



House of Commons  
International Development  
Committee

---

**DFID's programme in  
Zambia: Government  
Response to the  
Committee's Fifth  
Report of Session 2012-  
13**

---

**Seventh Special Report of Session  
2012–13**

*Ordered by the House of Commons  
to be printed 13 November 2012*

**HC 759**  
Published on 26 November 2012  
by authority of the House of Commons  
London: The Stationery Office Limited  
£0.00

## The International Development Committee

The International Development Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Office of the Secretary of State for International Development.

### Current membership

Sir Malcolm Bruce MP (*Liberal Democrat, Gordon*) (Chairman)  
Hugh Bayley MP (*Labour, York Central*)  
Fiona Bruce MP (*Conservative, Congleton*)  
Richard Burden MP (*Labour, Birmingham, Northfield*)  
Pauline Latham OBE MP (*Conservative, Mid Derbyshire*)  
Jeremy Lefroy MP (*Conservative, Stafford*)  
Mr Michael McCann MP (*Labour, East Kilbride, Strathaven and Lesmahagow*)  
Alison McGovern MP (*Labour, Wirral South*)  
Fiona O'Donnell MP (*Labour, East Lothian*)  
Mark Pritchard MP (*Conservative, The Wrekin*)  
Chris White MP (*Conservative, Warwick and Leamington*)

The following members were also members of the Committee during the parliament:

Mr Russell Brown MP (*Labour, Dumfries, Galloway*)  
Mr James Clappison MP (*Conservative, Hertsmere*)  
Mr Sam Gyimah MP (*Conservative, East Surrey*)  
Richard Harrington MP (*Conservative, Watford*)  
Ann McKechin MP (*Labour, Glasgow North*)  
Anas Sarwar MP (*Labour, Glasgow Central*)

### Powers

The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the internet via [www.parliament.uk](http://www.parliament.uk).

### Publications

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the internet at [www.parliament.uk/parliament.uk/indcom](http://www.parliament.uk/parliament.uk/indcom). A list of Reports of the Committee in the present Parliament is at the back of this volume.

The Reports of the Committee, the formal minutes relating to that report, oral evidence taken and some or all written evidence are available in a printed volume.

Additional written evidence may be published on the internet only.

### Committee staff

The current staff of the Committee are Dr David Harrison (Clerk), Dr Anna Dickson (Senior Adviser), Louise Whitley (Inquiry Manager), Rob Page (Committee Specialist), Anita Fuki (Senior Committee Assistant), Annabel Goddard (Committee Assistant), Paul Hampson (Committee Support Assistant) and Nicholas Davies (Media Officer).

### Contacts

All correspondence should be addressed to the Clerk of the International Development Committee, House of Commons, 7 Millbank, London SW1P 3JA. The telephone number for general enquiries is 020 7219 1223; the Committee's email address is [indcom@parliament.uk](mailto:indcom@parliament.uk)





# Seventh Special Report

---

On 6 September 2012 the International Development Committee published its Fifth Report of Session 2012-13, *DFID's programme in Zambia* (HC 119). On 5 November 2012 we received the Government's Response to the Report. It is reproduced as an Appendix to this Special Report.

## Appendix: Government response

---

The Government welcomes the opportunity to respond to the International Development Committee's report on DFID's Programme in Zambia. The UK is the second largest bilateral donor to Zambia (behind the US), with our aid programme set to grow to £63 million in 2014/15. In addition, the Commonwealth Development Corporation (CDC) by the end of last year had eight investments totalling £5.2 million through funds in Zambia.

Following 30 years of stagnation, strong and consistent economic growth has quadrupled Zambia's per capita GDP over the last decade. However, this has had little impact on high poverty levels and on the off-track Millennium Development Goals (MDG) targets on maternal mortality and sanitation. A third of Zambians are unable to meet even basic food needs and 45% of children are stunted. Only 60% of people have access to clean water and less than half have access to improved sanitation.

The UK is determined to ensure that as many of the poorest as possible in Zambia can share in the country's growing prosperity. Since the UK started providing budget support to Zambia in 2005, the government has dramatically increased spending on key development sectors such as health, education and roads. As a result, 1,000,000 more children are going to primary school and over 40,000 km of roads have been rehabilitated.

Handled well, Zambia's minerals and resources could pull the country out of poverty for good. The UK is supporting the Zambian government to translate its impressive economic achievements into permanent development gains, by using its own resources to deliver better services. We have refocused the DFID programme to support Zambia on a trajectory towards eventual graduation from aid. We are now increasing our support to (a) improve the effectiveness of Zambian Government spending; (b) to directly address the most off-track MDGs (maternal mortality and sanitation) and (c) to remove the barriers to investment and wealth creation.

We are also working closely with the Zambian government to strengthen its management of the public finances and to reform inefficient subsidies. The maize subsidy alone currently consumes 8% of the national budget. DFID is supporting the government to implement major public financial management reforms, including the roll-out of new financial management systems, which are saving the government tens of millions of pounds each year. We regularly raise with the government our concerns over the level of public subsidies for maize and fuel. We have shared our analysis of what the Zambian government could buy if it used this money instead to fund services, such as free secondary education for poor people in Zambia. However, the IDC acknowledges that such changes

are politically very difficult given the high levels of rural poverty and the country's dependence on maize to feed its people.

The DFID Zambia Operational Plan 2011-15 sets out the results UK aid will deliver. By 2015, we will have:

- given 170,000 additional people access to financial services
- given 100,000 farmers access to markets to sell their produce
- delivered 2.4 million insecticide-treated bednets, allowing an additional 725,500 children under five and 165,200 pregnant women to sleep under bednets
- given 200,000 additional women access to modern methods of family planning
- trained 1,600 Community Health Assistants to improve health care for 7.5 million rural Zambians
- enabled 287,000 poor people to benefit from social cash transfers
- reached 2.1 million children under five and pregnant women through nutrition programmes
- given 3 million additional people access to improved sanitation facilities
- educated 1.6 million men, women and children on gender-based violence, and given 7,000 survivors access to legal, psychological and medical support

## Response to the conclusions and recommendations

### *The Zambian Government's public expenditure: opportunities for spending more efficiently*

**Recommendation 1.** There are significant inefficiencies in Zambia's public expenditure. The biggest of these is the 'maize subsidy', which costs 8% of the Government budget; this is a sum which considerably exceeds DFID's bilateral aid programme. The abolition of the 'maize subsidy' would free up funds to provide much needed services, for example free secondary education. We believe that the Government of Zambia wants to do something about it, but faces serious political constraints. We urge that the UK continue to provide the greatest encouragement and support to the Government of Zambia to remove the maize subsidy and switch resources to public services such as secondary education.(Paragraph 14)

**Agree.** The UK Government shares the Committee's concern about inefficiencies associated with public expenditure on agriculture. We will continue to provide encouragement and support to the Zambian Government to reform inefficient maize subsidies.

We wish to clarify that the figure of 8% of the Zambian Government budget refers to the annual total spent by government on maize purchases in 2010 and separately again in 2011. As government purchased maize well above market prices, a significant portion of their expenditure represented a subsidy (difficult to quantify exactly), but not all. The wider point is that very many Zambian commentators (inside and outside government) agree that government should limit its own maize purchases to a modest strategic reserve while letting the private sector buy and sell the rest.

We will offer more support to the Zambian Government to overcome the political economy constraints to reform and provide analysis on the viable alternatives for spending the funds allocated to the maize subsidy. For example, we have recently offered support to help the Government pilot a new smarter voucher programme that will help target subsidies on farming inputs (eg fertilisers, seeds, etc.) to the poorest farmers. This will create a market for private sector businesses to sell these farming inputs to the poorest famers against their vouchers, and help strengthen the rural economy.

We will continue to prioritise agriculture spending in our policy dialogue with the Government around budget support. As we agree the future performance indicators for budget support, we will aim to strengthen the targets for agriculture.

### ***DFID's Programme***

**Recommendation 2. The priority areas of DFID's bilateral programme are human and social development, wealth creation and governance. These priorities are agreed and coordinated with the Government of Zambia and other donors and we approve them. (Paragraph 20)**

**Agree.** These three DFID priority areas are consistent with the Zambian Government's Sixth National Development Plan (SNDP) for the period 2011-2015. Also, with the Joint Assistance Strategy for Zambia 2011-2015, which is the framework used by donors to coordinate international development aid flows to the country. DFID is in the process of expanding our support to wealth creation through three new programmes. These will demonstrate innovative partnerships with the private sector around agricultural market development; access to finance and strengthening the investment climate. We are also focusing UK aid more directly on the poorest through social cash transfers and on MDG indicators such as nutrition and maternal health that have proved harder to achieve. At the same time, we are fostering a big push to strengthen domestic accountability in order to ensure that Zambian citizens hold their government to account in sustaining development gains. The DFID Zambia Operational Plan 2011-2015 articulates the results we will deliver in these areas.

### ***Maternal and Reproductive Health***

**Recommendation 3. Maternal mortality in Zambia is appallingly high and its reduction is a key priority for the Government of Zambia. A major cause of high maternal mortality rate is lack of access to reproductive health. There is a particular need for contraceptive implants, which are restricted by national health policy to provision by doctors only. We recommend that DFID encourage the Government of Zambia to allow clinicians other than doctors, including nurses, midwives and community health assistants to be trained to provide Long-Acting and Permanent Method contraception. We welcome DFID's decision to increase its spending on reproductive, maternal and new-born health and recommend that it be focused on rural areas and young people. We recommend that the increased expenditure be continued from 2012-13 into future years. (Paragraph 32)**

**Agree.** We welcome the Committee's focus on family planning and on 'task shifting' of family planning functions to lower level providers, as well as the recommendation to focus on young people and rural areas. Almost all of DFID's reproductive health funding is targeted towards rural areas. The Scaling Up Family Planning (SUFPP) programme, which we have recently started in 26 districts, is specifically targeted towards young people. It has a particular focus on reaching adolescents through targeted behaviour change communication, the use of youth groups, mobile outreach and the training of health providers in dealing with young people.



We are able to update the Committee on further evidence received from key reproductive health stakeholders locally. These include Marie Stopes International which is separately re-submitting a revised version of their original evidence to the Committee.

- It is legal in Zambia and within policy for doctors, nurses and midwives to provide contraceptive implants as well as intra-uterine contraceptive devices, both long term methods of family planning. DFID supports this policy. Long term methods delivered by nurses and midwives is a key approach in our family planning programmes.
- However, only doctors can carry out tubal ligations, vasectomies and other permanent methods of contraception. Some NGOs have been piloting the task shifting of sterilisations to the mid-level providers that the Committee mentions. If the pilots are successful we will urge the government to allow this task shifting.
- Community health assistants (CHAs) are a new cadre in Zambia to deliver prevention and treatment across the spectrum of primary health care. They are currently only allowed to provide repeat oral contraceptive pill prescriptions. DFID agrees with the Committee that CHAs should be able to provide more of a range of family planning options, including the injection Depo-Provera. We have lobbied that this be included as part of the CHA curriculum and will continue to urge Government and the Health Professions Council of Zambia to allow this.

## Gender

**Recommendation 4. Violence against women is at an appalling level in Zambia. We met girls involved in an impressive Adolescent Girls Empowerment Programme and recommend that DFID increases spending on this programme if it proves over time to be as effective as we think it likely to be.(Paragraph 36)**

**Agree.** We are investing significantly into the research arm of this programme. We will fund a robust evaluation of the impact of the “Safe Spaces” model, which will strengthen the evidence base on effective approaches to empowering adolescent girls. Piloting this intervention will also generate important lessons on how to reach adolescent girls in rural and hard-to-reach contexts in Zambia and on the costs and effectiveness of using vouchers to increase access to sexual and reproductive health services. DFID support for this intervention is also expected to enhance government policy and programming and to catalyse increased and more coherent support from government and other donors to address the needs of adolescent girls in Zambia. We believe that the lessons learnt from this intervention will also have relevance for other developing country contexts.

## **Health – Human Resources**

**Recommendation 5. We strongly support the Zambian Government’s emphasis on increasing the number of clinicians. We welcome the Minister’s enthusiasm for encouraging links between UK and Zambian health professionals and universities, in particular to help train their Zambian colleagues. We recommend that DFID provide small amounts of funding to facilitate this.(Paragraph 41)**

**Agree.** DFID agrees with the Committee on the urgent need for more health workers in Zambia. The shortages are particularly felt among the cadres of doctor, nurse, midwife and community health worker and we are hoping in the future to support all these groups.

DFID, through the Tropical Health Education Trust, has been supporting the deployment of short term UK specialist volunteers to train Zambian medical graduates in anaesthesiology, psychiatry and pathology for the last two years. The government has identified key shortages within these specialities. We expect to continue providing this support for at least another two years to enable the current batch of trainees to complete their courses and begin teaching other post-graduates themselves.

## **Education**

**Recommendation 6. We recommend that support for secondary, tertiary and vocational education be a priority for DFID’s education expenditure. We welcome DFID’s decision to pay more attention to this following our visit. In its response to this report, DFID should outline in more detail both its plans to help the Government of Zambia make improvements in these areas and how it will work with the British Council and other bodies to do this. (Paragraph 48)**

**Recommendation 7. There is a lack of competent middle management across the Zambian economy in the public and private sector. We recommend that DFID look at how to assist Zambia make improvements to business education.(Paragraph 49)**

**Agree.** There is a need for improvements across the education sector, to ensure adequate quality of education for all children as they progress through the system.

We will offer more support to the Government. We will do this by providing both financial support through Sector Budget Support (SBS) and technical advisory support, particularly as the Government implements its Education Sector Plan up to 2015 for early childhood through to tertiary education. We will also ensure that quality of education is a key element of the Government’s expansion plans for secondary, technical and vocational education and training (TEVET) (including business education) and tertiary education.

Specifically, we will assist the Government in the review and piloting of the secondary education curriculum in the development of two tiers of education provision: academic and technical. In addition, we will look to work in collaboration with partners such as British Council, ILO, AfDB, and civil society to support improved delivery of quality TEVET education. This will include strengthening institutions, supporting apprenticeships, business and entrepreneurial training programmes and improving certification processes.

Critically, we will continue to prioritise the acquisition of sufficient competency in basic literacy and numeracy at an early age, to ensure those progressing to secondary and higher levels of education are well-equipped to succeed at higher levels of education and enter productively into the labour market.

### **Wealth creation**

**Recommendation 8. Smallholder agriculture is a key area for economic growth. We welcome the proposed rural markets development programme which seeks to increase the productivity of poor smallholder farmers by strengthening markets for inputs and crops. We note, however, that there has been a significant decrease in proposed funding for this project since our visit which is in part explained by the involvement of the Swedish Government. In its response to this report the Government should provide more details of the new funding arrangements for the rural markets development programme.(Paragraph 55)**

**Agree.** Smallholder agriculture is key to Zambia's economic growth and remains a priority for Government support. A funding total of £4.5m has now been agreed to support Rural Market Development in Zambia. This is below the amount originally envisaged in the Operational Plan. The major share of this funding will be channelled through an organisation called Musika. This organisation supports the development of sustainable private sector supply chains into rural agricultural markets. We reduced our original funding allocation for this organisation as a result of a co-funding arrangement with the Swedish Government, who are now likely to contribute a similar amount to Musika over the next four years. Musika have no capacity to absorb additional funds over and above this. The funds saved through this joint funding arrangement will be reallocated to other programmes that will support private sector development in Zambia, including support to Technical Vocational Education and Training.

**Recommendation 9. Following CDC's reorganisation, we see a major role for the organisation in initially co-investing and subsequently directly investing in Zambian businesses. This will generally be more appropriate than DFID providing grants for private businesses. We recommend that CDC and DFID Zambia work closely together. (Paragraph 60)**

**Agree.** DFID Zambia and CDC will be working closely together through the recently approved DFID-CDC Impact Facility. This is an innovative programme that will be managed by CDC that aims to catalyse the development of a market for a new type of investor who is willing to fund enterprises that serve the poor as employees, producers and consumers. These “impact investors” deploy capital in ventures that have the potential to generate high social returns and become financially viable. Impact investment capital is often deployed with a willingness to accept greater uncertainty, longer time horizons and lower financial returns than the risks would normally justify. DFID Zambia will have a £3.3m window of this programme, which will essentially test the market for impact investors to invest in private businesses in the country.

### **Governance**

**Recommendation 10. A key part of improved governance is an effective Parliament. DFID’s Public Financial Management programme is making improvements to the Zambian Parliament’s examination of the budget. DFID spent £1.4 million between 2008–11 on Parliamentary strengthening. This programme has stopped but the CPA is working with the Zambian Parliament to develop a new programme. We welcome the DFID Minister’s support for the CPA’s proposal and recommend that DFID provide funding for it, possibly from the new Democratic Representation programme. We also recommend that for future years a measure for Parliamentary strengthening replace the number of people voting in elections supported by DFID as one of DFID Zambia’s top three results. (Paragraph 69)**

**Agree.** DFID has been supporting the Government of Zambia to improve its public financial management through a programme which is managed by the World Bank. We have been working directly with the National Assembly to strengthen parliamentary oversight through a separate Parliamentary Reform Programme. Both of these programmes are coming to an end this year and we are in the process of designing successor programmes of support in these two key areas. We have not yet been approached by the CPA and we look forward to discussing their proposal when they are ready to share it with us.

DFID achieved our Operational Plan target of 2.75 million people registered to vote in the September 2011 general elections. This was nearly 1 million people more than those who voted in the 2008 elections. We do not plan to set any further results targets related to people voting in elections in the next three years. We will develop more relevant results targets as we progress with the design of our new democratic representation programme.

### ***Graduation from aid***

**Recommendation 11.** DFID's Annual Report and Accounts for 2011-12 states that DFID is working to help Zambia graduate from aid. We note that no similar comment is made in the Report and Accounts about any other country, including those with similar per capita incomes. We agree that DFID should work towards graduating from aid, but this should apply to all countries. Given the extent of poverty we do not believe that Zambia will be in a position to graduate from aid for many years and are pleased that the Minister agrees. (Paragraph 72)

**Agree.** DFID has not set a timetable for Zambia to graduate from aid. While sustained economic growth of over 5% pa has quadrupled per capita income over the last decade and brought Zambia back to low middle-income status, this has made little impact on the country's high poverty indicators. Zambia remains one of the least developed countries in the world, ranking 164 out of 187 countries in the UN Human Development Index. However, DFID's programme in Zambia is designed to move the country over time away from an aid relationship towards a diplomatic, political and commercial relationship. This is consistent with the Zambian government's Sixth National Development Plan (SNDP) for the period 2011-2015, which restates its commitment to eradicating poverty and to developing Zambia into a prosperous middle income country by 2030. It is also consistent with the stance of the wider donor community in Zambia as set out in their Joint Assistance Strategy for Zambia (2011-2015).