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# UNITED NATIONS DEVELOPMENT PROGRAMME

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REPORT  
ON

THE TERMINAL EVALUATION  
OF THE  
GOVERNANCE: PUBLIC SECTOR RESTRUCTURING,  
DECENTRALISATION AND LOCAL GOVERNANCE  
PROGRAMME  
AND  
THE ECONOMIC POLICY ANALYSIS PROJECT

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## LIST OF ABBREVIATIONS AND ACRONYMS

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**ACBF AERC AIDS APAS BOZ CBOs CG CBPEM COMESA CSO DFID DMPA  
 EFPP EPARU GDU GRZ HIID HIV  
 HRD IMF MDD METAP MOFED MPAU NCDP NEA NGOs NIPA NPM PHRC PMP  
 PMECP PRSP PSC PSCAP PSD PSRP SAD!, UNCDF UNDP UNZA YWCA ZACC I,  
 ZIALE**

African Capacity Building Foundation  
 African Economic Research Consortium  
 Acquired Immune Deficiency Syndrome  
 Annual Performance Appraisal System  
 Bank of Zambia  
 Community Based Organisations  
 Consultative Group .  
 Capacity Building Program for Economic Management  
 Common Market for Eastern & Southern Africa  
 Central Statistical Office  
 Department For International Development  
 Directorate of Macroeconomic Policy Analysis  
 Economic and Financial Policy Framework Paper  
 Economic Policy Analysis and Reports Unit Governance Development

Unit Government of the Republic of Zambia  
 Harvard Institute for International Development Human Immuno Virus  
 Human Resource Development International Monetary Fund Management  
 Development Division Macroeconomic and Technical Assistance Project  
 Ministry of Finance & Economic Development Macroeconomic Policy  
 Analysis Unit National Commission for Development Planning National  
 Executing Agency Non -Governmental Organisations National Institute OF  
 Public Administration National Project Manager Permanent Human Rights  
 Commission Performance Management Package  
 Payroll Management & Establishment Control Project Poverty Reduction Strategy  
 Paper Project Steering Committee Public Sector Capacity Building Project  
 Programme Support Document Public Service Reform Programme Southern  
 Africa Development Community United Nations Capital Development Fund  
 United Nations Development Programme University of Zambia  
 Young Women's Christian Association Zambia Chamber of Commerce &  
 Industry Zambia Institute of Advanced Legal Education

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## 1.0 INTRODUCTION

This report provides the findings and recommendations of the terminal evaluation of the Governance Programme (ZAM/97/012/A/01/98) and the Economic Policy Analysis Project ZAM/92/017/G/O1/99. Withh regard to the Governance Programme, the evaluation focused on two of its sub-programmes namely, Public Service Reform sub-programme and the Human Rights sub-programme. It is expected that the evaluation of the Decentralisation and Strengthening Local Government sub-programme will be done separately in collaboration with the United Nations Capital Development Fund (UNCDF). The evaluation was undertaken in accordance with the Terms of reference provided.

### 1.1 Terms of Reference

The objective of this evaluation -was to assess programme implementation and derive lessons that may be incorporated in the next UNDP country programme. The specific Terms of Reference were as follows;

#### *Project Design*

- Assess adequacy and relevance of the programme design.
- Examine conceptually and in practical terms the institutional and arrangements to implement the programme.

#### *Management and Co-ordination*

- Assess the programme's management capacity to accountably, effectively and efficiently deliver the programme's services.
- Assess the effectiveness of the accountability and oversight arrangements

#### *Implementation*

- Assess the programme achievement in relation to expected outputs.
- Assess the level of sustainability of the achievements of the programme. Assess level of stakeholder awareness of both the programme activities. Examine institutional constraints and the implementing environment and their influence on the achievement of results and outcomes.

#### *Recommendation.S*

- Find out the status and strategies of various ministries and pending policies that will have a bearing on the work in the sector.
- Draw lessons from the implementation of the programme, provide recommendations beyond the programme life and assess the factors that have a bearing on these types of programmes.
- Outline a few possible and realistic scenarios that can be implemented with the support of the various stakeholders within the sector.

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## 1.2 **Evaluation team**

The evaluation was conducted by a team of three independent consultants namely, Chiselebwe Ng'andwe. (Team Leader) of Changa Management Services, David Musona of M & N Associates, and Chandiwira Nyirenda of Legend Consulting Services Ltd. The consultants adopted a systems methodology, which enhances the holistic approach by its emphasis on the interactions among various elements of the project i.e. operational environment, design, policy, governance and management, staffing, systems and procedures, implementation and monitoring strategies.

To collect and analyse data and information, the Team reviewed all available relevant documents on the subprograms and project, conducted informal field observations and consulted various stakeholders including UNDP, Government officials, subprogram and Project staff donors and programme beneficiaries. The list of people consulted is attached to this report as an appendix: 1.

The report is presented in five parts, -the first one of which is this introduction.. The second part of the report is the Executive Summary, while the third and fourth parts focus on the evaluation of the Public Service Reform and Human Rights sub-programmes respectively. Similarly, the fifth and last part of the report deals with the Economic Policy Analysis project.

## **2.0 EXECUTIVE SUMMARY**

### **2.1 Programme and Project Design**

Assumptions were more optimistic than reality especially with regard to institutional factors. There was need to be more realistic especially about management capacity.

Funding arrangements assumed in the design were unrealistic with regard to Government contribution. This affected programme implementation.

Institutional arrangements of the programme did not always reflect existing reporting channels and systems of the government especially with multi sectoral programmes.

The design process did not capture broad participation to ensure a broad sense of ownership among key stakeholders.

### **2.2 . Institutional Environment**

Institutional arrangements tended to deprive programme (project) implementation of adequate focus due to combination of line responsibilities with project responsibilities of staff.

The slow decision making process within the Government system Affected the pace at which the programme (project) was implemented. Project Implementation \_did not take adequate account of this problem.

### **2.3 Governance, Management and Coordination**

Governance arrangements were weak. The steering committees did not meet as often as was required for effective implementation of the programme. Consequently project implementation was affected. Essential monitoring was not done on a regular basis.

National execution modalities were not fully being implemented especially with regard to financial management. Consequently there were delays in disbursements of funds.

Coordination of multi-sectoral programmes was affected by power play among the



key personnel in the concerned institutions. This was particularly so in view of inadequate attention paid to existing reporting channels in the location of the national executing agency.

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The widespread high staff turnover in government affected smooth implementation of the sub programmes and the project.

For multi-sectoral programmes and the project, poor awareness among stakeholders undermined effective participation of key stakeholders.

## 2.4 General recommendations 2.4.1

### Programme Design

- Assumptions should be realistic with regard to institutional environment and funding arrangements
- Governance and management arrangements should reflect and be consistent with existing government reporting channels
- The design process should, through sensitisation seminars; be broadly participatory to ensure broad sense of programme (project) ownership among key stakeholders

#### 2.4.2 Institutional Environmental

- Institutional arrangements should encourage key programme management personnel to concentrate on the programme rather than be burdened with line responsibilities
- Programme implementation strategies should reflect the slow decision making process within the government

#### 2.4.3 Governance, Management and Coordination

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- Governance arrangements need to be firmly spelt out with mandatory frequency of meetings incorporated in the Programme Support Document
- National execution modalities including financial management should be implemented in full
- National executing agency should be located such that programme implementation and relations among key stakeholders are in conformity with existing reporting channels
- Awareness seminars need to be mounted before and soon after programme is commenced to ensure effective participation of all

stakeholders.

- Annual Reports should be Sufficiently analytical to provide adequate basis for

critical decisions by the steering committee and UNDP.

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### **3.0 PUBLIC SERVICE REFORM SUB-PROGRAMME**

#### **3.1 Overall Public Service Reform Programme Objectives**

The Government launched the Public Service Reform Programme (PSRP) in 1993 with the overall goal, of improving efficiency, effectiveness and quality in delivery of public services to the nation. In pursuing this goal, the government's implementation of the programme aims at;

- i. Improving government capacity to formulate, implement and analyse national policies for social and economic development,
- ii. Effective management of public expenditure by ministries to meet fiscal stabilisation objectives, and
- III. Making the public service more efficient and more responsive to the needs of the country's population

#### **3.2 PSRP Components**

According to its design, the PSRP is being implemented through the following three components;

- i. Restructuring of the public service through rationalisation and streamlining of structures and operations of government ministries and departments to attain cost-effectiveness, efficiency and effectiveness in delivery of public services,
- ii. Human Resources management improvement through performance management systems, processes and procedures to enhance organisational and individual performance in the civil service, and
- iii. Decentralisation and strengthening of Local Government to provide and facilitate improved service delivery at the Local Authority level.

#### **3.3 Institutional Framework**

Overall, the PSRP is being coordinated by the Cabinet Office through the Management Development Division (MDD), which was specifically established (within the Cabinet Office) to kick-start and manage the overall implementation of the programme.

### 3.4 PSRP Progress to-date

Notable progress has been made in restructuring ministries since 1993 when PSRP implementation began.

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By the end of 1999, all twenty-two ministries had been restructured and their new structures developed and approved. In addition, out of the fifteen non-ministry public service institutions, fourteen of them have their new structures approved.

### 3.5 Public Service Reform Sub-programme

Implementation of the Public Service Reform sub-programme commenced in 1999 following the signing of the Programme Support Document on 15<sup>th</sup> September 1998. Previously, UNDP provided support to PSRP through the Public Service Management Project (ZAM/92/018), which preceded the support currently under review. The sub-programme is located in MDD of Cabinet Office and is coordinated through the Ministry of Legal Affairs, which is the designated National Executing Agency for the UNDP supported governance programme. Within the MDD, the day-to-day administration of the component is the responsibility of the Administrative Assistant, who is under the overall supervision of the Permanent Secretary.

### 3.6 Objectives and Expected Outputs

The overriding objective of the sub-programme is to contribute to the creation of an efficient and effective civil service as part of the overall effort to promote good governance and enhance government's role of facilitating sustainable human development. Within the context of this broad objective, as defined in the PSD, UNDP assistance aims to provide support to the core elements of the public service reform. Specifically, the expected outputs (areas of UNDP support) defined in the PSD are the following;

- Output 1: Restructuring of the remaining 13 ministries completed (*management audits completed, new structures approved, job descriptions revised, qualified staff recruited and excess staff identified*)
- Output 2: Improved performance management systems introduced (*Performance Management Package (PMP) installed and used in all restructured ministries/GRZ agencies, strategic plans updated, team work performance improved, work processes updated*)



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**These institutions are part** of the public service structure but do not exist as ministries and they include the Cabinet Office, Office of the Vice President, Anti-corruption Commission, etc

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Output 3:

Personnel policies and Management Information Systems developed (*pay policy,*

*scheme of service, pension scheme, legal framework, procedural. manuals etc, revised and updated)*



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Output 4: Human Resource Development needs identified and a corresponding HRD plan developed and implemented, the capacity of HRD institutions to respond to the demand strengthened and Organisational Development interventions made.

### 3.7 Sub-programme design

The issues discussed below relate to major weaknesses in the implementation process of the sub-programme resulting from omission of some institutional arrangements in its design or from major developments that impinged on it as originally designed.

### 3.7.1 Programme restructuring

As originally designed, the Public Service Reform sub-programme was supposed to be implemented with a total budget of US\$ 1,563,000 for the period 1998 to 2001. However, following the worldwide cut-back on the UNDP budget by about 30% in 1999 necessitated a rationalisation of the sub-programme's budget as was done with all other UNDP funded programmes. The scaling down of funding under all budget lines resulting from this rationalisation therefore created a major variation in the subprogramme's budget (and that of the Governance Programme's budget) at a very early stage of its implementation.

Apart from the significant reductions in budget line funding levels, in other budget lines, such as procurement and operation and maintenance of equipment, funds were completely depleted through their reallocation to activities of higher priority. More significantly, the sub-programme did not address output 3 due to inadequate funding in the budget following the cutback'. Consequently, only three components of the sub-programme were funded under the restructured budget.

<sup>Z</sup> The Payroll Management and Establishment Control project being funded by the British Department For International Development (DFID) is addressing the same issues defined in output three of the Public Service Reform sub-programme.

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The restructuring of the budget as a result of the cutback therefore implies that the



sub-programme was never implemented as originally designed and in particular, the exclusion of output three from the sub-programme's implementation represents underperformance in relation to the original programme design as described in the PSD.

### 3.7.2 Monitoring and reporting

An important characteristic of the sub-programme with regard to its design is the lack of a sound mechanism for monitoring performance under each of the components. While progress reports were prepared on an annual basis, this was merely a routine function to report on activities performed under each of the outputs in the work plan for a given year. These progress reports therefore fell far short of being management tools for analysing performance of the sub-programme under each of the outputs and providing detailed factual information on trends and developments in relevant areas of UNDP support to facilitate decision making by the parties involved. For, this reason feedback on activities performed under each output was not detailed and therefore not adequate for purposes of making follow-ups by the Executing Agency and the UNDP.

Similarly, apart from the annual progress reports, other means of regular reporting were not formalised. In particular, there appears to be no evidence of periodic review meetings involving UNDP, the Executing Agency and the Implementing Agency.

While there was regular communication between the sub-programme and UNDP, mainly for purposes of processing funding requests, the interface between the former and the Governance Development Unit (GDU) appears to have been weak and as a result the Executing Agency has had a limited involvement in the management of the sub-programme. According to records, there were only three meetings between the Implementing Agency and the Coordinating Unit in the Ministry of Legal Affairs since the implementation of the Governance programme commenced in 1998. The first one of these meetings was the sub-programme implementation start up meeting in 1999, the second one was in 2000, while the third and last meeting was the work planning meeting in early 2001.

### 3.7.2 Focal point

The designation of the Focal Point in the Implementing Agency for the sub-programme was not very clear.

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While the PSD largely left the appointment of the focal point at the discretion of the Cabinet Office, there was little effort to appoint a position within the Agency's administration structure to coordinate the day-to-day affairs of the sub-programme on a full-time basis. At the time of this review, Strategic Planning Officer within the MDD who was assisted by the Permanent Secretary's Secretary performed this function, on a parttime basis. Although this arrangement worked relatively well, coordination of the sub-programme often suffered as the two staff members had their regular and higher priority duties to perform. As a result certain important responsibilities relating to management of the subprogramme, such as making follow-ups on funded activities and preparing detailed reports on these activities, were not sufficiently carried out.

### **3.8 Sub-Programme Implementation**

The firm foundation on which the PSRP is currently being implemented is, to a very large extent, attributable to the assistance UNDP has provided to the government from the inception of the reform programme in 1993 to the present stage at which programme implementation has reached. While previous UNDP support to PSRP under the Public Service Management Project referred

to above, focused on assisting the government to formulate the programme and launch it, the focus off the current support under the governance programme has been on consolidating the reform process and building capacity in relevant institutions to ensure continuity in the programme's implementation. In this regard, the current UNDP support to public service reform builds on the previous programme under which the activities for PSRP implementation currently being supported were designed.

Notwithstanding a major budget cut in 1998/1999 and the subsequent erosion of funding for output three, significant achievements were made under this sub-programme, with regard to activities under expected -outputs one and four as defined in the PSD. Limited progress was made under expected output 2 as will be discussed at a later stage.

Despite the relatively slow start of its implementation, with no core programme activities having been supported during the first year (1998), considerable progress was made during 1999 to 2001. The sub-programme's low performance during 1998 was mainly attributable to the fact that the PSD was signed in September of that year, which was close to the end of the year.

A critical problem that was experienced in the implementation of the sub-programme was the apparent delays in the approval of budgets and work plans.



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With the exception of 1999 during which year the budget was approved early enough, in 2000 the sub-programme operated without a revised and approved work plan.

Similarly, the budget for 2000 was approved in May, which implied that during the first half of the year the sub-programme operated without an approved budget. Although this problem did not lead to a complete stall in the operations of the sub-programme, it did have an adverse effect on the implementation of work plans as there was constant uncertainty regarding the availability of funding to perform PSRP activities and as a result numerous delays were experienced in completing tasks.

### 3.8.1 Major achievements of the sub-programme against expected results

As mentioned earlier, implementation of this sub-programme suffered a

setback due to a major cutback in the UNDP budget, which resulted in the elimination of expected output three from funding and the scaling down of support to activities under the remaining components. It must therefore be mentioned from the outset that with regard to the expected output relating to the development of personnel policies and Management Information Systems, the only achievement made by the sub-programme was funding a consultancy involving the review of the General Orders. This assignment was completed although the recommendations of the consultant haven\_ of been adopted by government due mainly to internal differences of opinions on the recommended structure and contents of the recommended General Orders.

### **Output: 01 Restructuring of thirteen remaining ministries**

With regard to output one, the main focus of the sub-programme was to restructure the remaining thirteen ministries that had not undergone the, process during the previous UNDP supported programme mentioned above. As of September 2001 management audits had been conducted in all these ministries and their strategic plans developed.

New organisation structures were also developed while job descriptions were revised for all but two ministries, namely Ministries of Community development and Social Services and Information and Broadcasting Services, which are awaiting the approval by government of policies in their respective sectors. In addition the process of selection and placement of qualified staff was completed in five of them and is ongoing in the rest except the two mentioned above.



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### **Output: 02 Improved Performance Management Systems' Introduced**

According to the design of the PSRP implementation, the introduction of the Performance Management Package (PMP) and subsequently the installation of the Annual Performance Appraisal System (APAS) in ministries is the last stage in the process. However, the prerequisites for introducing the PMP are that the targeted ministry must have a new approved structure and that the recruitment and placement process should have been completed.

Under Expected output two, therefore, progress was seriously hampered by the delays in approval of new structures and the recruitment and selection of new personnel in ministries. While most of the ministries had their new structures developed and approved, as part of the work under output one, the PMP could not be introduced in many of them as the recruitment and placement process had not been completed. In the year 2000 the PMP was introduced in only two ministries, namely Ministries of Lands and Works and Supply.'

It was observed during this review that progress toward the realisation of output two will continue to be slow for some time to come as there is a huge backlog of public service restructuring vacancies that have yet to be filled'. This problem is exacerbated by the high staff turnover in the public service partly due to the

government's failure to fulfil its obligation to improve employment conditions as part of the reform process. Overall, progress under this output was limited, due to reasons given above, as the PMP has been introduced in only eight ministries since the process started in 1996. It is expected therefore that the institutionalisation of improved performance management will be a slow and lengthy process.

#### **Output: 04 Organisation and Human Resource Development (HRD) in restructured ministries**

Under output four, the sub-programme focused on enhancing the capacity of the National Institute of Public Administration (NIPA). In this regard, funding was provided to the study by Price Waterhouse consultants on the commercialisation of NIPA and for short-term training for the institution's personnel.

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' Since the introduction of PMP commenced, only eight ministries and four Public Service institutions have gone through the process.

'Arrangements are being made to hire consultants to assist in enhancing the capacity of the Public Service Management Division to recruit and place qualified personnel in restructured ministries. This exercise will be supported under PSCAP



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It is evident that this study provided a basis for the transformation of NIPA from being part of the government structure to its current status as an autonomous and commercially run institution. In conclusion, therefore, the

support provided by the sub-programme to short-term training for the staff and to the transformation study contributed to the observable improvements in the institution's performance.

Overall, the sub-component has made remarkable achievements in supporting PSRP activities under the expected outputs that were addressed. Admittedly, the exclusion of activities under expected output three from being supported by LNDP was a consequence of an external development that was beyond the influence of all parties in the Governance programme. Therefore although this implied underperformance by the sub-programme in relation to the PSD, the net result is that within the limits of the available financial resources, its performance met most of the expectations, especially under outputs one and four.

In addition, its having supported activities requested for by government that were not part of the original work plan defined in the PSD further evidences the successful implementation of this sub-programme. These activities included, the establishment of the Office the District Administrators and support to meetings of Permanent Secretaries on the General Orders discussions.

It ought to be mentioned also that delays within government in making decisions, such as approval of strategic plans and organisation structures, also had an implication on the overall performance of the sub-programme as activities could not be performed as indicated in the work plans. This implies that had decisions in government been made on a timely basis to allow for the performance of all planned activities, the sub-programme's budget could have been over-rung before the conduct of this terminal evaluation.

### 3.8.2 Level of sustainability of the achievements of the sub-programme

Foe some time now PSRP implementation has been heavily dependent on external donor funding, especially UNDP. The lack of budgetary provisions for PSRP activities in ministry budgets poses as a major threat to the sustainability of the achievements of the sub-programme as there is a widespread perception that the reform programme should be supported only through donor assistance.



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Another serious threat to the sustainability of the sub-programme's achievements is the high turnover of personnel currently being experienced in ministries. While capacity building through critical skills development is a major part of the public service reform process, these skills are being lost at an alarmingly high rate through

the departure of qualified personnel for better employment opportunities outside the public service. Presently there are numerous vacant positions across the civil service, as ministries cannot easily replace staff due to the existing poor employment conditions. This situation has not only militated against the efficient operations of restructured ministries, but is also a cause of frustration for the remaining staff and is therefore a potential reason for them to leave too.

,In addition, the HIV/AIDS pandemic is also a major threat to the sustainability of the achievements of the sub-programme due to the rising numbers of skilled personnel who are not available support the operations of the newly restructured ministries due to prolonged or terminal illnesses caused this pandemic.

### 3.8 .3 Level of stakeholder awareness of sub-programme activities

This sub-programme has four key stakeholders namely, UNDP as the funding agency, Ministry of Legal Affairs as the National Executing Agency (NEA), Cabinet Office ( MDD) as the Implementing Agency, and Ministries and other public service agencies as the beneficiaries. The level of awareness of the sub-programme's activities appeared to vary between UNDP and the NEA on the one hand and' the Implementing Agency and

the ministries on the other.

While the UNDP and the NEA were aware of the activities from the point of view of the budgets and work plans, they appeared not to be fully appraised in detail on the outcomes of these activities. As an example, although these two stakeholders were provided with information, albeit on an annual basis, regarding strategic planning or restructuring in ministries, they were not fully appraised on the extent to which the conduct of these activities conform with or contribute to certain commitments of UNDP or government such as poverty alleviation or promotion of gender equity. This is mainly because the reporting format is not captive of such and other information and monitoring is occasional.

On the other hand, the Implementing Agency and target beneficiaries were fully aware of the activities that were supported by the sub-programme. However, there appeared to be a permanent uncertainty among them regarding the actual amount of resources available to support these activities.

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This situation was attributed to the lack of full disclosure of information regarding resources on the part of NEA [and to](#) some extent UNDP. Some people interviewed during this evaluation also expressed opinion that information was not adequately disseminated regarding procedures for funding activities in ministries (through the Implementing Agency). As a result, it was usually not clearly known how much resources were available

and when they could be accessed by ministries through the Implementing Agency.

### 3.8.4 Institutional constraints and the implementing environment and their influence on the achievement of results and outcomes

A major institutional constraint is the lack of adequate personnel and skills -in the Implementing Agency to monitor ministries which have undergone restructuring and in which the PMP has been introduced. It would appear that most effort is directed and ends at restructuring and introducing the performance systems and not going beyond to assist ministries to sustain the changes created in them and on the basis of this improve their performance.

Personnel in some ministries that were visited indicated that after they had undergone restructuring they felt abandoned, as there were no follow-up visits to ensure continuity in the reform process and guide them in carrying it forward. As a result of this ministries have continued to face difficulties in internalising and taking ownership of the organisational changes that result from the reform process. There is need therefore to build institutional capacity within the MDD for monitoring and followingup operations of ministries beyond the restructuring stage<sup>s</sup>.

The apparent diminishing political commitment to the public service reform initiative poses as a major factor in the implementing environment that has a potential to negatively influence the results and outcomes of the sub-programme. The decline in the political commitment could partly be attributed to lack of a permanent arrangement to keep politicians abreast with the developments in and progress of the PSRP.

At the time of this review a PSCAP funded exercise was going on to assist in the institutionalization of strategic management in ministries restructured under UN DP support.



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### 3.9 Recommendations

#### 3.9.1 Status and strategy of various ministries and pending policies that will have a bearing on the implementation of the sub-programme

As mentioned in an earlier section, the process of restructuring ministries is almost complete. However the present slow pace at which the recruitment and placement of personnel is being undertaken is a major hindrance to the reform process. Therefore the current exercise being funded by DFID under the Payroll Management and Establishment Control Project (PMECP)<sup>6</sup>, which will introduce a new pay policy, among other things, has a potential to influence the recruitment and placement process in the public service and thus contribute to the sustainability of the outputs of this sub-programme.

#### 3.9.2 Lessons learnt from the implementation of the sub-programme

- Some procedures guiding the implementation of the sub-programme were a hindrance to the efficient performance of the some activities. In particular, the requirement to give UNDP two weeks notice for funding activities was not practical as some activities had to be performed at short notice (sometimes due to weak planning systems), to provide an input into a wide range of ongoing activities. In addition, poor planning
- The launch of PSCAP, which supports similar activities as the subprogramme brought about some level of confusion among beneficiaries regarding which donor

was funding what activities.

- The pace of implementation of sub-programme was greatly influenced by decisions made by beneficiary institutions. For example, launching of strategic plans and PMP have been delayed due to delays in decision making in beneficiary ministries.
- Although UNDP is committed to promoting gender equality and poverty alleviation, as stated in the PSD, the sub-programme paid little attention to them due to lack of guidelines on how to address these poor monitoring of its implementation and hence there was no effort to mainstream these in the overall activities.

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<sup>6</sup> The PMECP was designed to support GRZ PSRP objectives for improved payroll management and strengthen establishment control. This is to be achieved through improved accuracy in payroll budgeting, preventing overruns in personal emoluments expenditure and help detect and eliminate payroll abuse. The project will be implemented over a three-year period from 2001 to 2003, which coincides with phase one of the PSCAP implementation.

### *Terminal evaluation report (ZAMf97fo121A01rsa and ZAM/92/017)*

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- The sub-programme was implemented with relative flexibility' and as a result reasonable progress was made in attaining the outputs that were focused on despite numerous weaknesses in the institutional arrangements for its implementation.
- The design of the sub-programme to a large provided a model for the design and

implementation arrangements for the PSCAP and PMECP and as a result the efforts of these projects have been complementary rather than in conflict with each other.

### 3.9.3 Scenarios for implementation with the support of other stakeholders.

An effective and efficient public service is an essential element in building and sustaining good governance. Moreover, Sustainable Human Development, to which UNDP is heavily committed, should be anchored on a responsive and functional public service. For these reasons UNDP should continue to support efforts to improve the performance of the public service through various reform initiatives. However, since there are other players involved in the same development area, there is need for the UNDP to find a niche in which its resources could be more effectively utilised without duplicating the efforts of other donor programmes, more notably the PSCAP.

In view of the fact that the UNDP already has a component on strengthening Local Government, it should focus its effort on replicating the reform process in central government at the Provincial and District Administration levels. It is noted that this effort has already been started through the management audits conducted in six Local Authorities. There is therefore a tremendous opportunity to carry this process forward by taking these Authorities through the entire PSRP process as has been done at Central Government level and in addition mainstreaming poverty alleviation and gender at this level.

However, it is realised that the future of the reform process at Local Government level will largely depend on the Decentralisation Policy that is yet to be approved by Government. Should this policy be a hindrance to UNDP support to the reform process at the Provincial and District Administration levels, it is recommended that this support should be provided to and focused on key institutions and ministries at the central level that have a direct responsibility with governance functions. These would include Ministries of Legal Affairs, Home Affairs, Attorney General's Office, Cabinet Office, etc.

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#### **4.0 PROGRAMME IMPLEMENTATION COORDINATION AND. ASSISTANCE TO DESIGN A COMPREHENSIVE GOVERNANCE CAPACITY BUILDING PROGRAMME**

##### **4.1 Purpose**

The purpose of this sub-programme is to support national efforts to promote good governance and promotion and protection of human rights in Zambia.

##### **4.? Objectives**

There are three objectives for this. sub-programmes these are:

1. To enhance the capacity of the Permanent Human Rights Commission (PHRC) in its quest to institutionally strengthen itself, to establish its public image as a human rights body;
2. To enhance the capacity of law enforcement agencies and other governance institutions to uphold human rights in the discharge of their duties; and
3. To support the efforts by various human rights groups, both public . and private and NGOs across the board to promote and protect human rights.

Below we discuss the expected outputs of the four components of this sub programme as follows:



#### 4.3.1 Programme Implementation Coordination and Assistance to design -a comprehensive governance capacity building programme

Under this component expected outputs are:

- Smooth functioning and coordination of the UNDP supported governance programme maximizing on synergies;
- Effective Implementation Coordination; and
- Comprehensive governance capacity building programme agreed upon between GRZ and other stakeholders designed and implementation started.

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**Expected outputs**

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**4.3.2 Human Rights Commission**

Under this component expected outputs are-:

- Human Rights Programme Planning;
- Capacity of PHRC enhanced; and
- Links between PHRC and other human rights institutions strengthened.

**4.3.3 Other Human Rights Institutions Under this**

component expected outputs are:

- Improved Local and Subordinate. Court System;
- Strengthened capacity of Police and Prisons Authorities to handle human rights issues; and
- Capacity of Local Level Human Rights NGOs and CBOs strengthened.

#### 4.3.4 Protection and Promotion of Human Rights Under this

component expected outputs are:

- Constitutional and Legal Review; and
- Education for Empowerment..

#### **4.4 Sub-Programme Implementation**

Programme implementation coordination is a responsibility of the Governance Development Unit (GDU) based in the Ministry of Legal Affairs, this Unit was established as part of the implementation strategy for the National Capacity Building Programme for Good Governance in Zambia and supported by PSD number ZAM/97/012/A/O1/98.

The GDU was established on 1<sup>st</sup> January 2000, some two years after the commencement of ZAM/97/012/A/01/98 and has a staff establishment of six'. The Unit was established with financial assistance from the Government of Norway.. Originally the UNDP was supposed to provide financial resources to:-the Unit for the positions of Coordinator, Secretary and driver. The provision for this assistance was later cancelled by UNDP.



' **Coordinator, I-** Monitoring and Evaluation officers, Secretary and Driver.

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4.4.1 Major achievements of the sub-programme against expected results

**COMPONENT 1: Programme Implementation Coordination and Assistance to design a comprehensive Governance Capacity Building Programme**

**Output 01: Smooth functioning and coordination of the UNDP supported governance programme**

Although programme implementation coordination arrangements are in place and have been successful to some extent, the output was not fully realized because the programme steering committee met only once.

The differences in Opinion between the executing agency and the IJNDP regarding remuneration of coordinator have been the main reason for the inactivity of the steering committee. Despite the absence of the steering committee, the implementation coordination has worked well at technical level as witnessed by the regular meetings of programme managers and programme officers from UNDP. Coordination mechanisms were developed, agreed and implemented. The coordinator receives regular reports from the sub-programme managers and has held regular meetings with the sub-programme managers.

Inter-linkages between sub-programmes were identified and strengthened through meetings of the sub-programme managers and the Coordinator has undertaken several tours of the sub-programmes. These inter-linkages would have been stronger had the programme followed a strict national execution modality.

The non-existent steering committee has led to the UNDP supported components not being fully owned by GRZ. There is a perception that the priorities of the UNDP supported components were not fully agreed upon by GRZ. This is probably due to the fact that many of the people who complained were not in place at the time the programme was initiated.

## **Output 02: Effective Implementation Coordination**

The absence of a steering committee has adversely affected effective implementation coordination because some benchmarks were not achieved for example coordination mechanisms were not approved by the steering committee and the synergies between the sub-programmes were not worked out. Also the review of year 4 and 5 not done and work plan and budgets not submitted to steering committee for approval. However, a mid-term review was carried out. But appropriate response was not prepared for the steering committee decision.

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**Output 03: Comprehensive governance capacity building programme agreed upon between GRZ and other stakeholders designed and implementation started**

A comprehensive Governance Capacity Building Programme was produced and agreed upon between GRZ and other stakeholders and launched by the President in March 2000. But inadequate funding particularly, from GRZ, is hampering implementation as there is no evidence that GRZ is using programme activities to write the national budget. Establishment of a linkage between the national budgeting process and government policy is highly recommended. Presently, only donor funded activities and those requiring less financial input are being implemented.

**COMPONENT 2: Human Rights Commission**

As part of the implementation of the Munyama Commission recommendations GRZ through Act of Parliament No. 39 of 1996 established the Permanent Human Rights Commission, which began operations in May 1997.

The Permanent Human Rights Commission was intended to create a conducive atmosphere and institutional framework for the protection and promotion of human rights. The implementation of this sub-programme has faced a number of challenges including a three-month delay in the implementation of programme activities and a delay in the approval of an organizational structure which created job insecurity among the staff resulting in the resignations of eight professional staff. The - --- implementation of the programme was delayed due to the fact that PHRC was still preoccupied with problems of getting started. The delay in approving the organizational structure was partly due to the on-going public service reform programme. The GRZ Cabinet has approved the organizational structure of the PHRC but is not yet effective because treasury authority is still being awaited. Despite these constraints the subprogramme has made substantial progress towards the attainment of the planned outputs as follows:

**Output 01: Human Rights Programme Planning**

' Some Human Rights Programme Planning has taken place, tangible evidence include the existence of strategic plan for PHRC and National Governance Capacity Building Programme which is an effort to protect and promote human rights. Internal capacity for programme planning has been constrained by the absence of a Research department at the PHRC.

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### **Output 02: Capacity of PHRC enhanced**

To a large extent this output has been delivered. The PHRC is fully functional with some office equipment. There have been delays in the processing of disbursement requests for example a disbursement request for procurement of additional office equipment was still pending at the time of this evaluation, The PHRC feels that the UNDP has not been attending to the requests promptly but we do not rule out the possibility that PHRC contributed to. these delays through submission of requests that did not comply fully with the

requirements of the UNDP. These delays have negatively impacted on the performance of the sub-programme.

PHRC commissioners and staff have received some training but the impact of this training has been adversely affected by the high staff turnover at the senior technical level. Over the period the PHRC has lost eight senior technical staff who had received training through the programme assistance. The high staff turnover is a result of job insecurity arising from the delayed approval of the organisational structure. At the time of this evaluation although organisational structure has been approved, staffs were still serving in temporary capacity. Appointment of staff was awaiting treasury authority.

### **Output 03: Links between PHRC and other human rights institutions strengthened**

The PHRC has established links with other Human Rights institutions such as YWCA, Zambia Police, Zambia institute of Advanced Legal Education (ZIALE), University of Zambia, Legal Aid, Legal Resources Foundation and Industrial Relations Court. The PHRC has used workshops to develop and strengthen these links. Generally, these links are functioning well but requires further strengthening through collaborative actions. For example ZIALE should handle all training courses in human rights because they have a comparative advantage.

### **COMPONENT 3: Other Human Rights Institutions**

As noted above the PHRC has collaborated with a wide range of institutions. These collaborations have taken many forms including workshops and information exchanges etc. The level of achievements of 'expected outputs is as follows:





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### **Output 01: Improved Local and Subordinate Court System**

The PHRC has established contact with the Local Courts authorities but very little has been achieved because of staff shortage at the PHRC. At the subordinate court level, PHRC has conducted successfully a human rights course for magistrates. Strengthening the capacity of the Local and Subordinate Court System in protecting and promoting human rights requires training of staff and review of Laws. Unfortunately both the Zambia Institute of Advanced Legal Education and the Zambia Law Development Commission have not been fully involved in this activity partly because of the weakness in the coordination mechanism and the fact that the implementing agency was a new entity preoccupied with problems of getting started. This is an area requiring continued and enhanced -external interventions particularly review of Laws. There is human capacity at the Zambia Law Development Commission..to undertake Law reform but the Commission is constrained by poor funding.

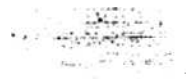
### **Output 02: Strengthened capacity of Police and Prisons Authorities to handle human rights issues**

The PHRC has worked very closely with the Lilayi Police Training College, police training syllabus now includes human rights and entry qualifications has been upgraded. The Zambia Police Act has been amended providing for establishment of victim support units at all police stations, establishment of

police public complaints authority and designation of custody officers. To a lesser extent the PHRC has worked with Prisons Authorities sensitizing them on human rights issues and with the assistance of the Dutch Government this has resulted into improvements to kitchens at prisons. There is still a need for training of prisons officers in human rights.

**Output 03: Capacity of Local Level Human Rights NGOs and CBOs strengthened**

The PHRC has conducted several workshops and drama presentations designed to strengthen and sensitize local level human rights NGOs and CBOs. The PHRC has translated the Human Rights Act and the Universal Human Rights Charter into seven major languages of Zambia. The PHRC has also sponsored a Radio programme on human rights. This output has been achieved.



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#### **COMPONENT 4: Protection and Promotion of Human Rights**

Under this component two outputs were expected as follows: Output

##### **01: Constitutional and Legal Review**

Constitutional and Legal Review has not been achieved mainly because of staffing constraint at the PHRC and weakness in coordination mechanism. This activity should have been undertaken by the Zambia Law Development Commission. There has been very little contact between the Zambia Law Development Commission and P1-1RC. This activity is key to the protection and promotion of human rights, however, implementation would require external intervention. .

##### **Output 02: Education. for Empowerment**

The PHRC has established Thematic Committees, Provincial Committees and are working to institute a national committee for Rights Education. In addition several workshops and meetings in the provinces have taken place. Therefore, this output has been achieved.

#### **4.5 Lessons Learnt**

We discuss below major lessons learnt in the course of implementing this sub-programme;

- The location of the Executing Agency for multi-sectoral programmes are better placed in institutions with administrative authority over the implementing agencies, this arrangement would minimize unnecessary power struggles. Cabinet Office is the appropriate institution for multi-sectoral programmes.
- Unresolved differences of opinion among co-operating partners whether

real or not has adverse effects on programme implementation.

- Inadequate institutional analysis at the programme planning stage has serious negative implications on the performance of the programme.
- High staff turnover affects adversely capacity building programmes. Capacity building programmes should be complemented with measures to minimise staff turnover.
- Inadequate counterpart funding retards implementation of programmes. UNDP should not assume that counterpart funding will be available, counter-part contribution should mainly be in kind.

#### **4.6 Recommendation**

- Cabinet Office should be the executing agency for multi-sectoral programmes because this is in line with the normal government reporting arrangement and would not likely be resisted by implementing agencies.
- An institution under formation or recently established should not be assigned implementing role because they are more prone to high staff turnover and usually do not have time to implement many activities as they are preoccupied with problems of getting started.
- Government budgeting process should be guided by programme activities, this would minimize the shortage of counterpart funds.
- Institutional analysis at the programme planning stage should be exhaustive, so that the capacities of the executing agency and implementing agencies are correctly identified and appropriate action taken.



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## 5.0 ECONOMIC POLICY ANALYSIS PROJECT 5.1

### BACKGROUND 5.1.1 DMPA Objective

The Directorate of Macroeconomic Policy Analysis (DMPA) Project was approved in May 1995, and the Project Support Document between the Government of the Republic of Zambia (GRZ) and UNDP was signed in May, 1996.

The African Capacity Building Foundation (ACBF) was also to provide substantial support to DMPA. The main objective of this project is to improve macroeconomic policy management in the country so as to promote economic stability and growth.

To achieve this goal, the following strategies were adopted:

- Build human and institutional capacity at the Ministry of Finance for carrying out the necessary research/ analysis and managing the formulation and implementation of these policies in an effective manner,
- Build capacity within the country for training researchers and managers in the area of applied macroeconomics.

### - 5.1.2 - Institutional Framework - -

The institutional base of the project is the Directorate of Macroeconomic Policy Analysis (DMPA) in the Ministry of Finance (MOF). The project will strengthen this Directorate so that it can carry out its responsibilities effectively. The project is managed by the National Project Manager (NPM) who is responsible for the co-ordination of all project activities. A co-ordination Committee will be established in MOF to handle practical co-ordination of technical activities.

Project implementation is to be monitored by a Steering Committee that will meet quarterly to review progress and provide guidance on project implementation. The Steering Committee will comprise Permanent Secretary (MOF) as Chairperson, DMPA senior official, Project Manager, MOF international advisors, and representatives of Dónors.

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Since this project was identified as an integral component of the'. GRZ/UNDP Capacity Building Program for Economic Management (CBPEM), the management and work plan of this project will be coordinated with the other projects at CBPEM level within the established program Management Committee (Consisting of the MPMs and advisors of all CBPEM projects).

### 5.1.3 The Design of the DMPA Project

With the transition from one-party system to multiparty democracy in November 1991, there was a radical shift from state domination of economic activities to market

based economic policies. This change meant that Zambia needed appropriate capacity for macro economic policy analysis and management to ensure that appropriate signals were passed to private sector, while Government also provided a policy framework and physical environment that were conducive to the private sector.

The Economic and Financial Policy Framework Paper (EFPFP) for 1992 - 94 was prepared with IMF/World Bank collaboration to guide the adopted market-based economic policies. However, it was realised that there was insufficient national capacity to effectively manage economic policy.

As a short term measure, expatriate personnel were recruited in various critical positions including the Macroeconomic and Technical Assistance Project (METAP) managed by Harvard Institute for International Development (HIID) which provided essential economic policy analysis and advise to the Ministry of Finance.

The institutional capacity for economic policy management remained weak and unsustainable as reflected in:

- Poor co-ordination and management of technical co-operation.
- Inappropriate replacement of nationals by expatriate advisors without clear long-term capacity building strategies.
- Use of one-on-one counterpart system rather than using expatriates as short-term facilitators of core group of national experts.
- Excessive disparities between expatriate and national salaries leading to low morale among nationals.
- Brain drain
- Inadequate logistics
- Use of HIID team members for fire fighting and crisis management rather than capacity building.
- Using HIID members for line tasks and thereby sidelining and by passing existing institutional channels and incumbents.

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- Absence of long and short term training programme for institutional and human capacity development.
- Lack of integration of short term and long-term economic policy considerations.
- Lack of monitoring and analysis of the impact of fiscal and monetary policies on real variables.
- Failure to program long term technical assistance. Non-co-ordination of activities among economic agencies.

To consolidate and reinforce achievements of various expatriate advisory teams, a needs assessment study commissioned by GRZ recommended rationalisation of activities of the activities of economic policy related units. The rationalisation was to focus on newly created units and task forces in the Ministry of Finance, National Commission For Development Planning (NCDP), Central Statistical Office (CSO) and Bank of Zambia (BOZ). The study also recommended a structured training programme based on short and long term needs for sustainable national capacity for effective economic policy management.

The Government decided to build in-country capacity to undertake quality macroeconomic policy analysis by creating the Directorate of Macroeconomic Policy Analysis (DMPA). The overall objective of DMPA was to build and strengthen capacities in both public and private sectors for macroeconomic policy analysis, co-ordination and management to foster economic growth and human development.

DMPA's irrimédiâte objectives were:

- i. To strengthen MOF-'s Economic Policy Analysis-and Reports Unit (EPARU)
- ii. Make EPARU the pre-eminent macroeconomic think tank in the Government and the country; to achieve this particular objective it was decided to convert EPARU into Macroeconomic Policy Analysis Unit (MPAU).
- iii. Create sustainable human capacity for macroeconomic policy analysis and research, policy formulation and monitoring to support short term and long-term programmes.
- iv. Create sustainable institutional capacity for effective macroeconomic policy analysis and management.

Projects outputs were specified for each immediate objective. Specific, measurable, achievable, realistic and time- bound (SMART) targets were established. Strategies with specific activities were also established.

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Project budget and funding was as follows:

ACBF US\$	1,785,000
UNDP US\$	990,000
GRZ US\$	1,100,000
Total US\$	<u>3,875,000</u>

#### 5.1.4 Expected Project Outputs

The following specific systems and institutional capacities were expected to be in place by the end of the project:

- i. A pre-eminent competent institution (DMPA) in the MOF mainly responsible within GRZ for macroeconomic policy-making, and particularly well versed in fiscal policy issues.
- ii. An improved co-ordination system among the core institutions with responsibility for the conduct of macroeconomic, monetary, exchange rate, external sector and fiscal policies.

An operational reporting system that will provide policy analysts and decision-makers with relevant and up-to-date economic indicators. Publications would keep citizens informed and educated.

- iv. Working quantitative framework and models for, undertaking short and medium-term economic analysis and which are capable of tracking the

principal implications of macroeconomic decisions.

- v. A continuous and practical training programme targeted at middle and junior level policy analysts and researchers. A pool of talented and experienced staff would have been created to sustain the work of MOF as well as an outside group to supplement MOFED's analysis.
- vi. A team of competent trainers in macroeconomic policy analysis would have been created in the Economics Department of the University of Zambia. The team would undertake short-term training activities for government economists.
- vii. The Economics Department at the University of Zambia is promoted by the African Economic Research Consortium (AERC) as a Category B University capable of providing Masters courses in economics not only for Zambians, but also for students coming from other countries in the region and sponsored by AERC.

*Terminal evaluation repo(t (ZAMM/97/0;2/A/01/98 and ZAM/92/017)*

## 5.2. val iatio of dmpa assumptions and premises 5.2.1

### Programme Design

The needs identification process, the assumptions of the project design and strategies were and remain valid and relevant. The DMPA emerged as the most practical and rational institutional arrangement for building the necessary capacity in the country for macroeconomic policy analysis, co-ordination, and management.

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However, certain essential undertakings have not been realised. For instance, Public Service Reforms remain elusive. The public service employment has not changed significantly, and the incentives structures and staff morale remain a source of concern.

The privatisation programme, which was a major factor in the operational environment of the project, has moved at a satisfactory pace. Except for publicly owned utilities and communications enterprises, all major mining and industrial undertakings have been privatised. The design methodology, strategies and assumptions were and continue to be relevant and adequate.

## 5.2.2 Project Institutional Arrangements

The location of the project in the Ministry of Finance, (after the merger with NCDP, the Ministry of Finance and Economic Development (MOFED) was meant to establish the required capacity for macroeconomic analysis at the Ministry that is responsible for national economic policy management. The MOFED was the most appropriate location for the project to intervene in the capacities of other ministries/agencies and private sector for macroeconomic analysis.

Governance of the project was vested in the Project Steering Committee (PSC) which comprised representatives of stakeholders namely MOFED (as chair) UNDP, the Bank of Zambia, Economics Department of the University of Zambia, the National Execution Project Support Unit, Public Service Management Division of Cabinet Office and the DMPA.

There was also provision for the internal co-ordination Committee to carry out practical co-ordination of technical activities. The Coordination Committee was apparently not constituted. There was no evidence of its existence. This would appear to be part of the general neglect of essential organisational arrangement.

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Although the agreement obligates the Government to constitute a Steering Committee, there were no stipulations regarding frequency of PSC meetings. This was a serious weakness in the project document as some of the project implementation difficulties have arisen from extended periods of no PSC meetings to take critical decisions.

Originally DMPA was to operate as one of the Departments in the Ministry. In other words the project staff had line responsibilities like any other civil servant.

The additional project remuneration given to project staff tended to create jealousies among non-project personnel in the Department and Ministries due to low civil service wages. The situation tended to create problems for harmonious functioning of the Directorate.

The DMPA was recently set as a separate project under the

Department of Macro economic Policy. This arrangement may provide the project smoother internal operational environment.

### **5.3 management and co-ordination**

This section assesses the capacity for effective management and coordination of the project, and arrangements for accountability.

For a project of this nature, it was absolutely necessary to have a Project Director with high professional and technical skills in macroeconomic analysis, enterprising spirit and strong interpersonal skills to provide technical and general leadership of the project. Unfortunately the project has never had a substantive Director. To crown the problem, several officers have headed the project as caretaker managers

This situation has robbed the project of effective leadership, and some of the implementation problems are the direct consequences of this situation.

The consultants do not find it necessary to speculate on why it has taken so long to find a credible Director for the project. It is noted however, that during the November 1998 mid term review of the project, the Review Mission expressed strong concern at the absence of a substantive Project Director, and even helped to head hunt strong candidates with Ph.D. in Economics, whose CVs were submitted to the Permanent Secretary as a way of expediting the

recruitment of a substantive project Director, but the project remains today without a substantive manager. It is evident that the non-appointment of a substantive Project Manager has nothing to do with non-availability of qualified candidates, but could be the result of internal politics at the host Ministry.

The Project Steering Committee has not been meeting on regular basis. Indeed, the meetings of the committee have been too far apart and irregular for the committee to effectively discharge its responsibilities of guiding and directing implementation of the project. For instance annual work plans and budgets need to be approved by the Steering Committee at appropriate times. The absence or delays of

such meetings have tended to distort the implementation of the project.

Initially the DMPA combined line functions of the Department of macroeconomic policy and project implementation responsibilities. The Government Department Director was also the Project Acting Director, and the other project staff had line responsibilities within the ministry. In the utilisation and application of material and human resources, it was not always easy to separate line responsibilities from project responsibilities. This tended to create problems for accountability of project material and human resources.

For a project intended to impact on other ministries, agencies and even the private sector, the combination of line and project responsibilities did promote a clear image among the broad based stakeholders. Moreover, there was no adequate sensitisation of other stakeholders. Consequently the project was generally seen as confined to the capacity building efforts of the Ministry of Finance and Economic Development. Many ministries and the private sector that were intended beneficiaries of the project were not fully aware of the project's broad coverage. Consequently the interventions of the project in other ministries and private sector have been rather peripheral.

Recently the project was separated from the Department of macroeconomic policy line functions to operate as an autonomous project with full concentration on project implementation. The project manager now reports to the Director of Macroeconomic Policy Department.

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This separation 'of line responsibilities from project responsibilities appears to have improved concentration of project material and human resources on the project. Once the Steering Committee is reactivated this arrangement will promote greater involvement of other stakeholders in the activities of the project.

Initially there were lapses in the project management to follow guidelines for accessing the funds from both UNDP and ACBF. There were also problems with record keeping. Some of these problems have been a reflection of professional weaknesses on the part of the initial project accountant. These problems appear to have been abated by the recruitment of a new Project Accountant.

The project has been using a project designed manual for financial accounting and management systems for DMPA project implementation and the Operational

Handbook on National Execution adopted by GRZ. Both manuals are clear and detailed for efficient transparent operations.

For the first 2 or 3 years, the DMPA management systems were not performing well. The DMPA management was not able to access grant funds nor account for advances on time as required. Quarterly progress reports were not being sent on time. A 1998 special audit of DMPA by MOFED found that there were some problems with financial management and accounting, and control system for DMPA assets. The recruitment of a more experienced project accountant has helped to improve the financial management system of DMPA. \_ . -- -

The project internal systems for finance, accounting, and administration and procurement can cause some difficulties as the project needs to conform to the basic criteria of all the three sponsors of the project i.e. ACBF, UNDP and GRZ. A manual for Financing, Accounting and Management Systems for (DMPA) Project Implementation designed by the project and sent to ACBF and UNDP guided financial management and accounting.

While UNDP and ACBF guidelines will be followed for disbursement of grants, the operational Handbook on National Execution (adopted by GRZ) would provide guideline on day-to-day operations on matters related to personnel, procurement, financial operations and training.

The multiplicity of procedural guidelines may be inevitable in ,a project enjoying support from 3 partners with their different internal control systems. It was necessaryy for the Project Manager and accountant to familiarise themselves with the three different systems as well as the project designed internal procedures. Some delays have been'caused by failure to adhere to one or more of the guidelines by project staff.

Because of these problems some planned activities were frustrated. Some activities were also delayed or frustrated by laxity in general management activities such as mandatory meetings of the steering committee or mandatory reports.



During the short life of this project, there have been at least five Acting Project Directors. This high turn over and lack of a substantive Project Director did not help improve project leadership or effective management. This situation also led to very weak capacity for effective planning and co-ordination of essential activities. The high turnover at project manager level was also not conducive to a culture of accountable project management.

## **5.4 Project implementation**

This section reviews the implementation of DMPA Project components and activities in order to assess achievements and impact of the project on targeted areas, as well as the level of sustainability of these achievements. Constraints and opportunities will also be highlighted.

In the light of developments in the macroeconomic environment, the project content and budget were revised in April 2001. The revision reflected actual expenditure for 2000, re-phasing of unutilised funds to 2001, allocation of new funding for Poverty Reduction Strategy Paper (PRSP) processing, preparation of long term vision, negotiating skills training, as well as preparation for the national LDC conference scheduled for May, 2001 and improved IT at MOFED. To incorporate these additional activities, UNDP support was increased by US \$486,461.

The preparation of a sound PRSP was necessary for Zambia to access HIPC facilities. At the Consultative Group meeting (CG) held in July, 2000, the Government had also requested support for the other activities which were considered essential for the medium term policy planning.

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At a tripartite review meeting of December 2000 attended by , Government, ACBF and UNDP, it was agreed to support the above activities and extend the project life to December, 2001.

### **5.4.1 Planning And Programming Of Activities**

The DMPA has detailed Business plan for the duration of the project. On the

basis of this Business Plan, the project managers were supposed to prepare Annual work programmes and Budgets including monitoring, indicators in accordance with the operations guidelines of LTNDP and ACBF.

The annual work programmes and budgets are supposed to be approved by the Project Steering Committee before being sent to CBF and UNDP for funding. Failure by the PSC to meet has contributed to delays in the submission of annual work programmes and budgets. Indeed, some annual work plans and budgets were submitted without PSC approval.

Partly due to instability in the management of the project, there was not much evidence of continuity aimed at building on previous years' achievements in the annual work programmes. This disjointed approach to annual programmes has affected proper sequencing of activities that need to feed into others. In particular the training of UNZA economics faculty as macroeconomic trainers needed to be done early to ensure a reliable base for macroeconomic training of various players. Unfortunately this training of trainers has not been done:

It is also observed that work programs were prepared without the participation of other departments in MOFED or other economic agencies and targeted private sector. This exclusion of other stakeholders in the programming process tended to marginalise other stakeholders. and narrowed the programming technical inputs far below what was otherwise available.

#### **5.4.2 Project Components**

The initial project components were

- i. Institutional development,
- ii. Human capacity building,
- iii. Policy analysis and research, and
- iv. Strengthening the country's training capacity in economic policy analysis formulation and management.

*Terminal evaluation report (ZAMP97/012G4/O1/9s and ZAM/92/017)*

Performance under each component has been examined. The consultants have also examined the new components added to the project during the April 2001 project revision.

##### **5.4.2.1 Institutional Development Activities**

Following the merger of the Ministry of Finance and the National

Commission for Development Planning (NCDP), the DMPA was created as part of the restructuring process. The initial activities of the project aimed at establishing DMPA included acquisition of office space, procurement of office equipment and additional furniture, and recruitment of professional and support staff.

The Project continued to support further restructuring which eventually led to the establishment of the Department of Macroeconomic Policy that focuses on line responsibilities of MOFED, while the DMPA Project stands separate as an autonomous project reporting to the Director of the Department of Macroeconomic Policy.

The related specific outputs were a pre-eminent DMPA, with improved co-ordination systems, and working quantitative models.

The Department of Macroeconomic policy is now established with basic systems and procedures for co-ordinating macroeconomic policy analysis and management. However, The Department is yet to acquire the intended "pre-eminent. think-tank"- status. It has yet to develop internal capacity for initiating and managing credible complex quantitative macroeconomic models. The Department will require further human capacity building with special emphasis on training promising officers at Ph.D. level.

Another output related to institutional development was the reporting system, and publications to keep citizens informed. The DMPA has been producing reports to support policy analysts and decision makers especially in MOFED. Some of these reports are also available to the general public. These reports appear to be routine and do not provide essential analytical components that will guide the public on economic directions. The Department needs to improve on the analytical content of the reports made available to the general public.

The project also aimed at building training capacity in the Economics Department of UNZA. Through the project, the

Economics Department offices have been furnished and supplied with computers and printers and other office equipment. Training equipment has also been procured and is used for teaching MA and undergraduate students. Faculty members and support staff and students appear encouraged by this environment.

Two specific outputs were anticipated from project interventions in the Economics Department of UNZA. The first was the creation of a team of competent practical trainers in macroeconomic policy analysis among the economics faculty. The team would be the resource base for vigorous short-term training activities for Government economists.

The second output was the promotion of the Economics Department of UNZA by the African Economic Research Consortium (AERC) as a category B University capable' of providing MA courses in economics not only for Zambians, but also for other AERC sponsored students in the region. This promotion required more academics with Ph.D. than was available in the Department. This particular output should have been pursued with at least two Ph.D. sponsorships for the Department, but the Project Management may not have been aware of this requirement.

The Project could have done better in terms of using the University for most of the MA training activities. It should, however, be noted that UNZA has a strong image of instability that arises from frequent unplanned closures,--This discourages local institutions from using it for urgently required MA training. Therefore use of other more stable regional training centres cannot be seen as a weakness in project management.

While the project intervention in the Economics Department of UNZA is basically a success story, a major limitation is the failure to implement a credible training of trainers course for economics faculty to equip them with the skills and methodology of training adults in economic policy analysis. This training is essential in developing the capacity of the Economic Department as the major training centre not only for academic programs, but also for practical macroeconomic analysis that is more appropriate for practising adults in economics ministries, agencies, and public sector.

*Terminal evaluation report (ZAM/97iow /01/98 and ZAM/82017)*

The Project has sent a Professor of Econometrics overseas to improve his competence in that field. This is a clear misunderstanding of the intent of the project with regard to developing trainers' capacity in the Economics Department of UNZA.

#### 5.4.2.2 Human Capacity Building Activities

Human capacity building activities were intended to cover MOFED, sector ministries, economic agencies, and private sector.

Human capacity building was conceived in a broad context to include training and

skills development seminars, institutionalised change of procedures, practices and work culture, and management capacity.

The specific output anticipated here was a continuous and practical training program targeted at middle and junior-level policy analysts and researchers, and a pool of talented and experienced staff to sustain MOFED as *well* as outside group to supplement MOFED.

Significant achievements have been made. A continuous training programme is-in place and moving reasonably well.

Significant progress has also been made in the area of training the required pool of talented staff with eleven long-term (MA Level) graduates and several short-term courses.

Initially the training tended to be biased in favour of non-regional institutions. For instance of the first 8 MA trainees, 3 attended courses in U.K at a cost of \$27,000 per person, 2 in West Africa at a cost of \$15,000 per person, and 3 in regional training centres at a cost of \$5,000. There was no academic justification for that kind of bias towards non-regional training centres in view of the fact that one of the best MA programs in Economics is available in the region. The effect of this departure from the project's intent of using regional training centres is to reduce numbers of people that can be trained by the project at MA level. This problem was observed in the 1998 Mid-term Review, and it is encouraging to observe that all the current MA training is done at regional training centres including UNZA.

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Initially, training intervention especially at MA level tended to focus almost exclusively on MOFED. It is encouraging to observe that MA training has been extended to other ministries including Ministry of Mines, Ministry of Foreign Affairs as well as Ministry of Commerce, Trade and Industry.

The provision of suitable office equipment and conducive physical environment has helped improve the procedures and practices, and management in MOFED, but the work culture remains the same civil service one.

#### 5.4.2.3 Policy Analysis and Research

There has been significant achievement in institutionalising essential routine functions such as monthly and annual economic reports, budget speeches etc. Most of the reports are routine and only cover statistics and general statements without critical analysis and forecasting.

It is understood that some critical analysis is done for internal consumption of MOFED and Government. But if this project is to create a national "think-tank" the economic reports should include authoritative economic assessment and clear policy direction to all economic players.

#### 5.4.2.4 Implementation Of Project Extension Activities

The PRSP preparation process involved broad based participation through technical committees that were drawn from representatives of all stakeholders. The draft PRSP was tabled at a national summit in October, 2001. This provided an opportunity to various sections of society in the country to have a final contribution to a document which is likely to be at the centre stage of economic policy for the foreseeable future.

The preparation of long-term vision is going on and is likely to help sharpen focus of short-term policy measures. Preparation for UN meetings have been done, while negotiations skills training does not appear on the work plan for 2001, but is subsumed under other activities as a subsidiary activity for COMESA/SADC negotiations which are still on going.

#### 5.4.2.5 Implementation Of The Project Budget

#### *Terminal evaluation report (ZAM/9770121A/01198 and ZAM/J2/017)*

Budget implementation reflected the general implementation' problems that arose mainly from weaknesses in the governance and management of the project. Apparently at the beginning of the project there was no capacity to absorb and effectively utilise the project resources.

At the end of 1998, i.e. 2 - 3 years of the project life only 18% of ACBF's \$1, 785,000 had been disbursed, and only 28% of UNDP's \$990,000 had been disbursed with 25% of GRZ's \$1,176,000 contribution disbursed.

The extension of the project to December 2001 was partly motivated by the need to re-phase funds that had not been utilised at end of the planned project period.

There were also problems in following accounting guidelines of UNDP and

ACBF which also caused delays in the release of funds. But the main problem would appear to be the instability in the project management.

## **5.5 Project outputs' impact and sustainability 5.5.1**

### **Institutional Development Output**

One of the main achievements of the project is the establishment of the Department of Macroeconomic Policy with basic infrastructure systems and procedures to feed into MOFED and interact with line ministries.

It has not yet acquired the envisaged "pre-eminent think tank" status, but is producing real sector reports, macroeconomic indicators, various economic reports and liaising with other agencies notably the Bank of Zambia (on monetary policies) and CSO on production of good economic statistics.

The impact of this institutional development may not be dramatically felt or seen, but the country is moving towards effective national capacity for economic policy. management. As this Department is already in the main stream of line functions of MOFED, its sustainability is assured.

Another significant output is the new operational environment of the Economics Department at UNZA which should help the Department to execute its academic programmes.

*Terminal evaluation report (ZAMro7/O12%vo1/sa and ZAn/svo17)*

The impact of this project achievement has been undermined by the general problems of instability at UNZA that tend to affect UNZA's academic programmes.

Sustainability of the project achievements in the Economics Departments will depend on the factors that impinge on the operational viability of UNZA. One of the major weaknesses of UNZA is its excessive dependence on Government for capital and operational expenses. UNZA is already exploring increasing the enrolment of self-sponsored students who can contribute a significant share of at least the operational budget.

### **.5.5.2 Human Capacity Building Outputs**

The major outputs are the eleven people trained at MA level and others completing their studies, as well as those who got short term training. These various training activities have contributed to raising operational skills, common understanding of methodology in macroeconomic

analysis and improved identification of responsibilities of various actors in macroeconomic policy making. These improvements are bound to reflect in improved effectiveness of macroeconomic policy analysis and management.

This capacity is established in existing line functionaries, and is therefore sustainable. The current training programme needs to be rationalised by developing the necessary capacity in the Economics Department of UNZA as the base for practical training in macroeconomic analysis. This *will* facilitate long term sustainability of a continuous training programme.

## 5.6 Stakeholders Awareness

The target group of this project is very broad. Apart from economic ministries this project was intended to impact also on private sector and civil society.

Awareness campaigns were not conducted to enable eligible stakeholders to be fully aware of the project. Consequently, sector ministries whose capacities or policy direction could be assisted by short-term consultancies of the project did not request for Project support. For those sector ministries that have been assisted, the initiative has come from DMPA Project management rather than from the recipient ministries.

### *Terminal evaluation report (ZAM/97/012/AJO1/98 and ZAM/92/097)*

The low awareness of the project among stakeholders has contributed to the low utilisation of project funds.

## 5.7 Institutional Constraints And Implementing Environment

A major institutional constraint was that the project was subjected to the slow pace of civil service bureaucracy and routine. This was particularly so when the Project Director was also Director of the Department with civil service line responsibilities.

Initially there were not enough people with required technical knowledge and skills for macroeconomic analysis to provide effective leadership and staff complement for the project.

There were also some internal politics that surrounded the appointment of a Project Director.

The Project Steering Committee is a critical forum for critical decisions. Its failure to meet as required was a major source of project implementation problems.



The higher monetary benefits of project staff tend to raise jealousies among other civil servants working closely with project personnel. This did not auger well for staff relations especially when the project personnel also carried line responsibilities.

## **5.8 Recommendations**

### **5.8.1 Status And Strategies Of Various Ministries And Pending Policies**

MOFED remains the principal Ministry for national economic policy, and the Department of Macroeconomic Policy has the ultimate responsibility for macroeconomic analysis and management.

The Department and the Ministry as a whole need further human capacity building. Currently the Ministry is depending on a number of senior. personnel seconded to it by the Bank of Zambia.

There is need for the Ministry to train a number of officers at Ph.D. level with various specialisations if the Ministry is to play an effective leadership role in economic policy. Economic ministries and agencies notably the Bank of Zambia should comfortably look to the Ministry for leadership in economic policy.

*Terminal evaluation report (ZAM/97/0121A/01/98 and ZAM/92/017)*

Human Capacity Building should also continue in economic sector ministries and other agencies and private sector.

### **5.8.2 Lessons From This Project**

The major lessons are those related to institutional arrangements and human factors. Effective project implementation requires appropriate institutional arrangements and qualified personnel to manage. Governance arrangements such as Project Steering Committee are essential, and need to be enforced. There is need to specify frequency of meetings in the Project Support Document.

For a project with a multiplicity of target institutions, sensitisation of all stakeholders is essential before and soon after project commences to ensure effective participation of all stakeholders.

### **5.8.3 Possible Scenarios**

The major challenge is to improve governance and management of the project. The current separation of the project from line responsibilities can help effectiveness of the project.

The Project Steering Committee should have been reviewed to ensure effective representation of all stakeholders. Civil society could have been represented through appropriate associations such as Society of Professionals (new) and the Economic Association of Zambia, while ZACCI represented the business sector.

While the Chairmanship of PSC by Permanent Secretary (Budget and Economic Planning) helped to keep the project close to the host Ministry, it has not helped to promote adequate attention to PSC needs. It *may* have been helpful to find a non-civil servant credible personality to chair the Committee.

Similarly with regard to project management it would have been useful to consider a non civil servant for the position of project manager, while the other project staff remained civil servants.