential Health Drug Kits                      | 12,000.0        | 12,000.0        | 100%                |
| Drugs for HIV/AIDS Patients                     | 12,000.0        | 12,000.0        | 100%                |
| Roll Back Malaria Program                       | 5,500.0         | 0.0             | 0%                  |
| Rehab of Ndola Central Hospital                 | 500.0           | 0.0             | 0%                  |
| Rehab of Arthur Davison Hospital                | 500.0           | 0.0             | 0%                  |
| Rehab of Chainama Hospital                      | 6,050.0         | 0.0             | 0%                  |
| Rehab of UTH                                    | 4,000.0         | 1,700.0         | 43%                 |
| Rehab of Lewanika General Hosp                  | 2,500.0         | 1,000.0         | 40%                 |
| Construction of Health Posts Countrywide        | 5,000.0         | 900.0           | 18%                 |
| Hardship Allowance for Rural Medical Staff      | 3,000.0         | 600.0           | 20%                 |
| Rehab of Kitwe Central Hosp                     | 450.0           | 0.0             | 0%                  |
| Rehab of Livingstone Gen. Hosp.                 | 450.0           | 0.0             | 0%                  |
| Rehab of Chipata Gen. Hosp.                     | 450.0           | 0.0             | 0%                  |
| Rehab of Solwezi Gen. Hosp                      | 2,500.0         | 0.0             | 0%                  |
| Rehab of Mansa Gen. Hosp                        | 2,500.0         | 500.0           | 20%                 |
| Rehab of Kasama Gen. Hosp                       | 450.0           | 150.0           | 33%                 |
| Rehab of District Hosp.s in Lsk pr              | 600.0           | 400.0           | 67%                 |
| Rehab of District Hosp.s in C/belt pr           | 600.0           | 400.0           | 67%                 |
| Rehab of District Hosp.s in Northern pr.        | 600.0           | 200.0           | 33%                 |
| Rehab of District Hosp.s in Eastern Pr.         | 600.0           | 0.0             | 0%                  |
| Rehab of District Hosp.s in Western Pr.         | 600.0           | 400.0           | 67%                 |
| Rehab of District Hosp.s in Luapula Pr.         | 600.0           | 0.0             | 0%                  |
| Rehab of District Hosp.s in Southern Pr.        | 600.0           | 0.0             | 0%                  |
| Rehab of District Hosp.s in Central Pr.         | 600.0           | 700.0           | 117%                |
| Rehab of District Hosp.s in N/Western Pr.       | 600.0           | 0.0             | 0%                  |
| Rehab of Kabwe Gen. Hosp.                       | 450.0           | 200.0           | 44%                 |
| ZCCM  | 0.0             | 0.0             |                     |
| <b>HIV/AIDS</b>                                 | <b>37,800.0</b> | <b>19,360.0</b> | <b>51%</b>          |
| HIV/AIDS Secretariat                            | 4,000.0         | 700.0           | 18%                 |
| HIV/AIDS provision of ARVs to staff             | 1,500.0         | 200.0           | 13%                 |
| HIV/AIDS provision of ARVs to staff             | 500.0           | 0.0             | 0%                  |
| HIV/AIDS provision of ARVs to staff             | 500.0           | 0.0             | 0%                  |
| HIV/AIDS provision of ARVs to staff             | 500.0           | 0.0             | 0%                  |
| HIV/AIDS provision of ARVs to staff             | 500.0           | 100.0           | 20%                 |
| HIV/AIDS provision of ARVs to staff             | 500.0           | 0.0             | 0%                  |
| HIV/AIDS provision of ARVs to staff             | 500.0           | 0.0             | 0%                  |
| HIV/AIDS provision of ARVs to staff             | 500.0           | 100.0           | 20%                 |
| HIV/AIDS provision of ARVs to staff             | 500.0           | 100.0           | 20%                 |
| HIV/AIDS provision of ARVs to staff             | 500.0           | 0.0             | 0%                  |
| HIV/AIDS provision of ARVs to staff             | 500.0           | 400.0           | 80%                 |
| Public Awareness Campaign                       | 1,800.0         | 760.0           | 42%                 |
| Public Awareness Campaign HIV/AIDS              | 1,000.0         | 600.0           | 60%                 |
| Support for Home Based Health Care for HIV/AIDS | 4,000.0         | 1,700.0         | 43%                 |
| HIV/AIDS provision of ARVs to Hospitals         | 15,000.0        | 13,250.0        | 88%                 |

**Table 7.3: POVERTY REDUCTION PROGRAMMES K' MILLION**

|   | 2003            |                 |                     |
|---|-----------------|-----------------|---------------------|
|   | Budget          | Releases        | Releases/Budget (%) |
| HIV/AIDS provision of ARVs to staff                         | 500.0           | 100.0           | 20%                 |
| HIV/AIDS provision of ARVs to staff                         | 500.0           | 100.0           | 20%                 |
| HIV/AIDS provision of ARVs to staff                         | 500.0           | 100.0           | 20%                 |
| HIV/AIDS provision of ARVs to staff                         | 500.0           | 150.0           | 30%                 |
| HIV/AIDS provision of ARVs to staff                         | 500.0           | 300.0           | 60%                 |
| HIV/AIDS provision of ARVs to staff                         | 1,500.0         | 500.0           | 33%                 |
| HIV/AIDS provision of ARVs to staff                         | 500.0           | 0.0             | 0%                  |
| HIV/AIDS provision of ARVs to staff                         | 500.0           | 100.0           | 20%                 |
| HIV/AIDS provision of ARVs to staff                         | 500.0           | 100.0           | 20%                 |
| <b>WATER AND SANITATION</b>                                 | <b>9,300.0</b>  | <b>3,950.0</b>  | <b>42%</b>          |
| Police Camps Water Supply                                   | 2,000.0         | 700.0           | 35%                 |
| Police Cells Sanitation                                     | 500.0           | 500.0           | 100%                |
| Police Cells Sanitation                                     | 0.0             | 0.0             |                     |
| Prison Water and Sanitation                                 | 600.0           | 600.0           | 100%                |
| Rural Water ( B/holes, Wells )                              | 5,400.0         | 1,600.0         | 30%                 |
| Ground Water Monitoring                                     | 400.0           | 200.0           | 50%                 |
| Strengthening of Hydrological N/work                        | 400.0           | 350.0           | 88%                 |
| Drainage and Sanitary system                                | 0.0             | 0.0             |                     |
| Support to Peri-Urban Water Supplies                        | 0.0             | 0.0             |                     |
| Mkt Rehab and Maintenance                                   | 0.0             | 0.0             |                     |
| Land Demarcation  | 0.0             | 0.0             |                     |
| Environmental Support Program                               | 0.0             | 0.0             |                     |
| <b>SOCIAL SAFETY NET</b>                                    | <b>13,000.0</b> | <b>19,531.0</b> | <b>150%</b>         |
| Disaster Relief Programme                                   | 0.0             | 0.0             |                     |
| Copperbelt Support  | 0.0             | 0.0             |                     |
| Future Search   | 0.0             | 0.0             |                     |
| Monitoring Implementation of PRP                            | 3,000.0         | 0.0             | 0%                  |
| PUSH  | 0.0             | 0.0             |                     |
| PUSH Micro credit   | 0.0             | 0.0             |                     |
| PWAS  | 5,000.0         | 14,531.0        | 291%                |
| Tourism Credit Facility                                     | 5,000.0         | 5,000.0         | 100%                |
| <b>HUMAN RIGHTS AND GOOD GOVERNANCE</b>                     | <b>14,502.0</b> | <b>4,102.0</b>  | <b>28%</b>          |
| Computerisation for continuous Registration (Electoral Com) | 4,000.0         | 0.0             | 0%                  |
| Community Policing  | 650.0           | 100.0           | 15%                 |
| Prison Infrastructure Development                           | 1,000.0         | 0.0             | 0%                  |
| Prison Cells Improvements                                   | 500.0           | 500.0           | 100%                |
| Prison Farm Development                                     | 1,500.0         | 1,500.0         | 100%                |
| Computerisation for continuous Reg (National Reg)           | 0.0             | 0.0             |                     |
| Operations- DEC   | 0.0             | 0.0             |                     |
| Office Furniture  | 100.0           | 0.0             | 0%                  |
| Rehab of Courts   | 1,500.0         | 500.0           | 33%                 |
| Capacity Building for Good Governance                       | 250.0           | 50.0            | 20%                 |
| Industrial Relations Court Building                         | 0.0             | 0.0             |                     |
| Capacity Building for Good Governance                       | 252.0           | 252.0           | 100%                |
| Restatement of Customary Law                                | 250.0           | 0.0             | 0%                  |
| Implementation of National Statistical System (CSO)         | 2,000.0         | 300.0           | 15%                 |
| Construction of ACC Offices in Mongu, Solwezi & Mansa       | 2,000.0         | 400.0           | 20%                 |
| Permanent Human Rights Commission                           | 0.0             | 0.0             |                     |
| Agric Information Service                                   | 500.0           | 500.0           | 100%                |

Table 7.3: POVERTY REDUCTION PROGRAMMES K' MILLION

|   | 2003            |                |                     |
|---|-----------------|----------------|---------------------|
|   | Budget          | Releases       | Releases/Budget (%) |
| <b>HOUSING DEVELOPMENT</b>                            | <b>22,000.0</b> | <b>4,000.0</b> | <b>18%</b>          |
| Africa Housing Fund                                   | 2,000.0         | 3,000.0        | 150%                |
| Rural Housing for Medical Staff                       | 10,000.0        | 1,000.0        | 10%                 |
| Rural Housing for Teachers                            | 10,000.0        | 0.0            | 0%                  |
| Building of Low Cost Houses                           | 0.0             | 0.0            |                     |
| <b>URBAN INFRASTRUCTURE</b>                           | <b>10,840.5</b> | <b>2,380.0</b> | <b>22%</b>          |
| Export Processing Zones                               | 1,000.0         | 1,000.0        | 100%                |
| Small Industries Development Board                    | 0.0             | 0.0            |                     |
| Mkt Rehab and Maintenance                             | 1,000.0         | 500.0          | 50%                 |
| PUSH - Community Assisted Urban Rd Maintenance        | 2,000.0         | 80.0           | 4%                  |
| Lusaka Regional Development Project                   | 200.0           | 200.0          | 100%                |
| National Master Development Plan                      | 160.0           | 100.0          | 63%                 |
| L/stone Tourism Development Plan                      | 4,480.5         | 500.0          | 11%                 |
| Chipata- Muchinji Railway                             | 2,000.0         | 0.0            | 0%                  |
| <b>YOUTH DEVELOPMENT</b>                              | <b>501.7</b>    | <b>100.0</b>   | <b>20%</b>          |
| Youth Skills Training Program                         | 500.0           | 100.0          | 20%                 |
| Dag Hammarskjold Stadium                              | 0.0             | 0.0            |                     |
| Youth Development Fund                                | 0.0             | 0.0            |                     |
| Child Care Development Program.                       | 1.7             | 0.0            | 0%                  |
| <b>RESETTLEMENT PROGRAMME</b>                         | <b>4,700.0</b>  | <b>1,650.0</b> | <b>35%</b>          |
| Alienation of Land for Agriculture Use                | 0.0             | 0.0            |                     |
| Advocacy for Land demarcation                         | 600.0           | 600.0          | 100%                |
| Construction of Earth Dams                            | 0.0             | 0.0            |                     |
| Resettlement Programme (Lusaka Pr)                    | 300.0           | 300.0          | 100%                |
| Resettlement Programme (C/belt Pr)                    | 300.0           | 0.0            | 0%                  |
| Resettlement Programme ( Central Pr)                  | 500.0           | 500.0          | 100%                |
| Resettlement Programme (Northern Pr)                  | 500.0           | 0.0            | 0%                  |
| Resettlement Programme (western Pr)                   | 500.0           | 0.0            | 0%                  |
| Resettlement Programme (Eastern Pr)                   | 500.0           | 0.0            | 0%                  |
| Resettlement Programme (Luapula Pr)                   | 500.0           | 250.0          | 50%                 |
| Resettlement Programme ( N/Western Pr)                | 500.0           | 0.0            | 0%                  |
| Resettlement Programme (Southern Pr)                  | 500.0           | 0.0            | 0%                  |
| <b>COLLEGES</b>                                       | <b>17,630.0</b> | <b>4,285.0</b> | <b>24%</b>          |
| National College for Management & Development studies | 0.0             | 0.0            |                     |
| Rehab of NCMD   | 0.0             | 0.0            |                     |
| Rehab & Re-equip of Research Labs                     | 0.0             | 0.0            |                     |
| Rehab of Evelyn Hone College                          | 1,000.0         | 0.0            | 0%                  |
| Rehab of Training Institutions Labs                   | 1,000.0         | 0.0            | 0%                  |
| Maintenance & Repair of Computers in rural ICT        | 60.0            | 0.0            | 0%                  |
| Mongu Trades Training Inst                            | 2,000.0         | 0.0            | 0%                  |
| Rehab of Nkumbi Inter. College                        | 100.0           | 100.0          | 100%                |
| Rehab of Luanshya Trades Training College             | 200.0           | 200.0          | 100%                |
| Rehab of Lukashya Trades TC                           | 150.0           | 150.0          | 100%                |
| Rehab of Kabwe Trades TC                              | 100.0           | 100.0          | 100%                |
| Rehab of Lusaka Trades TC                             | 100.0           | 100.0          | 100%                |

**Table 7.3: POVERTY REDUCTION PROGRAMMES K' MILLION**

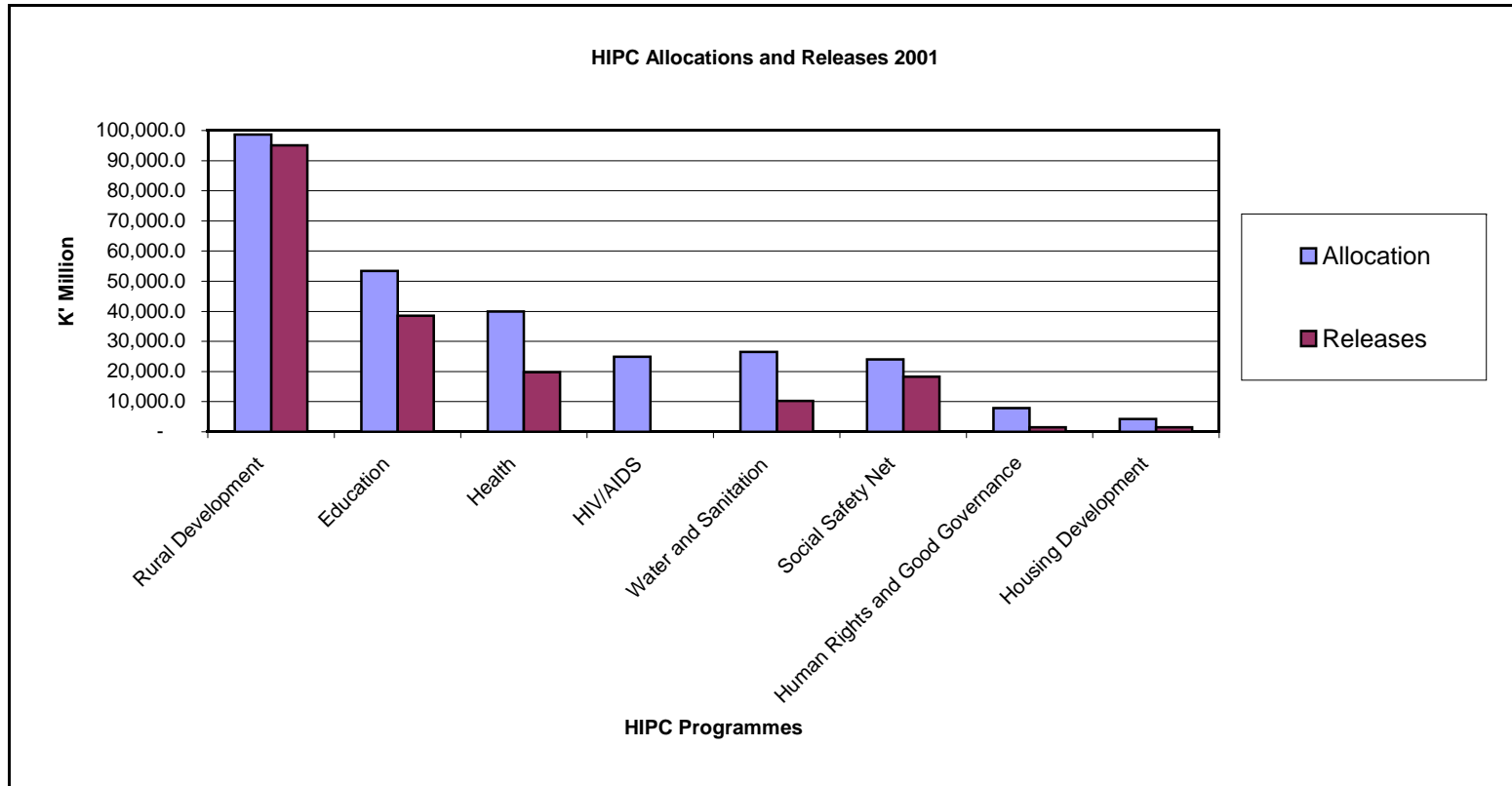
|   | 2003            |                |                     |
|---|-----------------|----------------|---------------------|
|   | Budget          | Releases       | Releases/Budget (%) |
| Rehab of L/stone Trades TC                              | 100.0           | 100.0          | 100%                |
| Rehab of Kaoma Trades TC                                | 200.0           | 200.0          | 100%                |
| Rehab of Mwinilunga Trades TC                           | 200.0           | 200.0          | 100%                |
| Rehab of Ukwimi Trades TC                               | 200.0           | 200.0          | 100%                |
| Rehab of Choma Trades TC                                | 100.0           | 100.0          | 100%                |
| Rehab of Solwezi Trades TC                              | 100.0           | 100.0          | 100%                |
| Rehab of Chipata Trades TC                              | 100.0           | 100.0          | 100%                |
| Rehab of NORTEC   | 100.0           | 100.0          | 100%                |
| Rehab of Kasiya Secretarial College                     | 50.0            | 50.0           | 100%                |
| Rehab of Kitwe Vocational Training Centre               | 50.0            | 50.0           | 100%                |
| Rehab of ZASTI  | 100.0           | 100.0          | 100%                |
| Rehab of Remote Sensing Centre                          | 50.0            | 0.0            | 0%                  |
| Rehab of UNZA   | 4,000.0         | 500.0          | 13%                 |
| Rehab of CBU  | 3,000.0         | 500.0          | 17%                 |
| Complete Construction of Chinsali College               | 1,500.0         | 980.0          | 65%                 |
| Rehab of Primary School Teacher's Colleges              | 0.0             | 0.0            |                     |
| Rehab of NRDC   | 0.0             | 0.0            |                     |
| Zambia Institute of Animal Health Rehab                 | 500.0           | 0.0            | 0%                  |
| Katele Cooperative Centre Rehab                         | 300.0           | 0.0            | 0%                  |
| Coperative College Rehab                                | 370.0           | 355.0          | 96%                 |
| Popota Tobacco Training Inst. Rehab                     | 500.0           | 0.0            | 0%                  |
| Kasaka Fisheries Training Inst. Rehab                   | 500.0           | 0.0            | 0%                  |
| Zambia Centre for Horticultural Rehab                   | 700.0           | 0.0            | 0%                  |
| Rehab of Mpika Agric. College                           | 0.0             | 0.0            |                     |
| Rehab of Monze Agric. College                           | 0.0             | 0.0            |                     |
| Rehab of Monze Training Centre                          | 200.0           | 0.0            | 0%                  |
| <b>INDUSTRIAL DEVELOPMENT</b>                           | <b>11,344.8</b> | <b>3,200.1</b> | <b>28%</b>          |
| Establishment of Gem Exchange                           | 1,000.0         | 1,000.0        | 100%                |
| Extension of Biogas & Energy Appliances Production      | 60.0            | 0.0            | 0%                  |
| Science & Technology Development Programme              | 1,000.0         | 0.0            | 0%                  |
| Essential Oils Manufacturing Export ( C/Belt)           | 25.5            | 0.0            | 0%                  |
| Quality Improvement in processes & products by S/scale  | 30.0            | 0.0            | 0%                  |
| Phosphate mining for fertiliser Production in Petauke   | 33.5            | 0.0            | 0%                  |
| Lime mining in Mpongwe                                  | 23.5            | 0.0            | 0%                  |
| Rehab & Re- equipping of Research Labs                  | 1,000.0         | 0.0            | 0%                  |
| Kafue Weed Biological Control                           | 150.0           | 0.0            | 0%                  |
| Tourism Marketing & Promotion                           | 1,731.3         | 1,250.1        | 72%                 |
| National Museums/ Heritage Sites Rehabilitation Program | 1,050.0         | 300.0          | 29%                 |
| Tourism Investment Promotion Program                    | 2,600.0         | 300.0          | 12%                 |
| Tourism Satellite Accounting                            | 560.0           | 350.0          | 63%                 |
| Natural Resources Policy Development                    | 81.0            | 0.0            | 0%                  |
| Agric Research & Tech Development                       | 500.0           | 0.0            | 0%                  |
| Bee Keeping   | 0.0             | 0.0            |                     |
| Bee Keeping   | 0.0             | 0.0            |                     |
| Bee Keeping   | 0.0             | 0.0            |                     |
| Bee Keeping (Northern Pr)                               | 300.0           | 0.0            | 0%                  |
| Bee Keeping (Western Pr)                                | 300.0           | 0.0            | 0%                  |
| Bee Keeping (Luapula Pr)                                | 600.0           | 0.0            | 0%                  |
| Bee Keeping (N/Western Pr)                              | 300.0           | 0.0            | 0%                  |
| Bee Keeping   | 0.0             | 0.0            |                     |
| <b>CAPACITY BUILDING AND COORDINATION</b>               | <b>2,000.0</b>  | <b>0.0</b>     | <b>0%</b>           |

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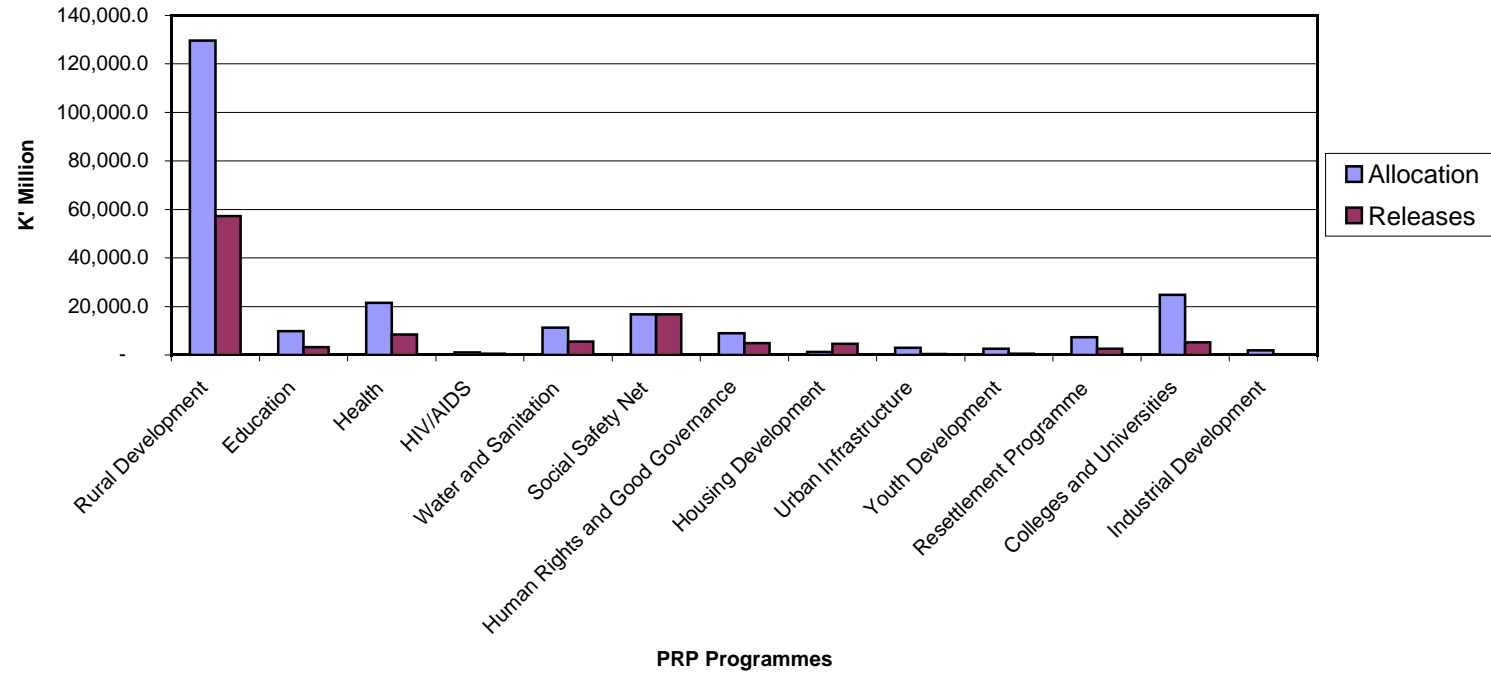
**Table 7.3: POVERTY REDUCTION PROGRAMMES K' MILLION**

|   |                       | 2003                  |                            |
|---|-----------------------|-----------------------|----------------------------|
|   | <b>Budget</b>         | <b>Releases</b>       | <b>Releases/Budget (%)</b> |
| Private Sector Capacity Building & Human Resource Development | 2,000.0               | 0.0                   | 0%                         |
| <b>TOTAL</b>  | <b>417,659.<br/>5</b> | <b>216,091.<br/>0</b> | <b>52%</b>                 |

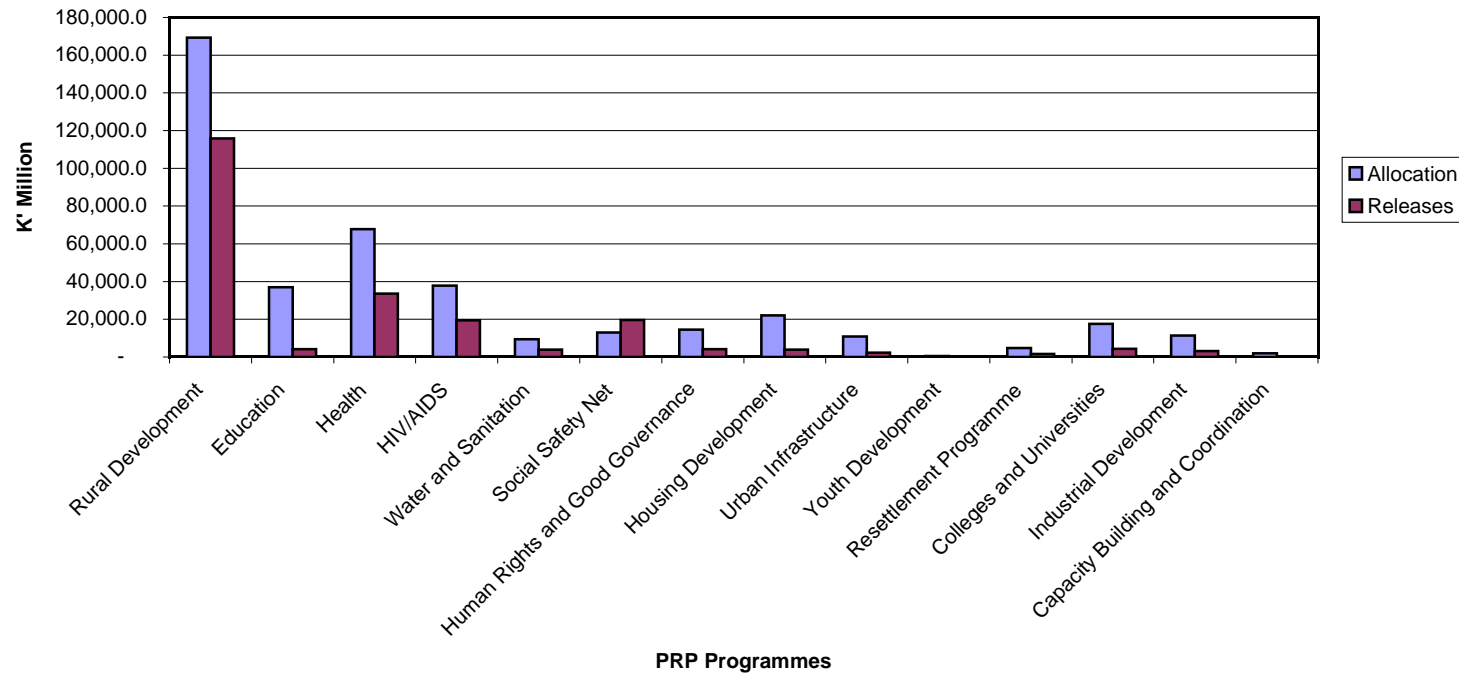
## 7.2 Graphs for HIPC and PRP Budgets and Releases 2001 – 2003



PRP Allocations and Releases 2002



PRP Allocations and Releases Jan.- Oct. 2003



### 7.3 Budget and Releases Rankings by Head of Expenditure

#### RANKINGS BY HIGHEST % RELEASES AS % OF BUDGET

**Table 7.4: Budget Vs Releases 2002**

| <b>RANK</b> | <b>Head of Expenditure</b>                                  | <b>Releases/Budget (%)</b> |
|-------------|---|----------------------------|
| 1           | 08 Cabinet Office   | 512.5%                     |
| 2           | 01 State House  | 262.4%                     |
| 3           | 78 Office of the President - Special Division               | 238.9%                     |
| 4           | 45 Ministry of Community Development and Social Services    | 174.2%                     |
| 5           | 05 Electoral Commission                                     | 145.4%                     |
| 6           | 91 Copperbelt Province                                      | 142.9%                     |
| 7           | 03 National Assembly  | 141.7%                     |
| 8           | 17 Ministry of Foreign Affairs                              | 141.3%                     |
| 9           | 20 Loans and Investments - MLGH                             | 140.6%                     |
| 10          | 06 Public Service Commission                                | 130.6%                     |
| 11          | 87 Anti Corruption Commission                               | 129.5%                     |
| 12          | 96 Luapula Province   | 128.1%                     |
| 13          | 77 Ministry of Defense                                      | 127.3%                     |
| 14          | 37 Ministry of Finance and National Planning                | 126.4%                     |
| 15          | 90 Lusaka Province  | 124.0%                     |
| 16          | 02 Office of the Vice President                             | 123.7%                     |
| 17          | 29 Ministry of Local Government and Housing                 | 119.4%                     |
| 18          | 14 Ministry of Mines and Minerals Development               | 117.2%                     |
| 19          | 97 North-Western Province                                   | 115.7%                     |
| 20          | 95 Eastern Province   | 112.3%                     |
| 21          | 26 Ministry of Information and Broadcasting Services        | 107.8%                     |
| 22          | 68 Ministry of Tourism, Environment and Natural Resources   | 105.5%                     |
| 23          | 11 Zambia Police - Ministry of Home Affairs                 | 105.3%                     |
| 24          | 18 Judiciary  | 104.8%                     |
| 25          | 27 Public Service Management Division                       | 100.7%                     |
| 26          | 80 Ministry of Education                                    | 100.4%                     |
| 27          | 94 Western Province   | 99.5%                      |
| 28          | 15 Ministry of Home Affairs                                 | 98.7%                      |
| 29          | 33 Ministry of Commerce, Trade and Industry                 | 98.5%                      |
| 30          | 10 Police and Prisons Service Commission                    | 95.9%                      |
| 31          | 98 Southern Province  | 92.5%                      |
| 32          | 21 Loans and Investments - MOFNP                            | 92.4%                      |
| 33          | 46 Ministry of Health                                       | 92.0%                      |
| 34          | 93 Northern Province  | 87.9%                      |
| 35          | 44 Ministry of Labour and Social Security                   | 85.6%                      |
| 36          | 76 Ministry of Sport, Youth and Child Development           | 85.5%                      |
| 37          | 12 Commission for Investigations                            | 84.7%                      |
| 38          | 92 Central Province   | 84.4%                      |
| 39          | 51 Ministry of Communications and Transport                 | 82.4%                      |
| 40          | 09 Teaching Service Commission                              | 81.7%                      |
| 41          | 89 Ministry of Agriculture and Cooperatives                 | 80.9%                      |
| 42          | 34 Human Rights Commission                                  | 77.4%                      |
| 43          | 31 Ministry of Legal Affairs                                | 71.4%                      |
| 44          | 07 Office of the Auditor General                            | 69.6%                      |
| 45          | 65 Ministry of Science, Technology, and Vocational Training | 62.4%                      |
| 46          | 64 Ministry of Works and Supply                             | 61.4%                      |
| 47          | 85 Ministry of Lands  | 59.2%                      |
| 48          | 13 Ministry of Energy and Water Development                 | 40.1%                      |

|    |    |  |              |
|----|----|--|--------------|
| 49 | 99 | Constitutional and Statutory Expenditure | 22.0%        |
|    |    | <b>TOTAL</b>                             | <b>90.6%</b> |

**Table 7.5: Budget Vs Releases 2003 Jan. to Sept.**

|    | <b>Head of Expenditure</b>                                  | <b>Releases/Budget (%)</b> |
|----|---|----------------------------|
| 1  | 02 Office of the Vice President                             | 239.8%                     |
| 2  | 08 Cabinet Office   | 178.1%                     |
| 3  | 78 Office of the President - Special Division               | 159.2%                     |
| 4  | 01 State House  | 158.8%                     |
| 5  | 45 Ministry of Community Development and Social Services    | 146.9%                     |
| 6  | 03 National Assembly  | 134.3%                     |
| 7  | 11 Zambia Police - Ministry of Home Affairs                 | 110.4%                     |
| 8  | 80 Ministry of Education                                    | 106.9%                     |
| 9  | 17 Ministry of Foreign Affairs                              | 101.6%                     |
| 10 | 89 Ministry of Agriculture and Cooperatives                 | 95.9%                      |
| 11 | 05 Electoral Commission                                     | 92.8%                      |
| 12 | 14 Ministry of Mines and Minerals Development               | 91.4%                      |
| 13 | 15 Ministry of Home Affairs                                 | 88.6%                      |
| 14 | 34 Human Rights Commission                                  | 86.3%                      |
| 15 | 31 Ministry of Legal Affairs                                | 85.6%                      |
| 16 | 18 Judiciary  | 85.4%                      |
| 17 | 77 Ministry of Defense                                      | 84.0%                      |
| 18 | 33 Ministry of Commerce, Trade and Industry                 | 83.7%                      |
| 19 | 65 Ministry of Science, Technology, and Vocational Training | 80.2%                      |
| 20 | 46 Ministry of Health                                       | 76.5%                      |
| 21 | 37 Ministry of Finance and National Planning                | 75.9%                      |
| 22 | 87 Anti Corruption Commission                               | 75.6%                      |
| 23 | 07 Office of the Auditor General                            | 74.9%                      |
| 24 | 98 Southern Province  | 72.3%                      |
| 25 | 76 Ministry of Sport, Youth and Child Development           | 71.7%                      |
| 26 | 90 Lusaka Province  | 70.8%                      |
| 27 | 44 Ministry of Labour and Social Security                   | 69.6%                      |
| 28 | 93 Northern Province  | 68.2%                      |
| 29 | 26 Ministry of Information and Broadcasting Services        | 67.7%                      |
| 30 | 68 Ministry of Tourism, Environment and Natural Resources   | 66.4%                      |
| 31 | 92 Central Province   | 62.0%                      |
| 32 | 91 Copperbelt Province                                      | 59.7%                      |
| 33 | 21 Loans and Investments - MOFNP                            | 59.0%                      |
| 34 | 06 Public Service Commission                                | 58.7%                      |
| 35 | 29 Ministry of Local Government and Housing                 | 57.8%                      |
| 36 | 94 Western Province   | 57.2%                      |
| 37 | 12 Commission for Investigations                            | 55.3%                      |
| 38 | 95 Eastern Province   | 55.0%                      |
| 39 | 64 Ministry of Works and Supply                             | 51.8%                      |
| 40 | 51 Ministry of Communications and Transport                 | 51.4%                      |
| 41 | 99 Constitutional and Statutory Expenditure                 | 49.3%                      |
| 42 | 97 North-Western Province                                   | 48.2%                      |
| 43 | 09 Teaching Service Commission                              | 47.5%                      |
| 44 | 96 Luapula Province   | 45.6%                      |
| 45 | 13 Ministry of Energy and Water Development                 | 42.9%                      |
| 46 | 85 Ministry of Lands  | 40.2%                      |
| 47 | 10 Police and Prisons Service Commission                    | 37.0%                      |
| 48 | 20 Loans and Investments - MLGH                             | 35.5%                      |

|    |    |                                    |              |
|----|----|------------------------------------|--------------|
| 49 | 27 | Public Service Management Division | 21.5%        |
|    |    | <b>TOTAL</b>                       | <b>75.5%</b> |

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## 7.4 Study Terms of Reference

**CSPR is commissioning a desktop study to analyse through state and none state documents and possibly a few interviews. The consultant is expected to:**

- Analyse allocations to PRP programmes in 2002 and 2003 budget.
- Analyse the disbursements of resources to PRP programmes in 2002 and 2003<sup>14</sup>.
- Establish the mechanisms for disbursing resources to PRP programmes at various levels – national, provincial and district levels.
- Establish where the disbursed resources went:
  - Which sectors
  - Which implementing agents
  - Which programmes
  - Which areas
  - What amounts in each case
- Establish the linkages between where the money was actually disbursed to and the plans outlined in the Poverty Reduction Strategy Paper.
  - Do the programmes coincide
  - Are the programmes priority programmes as indicated in the PRSP.
- Establish the procedures used in identifying an implementing agent for PRP programme resources.
  
- Prepare a report with the findings of the study and with recommendations on areas for civil society to pay attention to as it monitors the PRSP.
- Attach a bibliography of documents referred to in the process of the study and departments visited.
- The consultant shall commence work no later 12<sup>th</sup> November 2003
- Submit a first draft report to the CSPR secretariat no later 3<sup>rd</sup> December 2003 and a final report no later than 18<sup>th</sup> December 2003.

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<sup>14</sup> In 2002 it was reported that K125 billion out of k450 billion had been released to PRPs. In the 2003 green paper on MTEF, it reports that up to date K282 billion has been released to PRP programmes.