

SUB/JCTR/61

**JCTR DEBT PROJECT
JUBILEE-ZAMBIA**

**Half-Year Report
01 July to 31 December 2003**

Submitted to:

**KEPA-Zambia
CRS-Zambia
OXFAM-Zambia
DIAKONIA
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JCTR DEBT PROJECT: JUBILEE-ZAMBIA

Half-Year Report, 01 June to 31 December 2003

A. INTRODUCTION

This report covers the period July 2003 to December 2003 and builds upon the first half-year narrative report (January 2003 to June 2003) submitted in June 2003. As stated in the Project proposal for 2003 and the first narrative report, we maintained our overall goal for the Project: "To promote equitable debt cancellation for Zambia that results in poverty eradication" for the remaining part of the year 2003.

In the second part of the year, our major focus continued to be the HIPC initiative, the Loan Contraction Process and mass mobilisation through the activities of our provincial teams. Our advocacy activities were around the issues of HIPC initiative, debt relief, debt mechanism and the loan contraction process. In the period under review, an additional concern was the shifting of Zambia's completion point for HIPC from December 2003 to mid-2004.

The Debt Project also paid attention to the implementation of the Poverty Reduction Strategy Paper (PRSP) by working closely with the Civil Society for Poverty Reduction (CSPR). The Debt Project is part of two CSPR task forces, namely, Monitoring and Evaluation and Information and Advocacy. We are also represented at the Steering Committee of CSPR.

B. UPDATE ON ZAMBIA'S POLITICAL AND SOCIO-ECONOMIC SITUATION

The political and socio-economic situation in Zambia remained generally the same in the second part of the year. The presidential petition by the opposition political parties challenging the election of the Republican President continued in court. The Task Force continued to investigate alleged cases of economic plunder. A specific development in relation to this matter was the controversial resignation of Director of Public Prosecution (DPP). The President appointed a Tribunal to investigate the DPP about the accusations that he was interfering with the investigations of the Task Force.

In the second part of the year, we witnessed a reduction in union strikes. However, there was a dispute between the Government and labour movement in relation to the projected budget overrun. According to Government, the overrun in 2003 was due to the salary increment awarded to the civil servants. But the labour movement, together with general civil society, argued that the overrun was due to Government's expenditures on by-elections, frequent foreign travels and claims for allowances by senior officials, bloated diplomatic service and sustenance of the District Administrators' offices. The major implication of this budget overrun was that Zambia failed to reach the HIPC completion point set for December 2003.

Economically, Zambia continued to face serious challenges in form of high unemployment levels and high cost of living. The level of inflation was 17.2% by the end of the year. On a positive note, the cost of the staple food, mealie meal stabilised. Towards the end of the year, it was predicted that Zambia would receive adequate rainfall for the 2003/2004 farming season and Government would put in place correct measures to ensure that farming community's needs were fully met. Government had also given indications of resolving the key constraints faced by farmers by repairing the feeder road network and guaranteeing good markets for the produce.

Due to a number of factors, the year under review saw very little change reduction in the stock of external debts, which stood at slightly over US\$6.5 billion. These levels of debts are too high for a faltering economy like Zambia and thus are a very serious block to meaningful development. The year in question further saw Zambia's chance to reach the HIPC Completion Point slip through its fingers much to the disappointment of many stakeholders, especially those directly involved in the campaign for the total cancellation of external debts.

This situation meant that Zambia had foregone a reduction in debt stock by US\$3.8 billion (in nominal terms or US\$2.5 billion in net present value). At the core of this problem was the projected national budget overrun that Government attributed, among other reasons, to wage bills of retrenched miners and salary increments for civil servants. Zambia's cooperating partners such as the International Monetary Fund (IMF), the World Bank, the European Union (EU) and other donors interpreted this as *fiscal indiscipline*, thereby precipitating an aid freeze. The IMF and the EU in particular suspended aid to Zambia, while the World Bank continued to deliver debt relief in modest amounts under the Country Assistance Strategy (CAS) framework.

However, the impact of this standoff between Government and the donor community should be seen in the significantly abridged funding for the core poverty programmes under the 2003 Poverty Reduction Strategy Paper (PRSP) implementation period. While the PRSP was starved of key funding due to lack of donor inflows, debt service payments had continued to overshadow social sector spending, thereby casting a doubt on Zambia's quest for sustainable human development.

In light of this situation, Jubilee-Zambia continues to call for pragmatic steps towards unconditional total debt cancellation while at the same time prodding government to put in place mechanisms that will assure that all debt relief resources will go towards poverty eradication efforts.

C. IMPLEMENTATION OF PLANNED ACTIVITIES

Activities during 2003 implemented our core objectives as designed in the Log Frames. What follows in this report is not all-inclusive of all of our activities, but highlights the most important dimensions.

Objective One: To educate the public about debt and its continued economic and social consequences

1.1 POPULAR MOBILISATION

1.1.1. Information Generation and Distribution

As stated in the first narrative report, we circulated most of the information that was generated in the second part of the year. Due to high demand for simplified information on debt, especially by our provincial teams, community drama partners and youth groups, we reproduced materials on HIPC, the Loan Contraction Process and the Jubilee-Zambia Movement. This information was translated in local languages by our provincial teams.

1.1.2 Media Utilisation

(a) *Radio Programmes:* Following a key finding from the last Public Opinion Poll (2001) that radio was a major source of information on debt for most of the members of public, we embarked on a radio programme entitled "Jubilee-Zambia and You" with the Zambia National

Broadcasting Corporation (ZNBC), Radio 2. This 13-part programme was broadcast from September to November 2003. It looked at debt in relation to development, women and youth, the condition of workers in Zambia, the role of community and local leaders, the role of Parliament, the Church and debt cancellation in Zambia and the Jubilee-Zambia Provincial outreach programme. We have received positive reactions from members of the public to these programmes

(b) *Article on Debt*: We contracted a print media reporter to write a feature article on, "Civil Society wants change to the way Zambia obtains foreign loans." This article was based on the petition campaign to support the Debt Mechanism and Loan Contraction Process in Zambia. Emphasis was placed on the importance of an accountable, transparent and participatory system in the management of debt in Zambia. This article appeared in one of the major national papers, *Times of Zambia*, in November 2003.

(c) *Meet the Chief Editors*: From November to December 2003, we embarked on a programme of meeting the Chief Editors of the major media houses in Lusaka. This was a recommendation from the Media Day held for reporters in April 2003. The reporters advised Jubilee-Zambia to establish stronger links with Editors who are key in deciding the coverage policy for particular media houses.

The editors were drawn from both Government, private and community media houses. These meetings were designed to sensitise and familiarise Editors to the Jubilee-Zambia activities and to enable us to know the programme opportunities available to us. Our major aim was to make these editors to appreciate and prioritise information generated by Jubilee-Zambia. The meetings went very well and we anticipate even better coverage in 2004.

(d) *Press Releases*: Four major press releases in the second half of the year received wide coverage in print and electronic media.

The President's call for total debt cancellation: Jubilee-Zambia issued a statement to support President Mwanawasa's appeal to the creditors to cancel Zambia's external debts. In this statement, Jubilee-Zambia shared similar concerns with the President about the adverse impact of debt on the development of Zambia, especially as regards the expenditures on debt servicing. However, Jubilee-Zambia further advised Government to also contribute to the fight against debt by putting in place mechanisms that will safeguard Zambia from deeper debts. We called upon Government to institutionalise the Debt Mechanism and tighten the loan contraction process.

World Bank and IMF Board Meetings: Jubilee-Zambia issued a press statement in response to the theme of International Monetary Fund (IMF) and World Bank 2003 Annual Board Meetings entitled: "*The Road to Regional and Global Prosperity: Challenges and Opportunities*." In this statement, Jubilee-Zambia reminded the creditors about the importance of resolving the debt crisis that poor countries were facing as a way of paving a sustainable path to regional and global prosperity.

Celebrating Zambia's 39th Independence Anniversary: Zambia celebrated its 39th Anniversary of Independence on 24th October 2003. For this year, our main message was that Zambia would only enjoy true freedom when all debts are cancelled and poverty is eradicated. Based on this message, Jubilee-Zambia reminded the creditors of their responsibility to assist poor countries to mobilise more resources for development through debt cancellation. We also called upon Government to show true commitment to prudent borrowing and use of national resources by putting in place effective debt relief and loan

contraction mechanisms. We further appealed to the citizens of Zambia to strengthen their commitment to change Zambia for the better.

Zambia Misses the HIPC Completion Point: In our statement entitled "HIPC Completion Point Eludes Zambia," Jubilee-Zambia expressed disappointment about Zambia's failure to reach the HIPC decision point in December 2003. In our view, Zambia's failure to reach the completion point will have negative implications for the implementation of poverty reduction programmes and the debt situation of this country. Therefore, we urged the Government to renegotiate with its creditors on the targets and benchmarks. More importantly, we advised Government and the creditors to come up with realistic and achievable benchmarks.

1.1.3 Drama

As stated in the report on our activities in the first half of this year, we embarked on community sensitisation activities through drama in August 2003. The major focus of the drama programme was HIPC and debt relief, the Loan Contraction Process and the role of local leaders (Councillors and Members of Parliament) in these issues. Ten (10) local townships within the City of Lusaka were targeted. We conducted this activity in conjunction with our strategic partner, Ziba Ni Moto Community Arts Group.

In November, we conducted our second phase of community sensitisation on debt through drama. We visited the same communities to make a follow-up on our first phase and also extended the activity to other townships within the City. We maintained the same focus areas but included a component on advocacy on better use of debt relief resources by community members themselves. Community drama continues to be an excellent way for outreach to ordinary Zambians, many of who do not read newspapers or follow radio and TV news.

1.2 PROMOTE FAITH AND JUSTICE PROGRAMME

1.2.1 Theological Conference

The Debt Project did not organise any Theological Conference in the second part of the year. Instead we concentrated on making follow-ups on some of the recommendations that came out of the national conference on "Church and Politics: Specifics of the Debt Cancellation Campaign" which was held in June 2003. But in August we brought the leaders of the three church bodies – Zambia Episcopal Conference, Council of Churches of Zambia and Evangelical Fellowship of Zambia – to a Fifth Anniversary celebration of Jubilee-Zambia. During this celebration, which was also attended by the Minister of Finance and National Planning, the leaders of the church bodies reinforced their support of the Jubilee campaign in Zambia.

1.2.2 Circulation of Faith and Justice Materials

The Debt Project continued to circulate materials on debt and other related issues to church groups. Specifically, we shared information on NEPAD and PRSPs. In September we sent our homily notes to over 350 local churches, called "Debt Cancellation: Miracles for Zambia?" This was also reprinted in one of the national newspapers.

Objective Two: To mobilise Zambian citizens to advocate for national international policies that minimise the debt burden

2.1 STRENGTHEN ADVOCACY

2.1.1 Debt Petitions

As stated in our activity schedule and the report for the first half of this year, we continued to collect petitions advocating for the Debt Mechanism. These petitions were collected both at provincial level by our provincial teams and at national level, by our strategic partner, Operation Young Vote (OYV). We collected a total number of 9,826 since the beginning of this year. These petitions were presented to the Minister of Finance and National Planning during the Fifth Anniversary celebrations of the Jubilee in Zambia, described above (1.2.1).

2.1.2 Rallies and Demonstrations

We did not have any major rally or demonstration at both national and provincial level in the period under review. However, as part of the Fifth Anniversary celebration, we organised a small demonstration with messages calling upon the IFIs to cancel Zambia's debts and an end to the externally imposed economic policies.

2.1.3 Influencing Members of Parliament

Because we feel that Parliament should play a much larger role in all debt management policies, we continued to send information on debt and other related issues to Members of Parliament. Our second Debt Forum of the year, held in early November, targeted policy makers and implementers. The focus was on why Zambia missed the HIPC Completion Point. An opposition MP, Honourable Given Lubinda, served on the panel, as well as the Resident Representative of the World Bank, Dr. Ohene Nyanin. Other opposition MPs were in the audience, but ruling party MPs did not respond to the invitation to participate.

According to Lubinda, MPs lacked access to information on loans and the debt agreements that Government entered into with the international community. He emphasized the need to sensitise and educate Members of Parliament about the implications of these agreements. He further argued that Zambia would not develop through aid from external partners but through proper, better and more efficient management of Zambia's large national wealth.

Our provincial teams in Monze and Livingstone held meetings with Members of Parliament from all the constituencies in both Districts in November and August respectively. Our policy analyst, Jack Jones Zulu, participated in "Meet Your MP" workshop in Monze. The meetings focused on the loan contraction process in Zambia, HIPC Initiative and the need for the Debt Mechanism. We used this opportunity to appeal to these MPs to debate these issues in Parliament as well as support the Jubilee campaign within their constituencies.

Additionally, the Debt Project has been working closely with a few specific Members of Parliament on the issue of loan contraction. This has carried over into our formal submission to the Constitution Review Commission of our proposal to have a Loan Contraction Process clause inserted into the new Constitution.

2.1.4 Influencing Government

In this second part of the year, we continued to relate to Government by way of sending information on our research and analytical papers and attending meetings. Specifically, we invited Government to our celebrations on the Fifth Anniversary of the Jubilee movement in Zambia, held on 12 August at the Cathedral of the Holy Cross in Lusaka.

The Minister of Finance and National Planning, Honourable Ng'andu Magande, made a presentation at this event, thanking Jubilee-Zambia for the role it has been playing in campaigning for the total cancellation of Zambia's external debts. However, he emphasized the importance of building our economy by utilising our own resources as the better means of avoiding further indebtedness.

As mentioned above, we used this occasion to officially hand over 9,826 petitions on the Debt Mechanism collected by the OYV and our provincial teams. Presenting the petitions on behalf of civil society, a representative from OYV called upon Government to put in place a transparent, accountable and participatory system to oversee the use of debt relief resources.

Government was invited but did not participate in our second Debt Forum held on 05 November, looking at why Zambia missed the HIPC Completion Point. Government representatives pleaded the sensitive nature of the issue, since at that very moment they were negotiating policies with the IMF. However, we shared our concerns with Government through a press statement that was released after this event.

In our efforts to strengthen the presence of Jubilee-Zambia in local communities, we organised a workshop for Councillors in Lusaka. The main objective of the workshop was to sensitise the local leaders on the issues of debt and HIPC debt relief. Our major interest was to discuss the role of Councillors in sensitising local communities on the debt crisis in Zambia and, more importantly, to ensure that debt relief to local communities was properly utilised. Two main issues came out of this workshop. First, local leaders such as Councillors did not have access to vital information on debt and economic policy. Second, Councillors had not been involved in the planning and utilisation of HIPC debt relief resources. It was agreed that Jubilee-Zambia should establish a link with the Municipal Office to ensure that the Councillors frequently received information on these issues.

2.1.5 Influencing the International Financial Institutions

(a) Multilateral Creditors

Our information-sharing on debt issues continued with the World Bank and IMF. In this part of the year, we engaged these institutions in two key specific events, namely, the IMF/World Bank Annual Board Meetings and the Jubilee-Zambia Debt Forum.

IMF/WB Annual Board Meetings: Jubilee-Zambia participated in this year's IMF and World Bank Annual Board Meetings that were held in September in Dubai, Emirates. We sent a Jubilee-Zambia Steering Committee member, Ms Lucie Kasanga. She was part of a panel discussion looking at issues of economic growth and poverty reduction in poor countries.

As stated in the press statement that we released following these meetings, Jubilee-Zambia expressed concern about the creditors' silence on the debt crisis in poor countries. And responding to the theme of these meetings, "*The Road to Regional and Global Prosperity,*"

we emphasized the importance of total debt cancellation in order for poor countries to develop. We further urged the multilateral institutions to promote and support policies that were based on the true aspirations of the people living in these poor countries.

As stated above, the theme of our November Debt Forum was "Why Did Zambia Miss the HIPC Completion Point?" The World Bank Country Representative, Dr. Ohene Nyanin, participated in the discussions. In his presentation, Dr. Nyanin explained that Zambia had not actually missed the Completion Point, but rather the Point was a "floating" one, dependent on the country's meeting particular benchmarks. Two major benchmarks in question were the overrun in the 2003 national budget and the failure to meet the Poverty Reduction and Growth Facility (PRGF) agreements with the IMF.

(b) Bilateral

In the period under review, we continued to send information to bilateral creditors and invited them to our events. The response to our invitations and to the information shared has been good. An example of serving a bi-lateral was the visit of a group of six German M.P.s in November, who came to our offices to learn of civil society's concerns about debt and poverty.

2.1.6 Building Strong Alliances

In the period under review, we had three specific events aimed at strengthening our alliances on debt cancellation. These were the Fifth Anniversary Celebration, Meeting with Councillors and our Annual Evaluation Conference.

Jubilee-Zambia commemorated its Fifth Anniversary with a celebration at the Cathedral of the Holy Cross, Lusaka, the place where the movement was launched in 1998 with the publication of a joint pastoral letter from ZEC, CCZ and EFZ. A total of 200 Jubilee supporters joined the celebrations that were marked with speeches by church representatives and Government representatives and traditional dancing and music. At this event, the Church renewed its commitment to fight against debt in Zambia.

Jubilee-Zambia held two half-day meetings with Councillors from Chongwe and Lusaka Districts in September and November respectively. These meetings came as a result of the petition collection exercise undertaken by Operation Young Vote (OYV), where the need for further sensitisation was identified. A major conclusion from these meetings was that local community leaders did not have access to information on issues of loans and debt relief resources. Jubilee-Zambia was requested to ensure that such information reached these leaders.

At the end of each year, Jubilee-Zambia has held a National Evaluation Conference, bringing together all our strategic partners. This important event provides an opportunity to review the performance, progress and constraints of the movement. It is also a forum where partners review programme priorities for the coming year and discuss their role in the debt cancellation movement.

The theme of the November 2003 evaluation conference was "Is Debt Cancellation Possible for Zambia?" A total of 38 partners attended. Concluding that debt cancellation was indeed possible for Zambia, participants recommended the following:

1. We lobby and ensure that an effective loan contraction process is put in place

2. We continue to sensitise and mobilise people, especially at community levels, about debt and its consequences on their lives
3. We strengthen our monitoring efforts on debt relief resources and ensure that these resources are used to meet the needs of the people, especially the poor.

Some of the major concerns expressed by the participants were lack of political commitment to debt cancellation, failure by Government to ensure that debt relief resources benefit the poor and the negative impact of externally imposed economic policies on the poor.

Objective Three: To conduct specific research on debt issues aimed at transformation of policy

3.1 RESEARCH

From its outset, Jubilee-Zambia has considered good research as a necessary foundation for our advocacy work. It provides a base for offering of good critiques and realistic alternatives.

3.1.1 Technical Research

As stated in our Project Proposal and Annual Activity Schedule for 2003, we did not embark on any new technical research. We decided to use information from the studies earlier launched on the HIPC Initiative in Zambia and the Loan Contraction Process for our advocacy activities throughout the year. However, these engagements have opened doors to other research areas on debt, which will be outlined in our Project Proposal for 2004.

3.1.2 Community Research

Two of our provincial teams, Livingstone and Mongu, conducted local research activities. Both teams focused on assessing the public awareness and knowledge about the Jubilee movement at local level. They also focused on finding out the public knowledge about Zambia's debt problem and its consequences. This research work pointed to the need to intensify our activities at local level. It was recommended to Jubilee-Zambia to ensure that simplified information in local languages was circulated constantly in local communities to improve on levels of awareness, knowledge and mobilisation.

3.1.3 Desk Research

In the period under review, we undertook an analytical desk research on HIPC initiative in Zambia. This study entitled "Leaning Against Economic Winds: Zambia's Problems With HIPC". The paper highlights the causes and implications of Zambia missing the HIPC Completion Point. There are reduced debt relief resources against increased debt servicing and failure to implement the Poverty Reduction Strategy Paper (PRSP). The study recommended for the separation of the PRSP from the HIPC agreement. It also suggested that Government renegotiates for better and realistic benchmarks with the creditors. The final recommendation called upon the creditors to show true commitment by making sure that the Completion Point does not remain "floating" forever.

We intend to continue paying attention to the issue of the HIPC Completion Point and its implications on debt and the implementation of the PRSP in the coming year. This is very important as we have learnt that some countries' debts are still *unsustainable* even after going through the Completion Point phase. Uganda has been cited as one of such cases.

Objective four: To co-operate with regional and international partners to assure equitable and effective debt cancellation

4.1 NETWORKING

The JCTR Debt Project considers Jubilee-Zambia as a major *popular movement*, a campaign that must involve a large portion of our citizenry if it is to succeed and must cooperate with other partners of similar interests. Therefore central to the campaign must be a networking that builds cooperation with other groups, local, national and regional. Below are some examples of the networking that went on during the second half of 2003.

4.1.1 Networking with Strategic Partners

Jubilee-Zambia Provincial Teams: These continue to be the key outreach that the Debt Project has to local communities in Zambia. The teams, composed of volunteers from various civil society organisations, are based in Livingstone, Monze, Ndola, Kasama, and Mongu. They engage in activities paralleling the national secretariat, but designed to meet their local situations: for instance, meeting MPs, educational outreaches (e.g., to schools), media coverage on community radio, rallies, translation and distribution of materials, etc. As will be noted under 5.1.1 below, we conducted a major evaluation exercise of our Provincial Teams. The recommendations of that study will shape our provincial team activities for 2004.

Zambian Civil Society: During the second half of 2004, we distributed large amounts of our reports, educational materials, t-shirts, etc., to members of organisations that we cooperate closely with. For example, the Catholic Commission for Justice and Peace, the Civil Society for Poverty Reduction, the Oasis Forum, and several church organisations all used Jubilee materials.

4.2 ENHANCING NETWORK MECHANISM AND CAPACITY

4.2.1 Improve Electronic Communications

As stated in the narrative report for the first half of 2003, updating of the website has become an integral component under information dissemination. We are also glad to observe the positive comments from the users of the site. We also have been updating and categorising our e-mail list, which comprises several hundred individuals and organisations that regularly receive our press releases, reports, advocacy alerts, etc

4.2.2 Improve Printed Communications

Following the duplication and re-printing of most of our materials in the first part of this year, we concentrated on efficiently disseminating these materials in the period under review. (We plan to design an evaluation system for the use of these materials in 2004.)

4.2.3 Exchange Visits and International Conferences

Jubilee-Zambia, represented by our Coordinator, Charity Musamba, participated in the World Bank and International Monetary Fund Workshop on Debt Sustainability in Low Income Countries held in Washington D.C., in September 2003. She participated in a panel discussion on giving stakeholders' position on debt sustainability in low-income countries.

As mentioned earlier, Jubilee-Zambia participated in the 2003 IMF and World Bank Annual Board Meetings held in September in Dubai, Emirates. We sent a Jubilee-Zambia Steering Committee member, Ms. Lucie Kasanga.

4.2.4 Strengthen relations with regional and international partners in the debt campaign

Jubilee-Zambia participated in the Southern African Social Forum (SASF) held from 09 to 11 November 2003. This is a new process bringing various civil society groups focusing on issues of development in Southern Africa. SASF aims at strengthening the African position on various issues in relation to the World Social Forum (WSF), the gathering to be held in mid-January 2004 in Mumbai, India. We were part of the Co-ordinating Team (Programmatic Issues), and during the actual Forum we facilitated the Debt Stand. The main issues discussed included reparations, HIPC and the PRSPs, NEPAD and trade.

Jubilee-Zambia was invited to participate in a workshop on the New Economic Partnership for Development (NEPAD) in December 2003. This workshop was organised by Netherlands Institute on Southern Africa (NIZA) and the main aim was to assist NIZA partners in Africa to mainstream NEPAD in the work programmes. Mr Jack Jones Zulu, Debt Project policy analyst, participated in the conference. NEPAD is an important economic project of the African Union, and so we will engage with it through critical analysis and information sharing.

As one of the major partners in the South, Jubilee-Zambia participated in the European Network on Debt and Development (EURODAD) Annual Conference in December 2003 in Prague, Czech Republic. For this year, the Conference focused on ideologies and the evolution of acronyms (e.g., PRSP, PRGF, HIPC, etc.) in development, examining whether this evolution reflected progress or was just another way of double-speaking by the international development agencies. Jack Jones Zulu represented us at this conference.

Objective five: To improve Jubilee-Zambia's institutional capacity of Secretariat to facilitate widespread participation and credible representation of members of Jubilee movement

5.1 STRENGTHEN ORGANISATIONAL STRUCTURE

5.1.1 Decentralisation of national activities

As described earlier, the activities of the Jubilee-Zambia provincial teams took place in the form of workshops, community drama, collection of petitions on the Debt Mechanism, popular research, radio programmes, creating local alliances, establishing links with traditional and civic leaders, and meeting Members of Parliament, etc. The main aim of the teams was to establish strong relationships within their local areas. To achieve this, they focused on winning the support of the community members, academic institutions, municipality, local government offices, parliament representatives and traditional leaders.

The Debt Project secretariat provides the coordination for the Provincial Teams, paying visits to the areas, providing funding, and supplying materials. As activities at the local-level have increased, this has put a strain on the national office. Steps will be taken in 2004 to get some assistance to meet these demands.

As mentioned in the first-half of 2003 report, our provincial teams are facing constraints, mainly in form of inadequate funding, inadequate skills, and lack of office and equipment to facilitate effective organisation and communication within the teams and between the teams and finally, with secretariat. As a result of these constraints, the scope of coverage for these

teams is limited and in some cases, they have been failing to conduct some important activities. Again, the 2004 Plan will address these problems.

5.1.2 Strengthen Jubilee-Zambia Steering Committee

As part of the on-going efforts to improve the organisation of the Debt Project, we decided to examine the purpose of the Steering Committee. Whilst the terms of reference are very clear, we observed that the current committee was too large and heavily composed of members from the national level. In the period under review, we evaluated the role and effectiveness of this committee and came up with two major recommendations: to reduce the number of members drawn from national level, and to strengthen the role of this committee. These recommendations will be implemented in the coming year, 2004.

5.1.3 Strengthen relationships with donor partners

We have continued to strengthen our relationship with donor partners through sharing of information and involving them in some of our activities. We have worked closely with our donors on the issues of HIPC and the PRSP.

As stated in our Activity Schedule for 2003, we held two meetings with our donor partners in this second half of this year. The first meeting held in August aimed at briefing our partners on our performance in the first half of the year. We received a positive response from our partners especially in relation to the overall Evaluation Report that was conducted at the end of last year 2002. The partners also supported the activities of our provincial teams.

The second meeting was held in November to brief our donors about our overall annual performance and also to discuss issues of major concern to both secretariat and donors. The donors showed great interest about our outreach activities such as the Provincial Teams and community drama. They also wanted to know the actual achievement and benefits of the debt cancellation campaign in Zambia.

In addition to these programmatic issues, we had discussions with the donors on the following issues:

- The implications of Zambia missing the HIPC Completion Point in December 2003
- The implications of Zambia going "off track" with the Poverty Reduction and Growth Facility (PRGF)
- The political situation of the country and its implications for economic development and investment promotion

Discussions on social, economic and political issues have become an integral component of the meeting agenda with our donors because we are able to share and understand the context within which the Debt Project operates.

5.2 IMPROVE CAPACITY OF SECRETARIAT

5.2.1 Monitoring and Evaluation

We continued to monitor and evaluate our performance both in terms of programmes and finances as we did in the first half of this year. The bi-monthly and detailed quarterly reviews and planning sessions have greatly assisted in enhancing our monitoring efforts and efficiency levels on the project.

In this second half of the year, we commissioned an overall evaluation process of the Provincial Teams. The purpose of this exercise was to evaluate the efficiency and effectiveness of the provincial teams' organisation and activities. Through this evaluation, we aimed to find out the contributions of the Provincial Programme to the overall Debt Project. The findings of this exercise, completed by the end of year, December 2003, will assist us in planning our next provincial outreach programme for 2004 as well as identify key training needs of these teams.

5.2.2 Organisational structure improved

As part of the on-going process to improve our operations and performance, our Debt Project team was involved in some training in the following areas:

- Strategic Planning
- Monitoring and Evaluation
- Integrating HIV/AIDS and gender in our programmes

Apart from these organisational skills, we have also found it important to plan for further training in programme issues such as analysis and advocacy.

5.2.3 Staff Enrichment

The Debt Project staff participated in the overall JCTR training on logical framework approaches and strategic planning process conducted in October 2003. This training focused on issues such as strategic planning and preparation of Programme Log Framework. Skills obtained through these trainings will be utilised in preparing our 2004 Project Proposal and Annual Logical Framework schemes.

As part of the JCTR, the Debt Project Staff participated in training on the "Pastoral Circle" -- a situational analysis approach that centres on the factor of "Experience." This training is important to the staff especially in understanding the context within which the Project operates as well as to identify factors that influence and affect the particular situation. We plan to use this approach in our planning processes during 2004.

D. PROJECT PROGRESS: ACHIEVEMENTS AND DIFFICULTIES

1. Achievements

Provincial Outreach Programme: Our provincial teams have continued to add strength and value to the overall objective of Jubilee-Zambia. Specifically, the teams have been instrumental in sensitising and raising the levels of awareness amongst local communities. These teams have also managed to draw the attention of local civic and political and traditional leaders to the debt issue. We also managed to engage some Members of Parliament through these teams.

Analytical Research: The Debt Project produces solid and well-researched information on debt and related issues. Information from these reports was used in our advocacy and media activities for Jubilee objectives.

High profile media coverage: We have continued to maintain and strengthen our links with the media as reflected in our report. The media give us support through disseminating information generated and also by inviting us to participate in the media programmes, through interviews, panels, etc.

Good Skills in Mobilisation: We have been very consistent with our message on the need for total debt cancellation for Zambia. This message has created interest in members of the public, Government and international community to support and contribute to the Jubilee-Zambia processes aimed at resolving Zambia's debt problem. For instance, our recommendation for a constitutional Loan Contraction Process has drawn a lot of support and interest among our partners and other stakeholders on debt.

Effective and Strong Network: Jubilee-Zambia enjoys strong and effective links with local, regional and international organisations. We also have a cordial relationship with the Government and IFIs – even when we are in disagreement over certain policies – which has resulted in recognising Jubilee-Zambia as a key stakeholder on the debt issue.

Contributing Factors to our achievements that have shown up in our evaluations include:

- Good use of financial resources
- Good overall coordination of the Project
- Qualified staff with good capacities to facilitate the movement
- Clear vision on objectives
- Commitment of the volunteers in provincial centres

2. Difficulties

Inadequate funding to provincial teams: This has limited the operations and scope of coverage of our provincial teams. Most of the teams cannot go beyond the District centres.

Inadequate skills of provincial teams: Many team members still need to be trained. The training needs identified are planning, networking and monitoring and evaluation of activities.

Overload of work: As mentioned in the first narrative report, we continued to face an overload of work. In some cases, we instituted some interventions such as outsourcing. However, we have continued to look for sustainable ways of overcoming this problem using the on-going *Logical Framework Approach (LFA)* training. This limitation has impacted negatively on meeting deadlines, adhering to priorities and supervising the outreach activities.

Global Shift from Debt to Trade: This shift in interests has reduced the amount of global pressure of the creditors to cancel the debts of poor countries such as Zambia. The introduction of the HIPC initiative has also contributed to diverting the attention of campaigners from total cancellation to partial debt relief.

Limited involvement of local communities: Whilst we appreciate the role played by our provincial teams, we are also aware of the limited coverage. Our teams are only present in 5 out of 173 districts of Zambia. Thus, we still observe the need to reach out to more communities, especially at local levels and in rural areas.

Lack of Political Will: We still do not see real political will on the part of Government to show commitment to the call for total debt cancellation for Zambia. The failure by Government to institute more effective use of debt resources and to endorse loan contraction management systems is one good example. This undermines our efforts in justifying the need for creditors to cancel Zambia's external debts.

Lack of Creditor's Willingness to Cancel the Debts: We have observed that the creditors have taken the HIPC debt relief initiative as the prime instrument to resolve the current debt crisis. As such, they have shown little interest in our call for total debt cancellation. That the debt issue is no longer a priority on the agenda of the IFIs can be seen during this years' IMF/World Bank Annual Board Meetings in Dubai, Emirates.

Response to these difficulties will be incorporated as much as possible into the 2004 Strategic Plan for the Debt Project. For example, we will pay more attention to better assistance – both financial and training – to Provincial Teams. Moreover we will continue to highlight the central importance of total debt cancellation for Zambia's development future – bringing the message into public circles on every opportunity.

E. REVIEW OF INCOME AND EXPENDITURES

We are pleased that the financial report that accompanies this narrative report shows good fiscal management and prudent use of resources. We were happy to bring on board another cooperating partner, the Canadian Catholic Organisation for Development and Peace. All our donors fully funded us this year.

As the notes in the Financial Statement (January to December 2003) show, we closed the year with a surplus of \$37,417. Several factors account for this surplus. About 46% was due to unanticipated exchange rate fluctuations, due to a decline of the US dollar to the Euro. Another 19% was saved on medical benefits allowed to staff (thank God, our staff remained healthy!). Prudent financial management in the projects amounted for an additional 35% of the surplus.

This surplus will be carried forward into the 2004 budget, the final year of our three year Strategic Plan for the Debt Project.

F. CONCLUSION

The year 2003 was a very active one for Jubilee-Zambia. In the year under review, Zambia continued to receive debt relief under the HIPC initiative and was also due to reach the HIPC completion point by the end of the year. Thus most of our engagements with various stakeholders at national level focused mainly on these issues.

We were able to increase our financial support to the Provincial Team Programme, which performed very well especially in terms of engaging both Government and traditional leaders on debt and in its impact on development in local communities. We closed the year with an evaluation of the Provincial Team Programme and a national Public Opinion Poll on external debt management in Zambia. Both these efforts will be reported on in 2004.

G. NOTE OF THANKS

We would like to specially thank all our cooperating partners for the financial and moral support given to the Debt Project in 2003. This support greatly assisted us to succeed in implementing our activities. It is a factor of strong encouragement and motivation! Many thanks also go to our Jubilee supporters in the country and the region, and in the North, for the solidarity shown to the Jubilee-Zambia movement. We pledge even greater efforts in 2004!

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Reports

Advocacy on Socio-Economic Development

2003-12-30

December 2003 JCTR Dept Project: Jubilee Zambia Half-Year Report

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