



**United States Department of State
and the Broadcasting Board of Governors
Office of Inspector General**

Inspection of Embassy Lusaka, Zambia



Embassy Lusaka

The embassy has good leadership and has rapidly expanded its activities under the President's Emergency Plan for AIDS Relief (PEPFAR). Interagency coordination on this health crisis is exceptional, and a collegial approach characterizes the U.S. agencies involved in supporting the mission's goals.

However, Office of Inspector General (OIG) also determined that the budgets for operational support at Embassy Lusaka have not kept pace with the surge in program resources flowing into Zambia. The embassy appears to be nearing a point when it will be unable to do more with less. Without increases in its operating budgets, the embassy will inevitably need to reject additional programming so as not to eliminate current activities.

Morale among the American staff is high, but morale among the Foreign Service national (FSN) staff is poor to fair. Both management and the FSN committee have made efforts to initiate effective communication, and FSNs have communicated their concerns on their conditions of service.

The absence of a human resources officer position at the embassy exacerbates the problems of communication between management and the FSNs. Regional support from Embassy Harare has been limited, and several key personnel issues - such as agreeing on a pension plan, updating the FSN handbook, and implementing job evaluations - require immediate attention. The embassy has requested the Department to urgently establish and fill a human resources position, and OIG supports this request.

Management has worked closely with the Department to identify and purchase land for a new embassy compound that will house almost all U.S. agencies in Zambia. This process is on track, but must involve an embassy effort to eliminate duplicative administrative services. OIG recommended that management, in coordination with the U.S. Agency for International Development (USAID) implement immediately a joint housing pool and combined warehouse.

Despite its location some distance from the chancery, the public affairs section (PAS) is integrated into the mission, but its well-funded and active programs would have more impact were the PAS and embassy to target them more strategically. The political/economic section is one of the strongest sections of any political/economic section OIG has inspected.

OIG Report ISP-I-05-39A, Inspection of Embassy Lusaka, Zambia

The fieldwork for this report was conducted by the Office of Inspections in Lusaka between May 16 and 27, 2005. This is an unclassified summary of a full report, which receives limited official distribution. This report summary, and the inspection report, reflects the conditions at post during the period of the fieldwork.

Background



Map of Zambia

In a pluralistic and relatively stable political environment where no presidential elections are due until 2006, the Zambian government works to reverse the economic decline that characterized the country over many years. Although the economy has grown for six consecutive years, the majority of Zambians work in subsistence agriculture, and the government focuses its anti-poverty efforts on supporting farmers. Agriculture, however, accounts for only some 15 percent of the nation's gross domestic product. The spike in economic performance in Zambia is more tied to growth in copper mining, with privatization of major, formerly state-owned, mining companies beginning in 2000 and new interest in foreign direct investment in the sector. Although mining is down from its peak performance of decades ago, the sector is again Zambia's biggest export earner.

Given Zambia's heavy dependence on credits and financial assistance from bilateral donors and international financial institutions, policymakers there are closely attuned to the views and prescriptions of such organizations as the International Monetary Fund. In 2004, the Fund approved a three-year, poverty reduction and economic growth facility that is setting tight parameters on Zambia's economic performance. The program's chief goal is fiscal consolidation, and it is reducing non-priority spending and holding government wages steady. The program aims to redirect expenditures to education and health care, including the campaign against HIV/AIDS, and to reduce Zambia's hefty fiscal deficit.

Relations between the United States and Zambia are good. Although frictions surface occasionally, links between the countries are expanding. The United States has four principal strategic goals for its bilateral ties with Zambia: improving the country's dangerous health situation; strengthening democratic institutions, including the government's anti-corruption drive; fostering economic growth and development; and ensuring effective cooperation in counterterrorism. The Department of State and other U.S. agencies, including the Centers for Disease Control and Prevention, USAID, and the Peace Corps, are furthering these goals. Funding under PEPFAR will reach nearly \$133 million this year.

The embassy's democracy and governance team is supporting Zambian government's initiatives to improve governance, strengthen human rights protections, and root out endemic corruption. The pace of reform is slow, and measurable outcomes are few, but the embassy believes that U.S. engagement has helped avoid derailment of the anti-corruption drive and has encouraged parliamentary reform. The current focus is on the 2006 presidential elections.

The embassy has effectively helped Zambia move toward an open, free-market economy and the U.S. Treasury is providing Zambia with technical assistance and training to support anticorruption activities and will soon add programs on debt management and banking supervision.

Office of Inspector General

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