

**PART I : Evaluation Report**  
**Governance: Enhanced Local Governance for Poverty Reduction**  
**Project Number: ZAM/02/002/01/99/A**

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# 1. The context – History of local service delivery in Zambia

## 1.1 The history of decentralisation since independence (1964-early 1990s)

At independence, Zambia inherited a dual system of service delivery whereby an elected council, with an executive secretary as head of its administrative arm, existed next to relatively independent line-departments with their own reporting lines to the respective parent ministries. However, as in other countries under British colonial rule, at independence and also during the 1960s, the Local Authorities played an important role in service delivery also for the sector like e.g. health and education.

Nevertheless, over the years, the role of the Local Authority has changed a number of times, in some cases quite dramatically<sup>1</sup>. These changes were normally induced by reasons of efficiency and effectiveness, as well as political considerations. Initially, and although probably sub-optimal in terms of efficiency, the system was clear in that the Council secretary, answerable to Council, was the head of the administrative arm of Council, while the District Commissioner, as a civil servant representing Central Government, was responsible for the coordination of the activities of the CG-line-ministries.

This changed in 1967/68, when next to the District Commissioner, then called District Secretary, a District Governor was appointed as the political head of the District who chaired the District Development Committee that had in fact two secretaries, i.e. a District Secretary for the Central Government agencies and a Council Secretary for the Local Authority. Under the new set-up, political interference increased, while the standing of the District Secretary and his/her power to effectively coordinate the line ministries decreased.

During the 1980s, the administration became further intermingled with the one-party structure as (in 1980) the Party-appointed District Governor became the head of the Council, while council elections were abolished in favor of party elections, which *de facto* meant that local governments ceased to exist. Meanwhile, the functions of the District Secretary and the Council Secretary were merged under the position of District Executive Secretary.

With the introduction of multi-party democracy in 1991, the entire set-up changed once again. Councils were re-established and the Local Council appointed Council Secretary (or, for urban areas Town Clerk), became both the head of the council administration as well as the coordinator of the sector ministries in the District. In order to strengthen the coordinating role, District Development Coordinating Committees (DDCC) were established in 1995.

As Central Government realized that no ruling coalition representative was present at the District level anymore (which was especially felt as a disadvantage in opposition ruled Councils), the position of District Administrators, later re-labeled District Commissioners, was re-introduced in 2000. This strengthened again the dual or rather multiple system of service delivery. While the District Commissioner, seen as political appointees of Central Government, became chair of the DDCC, most heads of line ministry departments reported directly to their parent Ministry. Meanwhile, the Local Authorities were basically back on their own, with little human and financial resources and no formal oversight function in the business of the public sector as far as delivered through the line ministries.

## 1.2 Public Sector Reforms since the early 1990s

In the early 1990s, after the first multi-party elections and change in political leadership, the Government of the Republic of Zambia started an ambitious programme of Public Sector Reforms, carried out under the umbrella of the Public Sector Reform Programme (PSRP) launched in 1993, that had three main pillars as follows:

- § Restructuring (and 'rightsizing') of Central Ministries;
- § Performance enhancement for the restructured institutions; and
- § Decentralisation

Meanwhile, some of the sector Ministries, notably health and education, started sector reforms, reflected in the respective sector policies published in the early 1990s.

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<sup>1</sup> The Decentralisation Policy document provides a nice overview of these changes over time.

More recently, the PSRP was re-formulated under three distinct components as follows:

- § Public Service Management (PSM), implemented by Cabinet Office under the Management Development Division (MDD)
- § Public Expenditure Management and Financial Accountability (PEMFA), implemented by the Ministry of Finance; and
- § Decentralisation.

The 'PSRP-II' is funded by various donors including World Bank, DfID, Danida amongst others, but only for the first two components. There is, however, increased awareness that restructuring at the national level under the PSM can not be done without a close linkage to the third pillar of the PSRP, i.e. the pillar of decentralisation as the latter, obviously, has an important implication for the future role, functions and tasks of the central sector ministries.

Other important policies that reflect Government intentions are the National Capacity Building Programme for Good Governance (NCBPGG), published in 2000, and the Poverty Reduction Strategy Paper (PRSP) 2002-2004, that was published in May 2002.

Under the PRSP, it was decided that the Government of Zambia, would, from all the steps and actions listed in the NCBPGG, focus on three key objectives, formulated as follows <sup>2</sup>:

- § The need to have regular and wider consultations between government and citizenry, in the same document also translated as 'decentralisation' <sup>3</sup>;
- § The need to ensure efficient, equitable, and transparent management of scarce public resources; and
- § Guaranteed justice.

In November 2002, the **National Decentralisation Policy** '*Towards Empowering the People*' was adopted by Cabinet, but it was not officially launched till August 2004. The Policy document provides a historic overview of the various stages of public sector service delivery at the sub-national level (see para 1.1 above). Based on the various experiences, it identifies the need for decentralisation, as it states <sup>4</sup> that '*the objective of decentralisation stems from the need for the citizenry to exercise control over its local affairs and foster meaningful development which requires that some degree of authority is decentralized to provincial, district and sub-district levels as well as councils*'. The document continues to evaluate various type of decentralisation, including delegation, de-concentration and devolution to come to the conclusion that while '*delegation and de-concentration can pursue the objective of technical efficiency leading to greater effectiveness, these forms of decentralisation can not effectively enhance the system of decentralized administration [and] consequently, popular participation may not be realized [...]. Decentralisation through devolution would be the most effective as it ensures technical efficiency and effectiveness in service delivery and enhances popular participation*'.

As is clear from these quotes, the policy unambiguously opts for decentralization of public sector service delivery through devolution, which means a transfer of authority, functions and responsibilities to lower levels of government. The Policy finally lists a number of expected benefits from the devolved systems of decentralisation, if properly implemented, such as:

- § Improved responsiveness of Government, as local representatives are best placed to articulate local needs, and how they can be best implemented in a cost effective manner;
- § Enhanced horizontal and downward accountability, as local political leaders will exercise oversight on the administration while they themselves will be held accountable by the population which is more likely to hold a local councillor accountable than a distant member of parliament.
- § Increased motivation of staff, as they will get, under the oversight the Council, greater responsibility for the activities they implement as these will become more area specific, rather than based on national blue prints.
- § Political stability, as it allows active participation of local people in development activities and in politics, which (again if properly implemented) will strengthen democratic accountability.

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<sup>2</sup> Zambia, Poverty Reduction Strategy Paper 2002-2004, page 35

<sup>3</sup> Ibid, page xi

<sup>4</sup> The National Decentralisation Policy, November 2002, pages 6-7

### Text box 1 : Definitions

**Decentralisation** is a broad concept and the definition as well as the interpretation varies across countries and across actors within countries. In general terms, decentralisation can be described as “the transfer of authority to plan, make decisions or manage public functions from the national level to any organisation or agency at the sub-national level”<sup>5</sup>. In effect, decentralisation is a gradual process and involves, within an appropriate legal framework, various components, like political decentralisation, administrative decentralisation and fiscal decentralisation.

§ *Political decentralisation* relates to the transfer of functions or authority from central levels of government to local institutions that are governed by local *political representation*.

§ *Administrative decentralisation* refers to the de-linking of local authority staff from their respective ministries and bringing them under the control of the local authority; which includes procedures for establishing a local pay-roll.<sup>6</sup>

§ *Fiscal decentralisation* relates to the transfer of functions or authority from central levels of government to local institutions regarding local decision making on the allocation of financial resources (i.e. financial discretionary powers) and the powers to levy local taxes.

When discussing decentralisation, it is important to clearly distinguish models of **de-concentration**, whereby resources (such as civil service staff and budgetary funds) are merely delegated and reallocated from central government to a lower administrative unit (e.g. a district), but whereby the final decision-making authority remains with the central government (and local staff answer to their upstream superiors); and models of **devolution**, whereby *political functions* are transferred to lower levels and decisions are made locally, amongst others with regard to staffing and budgetary allocations.

Over the last few years, and this is also of importance in relation to the PRSP, the relation between poverty reduction and decentralisation has received increased attention<sup>7</sup>. Various studies suggest that the linkage –as depicted in Figure 1- is not automatic, but only valid if some conditions are met, including, amongst others<sup>8</sup>:

- § political commitment at the national level towards the process of decentralisation;
- § availability of financial resources at the local level, in order for local institutions (be it District Councils or Area Development Committees) to have resources to plan for, as planning is of little use if plans can not be implemented;
- § human capacity at the local level, both in terms of administrative staff and elected leaders; and
- § the functioning of accountability mechanisms at both the national and the local level, which includes flow of adequate information, proper participation mechanisms and civil society involvement.

It is encouraging to note that the Decentralisation Policy clearly is taking into account both the political and the economic dimension of decentralisation, while it is very much aware of the possible pitfalls. As far as the political will is concerned, however, there is some reason for concern, illustrated by the fact that although the Policy is reasonably clear, it took two years for it to be launched. In the same vein of argument, the nomination of District Commissioners, in 2000, which was in effect a regression vis-à-vis the direction now indicated in the Policy and the fact that since then nothing has been done to rectify the situation, seems to indicate that there is political cold water fear.

<sup>5</sup> Mills, A, (1990:89), as quoted by Schou and Steffensen in ‘DAC Network on Development Evaluation, Synthesis Study on Supporting Decentralisation and Local Governance – Lessons learnt, good practices and emerging issues’, DCC/DAC/EV(2003)3/REV1, 2003.

<sup>6</sup> Sometimes, *administrative decentralisation* is also used to describe less far reaching models of decentralisation, including the delegation of tasks or transfer of authority from central government to local “branches” of central government, i.e. delegation of tasks to local institutions that are not governed by any local political representation.

<sup>7</sup> See for example :

\* Bossuyt J. and J. Gould, 2000, Decentralisation and Poverty Reduction: Elaborating the Linkages (Policy Management Brief No. 12), Maastricht; ECDPM

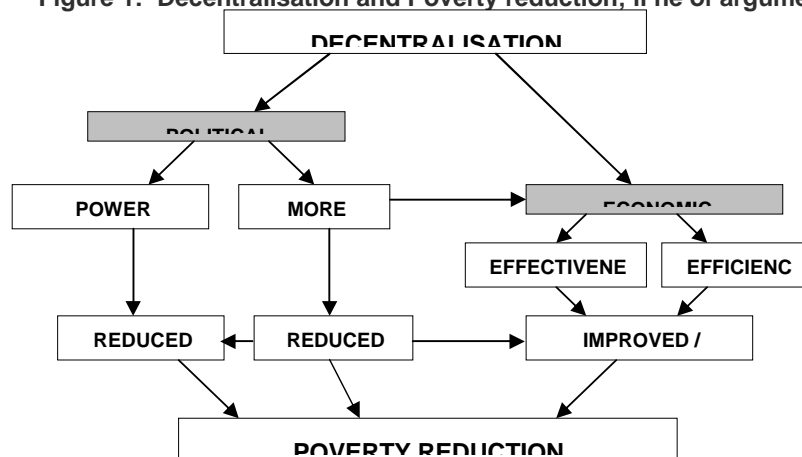
\* Francis Paul and Robert James, Balancing Rural Poverty Reduction and Citizen Participation: the Contradictions of Uganda’s Decentralisation Program, University of East Anglia, UK, in World Development, Vol 31 No2, 2003

\* Crook, Richard C., Decentralisation and poverty reduction in Africa: the politics of local-central relations, IDS/University of Sussex, Brighton, UK, undated

\* Jütting et. al., Decentralisation and Poverty in Developing Countries: exploring the impact, OECD Development Centre, Working Paper No. 236, August 2004

<sup>8</sup> See Crook and Jütting et. al.

Figure 1: Decentralisation and Poverty reduction; line of argumentation



**Source:** Joint Annual Review of Decentralisation 2004, Government of Uganda; Modified from Jütting et. al.

**Note :** The picture shows that political (or democratic) decentralisation is expected to offer citizens, including the poor, the possibility of increased participation in local decision making processes, from which they have generally been excluded, and which will provide them, it is expected, with better access to services. At the same time, and still in the line of the political argument, decentralisation is believed to offer a way of sharing power more widely within a country, among regions and among various ethnic groups, thereby providing grounds for political consensus and stability. Overall, a stabilized political system offers a better foundation for poor to improve their lives.

Increased local participation also leads on to the economic argument, whereby, following the principle of *subsidiarity*, local involvement in decision making and supervision is expected to reap both allocation (though better targeting, and better response to priority needs) as well as efficiency gains (through better tuning to local circumstances and increased governance and accountability). Hence, decentralisation is expected to enhance both the *effectiveness* and the *efficiency* in the use of public funds. Firstly, because when immediate beneficiaries (either directly or through representation) are involved in planning for allocation of public resources, the activities are likely to better suit local needs and priorities as compared to a situation where the CG plans and delivers on their behalf – hence it will increase effectiveness. Secondly, decentralisation has the potential to increase efficiency with regard to the use of public funds mainly through *improved governance* partly as a result of increased ownership, partly as a result of better fine-tuning to local circumstances, and partly as a result of increased and more direct mechanisms of accountability.

### 1.3 Present situation – Institutional disorder at the local level

The problems with regard to service delivery at the local level are well known, and include amongst others:

- § The dual, or even multiple systems of service delivery if one also takes in to account the constituency funds and the various projects, in the absence of one authoritative forum for coordinated planning and implementation.
- § The ambiguous relationship between DDCC and Council (as a committee of Councillors that is the supreme body of Council), due to the fact that the DDCC has two different functions, and the fact that it is chaired by the District Commissioner. On the one hand, the DDCC is a management meeting of Heads of Departments that are answerable to the Council Secretary and/or the District Commissioner, for which latter case, these HoDs are also answerable to their own line-ministry. On the other hand, due to its wider membership, the DDCC is a consultative forum that includes representatives of the private sector and the civil society sector, who are, for their performance neither answerable to the Council Secretary nor the District Commissioner.

- § Similarly, the relationship between the District Education Board or the District Health Board and the Council is also unclear. Officially, the said Boards can, within the discretion as provided by the respective line ministries, make decisions on the allocation of certain resources. As such, the board can take decisions that need to be followed by the Head of the Department, who is secretary to the Board. However, as is the case for health, Heads of Departments for Social Welfare and Community Development are part of the District Health Board – and are, formally in a position to ‘co-command’ their colleague at the same level, which seems not appropriate. Furthermore, it is not clear whether the District Council can overrule decisions by e.g. the Health Board – both being organs that are based on elected membership.
- § The lack of a uniform administrative structure between the ward and the village, whereby various sectors have made their own arrangements. Generally, villages are too small to serve as a unit of service delivery. For the selection of the members of the Area or Ward Development Committee the MoLGH is working with zones composed of a number of villages, members for the Health neighborhood committees are also selected on the basis of zones, which are differently composed (i.e. different clustering of villages); same for education where zones reflect a school catchment area. Also for community development and social welfare, zones are used which are not necessarily the same as any of the zone aforementioned. Finally, agriculture works with groups of villages under the name of ‘blocks’.
- § In peri-urban areas there is overlap and un-clarity in the roles of the Resident Development Committees (RDC), found in urban and peri-urban areas, and the Area Development Committees, at ward level, in cases where wards cover both rural as well as peri-urban areas. An RDC is divided into zones. So is the ward, where zones are the geographical unit to elect members of the ADC, but these zones for the ADC are not necessarily the same as the areas covered by an RDC. Apparently, there is need to clearly distinguish between -urban areas and rural areas, and sort out the ambiguity in peri-urban areas.
- § Ambiguity in the division of tasks and mandates between the District Commissioner and the Council Secretary (or Town Clerk) with regard to key departments such as (primary) health care, (primary) education, environment (water) and works. Heads of said departments are first and foremost answerable to their respective sector ministry. Yet, they are all member of a DDCC which is chaired by the District Commissioner and for which the Council Secretary is the secretary. Then, in many cases, decisions of the DDCC are said to be brought forward, via the District Secretary, to the Council for approval – but neither the Council nor the secretary have any official leverage on the aforementioned Heads of Departments, neither in administrative nor financial terms, hence do not have power to enforce their decision.
- § Lack of appreciation and understanding of the fact that councillors and board members (such as for the health board and the education board) in fact have an oversight role to play on the staff for which they need information to be provided by the administration (staff). In many cases, Heads of Departments (and District Commissioners for that matter) rather see the Council and the Boards as ‘sounding boards’, as well as channels through which some information can be passed, but not as the ‘ultimate decision making body’.
- § The vicious circle of limited resources, leading to restricted possibilities to provide a meaningful range of services, which is detrimental for their image and level of service delivery – and which easily leads to a further reduction in resources. The lack of resources greatly reduces the meaning of the planning functions of LAs. The same holds for sub-district level, where Area Development Committees have little resources to plan for, which reduces the incentive to become fully operational.

It is very clear, that the way in which services delivery is organized at the local level needs re - dressing. As far as the administration (staff; civil service) is concerned, there is need for clear and unambiguous lines of (horizontal and vertical) accountability, so it becomes clear who can hold who accountable for what.

As indicated in the PRSP and the Decentralisation Policy, a political choice has been made, on the basis of popular request, for a system of decentralization through devolution, which

means that, for selected services, the District Council will become the highest decision making body, yet within the framework of policies and guidelines set out by the respective sector Ministries. This choice and the popular support for it was once more confirmed during the constitutional review consultations.

Most people consulted during the evaluation, at various levels and positions, indicated that there is urgent need to move from talking about decentralisation to implementation of it. Several sector ministries, such as health and education, and to a lesser extent agriculture, have meanwhile implemented far reaching reforms that include elements of decentralisation, up to certain levels of devolution as is the case in health, e.g. Katete district, where the district health board, which in principle has a say on the allocation of resources (see above), is composed of elected representatives. Despite the Decentralisation Policy being launched, the overall process of decentralization, however, has largely stalled. While the Government has not been very firm in its pronouncements and actions vis-à-vis decentralisation, the administration –as we will see below when discussing the Decentralisation Secretariat - did not have the muscle to convince and/or lead the path.

## 1.4 Recent developments

Recently, a Draft of the Decentralisation Implementation Plan (DIP) was presented to donors and to the line ministries (see 2.4.2). At the moment, the preparation of the fifth National Development Plan (2006-2011) is ongoing, and will include a chapter on decentralisation, partly based on the draft DIP, while all Sector Ministries have been requested to align their chapters in the NDP with the decentralisation policy. Districts have been requested to prepare district plans, which, is the intention, should be funded through CG grants to LAs.

The issue of decentralisation was also part of the debate on the Draft Constitution of the Republic of Zambia, as published in June 2005 by the Constitution Review Commission. The draft expresses that the State shall be guided by the principle of devolution (art 10a), with the District as principle unit of devolution (Art 237), while it proposes that devolution of functions, powers and responsibilities to provinces, districts and sub districts will be described by an act of Parliament. Also, the functions of district and urban councils will be subject to an Act of Parliament (see Text box 2).

### **Text box 2: Functions of District Councils according to the draft Constitution (June 2005)**

Art 236(4): The principal role of a district council is to issue by -laws and recommend local Bills for enactment by Parliament.

Art 238 (2): Parliament shall enact legislation to prescribe the functions of district councils which shall include -

- a) the preparation of comprehensive development plans for the district for submission to the provincial administration;
- b) the formulation and execution of plans, programmes and strategies for the effective mobilisation of resources for development of the district;
- c) the issuance of by-laws, within its jurisdiction, and recommending or initiating local Bills for enactment by Parliament for the performance of the functions of the district council;
- d) co-ordinating the functions of the wards and other sub -district structures within the district;
- e) providing organized fora through which the people in the district can participate in the formulation of proposals for local Bills, budget submissions, development programmes and district council by - laws;
- f) levying and collection of prescribed taxes, rates, duties and fees;
- g) developing measures for the protection of natural resources and the environment;
- h) development and maintenance of infrastructure;
- i) the supply of water and the provision of sanitation;
- j) disaster management;
- k) the co-ordination of the decentralized structures relating to health and education;
- l) the regulation of trade and business;
- m) the provision of agriculture extension services;
- n) provision of community policing and prison facilities;
- o) preparation of progress reports for the district; and
- p) any other functions as provided by an Act of Parliament.

The list of functions in the draft constitution, derived from the list provided in the Decentralisation Policy, is a major improvement as compared to the long list of 63 functions as described in the Local Government Act (LGA No 22, No. 1991, most recently amended through Act No. 30 of 1995), which describes all kinds of functions a LA may conduct, including functions that are less relevant or realistic (such as the provision to provide for swimming pools, zoos etc), without giving the LAs the *obligation* to deliver certain services for which they have become mandated.

It appears a missed opportunity though that the draft constitution did not list the described functions as key service delivery *obligations* of LAs, while also the list (see text box 2) seems to mix service delivery mandates with administrative requirements such as making plans and providing accountability. There is need to clearly bring out what service delivery obligations are expected to be allocated to LAs and what tasks the discharge of such functions would entail (see Text box 3).

**Text box 3: Alternative formulation for Functions of District Councils bringing out the proposed Service Delivery Obligations**

**Social Service delivery *obligations* of Local Authorities:**

1. to provide primary and basic education
2. to provide primary health care services
3. to provide water supply and sanitation (incl. garbage collection and waste disposal) ;

**Other service delivery *obligations* for LAs, including those to stimulate economic development**

4. to provide agriculture extension services;
5. to take measures for the protection of natural resources and the environment;
6. to develop and maintain (feeder road and urban road) infrastructure (incl. e.g. street lighting);
7. to provide for physical planning, zoning and allocation of land and land use;
8. to regulate trade and business (trade and business licensing);
9. to create an enabling environment for economic development;
10. to coordinate disaster management; and
11. to facilitate traditional courts and to provide community policing and prison facilities.

**Tasks of Local Councils** (related to the discharge of the above Service Delivery obligations) :

- a) providing organised fora through which people in the district can participate in the formulation of proposals for local Bills, budget submissions, development programs and district council by-laws;
- b) the preparation of comprehensive development plans for the district for submission to the provincial administration;
- c) the issuance of by-laws, within its jurisdiction, and recommending or initiating local Bills for enactment by Parliament for the performance of the functions of the district council;
- d) co-ordinating the functions of the wards and other sub-district structures within the district;
- e) the formulation and execution of plans, programmes and strategies for the effective mobilisation of resources for development of the district;
- f) levying and collection of prescribed taxes, rates, duties and fees;
- g) preparation of progress reports for the district

In its recent reaction to the Draft Constitution<sup>9</sup>, the Government indicated with regard to the articles relating to Local Authorities that it would only wish to see the basic principles of devolution expressed in the Constitution and that all further details, including an indicative list of functions, staffing arrangements and election of Council would become subject of legislation by Parliament. This would mean that various steps in the process of decentralisation will need to pass through Parliament, which has the advantage that it will be broadly supported once passed, but have the disadvantage that it may be slow.

<sup>9</sup> Republic of Zambia, *Government Reaction to the Constitution Review Commission (CRC) Draft Constitution*, 31<sup>st</sup> October 2005



## 2. The support programme of UNDP assessed

### 2.1 Background and Brief Description of the Project

The project, officially called '*Governance: Enhanced Local Governance for Poverty Reduction (ZAM/02/002/01/99/A)*' was formulated, in 2002, as part of the Second Country Cooperation Framework. It was meant as a follow-up of two UNDP/UNCDF funded projects implemented in the Eastern Province under the first Country Assistance Framework, i.e. the District Development Programme (DDP) and the Feeder Road Programme (FRP), with the objective to nationally up-scale the lessons learnt from both pilot programmes.

A first draft project document (PD) was produced by consultants hired by UNDP, but the quality of the work delivered was considered insufficient, after which UNDP staff finalized the document that was signed on 21/11/2002, just days after the Government approved the Decentralisation Policy on 18/11/2002.

The signed Project Document literally states as **intended outcome** of the project '*Local authorities and communities in rural and urban areas are involved in planning and management, including the provision of public services*'. This, we understand to mean that the local authorities, and through them the local population, would get increasingly involved, directly or indirectly, in the planning and management of public sector activities at the district and sub-district level.

The **outcome indicator** is formulated as '*Existence of institutionalized mechanisms for regular consultation between the Local Government and Civil Society Organisations on economic and social policies and programmes*'.

Regarding **partnership and donor coordination**, the document states that '*the strategy is to collaborate with both bilateral and multilateral donors to strengthen the capacity of local communities to effectively participate in the decision making processes, [whereby] UNDP will provide the resources for capacity building for policy and regulatory frameworks*'.

Some remarks can be made on the way the outcome and its indicator for achievement are formulated (see below under para. 2.4.3). However, it is understood that the objective for the UNDP support was *to provide assistance to government to formulate policies and provide for legal frameworks that would allow increased involvement and oversight role of the population, in a structured and institutionalized manner i.e. through local authorities, in the activities of the public sector at sub national level.*

The project document lists a number of activities that are discussed below for a total budget of USD 810,000. The project document estimated the duration of the project at 4 years, starting January 2003 and running up to December 2006. Both Cabinet Office and the Ministry of Local Government and Housing are mentioned as implementing partners, but the document did not specify further management arrangements, nor lines of accountability or reporting.

### 2.2 Description of the Activities of the Project

Under four different outputs, the project document lists 14 different activities as shown in the table below. The table also provides information on the realization of the stipulated activities.

**Table 1: Overview of planned and realized activities – Project Document**

Planned Activities	Realization
<b>Output 1 : Decentralisation coordination mechanisms designed and supported</b>	
1.1 Inter-ministerial workshop(s) on coordination of decentralisation	In November 2005, a meeting was organized with the various line ministries to present the draft Decentralisation Implementation Plan (DIP). This was the first time staff of the line ministries were formally engaged in discussions with the Decentralisation Secretariat.

Planned Activities	Realization
1.2 Technical expertise for the development of terms of reference for the Cabinet Committee on Decentralisation and the Decentralisation Secretariat	<p>In 2003, the inter-ministerial Decentralisation Policy Implementation Committee (DPIC), composed of 9 Permanent Secretaries, taking into account a consultant's report, prepared and approved the Terms of Reference for the Decentralisation Secretariat (DS) and its staffing, as well as its institutional embedding in Cabinet Office, under the Deputy PS to Cabinet.<sup>10</sup></p> <p>The Decentralisation Secretariat that formally serves as the Secretariat for the DPIC, was established in 2003. Since then, the DPIC has met a few times, amongst others to prepare the launch of the Policy (in 2004) and, most recent, for the approval of the Interim Decentralisation Implementation Plan (November 2004).</p> <p>In January 2005, the DS was moved from Cabinet Office to the Ministry of Local Government and Housing (under the Department of Local Government Administration)</p>
1.3 Local and international study tours of members of the Cabinet Committee for decentralisation and the Decentralisation Secretariat	<p>None.</p> <p>A proposal is presently under preparation for a study tour to Malawi.</p>
1.4 Technical assistance and logistical support to setting up the Decentralisation Secretariat	<p>The UNDP-project funded the procurement of office furniture and equipment for the DS, as well as 5 vehicles.</p> <p>In 2004, an advisor was hired on short-term contract, who later became the long-term CTA. Apart from this, the DS has not used the facility to hire short-term technical expertise as it was initially intended. The original PD only foresaw in short-term TA.</p> <p>Late 2004, however, the Cabinet Office wrote to UNDP requesting to provide under the project two long-term Technical Assistants, one as Chief Technical Advisor (CTA), to deal with the broader issues of decentralisation, the other, an institutional development advisor (IDA), for issues of LA restructuring, training and capacity building.</p> <p>Including the short-term contract, the CTA has been on post since August 2004 and his present one-year contract expires in February 2006. The position of the ID-expert is filled since January 2005, and his contract expires at the end of January 06.</p>
1.5 Technical expertise in the development of the local government policy and review of the local government act	<p>None; By the time the Project Document (PD) was approved, the policy was just finalized and adopted. The DS has since not engaged in reviewing the LG Act, which it considers an activity to be undertaken after the new decentralized structure has materialized. Meanwhile, the Department of Local Government Administration (DLGA) has worked on a revision of the LG Act in which exercise the DS was not involved.</p>
1.6 Leadership skills training and development as a tool for capacitation and consensus building for inter-ministerial committee on decentralisation	None

<sup>10</sup> The 'Report of the Committee of Permanent Secretaries on the creation of the Decentralisation Secretariat' (25<sup>th</sup> July 2003) had recommended it to be placed under the PS of the Policy Implementation Monitoring and Evaluation Division, but it finally became attached to a even more senior office.

Planned Activities	Realization
<b>Output 2: Decentralisation Implementation Plan</b>	
2.1 Translation of the decentralisation policy into a five year national decentralisation programme	A draft Decentralisation Implementation Plan (dated July 2005) is available and presently under discussion .
2.2 Roundtable on local governance and the decentralisation programme	Not yet done – foreseen to be done as a Resource Mobilization meeting once the DIP has become an official document.
<b>Output 3 : Government Participation in the Africa Governance Inventory and Africa Governance Forum</b>	
3.1 Africa Governance Inventory data collection and dissemination	Nothing done – The Africa Governance Agenda is actually housed on the Ministry of Justice.
3.2 Participation at the Africa Governance Forum and National and Internal Conferences	Not yet done - The Africa Conference Forum is held once every three years, and the next one will be held in 2006. The last one took place in Maputo, in May 2003, prior to the establishment of the Secretariat.
<b>Output 4 : Mechanisms for consultative process on decentralisation involving local authorities and CBOs developed</b>	
4.1 Technical support to formulation and strengthening of tools for district and sub-district strategic development planning incorporating HIV/AIDS, Gender and ICT	No output. A ToR was prepared for 'Designing sub -District structures for implementation of the National Decentralisation Policy' (February 2005), but the assignment was not carried out as other parties (Local Government Association of Zambia and ZAMSIF) were working on the same topic.
4.2 Support to formulation and strengthening of tools for monitoring and evaluation of district and sub-district development	A ToR was prepared for the 'Development of a monitoring and evaluation framework for implementation of the National Decentralisation Policy (October 2005), but no further action taken. The Assistant Director for M&E prepared a draft 5 year M&E plan based on the draft DIP.
4.3 Support to the development of processes and mechanisms for the formulation of citizens charters	This activity was not undertaken by the Decentralisation Secretariat but done as part of the Public Sector Reform Programme, which is also supported by UNDP.
4.4 Training workshops in strategic district development planning, monitoring and evaluation and formulation of citizen's charters	Nothing done by the Decentralisation Secretariat. Late 2004 and early 2005, the Cabinet Office (Management Development Division) organized workshops in all provinces for the preparation of generic organization structures for both the District Administration and the Local Authorities respectively. In 2005, as part of the preparation of the National Development Plan (NDP) 2006-2011, the Ministry of Finance and National Planning requested all districts to make development / service delivery plans. Members of staff of the DS participated in both assignments.

Apart from the implementation of some of the planned activities as narrated in the table above, the staff of the Decentralisation Secretariat was involved in a number of other activities, including<sup>11</sup>:

- § Orientation workshop for newly recruited directors within the Decentralisation Secretariat, held from 6-11 March 2005;
- § Workshop for Media practitioners, aimed at sensitizing the media on 'the content, meaning and implications of the Decentralisation policy'. The workshop was held from 16-19 March 2005, and was funded by DCI.
- § A Training of Trainers workshop, held from 11 -15 May 2005 for staff of various training institutes on the same topic as for the media, i.e. 'the content, meaning and implications of the Decentralisation policy'.
- § Sensitization workshop for Provincial Local Government Officers, Provincial Planners, the Provincial National Agricultural Information Services and Zambia Information Services officers, from 11-16 September 2005, with the objective to create 'a pool of local government practitioners in all the provinces whom the DS intends to use in its sensitization program'.
- § Various presentations for different audiences, including the Annual meeting of the Local Government Association of Zambia (LGAZ), provincial workshops and TV programmes.

The Decentralisation Secretariat prepared a number of papers and documents, including:

- § The Interim Decentralization Implementation Plan (November 2004), with activities for the year 2005, and that was presented to and approved by the DPIC. The Interim Plan identified 7 areas of activity as presented in the table overleaf, which also briefly indicates the realizations to-date.
- § Guidelines for sector devolution, prepared for workshops with the sector ministries that did not yet take place.
- § The Draft Decentralisation Implementation Plan (see para 2.4.2. below).

A number of Terms of Reference were prepared, including (and apart from the ones mentioned in Table 1) ToRs for:

- § A study on existing LG functions, legal provisions and reporting relationships in relation to the National Decentralisation Policy (December 2004). This, and various other proposed studies were not implemented, reportedly because management in MoLGH felt that such studies were not relevant.
- § A study on the integration of the Zambia Social Investment Fund (ZAMSIF) into the Ministry of Local Government and Housing (February 2005). The ToR was used as input for the ToR of an assignment undertaken by ZAMSIF.
- § The design and production of sensitization materials for the dissemination of the National Decentralisation Policy (March 2005). This was tendered, but attracted zero response.
- § The formulation of the communication strategy for dissemination of the National Decentralisation Policy Implementation (May 2005). This was tendered and the 4 received bids were evaluated. The financial proposal for the best bid is around USD 200,000 and a contract is yet to be concluded.
- § A Fiscal Decentralisation Programme (October 2005). Under preparation.
- § A Financial Management and Accounting Programme (October 2005). Under preparation.

Combined, Tables 1 and 2 provide an overview of what the Decentralisation Secretariat set out to do and what it actually did. It should be noted that Table 1, mainly refers to the UNDP project document, prepared before the Decentralisation Policy was actually adopted and before the Decentralisation Secretariat was actually established, but it must be assumed that those who prepared the Project Document had access to draft versions of the Decentralisation Policy. And in fact, implementation of the activities of the project is intimately linked to the activities of the Decentralization Secretariat, to the extent that an evaluation of the project almost becomes synonymous with an evaluation of the Secretariat.

<sup>11</sup> Based on various progress and other reports provided by the Decentralisation Secretariat

**Table 2: Overview of planned and realized activities – Interim DIP**

Planned Activities	Realization
<b>1. CAPACITY BUILDING FOR THE DECENTRALIZATION SECRETARIAT</b>	
1.1 Secure Ideal Office Accommodation	+/-
1.2 Provide Office Equipment and Furniture	+/-
1.3 Recruit Qualified Staff	Most staff recruited
1.4 Orient and Train Recruited Staff	1 workshop done
1.5 Expose DS Staff & DPIC Members to Other Decentralization Experiences	Not done
1.6 Hire Short Term Technical Staff (as may be needed)	Not done
<b>2. SENSITIZATION AND DISSEMINATION OF THE NATIONAL DECENTRALIZATION POLICY</b>	
2.1 Conduct Sensitization Workshops for Central Government Stakeholders	1 workshop done
2.2 Conduct Sensitization Workshops for Provincial Stakeholders	Not done
2.3 Conduct Sensitization Workshops for District Stakeholders	Not done
2.4 Conduct Sensitization Workshops for Training Institutions and LGAZ	1 workshop done
2.5 Conduct Sensitization Workshops for Other Influential Stakeholders i.e. Media, church organizations and Labor Unions	1 workshop done
2.6 Prepare and Print Sensitization Materials	Note done
<b>3. ORGANIZATIONAL RESTRUCTURING OF DISTRICT INSTITUTIONS</b>	
3.1 Develop Generic Strategic Plans and Organizational Structures for District Councils and District Administration	By MDD - Provincial workshops held –
3.2 Adapt Generic Strategic Plans and Organizational Structures to Suit Individual District Conditions	Plans made - not operationalized
<b>4. ESTABLISHMENT OF DECENTRALISATION IMPLEMENTATION COMMITTEES</b>	
4.1 Define Institutions to guide policy implementation at each level of the new decentralized structure.	Not done
4.1 Prepare Operational Guidelines and ToRs for each category of committees	Not done
4.2 Facilitate establishment and Operations of Committees	Not done
<b>5. DEVELOPMENT OF A COMPREHENSIVE DECENTRALIZATION IMPLEMENTATION PLAN</b>	
5.1 Prepare Interim NDIP (Sept 2004 - December 2005)	Done
5.2 Secure DPIC approval of Interim NDIP	Done
5.3 Prepare Draft Comprehensive NDIP	Done
5.4 Discuss Draft NDIP with DPIC	Not Done
5.5 Present NDIP to Workshops of Provincial level Stakeholders for Comments	Not done
5.6 Present NDIP to a Workshop of National level Stakeholders for comments	Partly done
5.7 Finalize and Print NDIP	Tendered; no response
<b>6. COMMISSIONING OF STUDIES/ DESIGN OF DECENTRALIZED OPERATING SYSTEMS</b>	
6.1 Prepare Guidelines for Sector Devolution	Written – no action
6.2 Assess Capacity Requirements of District Councils/District Administration	Not done
6.3 Review and Reform of the Existing Legal Framework	Not done
6.4 Fiscal Decentralization (Develop Inter-governmental Fiscal Transfer Formulae)	ToR under preparation
6.5 Prepare Revenue Mobilization Strategies for District Councils	Not done
6.6 Local Development Planning and Budgeting	Not done
6.7 Financial Management and Accounting	ToR under preparation
6.8 Development of a Communication Strategy	Tendered
6.9 Redefinition of roles of Service Commissions/Development of Public Sector Human Resource Development and Management Policy	Not done
6.10 Define the role of Traditional Authorities in decentralized local governance.	Not done
6.11 Develop Monitoring and Evaluation Framework	ToR Made
<b>7. ROUND TABLE CONFERENCE OF GOVERNMENT AND CO-OPERATING PARTNERS</b>	
7.1 Host Co-operating Partners sensitization & financing meeting Interim NDIP	Not done
7.2 Host Co-operating Partners sensitization & financing Conference on Final NDIP	Not done

## 2.3 Two major outputs and a missed opportunity

### 2.3.1 Decentralisation Secretariat established

The Decentralisation Secretariat was established in August 2003 under Cabinet office. As per the 'Report of the Committee of Permanent Secretaries on the Creation of the Decentralisation Secretariat' (July 2003), the staff establishment was set as:

- Director, Decentralisation Policy Implementation
- Assistant Director, Education and Sensitisation
- Assistant Director, Financial Reform and Resource Mobilisation
- Assistant Director, Legal and Institutional Reform
- Assistant Director, Planning
- Assistant Director, Monitoring and Evaluation
- An Administrative Officer

The report of the Permanent Secretaries provides detailed ToRs for each position. Most of the positions were only filled in 2005 (see table 3). The said report explicitly stated that officers identified to serve in the Secretariat shall operate under the Civil Service Terms and Conditions of Service. It suggested that cooperating partners could be approached to provide Technical Advisors to assist in building the capacities of the secretariat. As indicated above, under the UNDP project, two TAs are now deployed on a one -year contract.

**Table 3: Present Professional Staffing of the Decentralisation Secretariat**

Position	Name	Since
1. Director	Alfred Sakwiya	August 2003
2. AD, Education and Sensitisation	Vacant	Was filled from 08/03 – 01/04
3. AD, Financial Reform & Resource Mobilisation	Newton Samakati	July 2005
4. AD, Legal and Institutional Reform	Brian Chumpula	May 2005
5. AD, Planning	Fred Shandavu	02/05 – post filled since 09/03
6. AD, Monitoring and Evaluation	Elisabeth Choseni	May 2005
7. Administrative officer	Valerian Sakala	September 2005
8. Chief Technical Advisor (CTA)	Dr. Esau Chiviya	August 2004 / February 05
9. Institutional Development Advisor (IDA)	Gregory C. Chilufya	January 2005

The report detailing the establishment of the Decentralisation Secretariat state that it should perform the following roles and functions:

- a) Service the Decentralisation Policy Implementation Committee (DPIC) in the implementation of the Decentralisation Policy;
- b) Develop a comprehensive implementation plan and strategy in support of the Decentralisation Policy;
- c) Initiate studies on specific aspects of decentralisation, sub-national planning and financial management in support of the Decentralisation Policy;
- d) Develop and coordinate an extensive Information, Education and Communication programme which raises the awareness about decentralisation;
- e) Support sector/ministry decentralisation units in the development and implementation of sector specific decentralisation plans;
- f) Facilitate the establishment of financial and management institutions and structures at the districts level which support local governance decentralised development;
- g) Facilitate the establishment and installation of sub-national planning systems in all districts;
- h) Support capacity building activities in the implementation of the decentralisation policy with regard to district management, planning and financial systems;
- i) Monitoring and evaluating the implementation of the Decentralisation Policy.

When the activities undertaken (see Tables 1 and 2) are compared with the ToR, it appears that focus of implementation has been on a few activities, notably sensitisation and the preparation of the Decentralisation Implementation Plan. Little attention has been paid to developing the new structures for planning and delivery of services at the district and sub-district level that are expected to emerge.

### 2.3.2 Draft Decentralisation Implementation Plan available

If not the single, then certainly the single most important output the Decentralisation Secretariat has delivered is the Draft Decentralisation Implementation Plan. The plan consists of ten components as follows:

- § Sensitisation, Civic education and consolidating a democratic culture
- § Legal framework
- § Institutional development
- § Human resources
- § Planning and budgeting
- § Financial management and accounting
- § Financing and revenue mobilization
- § Sector devolution
- § Infrastructure, and
- § Monitoring and Evaluation.

The document had received widespread acclaim for the mere fact that a draft plan has been produced. At the same time, various parties have made comments with regard to the plan, which relate to, amongst others:

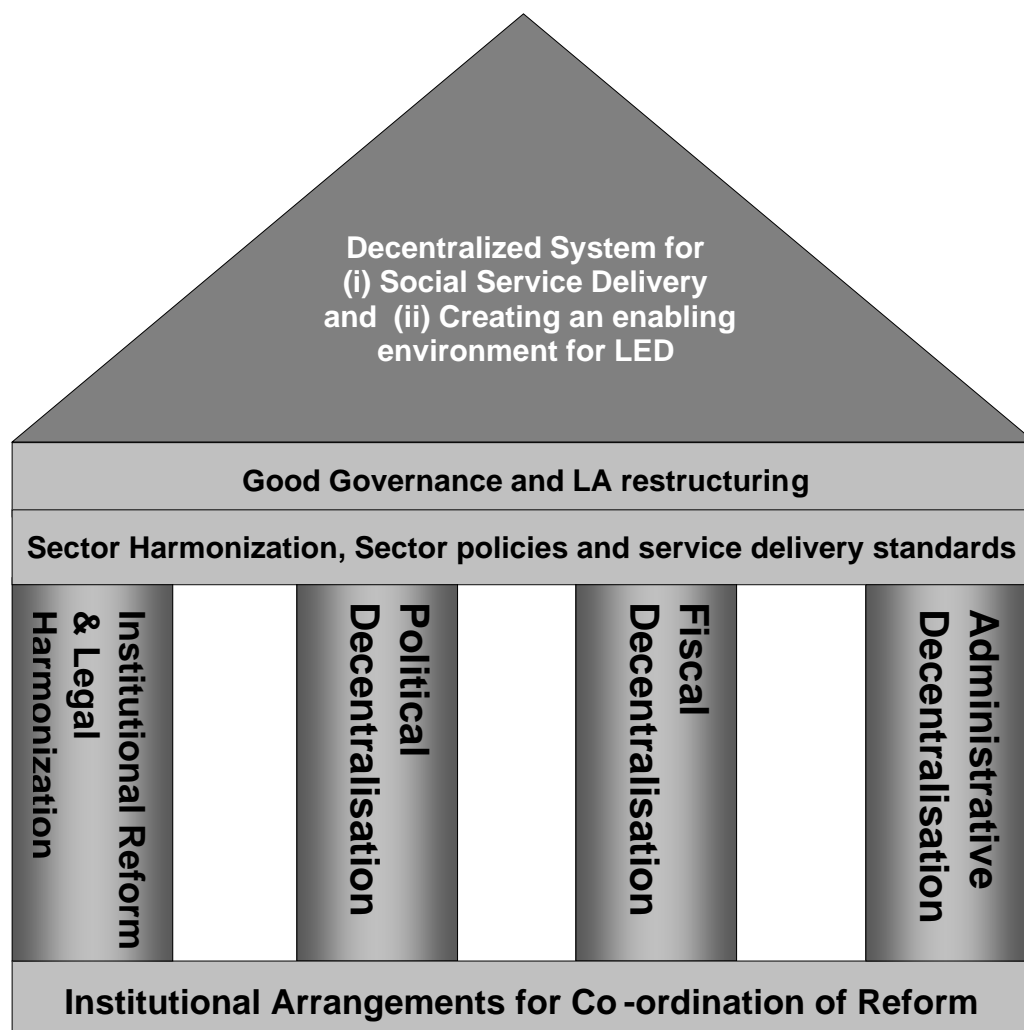
- The draft DIP was largely prepared by the Decentralization Secretariat, and not the product of a wide inclusive consultative and participative process, that would have involved the various parties right from the beginning. Only after a draft was prepared by the DS was it shared with donors and later sector ministries, and other interest groups such as the LG Association of Zambia, the Labour Unions, etc.
- Although the plan aims to be 'a road map', it does not clearly spell out nor clarify the implementation strategy and sequencing of activities. Moreover, the way the activities are defined ('review, develop, harmonise') give way to the impression that the draft DIP is 'a plan to make the plan'. The draft DIP, in other words, stays too general, while a number of activities that are included, were also already foreseen under the interim DIP but not implemented.
- The budgeting appears to be based on very rough, and not always too accurate, estimates, whereby it strikes that 92.5 % of the entire budget (USD 150 million out of the total of USD 162 million, or on average USD 2.0 million per district) is for 'construction and rehabilitation of infrastructure according to District and Provincial needs to implement the Decentralisation Policy'. The latter also illustrates another weakness of the draft DIP in that it sees decentralisation as 'a project to implement the Policy', rather than as a gradual but complete re-organisation of the public service and the ways services are planned for and delivered.

As much as we do agree with these observations, we would think *the* major weakness of the draft DIP is that it does not provide leadership, nor does it take the opportunity to take the process a step forward by clearly operationalizing the policy in more clear and straight forward language. In chapter one, for example, the draft DIP should, to our opinion, have described what the Decentralisation Secretariat –on the basis of all the discussion it has or should have had- the likely end-state of the process towards decentralisation of a major part of the public sector service delivery machinery. Key issues that should have come out are the principle of devolution and its meaning, a clear list of service delivery functions that are to be devolved (see e.g. Text box 3 above), a tentative generic organisation structure for Local Authorities and a clear delineation of functions between the office of the District Commissioner and the office of the Chief Executive of the Council. As long as these issues are not described in a less ambiguous, more daring manner, little progress can be made.

A second point which we wish to raise is that the draft DIP does not strategize, but rather seems to be intending to take all issues head-on at the same time. In other words, the Plan does not reflect a process approach; neither does it identify clusters of activities. Decentralisation is about changing the way a major part of the public sector functions, and this is a major operation that needs to be broken down in clusters of activities. Although the plan has 10 components, the relation between the components is not sufficiently made clear, which, to our opinion, is largely due to the fact that the consequences of the choice for a decentralised system, as well as the 'end-game' are not sufficiently stated.

Although beyond our ToR, we wish to advance a suggestion on how the draft DIP could probably be re-structured, whilst largely using the information already in the report.

- The first Chapter should contain a description of the likely end -game and in broad terms describe the process how to get there. Stating the endgame, albeit in a tentative manner, is crucial for the required clarity in the following chapters of the document. Short of this, the entire process is likely to retain the same sluggishness and lack of direction it has experienced over the past couple of years. It provides a opportunity for the Decentralisation Secretariat to show leadership.
- The subsequent chapters, could be based on Figure 1 one below, which depicts the relation between the four pillars of decentralisation (see definitions in Text Box 1 above), the issues of sector devolution, good governance and the final objective that is Local Governments at the sub-national level that are responsible for social service delivery and an environment that enhances economic growth. Each 'pillar' as well as the two 'lintel beams' could form chapters of the Plan around which activities can be organised.
- Finally, also the 'foundation' about the institutional arrangements to drive the decentralisation reform (and which should include provisions for M&E), should form a chapter, prior to the chapter on 'Financing Decentralisation *Reforms* (not financing decentralisation, as it now is, as this is covered under Fiscal Decentralisation).



**Source:** Modified from 'A comparative Analysis of Dec entralisation in Kenya, Tanzania and Uganda ', Final synthesis report, Steffensen et. al., August 2004.



In the Graph, the lower part (foundation and pillars and first lentil beam) are about Decentralisation Reform, which need to be carried forward by Central Government, while the upper lentil beam and the roof are basically issues to be addressed at the level of the district i.e. Local Authority. The Graph hence shows a certain prioritisation of activities such that sector devolution requires progress with regard to the legal framework that should describe the way the organisation structure is going to look like; Equally, it should be understood that it is very difficult for districts or LAs to make strategic plans, as long as there is no clarity on the direction the reforms will take. Also on that sense, continued sensitisation not backed up by concrete steps towards decentralisation (i.e. developing the pillars simultaneously) may not be that effective.

### ***National Development Plan***

The DIP is supposed to form input into the National Development Plan which is presently under preparation. As input for MoLGH, all departments and the Decentralisation Secretariat provided draft inputs, which were consolidated with the assistance of a consultant hired by the Ministry of Finance and National Planning (MoFNP).

With some modifications, the 'Local Government and Decentralisation chapter of the 5<sup>th</sup> National Development Plan 2006-2011' (final draft, dated 26 October 2005), contains most of the elements of the draft DIP, whereby it is considered a huge improvement that the budget line for constructing and rehabilitating infrastructure is replaced by a provision for the Local Development Fund, which is likely to become the successor of ZAMSIF (see below).

### ***Finalising the DIP***

Otherwise, and understandably because of its nature, the Decentralisation Chapter of the NDP does not address the above discussed weaknesses of draft DIP. There is therefore need to put effort to up-grade the DIP to address the various comments made, both in terms of process (to make it a participatory developed plan), in terms of content and in terms of presentation.

Rushing the finalisation of the DIP may be counter productive, as many issues that need clarification for a solid plan, may stay unresolved and haunt progress later. On the other hand, if sufficient energy, dedication, human resources and appropriate planning and strategizing are put behind the exercise, it should be able to produce a much better and more visionary version of the DIP in a period of 3-4 months. In general, given the present state of affairs and the next elections, it should be expected that most of the year 2006 will be needed for preparation of all the ground work for the real activities to start off in 2007.

## **2.3.3 Distant relationship between the Decentralisation Secretariat and ZAMSIF**

The Zambia Social Investment Fund (ZAMSIF), funded by the World Bank started in 2001 and its present phase is coming to an end in December 2005. In its design, ZAMSIF incorporated valuable experiences from the project supported by UNDP and UNCDF in Eastern Province, especially with regard to the Local Authority Performance Assessment System, and the performance incentive based delivery of support, whereby type and level of support, as well as the level of autonomy on decision making was linked to the Performance Assessment.

Although the present manager of the Decentralisation Secretariat was teamleader of the UNDP/UNCDF project in Eastern province, and the success of the latter reportedly one of the reasons for his appointment to head the Decentralisation Secretariat, the DS and ZAMSIF have so far remained relatively distant.

Several persons consulted, especially at the policy level in Lusaka, expressed views on ZAMSIF as a project that was bypassing or even undermining Local Authorities, without recognising its strong points vis-à-vis establishing Local Authorities. Part of this negative image seems related to the fact that, in the past, ZAMSIF, due to its name and profiling, was often seen as a stand-alone entity delivering its own goods, outside of Government. The stated objectives of ZAMSIF indeed focus on community mobilisation and social investments at the community level, and indeed, in Councils with low capacity, the project is taking charge of the financial management in conjunction with the concerned communities. But, and this is a point that has so far remained under emphasized, one of the approaches of ZAMSIF is stated as to 'enhance the role of district and sub-district as facilitators and encouraging the

gradual devolution of project cycle activities to local governments with the final objective of central and local governments replacing ZAMSIF in financing local development.'

Under ZAMSIF, Local Governments that are assessed in categories 4 and 5 of the so-called capacity ladder, are given both a task in overseeing the utilisation of funds by communities while, as a reward these Councils receive USD 75.000 for district projects. One can argue that Local Authorities need be involved in all aspects of the project right from the beginning and that the way they are initially bypassed, at least partly, is not the most ideal way of doing things from a LG capacity building perspective – but that is not the point. The point we wish to make is that, even in its present phase, ZAMSIF has very valuable elements that, if properly implemented, clearly do enhance the capacity of Local Authorities to get progressively involved in service delivery at the community level.<sup>12</sup>

The Local Development Fund, presently being discussed as a component under the successor programme to ZAMSIF, provides an ideal opportunity for the Decentralisation Secretariat to kick-start an important element of fiscal decentralisation that is linked to the performance of Local Councils. Unfortunately, this opportunity was not mentioned in the draft DIP, but picked up in the chapter on Local Authorities and Decentralisation in the NDP. It is this type of opportunities the Decentralisation Secretariat should take (and have taken) much more eagerly, and even more aggressively, than they have done so far.

## 2.4 Assessment of the Project

### 2.4.1 Project design

When looking at the UNDP funded project itself, it must be noted that the Project Document was not too well prepared, as

- (i) the link between the situational analysis and the proposed project is almost completely absent in the PD, hence the PD did not convey the vision behind the project, hence was not really guiding a direction for the project; The *outcome* is not SMART (simple and specific, measurable, attributable, relevant and time-bound)
- (ii) the *outcome* indicator was vaguely stated, while the stated *outcome indicator* at best only measures part of the stated outcome; From the indicator, it is not very clear what the project really sought to achieve; If one considers a DDCC 'institutionalised', the indicator was already achieved at the start of the project, if one sought to establish 'a new unambiguous institutional set-up at the district and sub-district level', the achievements would be zero.
- (iii) the *activities* were scattered and included activities under 3 headings i.e. Support to the DIPC and the Decentralisation Secretariat (ii) support to the preparation of the Decentralisation Implementation Plan and (iii) Support to some planning and M&E related activities at the local level.

Out of the total budget of USD 810,000 as provided under the PD, over 55% (USD 450,000) was earmarked for one single activity i.e. 'Technical Assistance and logistical support to setting up the Decentralization Secretariat (consultants, transport and office equipment)'. Thirty six percent of the budget was earmarked for 'consultants and workshop materials', 6% for travel (exposure visit to neighbouring countries) and 2% for equipment for the Africa Governance Inventory.

The total duration for the project was set at 4 years, which, under normal circumstances would have been far too long for the identified activities, which normally could have been completed within a year.

<sup>12</sup>

The fact that at present only 9 of the 72 councils fall into categories 4 and 5 of the capacity ladder, may have contributed to the above referred negative perception of ZAMSIF from a LA perspective, as it means that for most Councils, because of their assessed capacities, the project still undertakes a major role. An alternative approach, as applied in e.g. Uganda and Tanzania, is that LAs that do not sufficient capacities to handle funds, will only receive support for capacity building until they have reached the 'minimum conditions'. The advantage of this system is that the incentive for LAs to start performing is much stronger, but, admittedly, the disadvantage is that, in the meantime, communities do not access resources.

Another aspect that may have contributed to the less favourable perceptions is that ZAMSIF itself emphasized the social infrastructure component at the local level as its main output, rather than 'building viable mechanisms for service delivery at the local level'.

## 2.4.2 Project Effectiveness

The tangible achievements of the Decentralisation Secretariat have, apart from it being established and having produced a draft DIP, been very limited as was illustrated above. The Decentralisation Secretariat has not become the spider in the web of decentralisation reforms, the offices of the DS are not a beehive of activity (on the contrary) and the DS is not seen to be leading the process and has not been able to make a major breakthrough in the process of kick-starting decentralisation. As has been said above, the assessment of the achievements of the project are intimately linked to the achievements of the Decentralisation Secretariat, which became the main implementing partner. As the DS is not scoring too favourably, the project is not scoring too good either. The question is, why did the DS deliver so little and why was the project, with its resources, not able to assist in speeding-up the process?

There is no simple and unique answer to the question, but the following factors seem to have played a role:

- The transfer of the DS from the Cabinet Office (under the Deputy PS to Cabinet) to the MoLGH, as a result of pressure of the then Minister, placed as a unit under the Department of Local Government Administration. This was a tremendous degradation of status for the DS – and under MoLGH it lost the potential to play vis-à-vis the other Ministries the position of *primus inter pares*.<sup>13</sup>

As a result of the move, payments against UNDP funds became more cumbersome, as a payment request would have to move from the DS to the Director LGA, from there to the PS, from there to the Ministry of Finance and from there to UNDP, still with the chance (if not well prepared) that the request would be turned down.

- The opportunities to easily play the aforementioned role of 'leader among equals' is, apart from issue of institutional hierarchy, further hampered by the fact that senior managers in MoLGH often interpret decentralisation more narrowly as a restoration to glory of the local authorities, rather than as a transformation of the public sector that will affect all sector ministries involved in service delivery at the local level as well as the way the MoLGH itself will operate in future.

This position of management in MoLGH with regard to the interpretation and the span of decentralisation is said to have led to the non-implementation of the various studies for which ToRs were developed (see para 2.2 above).

The fact that the director of the DS is relatively junior, both within the ministry, but certainly also vis-a-vis senior staff in other ministries further hampered the opportunity for the DS to exercise some levels of authoritative leadership.

- Lack of visionary and daring leadership and weak management in the DS itself. As said before, the Decentralisation Secretariat is a rather isolated office (not a beehive of activities neither a spider in the web of all those involved in decentralisation). The DS operates in a rather isolated fashion, which is illustrated by the way the draft DIP was prepared, as well as by the fact that it was first presented to the donors prior to being discussed with the line-ministries.

The DS has so far not behaved as a potential champion of Decentralisation. It has not come out with a tentative description of the likely future institutional set-up, which it could have prepared on the basis of the various reports of the provincial workshops (conducted by MDD) on the generic organisation structure for both the District Administration (office of the DC) and the Local Authorities. Basically, the work has been left to other like ZAMSIF, identifying a model to start fiscal decentralisation and developing, with LGAZ a model for sub-district structures; MDD for discussing the generic organisational structures; the Directorate of Local Government Administration for drafting revisions to the LG-Act; etc.; Obviously, it is commendable that other parties are actively involved in implementing aspects of decentralisation, but the point is that there is no evidence that the DS is 'also on the ball'.

<sup>13</sup> Various people spoken to mentioned that when the minister realised this, she tried to re-locate the entire Ministry to the Office of the President.

The lack of visionary leadership led to a wrong choice of priorities for activities to be undertaken. As illustrated above, most activities were/are geared towards sensitisation on the policy, but what is more required is to add concrete clarity to the policy and to define actions for its implementation. Sensitising people on a topic that has not yet enough detail seems a rather sterile exercise. And, in the analogy of Figure 1, asking people to design the roof of a house for which the pillars are not yet clearly designed, is difficult and not so relevant.

The limitations of management and leadership within the DS are recognised even within the Secretariat, as is illustrated by the following quote from a briefing -note to the mission provided by the DS:

“The management and leadership capacity of the Decentralization Secretariat needs to be beefed up for it to effectively play the lead role of coordinating and monitoring the [decentralisation] implementation process. The effective implementation of the activities of the ten key components of the [Decentralisation Implementation] Plan requires a Secretariat with a strong management and leadership capacity to drive the process.”

- Delays in the recruitment of staff. Apart from the Director and Planning officer, most of the staff (see table 3) only got recruited this year. What, however, seems worse is that, related to the previous point, staff is not very well motivated as they feel under-utilized and under-appreciated. Obviously, the aspect of ‘remuneration as a civil servant’ plays a role, but this seems less important than the aspect of not obtaining professional job satisfaction. If this situation is not addressed, the DS may soon face a situation where part of its staff has moved on to other jobs.
- Finally, the (C)TA has not been ‘as catalyst and instrumental’ as they probably should have been in terms of the operations of the office and the broader debate. Synergy between the (C)TA and the management of the DS has clearly not materialised, and both TA got frustrated as other members of staff, and clearly did lose the momentum. TA has not been able, and probably understandably so given the combination of points mentioned above, to help addressing the weaknesses in management, but they neither managed to activate a second best option i.e. push forward despite the observed weaknesses in management.

As said above, it is the combination of these facts, combined with the absence of clear guidance from the political leadership that explains the low level of output of the Secretariat, and hence the limited progress made with the process of decentralisation. Rectifying the situation will require addressing the various issues, but the situation of the institutional anchoring of the Secretariat and its management and staffing appear to be most crucial and need to be addressed first, as a visionary and outgoing DS that can speak with authority can positively contribute to addressing the other issues mentioned.

#### 2.4.3 Project Efficiency and levels of Expenditure

The activities the project has funded –equipment, vehicles, some operational costs, cost of a couple of workshops, printing of the Policy Document and the provision TA to assist producing a draft DIP- are certainly appropriate, but overall, when comparing the plans (in the PD and the Interim DIP) and the actual implementation, the level of output has been small. Many of the planned activities were not implemented.

The project provided for five vehicles and office furniture. This, plus the payment of TA were basically the main activities that were funded under the project. The total expenditure to-date under the project is estimated at roughly USD 516 -thousand, leaving a balance of about USD 294-thousand. A level of expenditure of more than USD 0.5 million is a sizable amount when compared with the actual output.

**Table 4 : Estimated expenditure under the project, in USD**

Year	Amount
1993	76,950
1994	232,150
1995	207,000
Total	516,100
Balance 15/11/05	294,000

Apart from funding under the project, the Decentralisation Secretariat receives an allocation from the GRZ. For the year 2004, the budget-allocation was Kwacha 1.3 billion (equivalent to about USD 325.000), out of which about 20% was allocated for salaries, less than 20% for operational expenses, and the remaining (almost USD 200,000) available for various activities.

As indicated above, the disbursement of funds under the project is a tedious operation, whereby the UNDP, once the request reaches their offices, appears to be too much 'micro managing', which has not been in favour of developing good working relations between the DS and the UNDP, which has been further aggravated by frequent delays in processing payment requests. This, combined with the fact that the activity level was relatively low and a more easily accessible GRZ budget available, may further explain the low disbursement rate against the project budget, in addition to the points mentioned in the previous paragraph.

#### **2.4.4 Overall Assessment and Relevance of the Project**

Even though the activities as defined in the project document were in a way scattered and ad-hoc, it goes beyond doubt that the project has, through its mere existence, helped to spur the establishment of the Decentralisation Secretariat. It is the effectiveness of the Secretariat that is presently the problem, and this problem cannot be solved by the project – it has to be solved by Government – but the Project could provide the necessary assistance, in concertation with other parties, including other donors.

With the project under evaluation, UNDP has been the first to support the Secretariat, and it simply does not make sense to abandon the Secretariat at the time it may need appropriate support most. The argument is thereby based on the fact that there is general consensus – officially expressed in the PRSP, but also aired under the Constitutional Review process – that decentralisation through devolution, both from a political/governance perspective as well as an economic perspective, is the only feasible longer term option for service delivery by the public sector in a growing economy in modern times. In that sense the project was and is relevant.

### **2.5 Way forward**

Ongoing discussions in relation to the 'Donor Aid policy' and the 'Joint Assistance Strategy Zambia (JASZ)', will, rightfully so, necessitate UNDP to look for arrangements to, if not integrate, closely dovetail its support with the actions of other donors, vice versa.

#### **2.5.1 Finalising the DIP**

A first priority (identified in the UNDP project document) is to assist Government in finalising the Decentralisation Implementation Plan, 2006-2011, but also to prepare a shorter, say annual work-plan and budget. It is thereby expected that the year 2006 will largely be used to fully operationalise and think through all the steps that are required.

For this, but also to organise for assistance by donors, many of whom will have to obey to their own rules and regulations as much as they would like to harmonise, it will be needed to 'cut' the DIP into clusters of activities, which could, tentatively, be for example:

§ Cluster 1 : Fiscal Decentralisation and Financial Management

With the Local development fund, a component of the successor programme to ZAMSIF, as an important element; Next the World Bank, KfW intends to join this component through provision of additional capital; UNCDF may be interested, e.g. for supporting the Assessment procedure, the Inspectorate function of MoLGH and developing and piloting Service charters.

§ Cluster 2 : Administrative Decentralisation and LG restructuring

JICA is presently already supporting work in this field – other donors may be interested.

§ Cluster 3 : Political Decentralisation and Governance

This would be cluster that has the 'natural' interest of UNDP – other donors may be interested.

§ Cluster 4 : Institutional Reform and Legal Harmonisation

This cluster would include all the activities related to developing and describing, up to the necessary legal documents of the institutional set -up at the district and sub-district level. It would also include reviewing, with the sector Ministries, including those Ministries relevant for local economic development' the sector arrangements in relation to decentralised service delivery and the enhance role of local authorities. Various donors may be interested including UNCDF.

§ Cluster 5 : Institutional Arrangement s for the Reform

This cluster would include all the core activities needed to implement the above four clusters. It will include, but not necessarily be limited to the DPIC and the Decentralisation Secretariat.

The proposed clusters (just tentatively; ot her clusters may be added or subtracted as deemed appropriate) link with the above suggested (see para.2.3.2) structure of the DIP. Sector harmonization though is not immediately included as a separate cluster as it will be logically undertaken whilst working on the other 4 clusters. Presenting it as a separate cluster, raises the possibility of overlap of activities and donors. Equally, the item of 'governance' is included under 'political decentralisation' as both subjects are closely linked, while the structure of political decentralisation is already reasonably well catered for.

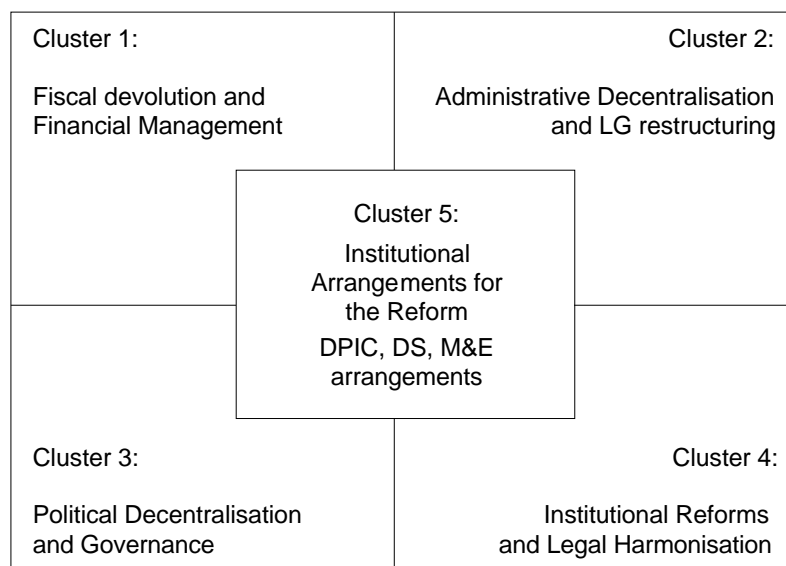
It is recommended that the donor group proposes to Government to make funds available, e.g. those still available under the present UNDP project, for Government to select and/ or hire consultants that will assist Government in upgrading, in a participatory and inclusive manner, the draft DIP up to the level of a bankable operational plan, rolling in nature.

## 2.5.2 Preparing and Finance and Support Plan for the DIP

Following the draft Donor Aid Policy, donor funds should, as much as possible, be channelled through joint funding arrangements, e.g. a basket (or ultimately via budget support). In the short-term, however, this may not be possible, and for the above 4 components 1 to 4, GRZ could make special arrangements for funding modalities that suit particular donors or, preferably, groups of donors. Component 5, however, should, as a matter of principle, be funded through a joint GRZ/donor basket, managed by Government on the basis of a MoU. GRZ funds allocated to the DS, as well as additional GRZ funds, should become part of this joint fund.

The same MoU defining the rules for the Joint fund should preferably also spell out the GRZ – donor group and the inter-donor group arrangements for support to the other four clusters. The MoU could constitute an appendix to the agreements made under JASZ for the area of decentralisation.

**Figure 2 : Supporting and Financing clusters of activities within the DIP -**



### 2.5.3 Revamping the Decentralization Secretariat

There is little use in putting a huge effort in finalising the DIP and in arranging for its funding if there is no reasonable certainty that mechanisms will be put in place that can effectively deliver. Based on what is said above in the paragraph on Project Effectiveness (para 2.4.2), it proposed activities can easily be derived.

Most people the mission has spoken to, would argue or admit that, in retrospect, the move of the DS from Cabinet Office to the MoLG was a mistake that has seriously weakened the potential of the Secretariat. There are very convincing professional arguments to restore the former position including the following:

- § Firstly, decentralisation reform is about reforming large parts of the entire public sector, and hence needs a lead-party above the parties, being, amongst others, the sector ministries. The MoLGH, being considered a sector ministry itself, lacks the institutional authority to lead, let alone instruct, the other Ministries.
- § Secondly, the Decentralisation Reform is part and parcel of the Public Sector Reform which is managed by Cabinet office – The Public Sector Management Component of the PSRP needs to be very closely harmonised with the Decentralisation component, which is most easily done when under one roof.
- § Thirdly, relocating the DS back to Cabinet Office would send a strong political signal that Government takes the decentralisation reforms seriously.

After the relocation, and depending on how the final DIP takes shape, Government should discuss, within themselves and with donors, how to increase the management *and* implementation capacity of the Secretariat. For the Secretariat, even under Cabinet Office, to perform its functions appropriately, it needs (i) management that is visionary, able to build bridges and able to open doors at the level of Permanent Secretaries of the sector Ministries, and (ii) motivated staff that is able to operate as a team. If the Secretariat is operating full scale, it may need more than the present establishment of one director and five Assistant Directors. All Assistant Directors should have the level of being able to engage with the sector Ministries at Director level. There could be need to have one Assistant Director for each of the Clusters (e.g. 1-4), each with an additional member of staff or a TA, while the Director would naturally take charge of cluster 5. The consideration of extra staff, however, is only opportune in case the previous two issues (relocation and management) are dealt with.

Most of the Government officials spoken to would prefer to keep the Secretariat a mainstream office, i.e. with staff that would not receive packages completely outside the Government scales. Rather, the motivation of staff has to be sought in professional job satisfaction, a good working environment (both of which are presently absent in the Secretariat) and, if needed, some fringe benefits, like opportunities for occasional training and travel.

Then there is need to make the DPIC a more active and more supportive organ, which, basically can only be done if the Decentralisation Secretariat gets the backing from Cabinet Office, while, the above proposed MoU is expected to outline how donors will engage with Government on the monitoring of the implementation of the decentralisation reforms. It would thereby be useful if the review mechanisms for the latter are considered to be part and parcel of the review mechanisms for the Public Sector Reform Programme.

### 3. Conclusions and Recommendations

#### 3.1 Lessons learned

- 3.1.1 For decentralisation reforms to make headway, it requires a champion within government. The Decentralisation Secretariat could be such a champion, provided it shows vision; builds networks and alliances in favour of decentralisation; and provides for leadership across the government administration to articulate the process and lead the implementation of this major component of the public sector reform programme.
- 3.1.2 For the Decentralisation Secretariat to be able to perform such a task it needs the appropriate institutional anchoring, a manager that has experience at Permanent Secretary level, as well as a capable team of staff that can engage at Ministerial Director level.
- 3.1.3 Major public sector reforms, such as Decentralisation, require commitment at the highest political level for them to have any chance of making progress. There is a task for the Decentralisation Secretariat to engage at this level and keep the political leadership fully informed about the process and its background.

Clear choices have been made in the past for a system of decentralisation through devolution, considered to be the only long term solution for improved efficiency and effectiveness in service delivery whilst increasing popular participation and democratic decision making at lower levels of government; Choices for the implementation of the reforms are now required.
- 3.1.4 The discussions around the Decentralisation Implementation Plan provide an excellent opportunity to enhance the establishment of institutionalised mechanisms for dialogue and collaboration between GRZ and the donors around issues of decentralisation, as one of the pillars of the PSRP, and local governance.
- 3.1.5 A solid DIP will provide clear guidance for donor engagement, reduce the opportunities for 'cherry picking', and reduce the scope and desire for 'pilot projects' as the DIP focuses on mainstream issues.
- 3.1.6 The UNDP project to support decentralisation has made an important contribution to the process by supporting the establishment of the Decentralisation Secretariat, and as such also in the production of a draft Decentralisation Implementation Plan. The project, however, scores modestly on the value-for-money scale.
- 3.1.7 The UNDP is a respected party of Government, also because it is considered impartial. At the project level, however, it is sometimes a little less popular, as its bureaucracies and its tendency for micro-management are sometimes a serious impediment for smooth and timely implementation of activities.

#### 3.2 Strategies & Recommendations for future UNDP / UNCDF involvement

UNDP has been supporting the Decentralisation Secretariat of the past two years, and should, under the existing project, continue to do so, especially for what is needed to finalize the DIP, an exercise which it has been, implicitly supporting for the past year.

Within the donor group, UNDP could play an important role in establishing the dialogue at senior government level with regard to the institutional position of the Secretariat. This because (i) UNDP has the confidence of Government as it is seen as impartial party; and (ii) UNDP has 'a right to speak' as it has been supporting the DS for the past two years, while (iii) it can use the present evaluation as starting point for the discussion.

Once the issue of the institutional embedding of the DS and its staffing is resolved to satisfaction, UNDP, if possible in collaboration with UNCDF, should consider funding parts of the DIP, whereby especially the activities related to 'political decentralisation and governance' could be areas of core interest for UNDP.

UNCDF may in relation to the draft DIP and following this evaluation, consider the following options, which are further detailed in the Concept paper:



- § support for activities under the cluster 'institutional reform and the related legal framework'
- § support, in conjunction with the proposed Local Development Fund, a major component of the successor programme to ZAMSIF, engage in support for activities related to:
  - (i) the performance assessment procedures ;
  - (ii) strengthening of the inspectorate function in MoLGH; and
  - (iii) develop and test service delivery charters.

As the DIP is yet to be re-worked, it is too early to become very precise for activities UNDP and UNCDF could support, as this would pre-empt the discussions which are yet to take place in the context of the revision of the DIP, within Government, but also between government and the donors. An iterative process will need to take place over the month to come, in which the DIP will be shaped up with involvement of various parties; a joint GRZ and donor financing and support plan will be developed; and a proper solution to re-activate the DS be found.

What has become clear from the assessment of the decentralisation process, however, is that there is need to support the mainstream activities, as there is little scope and interest for pilot activities; while, for reasons of harmonisation, it would be preferable if, in the context of the DIP, UNDP and UNCDF could operate jointly.

### 3.3 Action Plan

- 3.3.1 With consent of the donor group, and on the basis of this report, UNDP to write to Cabinet Office to raise the issue of the position of the DS, with the suggestion to consider re-locating it back to Cabinet office, on the basis of arguments mentioned in para 2.5.3.
- 3.3.2 UNDP, through the (chair of the) Donor Group, offer that part of the remaining funds under the project can be used by Government to procure consultancy services to upgrade the draft DIP into a clear roadmap and a bankable plan. As UNDP has been funding the DS, and because funds are not exhausted, it appears logical to use these already allocated resources rather than fresh commitments.  
  
In this report suggestions are made for restructuring of the draft plan (see para 2.3.2). Equally, and related to the broad structure, a suggestion is made how to identify certain clusters of activities along which donor support could be organised (see para 2.5.2)
- 3.3.3 Depending on the outcome of the previous point, UNDP to enter into discussions with GRZ on how to use the remaining funds under the project.
- 3.3.4 Upon expiry of the present contract of the TA and depending on the outcome of the previous 2 points, GRZ to be given a greater role in the recruitment and selection of TA, both short-term and long-term as may be applicable.
- 3.3.5 UNDP/UNCDF to actively participate in the discussions on developing an MoU around the donor support for the DIP, and explore opportunities to support basket funding, whereby Government because the first responsible for management and accountability.
- 3.3.6 Depending on the outcome of the discussions regarding the relocation of the Secretariat back to Cabinet office, and guarantees with regard to increased effectiveness, UNDP to consider funding (part of) the proposed cluster of activities around 'political decentralisation and governance' and become lead-donor for the same cluster.
- 3.3.7 UNCDF, through UNDP, to engage in discussions with GRZ and the World Bank to explore opportunities of partnering on the successor programme of ZAMSIF. In the report (see above under 3.2) three concrete opportunities are mentioned.
- 3.3.8 UNDP and UNCDF to consider to jointly support activities in the proposed cluster of 'Institutional Reform and Legal Harmonisation'.

*Lusaka, 21 November 2005*