

STATUS OF PROJECTS IN EXECUTION – FY05
SOPE
REGION: AFRICA
COUNTRY: ZAMBIA

Operations Policy and Country Services
SEPTEMBER 23, 2005



Report on the Status of Projects in Execution - FY05
Region: Africa
Country: Zambia

Introduction

The Status of Projects in Execution (SOPE) Report for FY05 provides information on all IBRD/IDA projects that were active on and beyond June 30, 2005. Thus it bridges the gap in information available to the public between the Project Appraisal Document, disclosed after the Bank approves a project, and the Implementation Completion Report, disclosed after the project closes.

The World Bank has issued a SOPE Report every year as an internal communication to the Board of Executive Directors. Now, in accordance with the Bank's revised disclosure policy, the SOPE Report is also available to the public. By publishing this improved report, we have addressed one of the main concerns we heard from the public during disclosure consultations – that the public has very little access to information on projects while they are being implemented. Readers familiar with past reports will note that projects that closed during the fiscal year are no longer included in the SOPE, since their Implementation Completion Reports are now also disclosed.

The FY05 SOPE introduces a new element: in order to disclose project-by-project comparisons of disbursement estimates and actual disbursements, the SOPE report contains a line chart¹ showing the original estimated disbursement schedule, the latest approved revised schedule (if any) and actual disbursements for investment operations and a table showing the loan/credit/grant amount and disbursements to date.

¹ Notes:

- Amounts for Projects in currencies other than U.S. dollars may not match exactly due to exchange rate fluctuations over the life of the project.
- Disbursement graphs are not included for Development Policy Loans, which provide quick-disbursing external financing to support policy and institutional reforms. For these loans, funds are disbursed in one or more stages (tranches), released when the borrower complies with agreed conditions.
- Projects which are not yet effective may not have a planned disbursement schedule and thus may not include a graph.

Country: Zambia

Project Name (ID): National Response to HIV/AIDS (P003248)

Country: Zambia

Board Approval Date: 12/30/2002

Closing Date: 02/28/2008

Loan/Credit/Grant Number: IDA-H0170, IDA-Q2670

Sector(s): Health (40%), Central government administration (40%), Other social services (15%), Sub-national government administration (5%)

Theme(s): HIV/AIDS (P), Population and reproductive health (P), Social risk mitigation (P), Participation and civic engagement (S), Education for all (S)

Project Development Objectives:

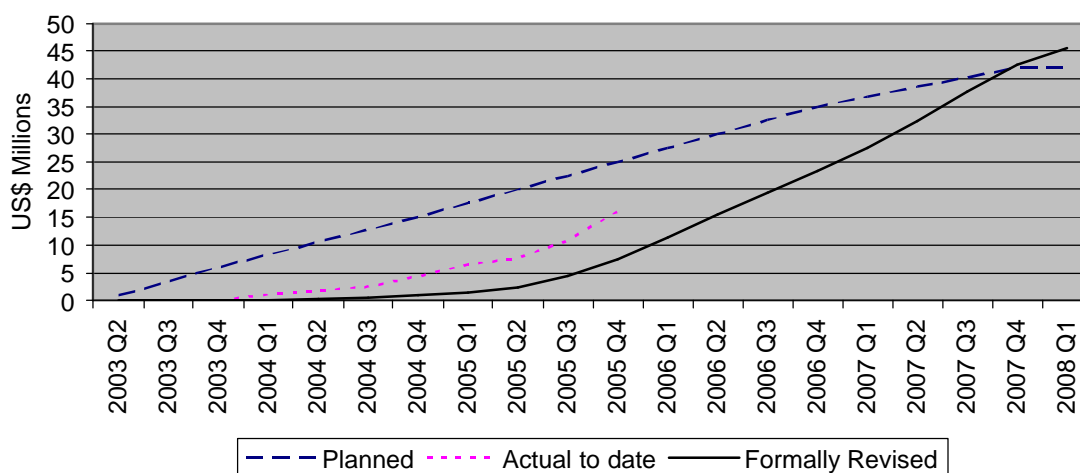
The objective is to significantly increase access to HIV/AIDS prevention, care and impact mitigation program.

Progress toward achieving development objective(s):

The Project is on track to achieve its development objectives. There has been an intensification in the fight against HIV/AIDS, as evidenced by higher levels of political commitment, broad involvement of civil society organizations, including faith-based organizations, and the availability of additional resources from partners, including the Global Fund and the U.S. President's Emergency Plan for AIDS Relief (PEPFAR). The Project has supported civil society organizations implement HIV/AIDS prevention interventions, and people living with HIV/AIDS and their families. In the public sector and among parastatals, 31 HIV/AIDS interventions have been implemented and 72 community projects have been approved so far. The Community Response to HIV/AIDS (CRAIDS) is ahead of schedule in achieving the Project's target for community interventions. Voluntary Counseling, Testing Services and Youth Friendly Services are now helping to scale up health interventions across all of the 72 districts in Zambia.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-H0170	Effective	49.17	16.22	33.23	0.00
IDA-Q2670	Closed	0.44	0.00	0.00	0.44



Project Name (ID): Basic Education Subsector Investment Program (P003249)

Country: Zambia

Board Approval Date: 04/08/1999

Closing Date: 06/30/2006

Loan/Credit/Grant Number: IDA-31900, IDA-P9610

Sector(s): Primary education (59%), Central government administration (20%), Sub-national government administration (10%), Tertiary education (10%), Health (1%)

Theme(s): Education for all (P), Rural services and infrastructure (P), Access to urban services and housing (P), Gender (S), Child health (S)

Project Development Objectives:

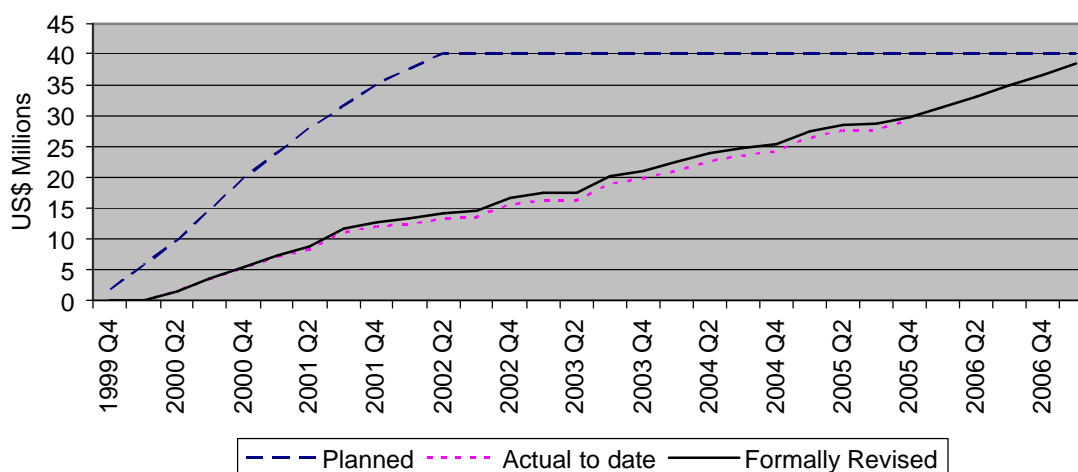
The objectives are to expand enrollment in grades 1-7 by 4% annually, and to improve learning achievement as measured by periodic national assessments.

Progress toward achieving development objective(s):

The project is likely to achieve its development objectives as shown by annual growth rates of enrollment in grades 1-7 from 2000 to 2004 which have been: 2000, 2.2%; 2001, 10.9%; 2002, 5.4%; 2003, 7.6%; and 2004, 10.5%. The average annual compound growth rate has been 7%. The increased enrollment growth reflects the Free Primary Education initiative, under which Parent Teacher Association fees were prohibited, with the loss of school revenue offset by enhanced grants from the Government to schools, and completion of about 900 classrooms annually (some new schools, and some expansion of existing schools). The National Assessment of Learning Achievement at Grade 5 of 2003 found modest but statistically significant improvements in learning achievement (2% points better in English and 3% points better in Mathematics) as compared with the previous National Assessment in 2001.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-31900	Effective	41.59	29.25	10.25	0.00
IDA-P9610	Closed	0.50	0.00	0.00	0.50



Project Name (ID): Power Rehabilitation (P035076)

Country: Zambia

Board Approval Date: 02/19/1998

Midterm Review Date: 05/30/2002

Closing Date: 12/31/2005

Loan/Credit/Grant Number: IDA-30420, IDA-P9660

Sector(s): Power (96%), Roads and highways (1%), Water supply (1%), General agriculture, fishing, and forestry (1%), Health (1%)

Theme(s): Infrastructure services for private sector development (P), Other financial and private sector development (P), Water resources management (P), Rural services and infrastructure (S), Other rural development (S)

Project Development Objectives:

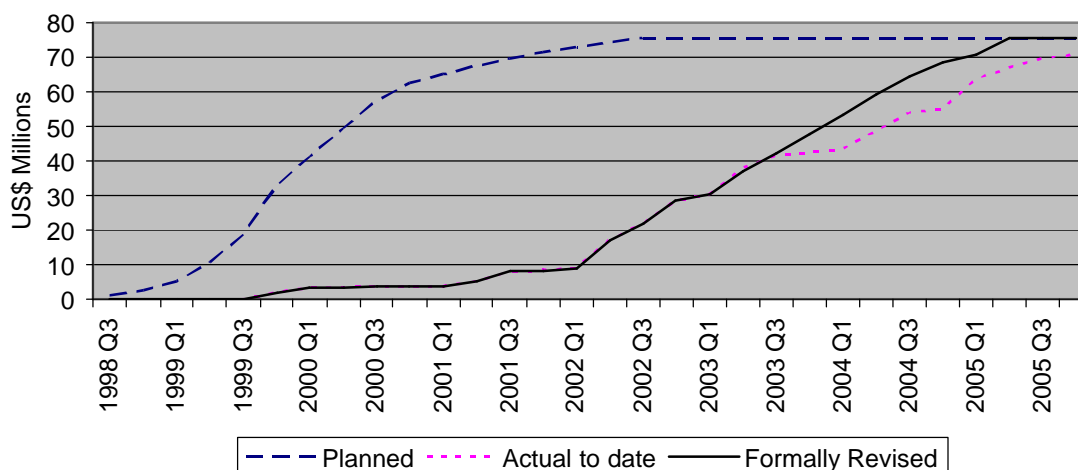
The objective is to enhance the electricity supply industry's ability to provide least-cost electricity in an efficient, sustainable manner to stimulate inclusive growth of the economy.

Progress toward achieving development objective(s):

Implementation is on track. The power transmission and distribution components have been completed on time, and under estimated costs, and progress continues on the rehabilitation of the power generating plants. Repowering of the power generating units to increase output to meet unexpected growth in demand from the mining sector has been incorporated in the rehabilitation works. Progress continues as planned on the implementation of the state-owned electricity company (ZESCO) commercialization. There are noticeable efficiency improvements in management, operations, and service delivery by ZESCO. The first two-phases of commercialization have been completed. A new National Energy Policy is also under preparation by the Government. Important accomplishments have been achieved on the implementation of the rehabilitation and development program for the displaced communities by the construction of the Kariba Dam, through rehabilitation and electrification of community clinics and schools, water supply, agricultural extension services, and the HIV/AIDS awareness campaign.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-30420	Effective	80.40	70.75	4.71	0.00
IDA-P9660	Closed	2.00	0.00	0.00	2.00



Project Name (ID): Technical Education Vocational and Entrepreneurship Training (P057167)

Country: Zambia

Board Approval Date: 06/14/2001

Midterm Review Date: 11/21/2003

Closing Date: 12/30/2006

Loan/Credit/Grant Number: IDA-35210, IDA-Q1810, IDA-Q1811

Sector(s): Vocational training (79%), Central government administration (20%), Health (1%)

Theme(s): Education for the knowledge economy (P), Improving labor markets (P), Gender (S), HIV/AIDS (S), Administrative and civil service reform (S)

Project Development Objectives:

The objective is to improve the training system by raising its quality and making it more sustainable, demand-responsive and equitable.

The Project was restructured during the 2005 Fiscal Year

The goals of the restructuring were to: (a) address implementation problems resulting from project design; and (b) to introduce dated covenants on important activities of the Program which were key to satisfactory implementation and achievement of the Project development objectives. These were achieved through: (a) amending Schedule 1 of the Development Credit Agreement (DCA) to reflect the dissolution of the Program Coordinating Office (PCO) following adoption of the recommendations of the Joint Review of November 2003--the PCO Office was diagnosed as a cause of some of the implementations problems; (b) introducing dated covenants for the operationalization of the TEVET Fund and amendment of the TEVET Act, both of which had missed the target dates agreed at appraisal; (c) introducing the TEVET Fund operations manual in the DCA, which would govern the operations of the TEVET Fund--as opposed to the mere reference of this in the Project implementation plan (PIP) and Project operations manual (POM); (d) revising the benchmarks in both the PIP and the POM to take into account that benchmarks that were agreed upon at appraisal had already been missed, and new ones had to be made for the proper monitoring of the Program; and (e) effecting a reallocation from the "Unallocated" category to the "Goods" category.

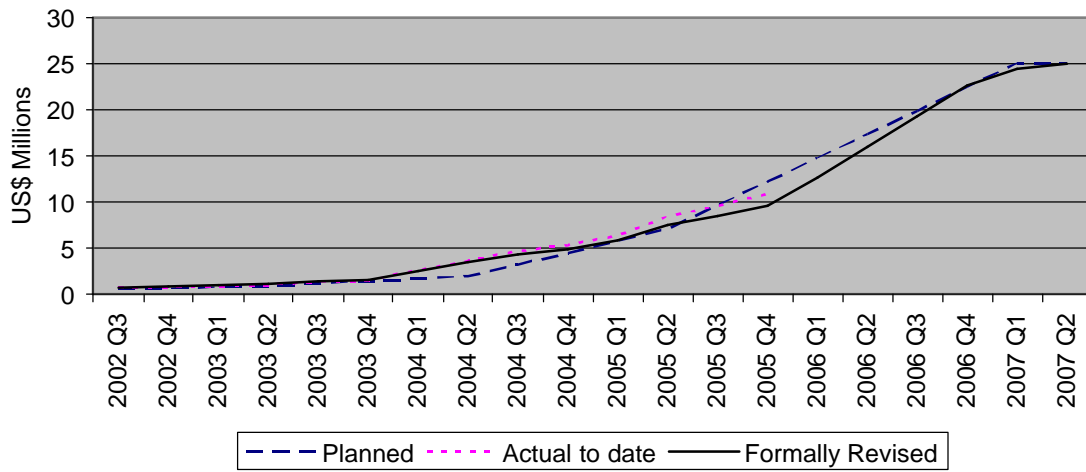
Progress toward achieving development objective(s):

Progress towards the objectives is difficult to ascertain because the monitoring and evaluation system has remained weak and has not been able to provide timely data on the indicators three years after Credit effectiveness. The TEVET Development Plan (TDP) has faced implementation problems as a result of poor program design and weaknesses in human capacities, especially in the Ministry of Science, Technology and Vocational Training (MSTVT). The restructuring done on April 18, 2005, and the revision of the Program Operations Manual and the Program Implementation Plan (2002-2006), have addressed some weaknesses related to the program design. The revision of the TEVET Act, and the good progress made by the Technical Education, Vocational and Entrepreneurship Training Authority toward operationalizing the TEVET fund, are important positive developments. But the constraints of human capacities and weak leadership, which lead to poor management, still remain. MSTVT and cooperating partners supporting the TDP, with the Ministry's collaboration, are making concerted efforts to address some of these weaknesses.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-35210	Effective	28.45	10.86	17.51	0.00
IDA-Q1810	Closed	0.22	0.00	0.00	0.22
IDA-Q1811	Closed	0.37	0.00	0.00	0.37

Status of Projects in Execution - FY05



Project Name (ID): Economic Management and Growth (P040631)
Country: Zambia
Board Approval Date: 12/14/2004
Closing Date: 12/31/2005
Loan/Credit/Grant Number: IDA-40090, JPN-26341
Sector(s): Central government administration (45%), General finance (20%), Compulsory pension and unemployment insurance (15%), General energy (10%), Telecommunications (10%)
Theme(s): Macroeconomic management (P), Public expenditure, financial management, and procurement (P), Regulation and competition policy (P), State enterprise/bank restructuring and privatization (S), Corporate governance (S)

Project Development Objectives:

The objectives of the credit are to improve Zambia's opportunities for growth and poverty reduction by measures that allow Zambia to: (i) return to a macroeconomic framework conducive to robust growth, (ii) strengthen the role of the financial sector, (iii) strengthen the credibility and institutional capacity of the public sector, and (iv) improve Zambia's business environment.

Progress toward achieving development objective(s):

Progress in achieving these objectives in part depends on the implementation of specific reforms in the areas of: (i) pensions and payment culture among Government agencies; (ii) state owned non-bank financial institutions; (iii) public expenditure management, debt management, and civil service reform; and (iv) private sector development including regulation of public utilities and private business. In each of these areas specific milestones have been met which allowed the first tranche to be released. Progress towards the release of the second tranche is progressing at a slower pace than initially expected. Good progress is being made in the areas of pensions and financial sector reform, while improvements in the areas of public expenditure management and civil service reform are lacking. Nevertheless, achieving the development objectives is possible before the project closes at the end of Calendar Year of 2005.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-40090	Effective	39.98	20.00	21.10	0.00
JPN-26341	Closed	0.23	0.23	0.00	0.00

Project Name (ID): Economic Recovery and Investment Promotion Technical Assistance (P040642)

Country: Zambia

Board Approval Date: 06/04/1996

Midterm Review Date: 02/16/1999

Closing Date: 09/30/2005

Loan/Credit/Grant Number: IDA-28750, IDA-28751, IDA-28752, IDA-P9240, IDA-P9241

Sector(s): Central government administration (68%), Mining and other extractive (30%), Law and justice (2%)

Theme(s): State enterprise/bank restructuring and privatization (P), Regulation and competition policy (P)

Project Development Objectives:

The development objective of the project is to reduce the fiscal deficit and improve the business climate by: (i) downsizing the parastatal sector; (ii) revitalize the mining sector by strengthening the capacity of the Ministry of Mines and Minerals Development; and (iii) promote private sector business by improving the Companies Act.

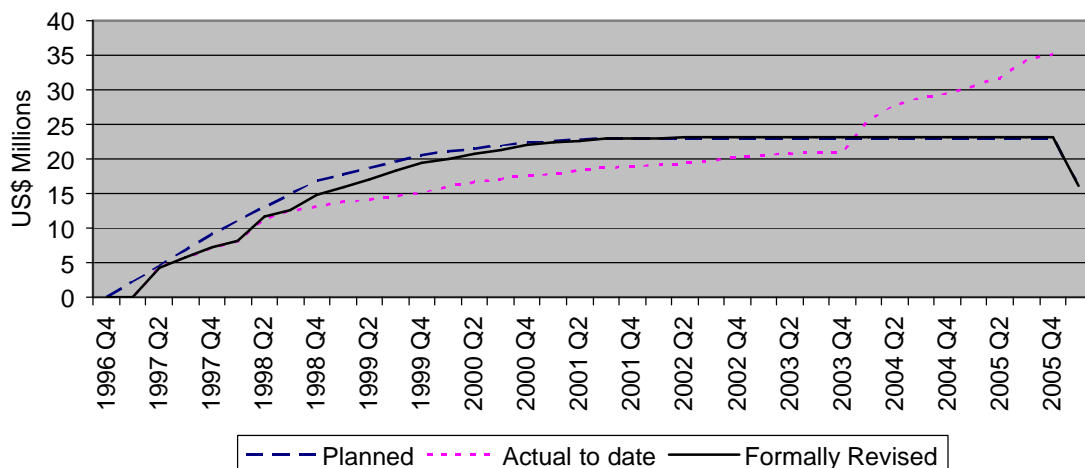
Progress toward achieving development objective(s):

Implementation progress has been clearly behind schedule and expectations. The operation's closing date is on September 30, 2005. An exit/handover strategy should be identified and agreed with government outlining how the remaining activities (i.e., Public Enterprises and utilities) will be completed once the project closes.

Implementing the Private Sector Development agenda has been slow and it is hoped that, by decentralizing an internationally recruited staff to the Zambia Country Office, much needed support will be provided to help move the agenda forward.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-28750	Effective	23.35	21.81	0.09	0.00
IDA-28751	Effective	8.17	3.10	5.13	0.00
IDA-28752	Effective	10.65	10.28	0.23	0.00
IDA-P9240	Closed	0.75	0.00	0.00	0.75
IDA-P9241	Closed	1.25	0.00	0.00	1.25



Project Name (ID): Social Investment Fund (P063584)

Country: Zambia

Board Approval Date: 05/25/2000

Midterm Review Date: 08/25/2003

Closing Date: 12/31/2005

Loan/Credit/Grant Number: IDA-33550, JPN-25764

Sector(s): Sub-national government administration (27%), General education (19%), Roads and highways (18%), Health (18%), General water, sanitation and flood protection (18%)

Theme(s): Participation and civic engagement (P), Rural services and infrastructure (P), Improving labor markets (P), HIV/AIDS (P), Poverty strategy, analysis, and monitoring (P)

Project Development Objectives:

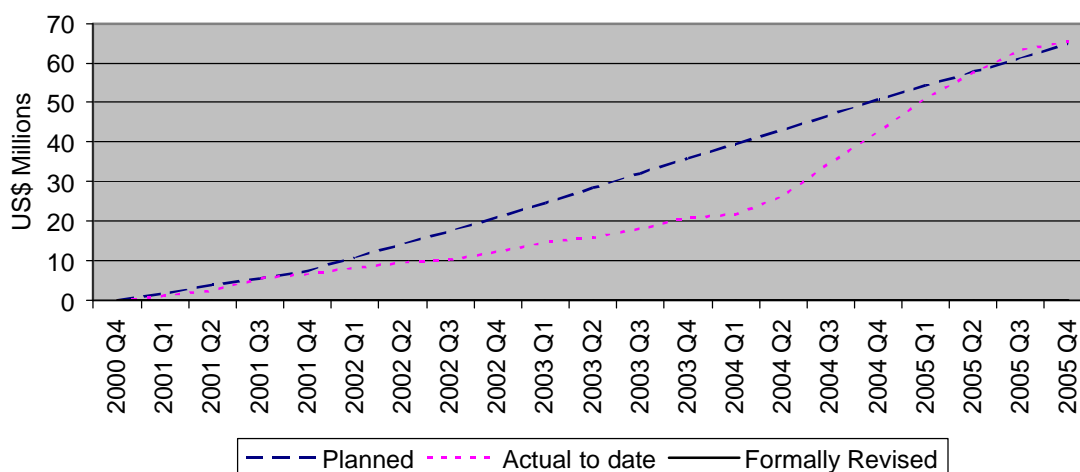
The objective is to achieve improved, expanded and sustainable use of services in a governance system where local government and communities would become mutually accountable.

Progress toward achieving development objective(s):

The Zambia Social Investment Fund (ZAMSIF) has been making significant progress toward achieving the Project development objective. Since the restructuring in August 2003, the introduction of results based management aimed at meeting output targets and benchmarks has improved performance and leveraged the Project's impact. With regard to implementation progress, ZAMSIF has approved to implement 554 community investment projects by the end-of-project (EoP) date, which is December 31, 2005. On the District Investment Fund (DIF), capacity building efforts have resulted in graduation of districts to higher levels of performance. Three districts are now in level 5, four districts are in level 4 and 9 districts are in level 3. A total of 64 DIF projects have been approved and are expected to be completed by EoP.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-33550	Effective	70.48	65.38	3.36	0.00
JPN-25764	Closed	0.40	0.39	0.00	0.01



Project Name (ID): Mine Township Services (P064064)

Country: Zambia

Board Approval Date: 06/20/2000

Midterm Review Date: 09/29/2003

Closing Date: 12/31/2005

Loan/Credit/Grant Number: IDA-33860, IDA-Q1840, IDA-Q1841

Sector(s): Water supply (46%), Sewerage (39%), Solid waste management (14%), Health (1%)

Theme(s): State enterprise/bank restructuring and privatization (P), Other urban development (P), Pollution management and environmental health (P), HIV/AIDS (S), Environmental policies and institutions (S)

Project Development Objectives:

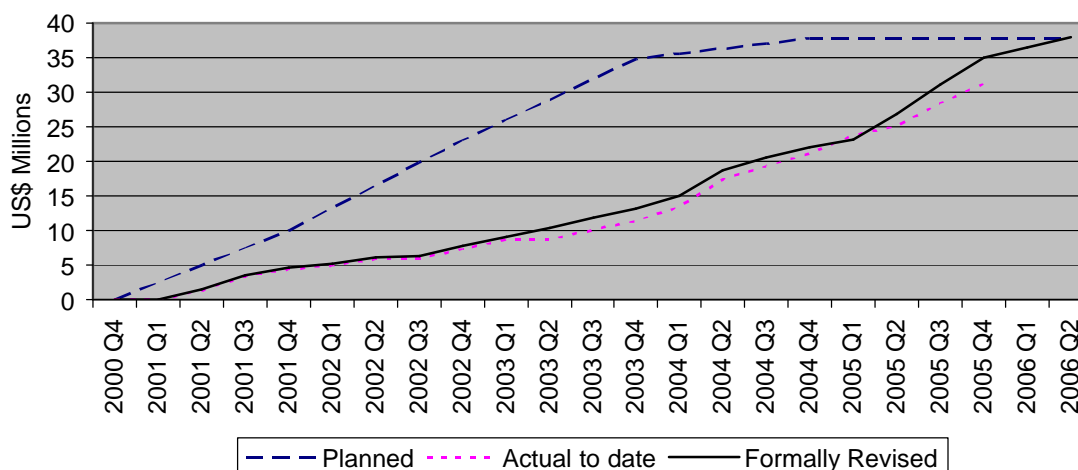
The objective is to facilitate completion of the privatization of Zambia Consolidated Copper Mines by supporting the provision of efficient and reliable water supply services, wastewater services and solid waste management in five mine townships.

Progress toward achieving development objective(s):

The project-supported management contract with an international private operator continues to provide reliable water supply services, waste water services and solid waste management in the five former mining townships. The majority of works to repair and rehabilitate selected assets has been completed with remaining works scheduled for completion before the project closes. A long term strategy for the management of water, wastewater and solid waste in the Copperbelt province has been developed and agreed with stakeholders. The project is expected to fully achieve its development objective.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-33860	Effective	41.15	31.21	8.71	0.00
IDA-Q1840	Closed	0.60	0.00	0.00	0.60
IDA-Q1841	Closed	1.40	0.00	0.00	1.40



Project Name (ID): Regional Trade Facilitation (P070122)

Country: Zambia

Board Approval Date: 04/03/2001

Closing Date: 06/30/2011

Loan/Credit/Grant Number: IDA-34930, IDA-Q2150

Sector(s): Non-compulsory pensions, insurance, and contractual savings (100%)

Theme(s): Regional integration (P), Trade facilitation and market access (P), International financial architecture (S), Export development and competitiveness (S)

Project Development Objectives:

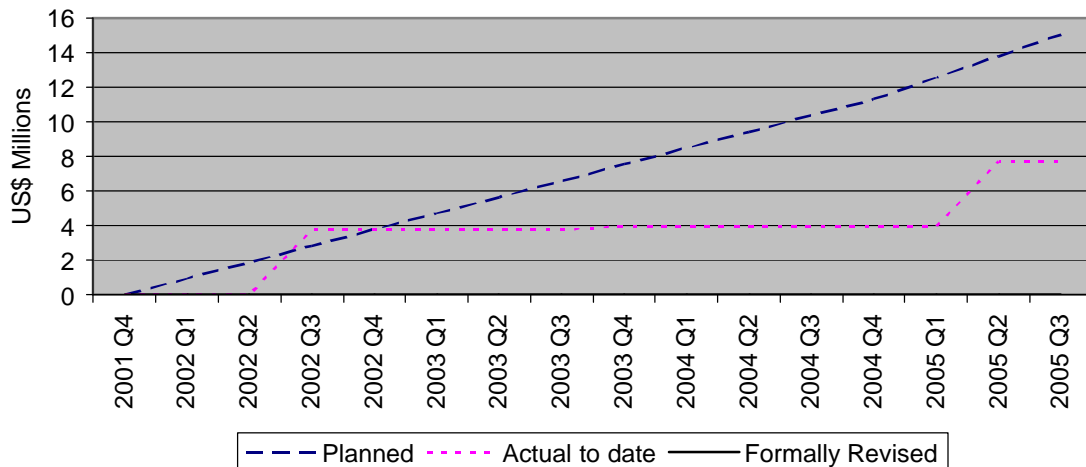
The objective is to contribute to poverty alleviation through private sector led growth in participating countries by improving access to financing for productive transactions and cross-border trade.

Progress toward achieving development objective(s):

Achievement of the overall development objective must be assessed in relation to progress registered in the other 9 country credits. After a delayed implementation due to a downturn in the insurance market and in the volume of trade flows to African countries, the restructuring of the product is showing results. The African Trade Insurance Agency (ATI), headquartered in Nairobi, Kenya, and supported by the project to manage the regional insurance facility, is rapidly building its credibility. Demand for ATI's product is picking up. Fourteen insurance policies and two renewals have been issued, including a renewal. Two transactions were concluded in Zambia (almost 50% of the credit is disbursed), financing the import of mining equipment, of which ATI will cover a portion in conjunction with AIG Europe. In the active pipeline, ATI has a credit insurance policy for the export of flowers and the purchase of railway equipment.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-34930	Effective	16.93	7.69	8.75	0.00
IDA-Q2150	Closed	0.19	0.00	0.00	0.19



Project Name (ID): Copperbelt Environment (P070962)

Country: Zambia

Board Approval Date: 03/20/2003

Closing Date: 08/01/2008

Loan/Credit/Grant Number: IDA-37410, IDA-H0260, IDA-Q2640, JPN-26418

Sector(s): Mining and other extractive (100%)

Theme(s): Environmental policies and institutions (P), Pollution management and environmental health (P)

Project Development Objectives:

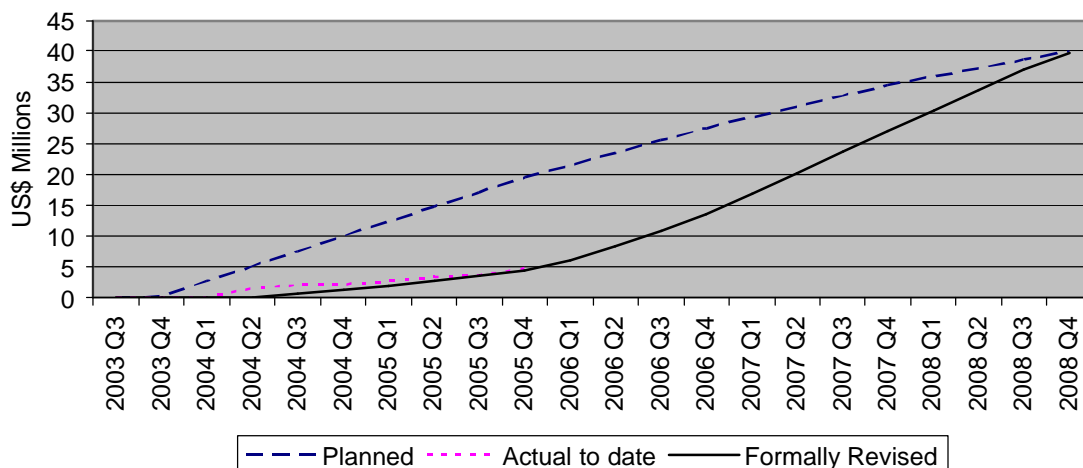
The objectives are to: (a) address the environmental liabilities associated with past mining activities and which are part of the government's responsibilities following the recent privatization of the mining assets; and (b) ensure that the mining sector complies with environmental and social regulations.

Progress toward achieving development objective(s):

The project is progressing well towards achieving the development objectives: (i) the project has made progress through the completion of two major studies regarding which remediation measures should be implemented: a) the consolidation of a comprehensive and long term environmental management plan for the entire Copperbelt Province and b) the Kabwe Scoping and Design Study aiming at designing remediation measures for a large lead contamination site involving about 50,000 persons; (ii) additionally, urgent remediation works, identified at project inception, are under implementation such as the resettlement of two communities located on subsidence zones resulting from older underground mining works, or the dredging of river segments clogged by tailings; (iii) particular emphasis continues to be successfully put on the development of participatory mechanisms for decision making and environmental management; (iv) regarding the improvement of environmental regulatory enforcement, the Environmental Council of Zambia, after a delayed start of the component activities, is now getting back on track.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-37410	Effective	20.57	1.29	19.25	0.00
IDA-H0260	Effective	22.62	3.39	19.28	0.00
IDA-Q2640	Closed	0.60	0.00	0.00	0.60
JPN-26418	Closed	0.80	0.50	0.00	0.30



Project Name (ID): Support for Economic Expansion and Diversification (P071407)

Country: Zambia

Board Approval Date: 07/29/2004

Closing Date: 11/30/2009

Loan/Credit/Grant Number: IDA-39660, IDA-Q3000, IDA-Q3410, JPN-26797

Sector(s): Other industry (50%), Central government administration (15%), Agro-industry (15%), Mining and other extractive (15%), General agriculture, fishing, and forestry (5%)

Theme(s): Rural markets (P), Export development and competitiveness (P), Biodiversity (S), Other financial and private sector development (S), Infrastructure services for private sector development (S)

Project Development Objectives:

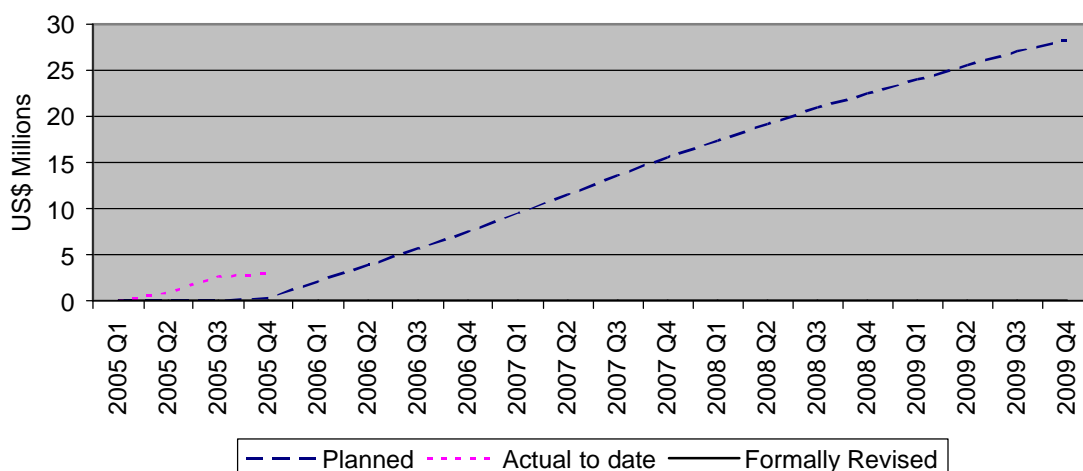
The objective is to reduce the vulnerability of the Zambian economy to shocks by supporting the diversification of its sources of growth (tourism, mining, agribusiness).

Progress toward achieving development objective(s):

The project became effective in the latter part of the reporting period and was still in too early a stage for meaningful progress.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-39660	Effective	28.02	2.92	25.23	0.00
IDA-Q3000	Closed	1.11	0.00	0.00	1.11
IDA-Q3410	Closed	0.90	0.00	0.00	0.90
JPN-26797	Closed	0.44	0.20	0.23	0.00



Project Name (ID): Road Rehabilitation and Maintenance (P071985)

Country: Zambia

Board Approval Date: 03/09/2004

Closing Date: 06/30/2007

Loan/Credit/Grant Number: IDA-38660

Sector(s): Roads and highways (90%), Central government administration (7%), Sub-national government administration (2%), Ports, waterways, and shipping (1%)

Theme(s): Infrastructure services for private sector development (P), Rural services and infrastructure (P), Administrative and civil service reform (P), Participation and civic engagement (S), HIV/AIDS (S)

Project Development Objectives:

The objectives of the project are: (a) The preservation of the public core road network in support of sustainable economic growth and diversification; (b) The development and maintenance of institutional capacity for the efficient, equitable and financially sustainable management of the public road infrastructure and road safety; (c) The extension of urban and rural transport infrastructure and services for increased accessibility, and; (d) The extension of local community involvement in the management of selective road infrastructure as well as the prioritization of investments

Progress toward achieving development objective(s):

- (a) All three major road rehabilitation contracts have either been awarded or are close to being awarded while the field work for the 2005 road network condition assessment has already been completed.
- (b) The three new road Agencies were established and recruitment of all vacancies is currently under way. This will lead to improved management and institutional capacity.
- (c) A road reclassification study will be under way soon to determine the extent and address the need for improved and increased accessibility.
- (d) The new Roads Development Agency included local community participation as a core principle in deciding on rural road priorities. The implementation of this decision will be monitored regularly.

The new Roads Development Agency is taking responsibility for managing the complete road network inclusive of allowing local community involvement in the management of and prioritization of investments on rural roads.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-38660	Effective	48.88	5.57	43.44	0.00

Status of Projects in Execution - FY05

