

A Review of the FNDP, PDP and DDP Development Processes

Commissioned by JICA in response to a request from the Ministry of Finance and National Planning and the Decentralisation Secretariat, Ministry of Local Government and Housing of the Republic of Zambia

March 2007

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This report is based on the research findings by the Japan International Cooperation Agency (JICA) 2006 Visiting Fellow. This views expressed in the report do not necessarily reflect those of JICA.
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Abbreviations

ABB	Activity Based Budget
ADC	Area Development Committee
AIP	Annual Implementation Plan
C/TG	Cooperating and Technical Group
CBOH	Central Board of Health
CD	Capacity Development
CIDA	Canadian International Development Agency
CPs	Cooperating Partners
CSO	Civil Society Organization
CSPR	Civil Society for Poverty Reduction
DACO	District Agricultural Coordinating Officer
DC	District Commissioner
DCC	Development Coordinating Committee
DDC	District Development Committee
DDCC	District Development Coordinating Committee
DDP	District Development Plan
DDPRS	District Development Poverty Reduction Strategy
DEB	District Education Board
DEBS	District Education Board Secretary
DfID	Department for International Development
DHB	District Health Board
DHMT	District Health Management Team
DIP	Decentralisation Implementation Plan
DPO	District Planning Officer
DPU	District Planning Unit
DSA	District Situation Analysis
DSP	District Strategic Plan
DWA	Department for Water Affairs
EC	European Commission
EOF	Educating Our Future
FNDP	Fifth National Development Plan
GDC	German Development Cooperation
GRZ	Government of the Republic of Zambia
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit (Technical arm of the German Development Agency)
HIPC	Heavily Indebted Poor Country
HIPC AAP	Heavily Indebted Poor Country Assessment and Action Plan

IFA	Intergovernmental Fiscal Architecture
IFMIS	Integrated Financial Management Information System
IMF	International Monetary Fund
JASZ	Joint Assistance Strategy of Zambia
JICA	Japan International Cooperation Agency
LDA	Local District Administrator
LDP	Local Development Programme
LGAZ	Local Government Association of Zambia
M&E	Monitoring and Evaluation
MACO	Ministry of Agriculture and Cooperatives
MDG	Millennium Development Goal
MEWD	Ministry of Energy and Water Development
MLGH	Ministry of Local Government and Housing
MMD	Movement for Multiparty Democracy
MoE	Ministry of Education
MoF	Ministry of Finance
MoFNP	Ministry of Finance and National Planning
MoG	Ministry of Guidance
MoH	Ministry of Health
MoU	Memorandum of Understanding
MPSA	Ministry, Province, and Spending Agencies
MTEF	Medium Term Expenditure Framework
NAP	National Agricultural Policy
NASP	National Agriculture Strategic Plan
NCDP	National Commission for Development Planning
NDC	National Development Committee
NDCC	National Development Coordinating Committee
NDP	National Development Plan
NESP	National Education Strategic Plan
NGO	Non-Governmental Organizations
NHSP	National Health Strategic Plan
NLTV	National Long Term Vision
NSC	National Steering Committee
NTC	National Technical Committee
ONDP	Office of National Development Planning
PA	Poverty Analysis
PACO	Provincial Agricultural Coordination Officer
PDC	Provincial Development Committee
PDCC	Provincial Development Coordinating Committee

PDP	Provincial Development Plan
PEMD	Planning and Economic Management Department
PEMFA	Public Expenditure Management and Financial Accounting
PER	Public Expenditure Review
PLGO	Provincial Local Government Officer
PPO	Provincial Planning Officer
PRSP	Poverty Reduction Strategy Paper
PS	Permanent Secretary
PSRP	Public Sector Reform Programme
RDC	Residents Development Committee
RNE	Royal Netherlands Embassy
SAG	Sector Advisory Group
SIDA	Swedish International Development Cooperation Agency
SNV	Stichting Nederlandse Vrijwilligers (Foundation of Netherlands Volunteers)
SWAp	Sector Wide Approach
TNDP	Transitional National Development Plan
ToR	Terms of Reference
UNDP	United Nations Development Programme
UNIP	United National Independence Party
USAID	United States Agency for International Development
VDC	Village Development Committee
WASHE	Water, Sanitation, and Health Education
WB	World Bank
WDC	Ward Development Committee
WHIP	Wider Harmonisation In Practice
Zamsif	Zambia Social Investment Fund

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Executive Summary

The Government of the Republic of Zambia (GRZ) launched the National Long-Term Vision (NLTV) 2030 and the Fifth National Development Plan (FNDP) for the period 2006-2010. GRZ also facilitated the development of District Development Plans (DDPs)¹ and Provincial Development Plans (PDPs), to ensure that the FNDP reflected needs in the field. JICA provided support in the development of DDPs.

This is the first time GRZ has attempted this bottom-up approach in development planning. It is consequently important for GRZ to review the process and document the lessons learned to better inform future development planning processes. The review will also serve as useful background for the implementation of the FNDP and DDPs. It is in the above context that the Zambian Ministry of Finance and National Planning (MoFNP) requested JICA to conduct this research.

The current government structure of GRZ is similar to the one that was in place from 1965 to 1980, with a parallel institutional and financial structure, including a district council and local departments of line ministries with a vertical management structure. A district council typically lacks financial resources and has a high degree of financial dependency on central government. The situation surrounding each local department of a line ministry differs. Comparatively speaking, the Ministry of Health (MoH) and Ministry of Education (MoE) have sufficient human and financial resources. The Ministry of Agriculture has a relatively inflexible budget because of earmarking of budget items allocated to the ministry. The Ministry of Energy and Water Development lacks human and financial resources, particularly at the district level.

This structure had considerable influence over the extent of information provided to all stakeholders developing the FNDP, PDPs, and DDPs, such as the budget ceilings that are required to develop a realistic plan. While Planning and Economic Management Department (PEMD) endeavoured to develop the plans effectively, there were some weaknesses/lessons. For example, it is recognised that alignment of programmes and budgets among FNDP, PDPs, and DDPs is quite weak, because all stakeholders at the local level developed programmes without ceilings. Communication among national, provincial, and district levels was also lacking. Another factor is that the Ministry of Finance (MoF) could not give all stakeholders clear guidance for developing PDPs and DDPs, because of the vertical government structure.

To support the development processes of the FNDP, donors formed a group called the Cooperating and Technical Group (C/TG). Donors also contributed to the process through individual

¹ PDPs were eventually absorbed into the FNDP as regional chapters.

support for line ministries or provinces/districts. The World Bank's (WB's) support, known as the Zambia Social Investment Fund (Zamsif), contributed to the development process through the District Situation Analysis (DSA) and District Development Poverty Reduction Strategy (DDPRS).

There is an expectation that the central government will release funds to enable DDPs to be carried out. If the GRZ is unable to implement DDPs in reality or create proper arrangements, it will start a vicious circle of disappointment in planning. It is essential, then, to proceed based on FNDP and DDPs.

This report documented the development processes and the lessons learned from the processes, and sets out two options for subsequent development processes. While the author understands that many reforms are ongoing, including the Decentralisation Policy and Public Expenditure Management and Financial Accounting (PEMFA), the essential findings of this report would be that there is great scope to design superior development processes for the FNDP, PDPs, and DDPs to reflect the prevailing government management structure, for instance by making financial information available at all levels. Even though the reforms produced some results, it is still important for the GRZ to design development processes geared to the existing management structure. This is not a contribution for reforms to make, but is something the GRZ itself can do.

Background to This Research and Its Purpose

This research was conducted in response to a request from the Ministry of Finance and National Planning (MoFNP) and Decentralisation Secretariat, Ministry of Local Government and Housing (MLGH), made just as the development process of the Fifth National Development Plan (FNDP) was about to conclude. The purpose of this research is to draw lessons from this planning process, in which both the bottom-up approach and the top-down approach were applied, and to identify implications for the implementation of the FNDP and the District Development Plans (DDPs).

The quality of national development plans seems now to be more important than ever before for development in African countries. In search of aid effectiveness, it has become common in those countries for government agencies, donors and other aid agencies to align their activities and support to comprehensive national or sector development plans or strategies, by signing Joint Assistance Strategies or by providing direct budget support such as Poverty Reduction Budget Support and Sector Wide Approaches (SWAs). Zambia is no exception and aid harmonisation has been strengthened in this way.

Nevertheless, experience in effective planning, implementation and monitoring of national development plans may not yet be sufficient in Zambia, as a consequence of missed opportunities. For a period of more than ten years before the FNDP, Zambia did not have a national development plan, although the Poverty Reduction Strategy Paper (PRSP)/Transitional National Development Plan (TNDP) partly filled the vacuum. Thus, a review of the process of the FNDP preparation, including the production of DDPs and Provincial Development Plans (PDPs), is needed in order to draw lessons and implications that may allow us to improve on the current planning, implementation and monitoring of the national development plan.

It should be noted that under the circumstances, PEMD made its best efforts to coordinate the development processes of the FNDP, DDPs, and PDPs. Notwithstanding that, it will be worthwhile for Government of the Republic of Zambia (GRZ) and local Zambian authorities to take a critical view so that they can develop better National Development Plans (NDPs) and implement the FNDP with DDPs to realise ‘A Prosperous Middle-Income Nation by 2030’ and ‘broad-based wealth and job creation through public participation and technological advancement’ for the people of the Republic of Zambia. This report aims to contribute to this positive self-improvement process.

This is the principal report on research into the development processes of the FNDP, PDPs, and DDPs. There is another detailed report on the history of past NDPs, prepared by Dr. Albert Malama. Section 2-1 was prepared based on his report, with other historical references. Chapter 4 is also based on his compilation of answers from Cooperating Partners (CPs) to questionnaires that were distributed and collected.

1. Overview of the Research

1-1 Overview of the Research

The drafting of the National Development Plan (NDP) was done under the prevailing institutional and financial conditions, which were established and improved under the PRSP/TNDP regime. The Poverty Reduction Strategy Paper (PRSP) was prepared as a comprehensive development strategic paper for the eradication of poverty. The New Deal Government prepared and published the Transitional National Development Plan (TNDP) 2002-2005 in October 2002, which encompassed all areas in the PRSP and other sectors such as the judiciary, law, defence and security. Through the preparation and execution of these national strategies, an environment more conducive to planning has been created in terms of the alignment and comprehensiveness of all development activities in Zambia².

Moreover, during this period, Cooperating Partners (CPs) and Government of the Republic of Zambia (GRZ) sought to align their support and activities. This was in line with the common agreement made in the 'Paris Declaration' and in 'Wider Harmonisation In Practice (WHIP)', under which CPs were encouraged to harmonise their support for the environment of developing countries. The modality/approach of General Budget Support and Sector Wide Approach (SWAp) that was introduced further improved the situation, using the PRSP/TNDP and Sector Programmes/Sector Strategic Plans as the basis for the policy cycle management, from planning and execution to Monitoring and Evaluation (M&E) and for dialogue between the GRZ and CPs. It is evident that the NDP and Sector Programmes/Sector Strategic Plans are core documents for development management at the national level.

Another important aspect is the public financial management (PFM) capacity in GRZ and its budget structure. The PFM capacity of the GRZ is relatively low among the Sub-Saharan African Countries assessed by the Heavily Indebted Poor Country Assessment and Action Plan (HIPC AAP)³. To improve its PFM capacity, the GRZ introduced the Medium Term Expenditure Framework (MTEF), Activity Based Budget (ABB), and the Commitment Control System. Meanwhile, the budgets of line ministries flow vertically from ministries at the national level to their local departments at the district level through their provincial offices. Hence, the structure of government at the district level is characterised as institutionally and financially parallel, including a council. The extent to which the MTEF is introduced differs among line ministries.

The participation of the public, as taxpayers and beneficiaries of GRZ activities, in the planning and implementation of Development Plans below is also essential to ensure the transparency and

² Ministry of Finance and National Planning (MoFNP) (2004a)

³ This will be explained in Chapter 2.

accountability of the GRZ. The ‘checks and balances’ between the GRZ and the people of Zambia will improve the quality of the Development Plans that will guide the government over a five-year period, and afford opportunities for sounder management of government through monitoring by the public.

In addition to the Fifth National Development Plan (FNDP) and Sector Plans/Programmes, the GRZ also decided to prepare Provincial Development Plans (PDPs) and District Development Plans (DDPs). Interviews conducted in this field research reveal that those plans are perceived on the ground in the following two ways. The first perception of the plans is that they will collect information on developmental needs in communities. The second is that they are comprehensive development plans to be implemented at local levels. The key question for this research is how these two roles were put into practice in developing the FNDP, the PDPs, and the DDPs, given the circumstances described above.

This research will examine the key question above, based on the first two main points and one supporting point, as follows: (1) The environment for development activities (including CPs) and the institutional structure of the GRZ; (2) The tools required for the development and implementation of Development Plans (policy, plan/programme, budget, human resource, aid); and (3) The extent of participation of people in the planning process.

1-2 Field Research Methodology

At the national level, MoFNP, the Ministry of Local Government and Housing (MLGH) and other stakeholders involved in the development process of the FNDP were interviewed. At the district level, interviews were conducted with District Planning Officers (DPOs). In addition, officials were interviewed from the four sectors (Education, Health, Agriculture, and Water) selected for this research, namely officials from the Ministry of Education (MoE), Ministry of Health (MoH), Ministry of Agriculture and Cooperatives (MACO) and Ministry of Energy and Water Development (MEWD), along with officials from the MLGH at the central to district levels. Interviewees in this research are listed in Table 1-1. The research selected four provinces (Western, Luapula, Copperbelt and Eastern) with diverse financial conditions and poverty profiles. In each of these provinces, the district capital and one other district were selected.

- ① National level: MoFNP (Planning and Economic Management Department (PEMD) and Budget Office), MLGH, Line Ministries, Local Government Association of Zambia (LGAZ), Civil Society for Poverty Reduction (CSPR), Local Development Programme (LDP) Preparation Team, CPs (Ireland Aid, Department for International Development (DfID), Germany Development Cooperation (GDC), Stichting Nederlandse Vrijwilligers (SNV), the Royal Netherlands Embassy (RNE), the embassy of Finland, the Embassy of Sweden, United Nations Development Programme (UNDP), Japan International Cooperation Agency (JICA), the Embassy of Norway, United States

Agency for International Development (USAID), European Commission (EC), the Embassy of Italy, Canadian International Development Agency (CIDA), World Bank (WB), the Embassy of Denmark

- ② Provincial level: Provincial Planning Officers (PPOs), some Provincial Local Government Officers (PLGOs), and officials of line ministries involved in the development process of PDP
- ③ District level: DPOs and officials of line ministries involved in the development process of PDP

To facilitate discussion, interviews with DPOs and PPOs were held separately from those with officials from line ministries. All interviews at different levels were conducted in a semi-structured way using a prepared questionnaire.

Table 1-1 Interviewees in the field research

Province

Name of Province	Name of District	PPO	MoE	MoH	MACO	MEWD
Western	Mongu	×	○	○	○	○
Copperbelt	Ndola	○	×	○	○	×
Luapula	Mansa	○	○	×	○	○
Eastern	Chipata	○	○	○	○	○

District

Name of Province	Name of District	PPO	MoE	MoH	MACO	MEWD
Western	Mongu	○	○	○	○	○ (Province)
	Kaoma	○	○	○	○	×
Copperbelt	Ndola	○	○	×	○	×
	Masaiti	×	○	×	○	×
Luapula	Mansa	○	×	○	○	○
	Samfya	○	○	○	○	○
Eastern	Chipata	○	○		○	×
	Petauke	○	×	○	○	○ (Council)

Source: prepared by the author

1-3 Limitations of the Research

The researcher conducted interviews with government officials, donors, and Non-Governmental Organizations (NGOs). Therein lie the limitations of the research, as it could not incorporate opinions from the communities. This was unfortunate, but the time available for the field research simply did not allow for full coverage. Consequently, the researcher elected to concentrate on operational issues in the planning process and focus on covering as many districts in the provinces as possible. As a result, this research is unable to comment on the expectations of the FNDP/DDP or on perceptions about them.

The other limitation derives from the characteristics of the districts. The districts visited were those that were more accessible. Zambia today has better infrastructure for transportation and communications compared with that available at the time the First National Development Plan (1NDP) was being developed. However, many districts still lack adequate infrastructure, and this research cannot comment on whether people and government officials in districts with poor infrastructure found it difficult to participate in the workshops held in each provincial capital or not, or if they did, the nature of the difficulty. To offset this limitation, the researcher sought to visit districts with diverse characteristics, particularly in terms of size, economic characteristics and local authorities.

1-4 Structure of the Report

Chapter 2 provides an overview of the history of the National Development Planning process in Zambia, and then reviews the institutional and budgetary structure of the current government, at the time the GRZ developed FNDP, PDPs, and DDPs. Chapter 3 seeks to show how the GRZ produced the development plans, its strengths and weaknesses, lessons learned from the process, and recommendations for the next NDP planning process and for the implementation of the FNDP. Chapter 4 provides an overview of donor assistance in the development processes of the development plans. Finally, chapter 5 looks at the importance of DDPs in implementing the FNDP, and proposes options for the next development planning process.

2. Situation Analysis

2-1 Lessons from the NDP Development Process

2-1-1 A history of the National Development Process in Zambia⁴

Since its independence in 1964, Zambia has produced four national development plans and five interim and TNDPs (see Table 2-1). In the ten years after its independence, Zambia enjoyed an average 2.3 % annual economic growth. However, a sharp drop in copper prices on the international market around 1974 coupled with soaring oil prices reduced government revenue directly and indirectly. Through the 1980s, the country experienced economic hardship, which impeded the GRZ from effectively implementing the second, third and fourth national development plans.

The Second National Development Plan (2NDP)⁵, which officially covered the years from 1972-1976, was extended because many projects had yet to be carried out at the end of the period. The Third National Development Plan (3NDP: 1979-1984) started three years after the official end of the 2NDP. In 1983, the 3NDP was replaced with the Structural Adjustment Program (SAP), based on an agreement with the International Monetary Fund and World Bank (IMF/WB). Four years later, GRZ bowed to internal pressure to cancel the agreement with IMF/WB. There was a five-year gap between the 3NDP and 4NDP. During this period, the GRZ developed and implemented the New Economic Recovery Programme. This was carried out over 18 months between July 1987 and December 1988. The 4NDP was supposed to be implemented from 1989 to 1994, but this plan was never executed after the government of President Kaunda introduced the SAP again in 1989⁶.

However, the agreement with IMF/WB on the SAP in 1989 was also cancelled after the government refused to remove the subsidy on maize, a staple in Zambia. The Movement for Multiparty Democracy (MMD) government elected in 1991 developed the New Economic Recovery Programme (1992-1994), which was used to implement the SAP. The new MMD government under President Chiluba launched a variety of sector programmes, such as an Agriculture Sector Investment Programme in 1992, an Education Sector Investment Programme in 1996, a Basic Education Sub-Sector Investment Programme (1999-2002) and a Road Sector Investment Programme in 1998.

Consequently, Zambia went for about ten years between 1991 and 2002 without a comprehensive

⁴ This section is prepared based on a report by Dr. Albert Malama, who worked with the author. Detailed information and discussions can be found in his report.

⁵ In this report, NDPs before the Fifth National Development Plan will be called 1NDP, 2NDP, 3NDP, and 4NDP. The abbreviation FNDP is used for the Fifth National Development Plan. Transitional National Development Plans have also been developed on occasion. Adopting the NDP abbreviation, TNDP stands for the latest TNDP.

⁶ Ranker and van de Walle et al. (1999) pp. 20-23, Kodamaya (2000) p. 3, Malama (2007a) p. 5

five-year National Development Plan. In 2002, the government reverted to the NDP approach when the new MMD government took over in January 2002. This was done first through the Poverty Reduction Strategy and later in the same year under the TNDP.

Table 2-1 History of NDPs

Year	Event
1964	Department of Development Planning established in the Ministry of Finance
1964	Emergency Plan commences
1965	Emergency Plan ends
January 1965	First TNDP commences
July 1966	ONDP established in Vice President's office
1966	NDC, PDC and DDC established
June 1966	End of First TNDP
July 1966	Start of 1NDP
1970	Development Planning re-absorbed into Ministry of Finance
December 1970	End of 1NDP
1971	Registration and Development of Villages Act establishing WDCs and VDCs
December 1971	Completion of 1NDP projects (after one-year extension)
January 1972	Start of 2NDP
1972	Ministry of National Guidance is linked with Development Planning to create the Ministry of Development Planning and National Guidance
1974	Ministry of Development Planning and National Guidance is eliminated and Development Planning is re-absorbed into Ministry of Finance, which becomes the Ministry of Planning and Finance with a development planning division
December 1975	Separate Ministry of Development Planning created
1976	End of 2NDP
May 1977	NCDP established in the Prime Minister's office
June 1978	KK speech at UNIP National Council at Mulungushi highlights major weaknesses in the Central Planning system
1979	NCDP placed under the Office of the President in response to President Kaunda's speech; headed by Cabinet Minister and has Minister of State as well as DG [Departments include Sectoral Planning, Regional Planning, ETC. Subsequent departments added include Investment Planning and Central Statistical Office]
October 1979	Launch of 3NDP
1980	PDCs and DDCs are abolished as the Local Administration Act (1980) come into force. [They are replaced with integrated structures combining the district council, line ministries, provincial administration and party (UNIP) structures at the district and provincial levels.]
January 1980	Start of 3NDP (after delays caused by financing problems)
1981	Process of establishing Provincial Planning Units gets underway
1983	DG in NCDP becomes PS and DDG becomes Senior Under-Secretary
1983/84	Piloting of District Planning Units Southern, Central and Western Provinces
1984	End of 3NDP [taken over in 1983/84 by the SAP]
July 1987	Interim National Development Plan [NERP] starts
December 1988	Interim NERP ends
January 1989	Beginning of 4NDP

Year	Event
1990	Fourth NDP abandoned; government adopts SIP approach
October 1991 –	New Government (MMD) takes office after defeating UNIP
1992	Directorate of PIP added to NCDP
1990s	RDCs appear, replacing WDCs in some parts of the country
1994	NCDP dismantled, including the PPU and DPU
January 1995	DDCC and PDCC established
December 2001	New MMD administration takes office
January 2002	National Development Planning recommences and is placed under the Ministry of Finance, to form the MoFNP
2002	Re-establishment of PPU
2002	Creation of PEMD under the MoFNP
Mayrch 2002	Launch of PRSP
October 2002	Start of TNDP
December 2005	End of TNDP
January 2007	Launch of FNDP
January 2007	PEMD upgraded to a division within the MoFNP

DDC: District Development Committees, DDCC: District Development Coordinating Committee, DDG: Deputy Director General, DG: Director General, DPU: District Planning Units, ETC: Economic and Technical Corporation, NCDP: National Commission for Development Planning, NDC: National Development Committee, NERP: New Economic Recovery Plan, ONDP: Office of National Development Planning, PDC: Provincial Development Committees, PDCC: Provincial Development Coordinating Committee, PIP: Public Investment Programme, PPU: Provincial Planning Units, PS: Permanent Secretary, RDC: Residents Development Committee, SIP: Sector Implementation Plan, UNIP: United National Independence Party, VDCs: Village Development Committees, WDCs: Ward Development Committees

Note: ■ : Start or the end of NDP period.

Source: Malama (2007a)

2-1-2 Government structures and processes for developing NDPs

(1) Government structure (1965-2000)

(a) 1965-1979

Between 1965 and 1980 (when the Local Administration Act was introduced), local administration at the district level was governed by a District Commissioner (to 1967) and then by the District Governor (from 1968 to 1990). However, sector ministries also had their own local departments in the districts, which performed sector functions⁷. This parallel structure with council and sector ministries coexisting under vertical management at the district level required horizontal coordination between them. Recognising this need, the GRZ established Development Committees at the national, province, and district levels, respectively named the NDC, PDC, and DDC. This was done in 1966 by presidential decree, so like the current NDCC, PDCC, and DDCC, they did not have legal backing⁸.

⁷ GRZ (2002) p. 3

⁸ Malama (2007a) p. 7

In 1971, the VDC and WDC were also established to strengthen communication between the government and communities. But these institutions failed to work effectively because of a lack of financial resources and decision-making authority. 'The WDC do exist in some rural areas but in urban areas they have been taken over by the RDCs, which are considered apolitical and thus attract more resources from CPs and NGOs'.⁹ In this period, political interference in the districts was growing.

(b) 1980-1990

As explained above, the introduction of the Local Administration Act in 1980 integrated district councils with local departments of line ministries, and dismantled the PDC and DDC. The parallel structure of district administration institutionally disappeared. However, this institutional integration was introduced with no transfer of financial resources. Vertical management was retained in financial terms and reporting to headquarters of line ministries continued¹⁰. The prevailing GRZ criticised the situation, pointing out that 'central government function were transferred to the district level without matching resources' and that 'the integrated district administration system, resulted into bloated administrative structures at all levels, with most key positions filled by party cadres resulting in ineffective service delivery and wastage'.¹¹

(c) 1991-2000

Then MMD government repealed the Local Government Act 1980 and revived the law of 1965. The PDC and DDC system was also re-established. In practical terms, this meant that the parallel structure through the 1970s had returned to the national institutions. One of the institutional differences seen was that there was no head of district administration governing line ministries and councils at the district level.

(2) Development processes of NDPs

According to Malama (2007a), the development of Zambian NDPs has basically been led by the central government under the government structures described above. The ONDP developed the 1NDP using line ministries and provinces. The following NDPs were developed in consultation with various stakeholders through committees. The development processes of the PRSP and FNDP put greater focus on the participation of 'civil society'.

It was recognised that projects planned in 1NDP and 2NDP were going to be difficult to implement, since the budgets for the planned projects had already been used on projects that had not been included in these plans. Malama (2007a), quoting President Kaunda's speech, pointed out that the

⁹ *Ibid.* p. 9

¹⁰ GRZ (2002), Malama (2007a) p. 8

¹¹ GRZ (2002) p. 4

GRZ realised that the weakness of the planning system had negative repercussions for the execution of NDP and that the central planning system was not sufficiently powerful.

The GRZ saw this recognition reflected in the institutional setup for planning and execution of 1NDP as well as that of 2NDP (with the Ministry of Finance for 1NDP and Ministry of Guidance (MoG) for 2NDP as the planning and executive authorities). In response, a specific planning and implementation institution called the NCDP was established under the Deputy Secretary to the Cabinet in 1977. This institution developed 3NDP and 4NDP. When the Chiluba Government dismantled the national planning system, the NCDP was transferred to the Office of the President in 1979, before being placed under the Permanent Secretary level in 1983¹².

(3) Institutional structure for planning and executing NDPs

As well as President Kaunda's speech, the GRZ made a clear statement in 3NDP¹³: 'The fact that the planning function was submerged into other portfolios meant that, even within ministerial policy directions, the planning functions played a secondary, subservient role. It was, to say the least, difficult for the planning office to exert any authority over other ministries and agencies of government. The result was that coordination became extremely difficult, and at times, impossible. Consequently, distortions crept into the plan, with unplanned projects being implemented at the expense of approved projects, often at great cost to the economy...the status of the planning office prevented it from even offering adequate advice to the relevant decision-makers, and made it impossible for its full influence to be used'.

It should, however, be noted that the concept behind this recognition includes that of improvement in public financial management in the current context, namely the principle of public financial management pointed out in the Second PRSP Implementation Progress Report, as well as issues associated with the weak planning system. The point was how the MoFNP could extend its control over line ministries so that they carry out only the planned projects in NDPs.

Under the 3NDP, the GRZ proposed that a planning unit be established in ministries, provinces and parastatal organisations, respectively. After this was done in the ministries as well as in certain provinces and parastatal organisations, planning units were set up in district councils, where they were called District Planning Units (DPUs). However, most parastatal organisations failed to establish this unit in practical terms, and the planning units that were set up in ministries did not operate effectively. The DPUs did not work either, since officers in district councils perceived them as a foreign unit and a vehicle for central government spying.

¹² Malama (2007a) p.13,

¹³ GRZ (1979)

(4) Lessons learned from past NDPs and from the PRSP

One of the important conclusions by Malama (2007a) is that Zambia still faces the same problems it faced in the past, despite several attempts at institutional changes. Malama (2007a) offers six key lessons for successful planning and execution of NDPs, based on past experience with NDPs and the PRSP: (i) The ability to learn lessons; (ii) A strong National Planning System; (iii) The ability of the public administration to undertake planning and implementation; (iv) Decentralisation; (v) Proper funding in terms of levels and timing; and (vi) A greater emphasis on strategies to evenly distribute the benefits from economic growth to different sections of society and regions of the country, especially to those who are disadvantaged¹⁴.

The Second PRSP Implementation Progress Report presented the lessons learned and proposed actions. These mainly concern information sharing issues among and within institutions, and were echoed by Malama. This report supports their arguments.

The overarching issues in Malama’s points, with significant implications for planning and execution of NDPs, are the ability of the public administration, decentralisation and proper funding. These issues require a revision of structural and/or personnel aspects in the public administration system. The GRZ has committed to implementing the Public Expenditure Management and Fiscal Accountability Programme and the Decentralisation Policy, but both are still ongoing, as we discuss in broad terms (Table 2-2). The success of the development processes of the FNDP, PDPs and DDPs depended on how all stakeholders from the central to the district level, particularly MoFNP, were positioned and acted under the current GRZ structure. The sections that follow in this chapter will analyse the current institutional and financial structures of the GRZ and provide an overview of current reform efforts and coordinating frameworks, which were conditions in developing the FNDP, PDPs and DDPs.

Table 2-2 Lessons learned and recommendations proposed in the Second PRSP Implementation Progress Report

Lessons	Recommendations
Information sharing among MoFNP, MPSAs, and donors on finance	<ul style="list-style-type: none"> (a) The Ministry of Finance and National Planning and all relevant players should establish a mechanism for capturing donor inflows, preferably through the Accountant-Generals office. MPSAs as well as institutions receiving grant aid must be compelled to provide accurate and timely information to the MoFNP on the performance of development programmes and use of PRP funds. (b) Donors should be encouraged to provide information to the MoFNP on the projects that they are financing throughout the country. Preferably, this information would be provided on a quarterly basis.

¹⁴ Malama (2007a)

	<ul style="list-style-type: none"> (c) CPs should be encouraged to consider direct budget support to help the government effectively track the flow of resources to various PRP programmes. (d) In all agreements for project support, a clause should be included that compels project managers to provide information to the MoFNP on a regular basis
<p>Poor capacity of GRZ to absorb information</p> <ul style="list-style-type: none"> • MPSA without appreciating the importance of PRSP/TNDP as guiding documents • MPSA without strategy to implement PRSP activities (in some cases, decisions on how the activities would be undertaken were only made once the funds reached the institution) 	<p>Institutions need to be made fully aware of the programmes in the PRSP, and how they were to be undertaken in a particular year, with a clear grasp of the sequencing for the activities.</p> <ul style="list-style-type: none"> (a) Close attention should be paid to the funding profiles that are agreed with the Ministry of Finance as well as ensuring that the budget is followed. (b) There is also a need to improve the information flows between the MoFNP and other MPSAs with respect to changes in the funding profile, if any.
<p>General inadequate capacity to absorb information</p> <ul style="list-style-type: none"> • Misapplication of funds earmarked for PRPs • Poor information flow within ministries on receipt of funds for PRPs 	<ul style="list-style-type: none"> (a) Budget releases for PRPs should be published in the media on a monthly basis; (b) MPSAs should improve their information management systems as well as the internal flow of information; (c) Desk officers at the MoFNP should play an active role in monitoring releases to ministries; and (d) MPSAs should use the quarterly expenditure report prepared by the Accountant-Generals office.
<ul style="list-style-type: none"> • The tender procedures currently in place hamper quick implementation of programmes. 	<ul style="list-style-type: none"> (a) Adjust the thresholds upwards, to enable MPSAs carry out their programmes expeditiously. (b) Introduction of the proposed reforms on the tendering procedures under the PEMFA programme should be accelerated.
<ul style="list-style-type: none"> • Lack of application of the PRSP Indicator system by MPSAs made it difficult to assess progress made by a particular sector, as the input and output indicators are not clearly articulated 	<ul style="list-style-type: none"> • Implementing agencies should clearly indicate the expected output from a given monetary outlay, as well as the expected outcome and impact of the intervention
<ul style="list-style-type: none"> • Weak reporting of outcomes and impacts (GRZ began the process of developing a reporting format that would accurately measure progress towards PRSP goals) 	<ul style="list-style-type: none"> • Strengthen the capacity of data collection and analysis for PRSP monitoring and plan interventions at national, provincial and district levels.
<ul style="list-style-type: none"> • Implementing agencies should improve their management information systems. 	<ul style="list-style-type: none"> • Resources for developing the Management Information System should be included in the budget for PRPs.
<ul style="list-style-type: none"> • The use of the 5 % allocated in the budget for PRP monitoring was not clearly understood by many institutions. 	<ul style="list-style-type: none"> • The MoFNP should provide advice on how these funds should be used.
<ul style="list-style-type: none"> • The institutional framework for the implementation of PRPs had not been clearly formulated. (There seemed to be too many structures at national level involved in coordinating the development effort.) 	<ul style="list-style-type: none"> • There is a need for the harmonisation of efforts at the national level (review of the roles of NDCC and PDCC, and a clearer definition of the role of SAG).
<ul style="list-style-type: none"> • Lack of commitment to undertake the programmes in the documents (the new Strategic Plans in many ministries had not focused on PRPs) 	<ul style="list-style-type: none"> (a) Need for ministries and other institutions to prepare plans that focus on poverty reduction (b) The performance appraisal of MPSAs should be on the basis of the outturns from poverty reduction programmes.
<ul style="list-style-type: none"> • Lack of fiscal discipline 	<ul style="list-style-type: none"> • The MoFNP should improve discipline in future years.

MPSAs: Ministry, Province, and Spending Agencies, PEMFA: Public Expenditure Management and Financial Accounting, PRP: Poverty Reduction Programme, SAG: Sector Advisory Group

Source: MoFNP (2004a) pp. 65-69

2-2 Current Government Structure

The current structure of the government of Zambia can be characterised as (1) Vertical management of government and (2) Parallel structures in local governments. A provincial office operates under the aegis of the central government, and coordinates development and administrative activities at the district level. There is a parallel structure of government at the district level, with a district council that is the only autonomous body with its own revenue source coexisting with the local departments of sector ministries that implement national policies or plans/programmes.

We look now at a comparison of the local government system of four African countries, Kenya, Tanzania, Uganda and Zambia. Analysing the outputs of Steffensen and Tidemand et al. (2004 and 2006), Uganda can be said to be the most decentralised country among the four, with integrated autonomous bodies in two layers (Higher Local Government (HLG) and Lower Local Government (LLG)) in each local authority (Table 2-3). Tanzania also has two layers at the local level, but fiscal management is controlled by the central government. The Zambian government structure is roughly similar to that of Kenya, which has a parallel structure of government administration.

While the population density of Zambia is the lowest among the four countries, the number of local governments is also the smallest, while the size of the territory is the second largest among the

Table 2-3 Comparison of local government structures

Issue	Zambia	Kenya	Tanzania	Uganda
Population	9.9 million (2000)	28.7 million (1999)	33.6 million (2002)	24.7 million (2002)
Size of territory	752,612 km ²	580,400 km ²	945,100 km ²	241,000 km ²
Population density (person/km ²)	13.2	49.4	35.6	102.5
GDP (2004)	5.4 billion USD	16,1 billion USD	11.3 billion USD	6.8 billion USD
Start of present decentralisation reforms	1993	1995	1998	1992
Layers of government	Two layers CG (central & provincial) and LG Parallel system of provincial and district administrations	Two layers CG and LAs Parallel system of provincial and district administrations	Three layers CG, HLG and LLGs	Three layers In addition, a number of administrative units CG, HLG (urban and districts) and LLGs (sub-countries/town councils)
Number of LGs with legislative power	72	175	10,168	1,034
% of CG transfer in LG revenue	8 % (2005)	21 % (2002/03)	57.2 % (2002/03) (excluding basket funding (21.8 %))	86.8 % (2002/03)

CG: central government, LG: local government

Note: Only population density was calculated by the author.

Source: Steffensen and Tidemand et al. (2004), WB (2006), Fiscal Decentralisation Working Group (2006)

four countries. It should be remembered that the government structures of Tanzania and Uganda also have a single local government structure, but that central government transfers as a percentage of the local government revenue in Zambia is much lower than that of the other three countries¹⁵.

2-2-1 District level

(1) District Council

(i) Institutional structure of a District Council

The legal frameworks that regulate a council are the Local Government Act, Local Government Service Regulation, and Local Authorities (Financial) Regulation among others. Under the Local Government Act (1991), a council draws its membership from (1) members of parliament, (2) two chiefs' representatives in the area under the jurisdiction of the local authority, and (3) elected ward councillors. The council elects from among themselves a chairman (a mayor in the case of a municipality and city)¹⁶. Apart from the legislative body formed by these councillors, all councils have a secretariat which does the day-to-day work on behalf of the council. The secretariat is divided into administrative departments, where public officials and employees work to serve the local people. In this report, a district council basically refers to these administrative departments, but not to councillors.

A city or municipal council basically consists of the Administrative Department, the Works or Engineering Service Department, the Finance Department, the Planning Department, the Housing and Social Service Department, the Public Health Department and Legal Services. The district council, on the other hand, usually has three departments: Administration, Finance and Works. The DPO in the Planning Department plays the central role in developing DDPs on the ground.

A district council has 63 functions regulated in the second schedule of the Local Government Act, including Agriculture, Community Development, Education, Public Health, Security, Administrative Registration, Sanitation, Water, and others, but it can not function properly given a lack of human and financial resources. The GRZ has already recognised that appropriate coordination between the district council and local departments of line ministries is crucial. However, the Local Government Act does not mention the relationship among them and the means of coordination. To enhance horizontal coordination at the district level, the DDCC, which is discussed in Box 1, was established and similar institutions were also established at the provincial and national level.

The Local Government Act confers supervisory powers on the Minister of Local Government and Housing, who supervises the councils. For instance, the annual budgets of district councils are

¹⁵ Crook and Manor (2001), Saasa et al. (1999)

¹⁶ GRZ (1991), pp. 10-11, pp. 12-13

supposed to be submitted to MLGH for approval. Additionally, the MLGH has the power to suspend or dissolve a council and replace it with a Local District Administrator (LDA)¹⁷.

Under the current local government structure, there is no head with control over the two systems of the district administration. The DDCC has played a coordinating role under the chairmanship of the District Commissioner (DC), which was established by Cabinet Circular Minute of 2000 ref. CO. 101/20/1. The GRZ had a position with the same name in the 1960s, but the expected roles of the current DC are different from those in the past. There is no clarity in the roles of the town clerk and DC or in their relationship. Whereas the DC is appointed by the President and serves at his pleasure,

Box 1 The Functions of DC and the Nature of Potential Conflict

MLGH (2006a) introduces parts of the functions of DC and the nature of potential conflict among councillors and DC as cited below.

- a) Co-ordinate day-to-day administrative functions and mobilise people for effective implementation of government programmes in the district
Nature of potential conflict: The mobilisation of the people might clash with a ward councillor wanting to meet their electorate on a day the DC also plans to meet the same target group, and so co-ordination and consultation between the two offices become unavoidable.
- b) Facilitate harmonisation in the implementation of government and Local Authorities programmes and activities in order to enhance the development process in the district
Nature of potential conflict: The ward councillor will naturally give precedence to the implementation of local policy and resolutions because they wish to develop their own area. The other reason can well be that they are seeking a fresh mandate in the next elections and so would like to prove that they are agents of development. The DC, on the other hand would be working to fulfil their job description, and at the same time not cited for poor performance and would therefore push for central government programmes to be given priority. This state of affairs needs effective co-ordination and rationalisation.
- c) Interpret government policies and programmes to ensure that the public correctly understands them.
Nature of potential conflict: The ward councillor is also expected to interpret local policy. In addition the councillor should be conversant with government policies. The mandate the electorate has given the councillor demands that he or she disseminates information to the public. Because of this the councillor and DC should work hand in hand.
- d) Preside over the DDCC Meetings
Nature of potential conflict: As Chairperson of the DDCC, the DC presents the DDCC reports to the council for consideration and approval. It must be noted that without a council resolution, development projects cannot be sanctioned. The DC therefore recognises the legal requirements. Friction between the councillors and DC may lead to acrimony, especially when the councillors know that they hold the power of council resolution and this may delay development as a result.

¹⁷ GRZ (1991) p. 39

the Town Clerk is appointed by the councillors who are elected by the people and has a legal mandate from the Local Government Act. The DC's position carries no such legal mandate as it was established through an administrative circular. Some overlaps in the roles and power between the DC and council (or councillors) are also identified, and discussions are still ongoing.

(ii) Council budgets: processes and challenges

While sector departments at the provincial level are financed by their parent ministries, the revenue of a district council consists of its own revenue resources and grants from the central government (Table 2-4). As explained, district councils suffer from severe financial weakness. Crook and Manor (2001) suggest three major factors that contribute to the weak financial situation of district councils in Zambia:

- (a) The withdrawal of certain central government grants;
- (b) The transfer of fiscal powers and revenue sources from local to central government;
- (c) The inability of local governments to realise their revenue potential

Grants aim to redistribute the tax revenue of the central government to local governments. Some grant schemes in the GRZ can be budgeted and released. However, most grants are not presently released¹⁸. 'Transfers to local government are given in the form of block grants, intended to be in lieu of rates on government property, rather than to provide funding for particular services of priority for central government. However, the grants to individual councils are not made on the basis of the likely amount needed¹⁹ for such compensation or on any other criteria. Separate grant amounts are determined for each of the three types of councils as a group (cities, municipalities, and district), and then the grants are allocated in equal instalments within the three groups'²⁰. It is notable that these grants are released from the budget of the MLGH and so the total amount is always constrained by the budget allocated to the MLGH unless the MoFNP earmarks funds in the MTEF process.

The transfers have still been released to all councils, although the central government decided to stop transfers to large councils in 1994. According to the Fiscal Decentralisation Working Group (2006), the central government allocates the greatest amounts to Lusaka and Livingstone (both are city councils), while some rural district councils receive more than other municipal councils (Figure 2-1). Data from the Fiscal Decentralisation Working Group (2006) also tells us that the average rate of rural councils' dependency on transfers from the central government (18 %) is higher than that of urban councils excluding Lusaka and Livingstone (2 %). However, it has been recognised that financial difficulties are not limited to rural councils; even larger councils experience them. According to Crook

¹⁸ Examples include the Education Grant of MoE and the Health Grant. But because of the assumption that the local departments have already achieved the purpose of these grants, they are not budgeted, according to interviews in this research.

¹⁹ Saasa et al. (1999), the Grant Lieu of Rate was included in MTEF2007-2009 for the first time and is expected to be executed.

²⁰ GRZ (2005a) p. 24, a caption is added by the author.

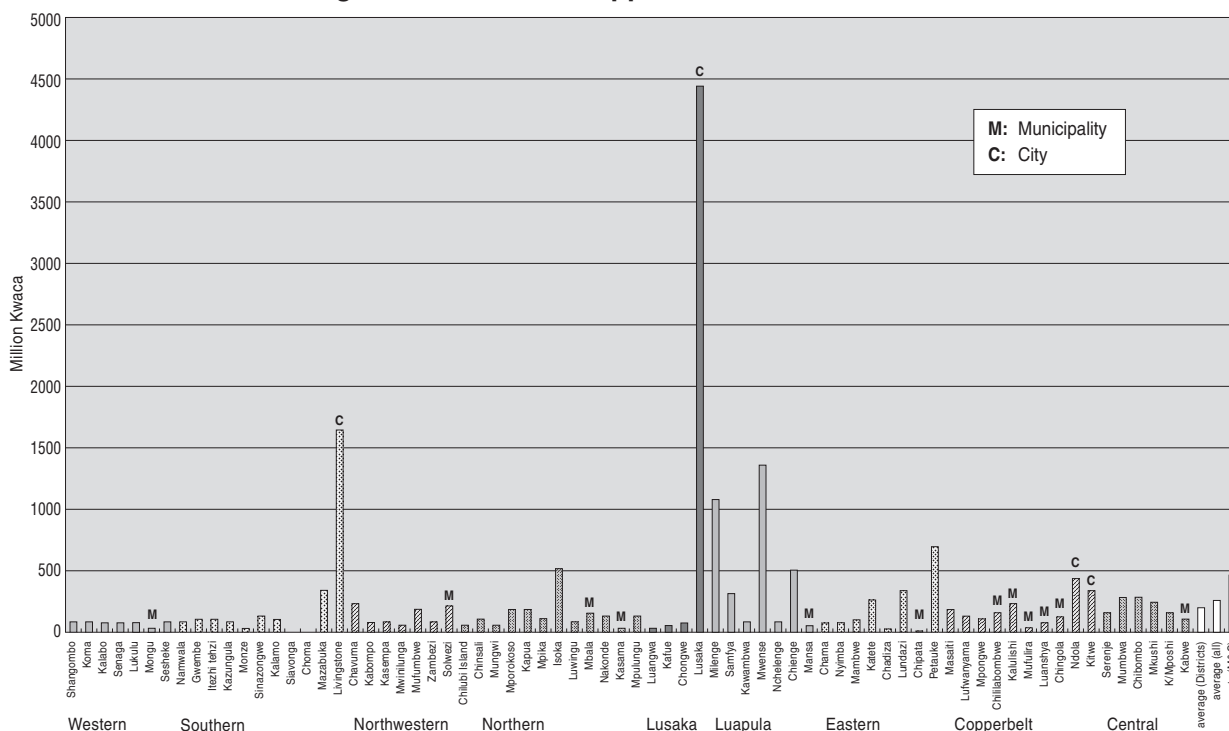
and Manor (2001), since ‘real revenues have declined so drastically during the 1990s, local authorities now play an extremely limited role in service delivery and development at the district and local levels’. This difficult financial situation surrounding grants to local governments will improve, since some grants (the Grant Lieu of Rate and the Recurrent Grant and Restructuring Grant of Intergovernmental Fiscal Architecture (IFA)) are in the MTEF 2007-2009.

Table 2-4 National support for local authorities

	National support (million kwacha)	National support as % of the total (average)
All Local Authorities	261.2	14.5
Municipal and City	470.5	4.2
Municipal and City excluding Lusaka and Livingstone	147.7	2.0
Rural District	191.5	18.0
Lusaka & Livingstone	3053	10

Source: Fiscal Decentralisation Working Group (2006) modified by the author

Figure 2-1 National support for local authorities



Source: Financial Decentralisation Working Group (2006)

Revenue sources of a district council generally consist of (1) its own revenue (local taxes and registration fees, etc.), (2) revenue from the central government (grants and shared taxes), (3) revenue from finance by CPs. Sources of local tax revenue are mainly personal tax and property tax, which is the second major revenue source next to user and license fees. Among the user and license fees is the

trade and liquor license²¹. However, the district council's own revenue is now limited by the Rating Act of 1997. For example, the fuel levy which was used for road maintenance was slashed. So was revenue from property rates, by giving wide exemptions to various property categories. Sales of the district council's property by Housing Empowerment Scheme in 1996 also reduced its revenue sources from its property. The Personal Levy Act of 1994 also reduced revenue from the local personal levy tax²².

The low credibility of local tax revenue estimates has been widely criticised, even though transfers from the central government were relatively predictable, even if for a single year. It has often been said that the actual tax revenue of some local governments remains at about 20 % of its estimates.

District councils prepare a budget for the next fiscal year based on an estimate of grants provided by the Call Circular from the MoFNP and an estimate of its own revenue. This budget is supposed to be approved by the MLGH. The MTEF has not yet been formally rolled out to the district councils. The introduction of the MTEF to district councils is one of the components of the PEMFA programme, with expectations for improvement upon the PFM of district councils.

Budgeting of the local departments of the main line ministries, in contrast, is done with the MTEF. However, the budgets of a district council have yet to be integrated with the budgets of local departments of line ministries. This implies that there is no integrated system of managing development activities and daily work in a district as a whole, although there should be a DDCC that coordinates forums among institutions. With these issues still to be tackled, this research found one good initiative by a DPO in Kaoma. This initiative is introduced in Box 2, along with a look at composite budgeting in Ghana.

Box 2 'Integrated' District MTEF (the Kaoma District example) and Composite Budgeting in Ghana

(1) The Kaoma example

As discussed, districts do not have a comprehensive MTEF covering all government activities in a district. While most DPO work without it, the DPO in Kaoma compiled MTEFs developed by each local department of line ministries there. He recognised that one of the major roles of a DPO is to coordinate line ministries at the district level.

He also realised that in practical terms, line ministries conduct development activities for sectors with a vertically managed government structure, and that there was a need to strengthen intergovernmental coordination in practice. The Kaoma DPO then reached the understanding that the district council should collect financial information to obtain a comprehensive perspective on development activities in the district, in order to be able to play a practical coordination role under DDCC.

(2) An exercise of composite budgeting in Ghana

Composite budgeting is a process of understanding budgets or actual financial flows at the district level. This process was improved through dialogue in the Decentralisation Sector Group and Direct Budget Support in

²¹ Saasa et al. (1999) p.99, p. 101

²² Crook and Manor (2001), Saasa et al. (1999)

Ghana (Multi Donor Budget Support: MDBS).

Ghana lacked any comprehensive financial figure at the district level, since the structure of the Ghanaian government at the district level is still financially parallel and local departments of line ministries undertake their activities individually, although the District Assembly manages the local departments of line ministries. In other words, no one in the district knew how much money was being spent or was expected to reach the district level.

There are some challenges in composite budgeting, namely whether it should encompass the expected financial flows (budget) or actual financial flows. But it can improve horizontal coordination at the district level by affording a comprehensive financial overview in a district.

(2) Institutional structure of line ministries and their policies

This research selected Education, Health, Agriculture and Water as sample sectors for the purpose of identifying gaps in the PFM among sectors. We will look closely at the current situation of the PFM under the MoE, the MoH, MACO, the MEWD, and the MLGH²³.

These ministries will be compared in the following three aspects: (1) Administrative structure and human resources; (2) Budget structure and allocation to the district level; and (3) Sector policy, plans/programmes and their links with the budget. The ministries can be categorized into three types. The first type is the ministry which has its own department at the district level with human resources and an MTEF and ABB that can facilitate development planning by providing information on the budget over the next three years. The MoE and MoH fall into this category. The second type of ministry is in a similar situation as that of the first category, but has heavier budget constraints. The MACO falls into this category. Finally, there is the ministry that lacks human resources, an MTEF, or a budget at the district level. The MEWD and MLGH are in this category (Figure 2-2, Table 2-5).

(i) Health sector (MoH)

(a) Institutional structure

The MoH started its institutional reform with the introduction of the Medical Services Act in 1985 by establishing hospital boards. After the appointment of hospital board members in 1992, institutional arrangements were changed and this was part of the arrangements at that time.

While it should be noted that the MoH in 2005 was restructuring²⁴, when FNDP, PDP, DDP, and the fourth National Health Strategic Plan (NHSP) 2006-2010 were drafted in 2005, the sector consisted of the following entities at different levels: (1) The MoH was in charge of policymaking and regulatory issues and the Central Board of Health (CBOH) was in charge of service delivery; (2) At the provincial

²³ Both the MEWD and MLGH are providing services related to water. A detailed demarcation is provided below.

²⁴ For example, the CBOH and DHB described later were dissolved in 2006. This should be carefully understood because of the implications for the planning process. But it was not found in the field research this time.

level were the provincial offices; and (3) At the district level were the District Health Management Teams (DHMT). The District Health Board (DHB) worked with DHMT as supervisors. In addition, there were neighbourhood health committees and Health Centre Committees at the community level²⁵.

After the planning process for the implementation of the fourth NHSP, the MoH decided to integrate the function of CBOH with that of the MoH, and established advisory councils to replace DHB²⁶. Devolution has proceeded in the MoH. Planning and budgeting exercises are implemented at the local level, while decision-making authority on some issues is still vested in the ministry headquarters.

(b) Policy and planning in the health sector

The MoH has policies for individual issues, such as HIV/AIDS. NHSP was developed based on these policies and the MTEF, and this plan acts as the main vehicle for policy implementation. Since the timing of development of the fourth NHSP almost overlapped that of the FNDP, to ensure consistency between the plans, a summary of the NHSP was provided to form a chapter on the sector in the FNDP. In terms of progress in SWAp, a Memorandum of Understanding (MoU) was signed, and the alignment of CP support for this sector has been enhanced.

(ii) Education sector²⁷ (MoE)

(a) Institutional structure

In 1995, the MoE proposed amendments to the Education Act and the founding of the District Education Board (DEB), since administration of the sector was excessively centralised²⁸. Subsequently, 'Educating Our Future (EOF)', the guiding policy of the sector, was developed. Decentralisation was recognised as one of the keys to sector reform and a gradual devolution to the local level was implemented. After the establishment of DEBs in the districts of the Copperbelt province, DEBs were gradually set up between 2001 and 2002²⁹.

The local departments of the MoE changed its name to DEB, headed by District Education Board Secretary (DEBS). DEBS has roles in planning, budgeting and implementing the policy in consultation with communities in their administrative area. Provincial Education Officers (PEOs) oversee senior secondary schools, while DEBS looks after junior secondary and elementary schools. Since the PEOs

²⁵ Bossert et al. (2000) pp. 11-12, MoH (2005) p. 2

²⁶ MoH (2005) p. 2, the establishment of the council has been delayed.

²⁷ According to MoFNP, the Education Sector consists of the MoE and the Ministry of Science, Technology and Vocational Training. The MoE was selected because of its central role in the education sector.

²⁸ Florestal and Copper (1997)

²⁹ Naidoo and Kong (2003) p. 50. After the establishment of DEBs in the districts of the Copperbelt province in 1996, DEBs were established in the northern part of Lusaka province, the Southern province and the Western province in 2000, and then in other districts in 2001.

and DEBS keep all sections of their departments in the same building, coordination of daily work and management among different sectors seems to be somewhat easier than it is in the Ministry of Agriculture and Cooperatives, discussed below.

(b) Policy and planning in the education sector

The Ministry of Education's first National Education Strategic Plan (NESP) following the sector policy, 'Educating Our Future' was developed in 2002 and covers the period from 2003 to 2007, which is different from that of the FNDP. The MoE and its local departments also develop an Annual Work Plan in order to implement NESP and the policy.

While the MoE has a comprehensive policy and plans like the MoH, WB (2006) pointed out, 'In sum, the MoE's GRZ-resourced budget is not organised on a programmatic basis closely following the Strategic Plan. Members of Parliament considering the MoE budget are presented with an enormous amount of detail in the Yellow Paper, but the "big picture" of the pattern of MoE expenditure is difficult to discern, due to the lack of an analytical summary'.

This does not mean that the capacity for public financial management is weaker than in other sectors. The capacity of MoE is somewhat superior to that of others, but the Public Expenditure Tracking Survey in 2001-2002³⁰ and the Public Expenditure Review (PER) in 2006 carried out in the sector raised several issues, for instance.

(iii) Agricultural sector (MACO)

(a) Institutional structure

Following the Public Sector Reform Programme (PSRP), the MACO has decentralised the operational structure present at the district level. This enables the Ministry to deliver extension services to farmers at the local level. In addition to the two ministries above, the Ministry is in close communication with local communities. It has nine departments at the provincial and district level³¹. To improve coordination and integration within its departments, a Provincial Agricultural Coordinating Office/r (PACO), and a District Agricultural Coordinating Office/r (DACO), were installed in each province and district, respectively. However, the status of the PACO or DACO is no higher than that of other departments, and this makes their duties difficult. In addition, departmental offices are physically dispersed, as the offices of the original entities are still used. Under these circumstances, each section

³⁰ According to Anti-Corruption Resource Centre (<http://www.u4.no/themes/pets/petseducationsector.cfm>), output from the survey available is Jishnu Das, Stefan Dercon, James Habyarimana and Pramila Krishnan (2004), 'Public and Private Funding of Basic Education in Zambia', Human Development Sector, WB

³¹ These are responsible for implementation of the agricultural policy, development and promotion, agribusiness and market development, provision of extension services, development of agricultural research and livestock development, fisheries development, irrigation development, seed control and certification services, agricultural training and regulation and legislation of agricultural services.

works independently and PACOs and DACOs coordinate the activities of those sections only when it is requested.

(b) Policy and planning in the agricultural sector

The key documents for the MACO are the National Agriculture Policy (NAP) and the Agriculture Strategic Plan, which is based on the NAP. But since this plan does not have a resource envelope, it cannot realistically be implemented, unlike the situations in the MoH and MoE. Apart from this plan, the MACO has other sub-sector plans/programmes, such as the irrigation plan, which has more detailed activities as a guide at the operational level. Policy and planning in agriculture is coordinated by the Department of Policy and Planning, which plans and coordinates the development of agriculture under the framework of the NAP.

(iv) Water sector (MEWD and MLGH)

(a) Institutional structure

The origins of the current reform in the water supply and sanitation sub-sector can be found in the 1990s. The Public Service Reform Programme commenced after the elections in 1991 and provided the sector with opportunities for reform. In 1994, the National Water Policy was approved. The policy has seven principles, namely: (a) Separation of water resource management from water supply and sanitation; (b) Separation of regulatory and executive functions within the water supply and sanitation sector; (c) Devolution of authority to LAs and private enterprises; (d) Full cost recovery in the long run; (e) Human resource development leading to more effective institutions; (f) Technologies appropriate to local conditions; and (g) Increased funding by the GRZ³². The institutional reforms, including the partial devolution of functions under the MEWD to the MLGH, have been implemented under these seven principles. At present, the MEWD is responsible for water resource development and management while the MLGH is responsible for water supply and sanitation³³.

The MEWD maintains departments called the DWA in provinces and districts. Compared to the three ministries mentioned above, it has inadequate human resources at the district level due to the re-structuring process which has not yet been finalised³⁴. The Water and Sanitation Act in 1997 allows district councils, sometimes together with other neighbouring council(s), to establish a water company and to cede to that company responsibility for management, or to sell up to 49 % of the council's property for water supply and sanitation to private companies. As a result, in some districts water companies are currently responsible for water supply and sanitation service delivery³⁵.

³² NWASCO (2004) pp. 20-21

³³ *Ibid.*

³⁴ Interview with MEWD

³⁵ *Ibid.* pp. 11-12

In fact, there are some cases in which the provincial DWA works for the capital of the province, or for those districts without DWA staff. In addition, water issues are also handled by other ministries, such as the MoH, MoE, or MACO. To improve communications problem among ministries, the Water, Sanitation, and Health Education (WASHE) approach was adopted in 1996, and this led to the establishment of a WASHE framework at all national, provincial, district, and community levels³⁶. The function of the National WASHE is incorporated into the government organisation. At present, the establishment of provincial and district WASHEs, and the development of their capacity is one of the challenges to be addressed.

Apparently, district DWAs are not allowed to execute decision-making authority in practice, since the budget allocation of the MEWD stops at the provincial level and the local provincial office decides on the allocation to districts. Moreover, human resource constraints at DWA are more severe at the district level than they are at the provincial level. The involvement of many ministries in this sector also makes management difficult. However, these difficulties are being addressed, with trials underway to improve coordination among GRZ and CPs. These trials will be discussed in the next section.

(b) Policy and planning in the water sector

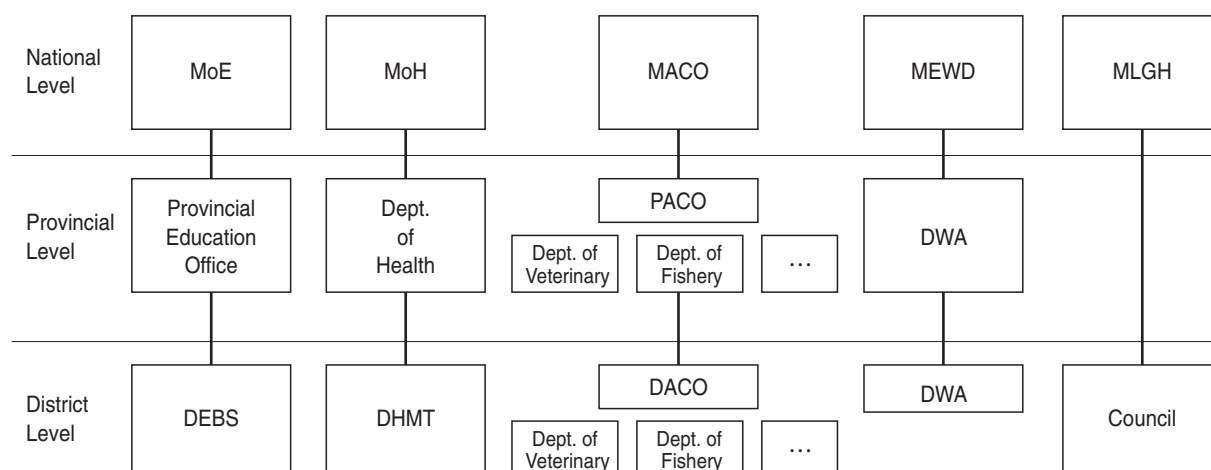
The National Water Policy is a common national policy shared by the MEWD and the MLGH. To supplement the National Water Policy, the MLGH developed the National Water Supply and Sanitation Policy. The MEWD operates directly based on the National Water Policy, while it has a strategic plan 2003-2007.

There are many challenges, as explained above. As will be discussed in more detail below, decisions on activities in the MEWD at the district level cannot be made until funds arrive at the provincial DWAs. The link between the plan and budget at the MEWD is thus very weak and its performance remains quite poor, compared with other ministries researched.

To address the situation, initiatives emerged to improve the policy management framework, including intensive discussions on establishing SWAp and developing the National Rural Water Supply and Sanitation Programme in 2006. Assistance from donors will be concentrated on the MLGH. These trials are expected to overcome some of difficulties described above.

³⁶ MLGH (2006b) p. 10

Figure 2-2 Structures of target ministries from central to district



Source: prepared by the author based on results of the field research

Table 2-5 Guiding policy/plans, MTEF and budget in four ministries

		MoE	MoH	MACO	MEWD	MLGH
Policy/ Plan	Policy	Educating our Future	Various Policies by issues	National Agricultural Policy	National Water Policy	
	Medium Term Plan (MTP)	Education Strategic Plan 2003-2007	National Health Strategic Plan 2006-2010	National Agriculture Strategic Plan 2006-2010	Ministry of Energy and Water Development Strategic Plan 2003-2007	National Rural Water Supply and Sanitation Programme 2006-2015
	Annual Plan	Annual Work Plan	Annual Work Plan	Annual Work Plan	Annual Work Plan	Annual Work Plan
MTEF/ Budget	Resource Envelope attached to MTP	○	○	×	×	×
	MTEF	National, Provincial, District	National, Provincial, District	National, Provincial, District	National and Provincial	Budget of district council is independent apart from grants, MTEF in council is not installed yet
	Description of budget allocation to district in Yellow Paper	○	○	×	×	×

Note: prepared by the author based on the results of the field research

2-2-2 Budget challenges in GRZ and public financial management

The HIPC Assessment and Action Plan (HIPC AAP) conducted in 2001 and 2004 categorized Zambia as a country requiring substantial upgrading. Zambia was regarded as one of the countries with the weakest capacity in public financial management among countries conducting the HIPC AAP. While Tanzania achieved 11 of the 16 benchmarks in 2001, Zambia achieved only three of them in the same year (Table 2-6). This number did not change in 2004, although the types of benchmarks achieved were different from those of 2001³⁷.

Table 2-6 Comparison of benchmarks achieved among countries conducting HIPC AAP

Group	Benchmarks required	Countries assessed
Little Upgrading Required	Over 11	Tanzania(11), Mali(11)
Some Upgrading Required	8-10	Guyana(10), Burkina-Faso(9), Benin(8), Rwanda(8), Uganda(8)
Substantial Upgrading Required	Under 7	Ethiopia (7), Ghana (7), Honduras (7), Senegal (7), Sierra Leone (7), Chad (7), Cameroon (7), Nicaragua (6), Guinea (5), Malawi (5), Niger (5), Bolivia (4), Madagascar (4), Mozambique (4), Sao Tome & Principe (4), Gambia (3), Zambia (3), Democratic Republic of Congo (3)

Source: IMF/WB (2005) p. 10 modified by the author.

With respect to national budgeting, a PER in 2003 cited weaknesses in the public financial management of GRZ, such as the existence of a very large gap between the original budget and the actual amount executed. It was noted that ‘the lack of effective and credible budget preparation is one of the most serious weaknesses in Zambian Public Expenditure Management (PEM), which had significant impact on the quality and efficiency of public sector services generally³⁸’. Before and after this review, the Zambian Government had made some significant efforts to improve the budgeting system, for instance with the installation of the Commitment Control System supported by IMF in 2002 and the introduction of Activity Based Budgeting and MTEF in 2004³⁹. However, the Public Financial Management Performance Report in 2005 still criticised the gap between the estimated and actual budgets. This implies that GRZ and local authorities were continuing to operate in this situation during the development of the FNDP, PDP, and DDP⁴⁰. The section below tries to understand the situation of the budget in 2005 in the context of the planning process.

(1) Structures of GRZ budgets and districts, and the challenges facing them

In Zambia, the budgeting processes in the central government differ from those at the district level. Budgeting for line ministries proceeds as follows⁴¹:

³⁷ IMF/WB (2003) p. 6

³⁸ WB (2003)

³⁹ GRZ (2005a) p. 46, p. 73

⁴⁰ *Ibid.* p. 5

⁴¹ MoFNP (2004b)

- (a) preparation of MTEF ceilings by MoFNP
- (b) dialogues in SAGs and within line ministries
- (c) issuance of the Green Paper
- (d) issuance of the Call Circular, including the MTEF Guideline and MTEF ceilings
- (e) preparation of the Sector MTEF and Yellow Paper in line ministries

The MTEF attached to the Green Paper earmarks the total amount to be allocated to line ministries and to certain specific budget items only. Line ministries should decide how to use the remainder of the amount by themselves. Moreover, the amounts described in MTEF attached to the Green Paper are aggregated. Therefore, line ministries determine the breakdown for Sector MTEF and the Yellow Paper. However, the extent and quality of the MTEF process depends on the ministries, namely whether a ministry has introduced MTEF at all levels from national to district or not, since MTEF and ABB were only introduced in 2004.

Among the Ministries covered in this research, MoH, MoE, and MACO have introduced MTEF, including at the provincial and district levels. Consequently, these ministries seem to enjoy some predictability in budget execution. But the budget predictability of the MACO is somewhat weaker, since it faces budget constraints, described below. Meanwhile, the MEWD has also introduced MTEF, but this has recently been applied only at the central and provincial levels. Budget allocations to districts for this ministry are not stated clearly, even in the Yellow Paper. Allocations to districts are mainly decided when the funds reach the provincial offices. The predictability of budget execution for the MEWD is the lowest among the four ministries mentioned⁴².

Budget allocations to MoH and MoE are relatively higher, at 11.9 % for MoE, 10.9 % for MoH, 4.3 % for MEWD, and 0.1 % for MLGH⁴³, respectively, in fiscal 2005. Most of the amount budgeted for the MACO is earmarked when the Green Paper is issued, for the Fertilizer Support Programme and Strategic Food Reserve, for example. MoFNP, which required a five-year budget for the development of the FNDP, PDP, and DDP, does not develop a district-level MTEF for line ministries. District councils basically do not develop MTEF, and the predictability of budget execution remains quite low.

- (2) Relationships between the structure of the budget and human resource allocation, and the DDP development process

For the GRZ, local government is characterised by a financially and institutionally parallel

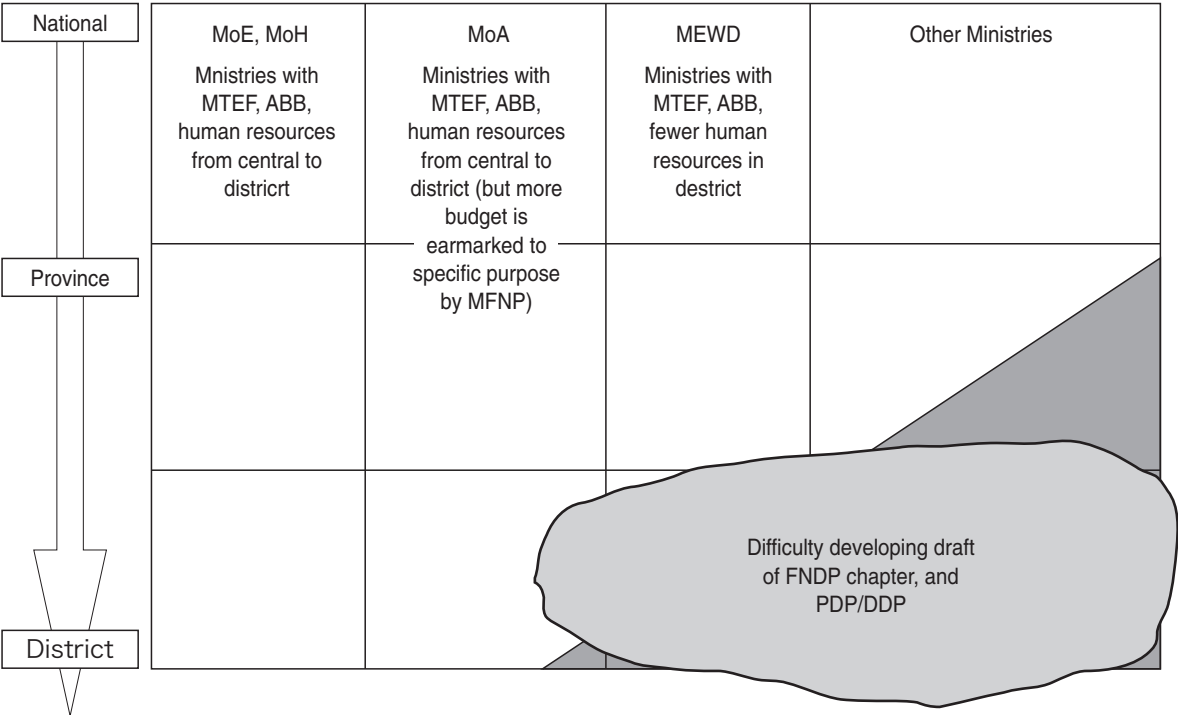
⁴² Interview with the MEWD and in districts and provinces, and GRZ (2006a)

⁴³ GRZ (2006a). These figures are percentages of the discretionary budget of the total, with constitutional and statutory expenditures deducted. In addition to these figures, 'Loans & Investment' are budgeted for the MoFNP and MLGH. 'Loans & Investment' for the MLGH have a budget for the water sector. If this amount is added to the budget for the MLGH, then 11.1 % was allocated to the MLGH in 2005.

structure. Line ministries have the mandate to coordinate sector-related activities, but it is not in their mandate to give their local departments the lead in planning, implementation and monitoring of development activities for districts from a strategic and comprehensive point of view. District councils should play a role of assuring comprehensive development by coordinating different sector departments. But it is difficult for the local authorities to fulfil this role because they lack the necessary financial and human resources.

Let us look back at the DDP development process, bearing in mind the circumstances surrounding district councils and the local departments of line ministries (Figure 2-3). It seems that the MoE and MoH, which have MTEF and offices in districts, had fewer constraints in developing DDPs. The MACO seems to have had difficulties developing a realistic plan because of the financial constraints described above. Of all the institutions researched, the water sector, having the MEWD, MLGH, district council and others as actors, faced the most complex and difficult challenges arising from the process.

Figure 2-3 Government structures and difficulties in developing a DDP



Source: prepared by the author

Figure 2-3 describes the relationships between financial/human resources constraints and the sectors involved in the FNDP, PDP and DDP planning process. As we move to the right of the figure, ministries have fewer human and financial resources, particularly at the district level, and have more difficulties producing a realistic plan. The lack of financial and human resources is severer at the district level than at the central level and in the worst cases there are neither financial nor human resources for specific issues or for the sector as a whole at the district level.

A lack of planning capacity at the district level is not surprising, especially when a plan has no meaning since the office does not receive a budget regularly. According to an outline of the DDP provided to districts, districts were asked to develop a vision, mission statement, strategic objective, and priority programmes and activities over the 25 sectors. However some line ministries do not have local departments in districts and some other line ministries that do have people in the districts do not have experienced planning officers, an example being the police⁴⁴.

2-3 Institutional Reform Trends in Zambia

To tackle the many challenges in public financial management and in the institutional structure of government in Zambia, discussed in the section above, the GRZ introduced the PSRP in 1993. This reform programme consists of three pillars, namely: public service reform, public expenditure management financial accounting reform, and decentralisation. This section explains the latter two reforms, which are related to this research.

2-3-1 National decentralisation policy and decentralisation implementation plan

Debate on the current decentralisation arrangements started around 1993, after MMD was elected to office. After a prolonged debate, the GRZ finally approved the National Decentralisation Policy in 2002. Currently, the GRZ is developing a Decentralisation Implementation Plan (2006-2010) through the Decentralisation Secretariat at MLGH. This plan views 2006-2010 as the period for its execution and 2011-2012 as the consolidation period. The plan contemplates the full devolution of some of the central functions to local authorities. It is expected that the National Decentralisation Policy and Decentralisation Implementation Plan (DIP) will solve one of the problems that impose a critical constraint in developing and implementing NDP, namely the vertical management structure and weak horizontal coordination among government authorities in Zambia. Intensive discussions on devolution are ongoing under these initiatives, and it was revealed that line ministries have their own thoughts and ideas for management of their sector.

The objectives of the National Decentralisation Policy are as follows:

- (i) Empower local communities by devolving decision-making authority, functions and resources from the centre to the lowest level with matching resources to improve the efficiency and effectiveness in the delivery of services,
- (ii) Design and implement a mechanism to ensure a ‘bottom up’ flow of integrated development planning and budgeting from the District to the Central Government,
- (iii) Enhance local political and administrative authority to effectively and efficiently deliver services,

⁴⁴ One of the districts researched does not have any officers in charge of the environment and tourism.

- (iv) Promote accountability and transparency in the management and use of resources,
- (v) Develop the capabilities of local authorities and communities in development planning, financing, coordinating and managing the delivery of services in the areas,
- (vi) Build capacity for the development and maintenance of infrastructure at the local level,
- (vii) Introduce an integrated budget for district development and management,
- (viii) Provide a legal and institutional framework to promote autonomy in decision-making at the local level.

Under these policy objectives, DIP sets 11 key actions and ten DIP components, as shown in the Table 2-7:

Table 2-7 Key actions and its components of DIP

Key actions	Components
(i) Overhauling of core LG staff structures, human resources and recruitment of qualified staff	(i) Sensitisation and civic education
(ii) Modernisation of LG Financial Management & Procurement regulations and systems	(ii) Legal and regulatory framework
(iii) Clarification of Audit and Oversight responsibilities and arrangements	(iii) Institutional and human resource development
(iv) LG Financial Reform: Local Revenue, Tax Assignments and Transfers	(iv) Local development planning and budgeting
(v) Definition of LG Functions and LG/Line Ministry roles and responsibilities	(v) Financial management and Accounting
(vi) Enable Staff Transfers: Amend LGA, Service Commissions Act and PS Pensions Act	(vi) Fiscal Decentralisation and revenue mobilisation
(vii) Clarification of sub-district structures, powers and functions	(vii) Sector Devolution
(viii) Promotion of image and achievements of local government	(viii) Infrastructure service provision
(ix) Resolution of question of responsibility for Decentralisation implementation	(ix) M&E
(x) Establishment of harmonised CP liaison and financing arrangements	(x) Programme management
(xi) Preparation for LDP implementation	

Source: Malama (2006)

Among these components, sector devolution (component 7) is quite closely related to the development processes of development plans on this occasion. Intensive debate on sector devolution started with the Sector Devolution Workshops in 2006. Moreover, the IFA has been discussed, and is to begin from 2007. The introduction of this financial scheme is expected to alleviate the financial weaknesses of district councils.

As has been discussed, under the current situation, functional distributions among line ministries and district councils are legislatively vague and district councils have not had much experience in managing large budgets and projects. It is important that funding through IFA be carefully transferred to district councils and that its legal backing be carefully set in the context of the current vertical management system of the GRZ, rather than based on the future ideal sought by Decentralisation policy and the DIP, since financial flows will easily move to a decentralised institution even after sector devolution is completed. The transparency and accountability of grants provided through IFA should also be ensured.

2-3-2 Public expenditure management financial accounting reform

PEMFA is one of the current reform programmes in public financial management from 2005 to 2009. This has 12 components, as follows:

- 1) Commitment Control System and Financial Management System (FMS)
- 2) Integrated Financial Management Information System (IFMIS)
- 3) Improved Fiscal Policy and Economic Planning
- 4) Reformed Budget Preparation and Budget Execution
- 5) Improved Debt Management
- 6) Improved Internal Audit
- 7) Better External Finance Coordination
- 8) Consistent Legal Framework for PEM
- 9) Strengthened External Audit
- 10) Enhancing Parliamentary Oversight
- 11) Accountancy Training and Regulation
- 12) Public Procurement Reform

In particular, components 3) and 4) of the PEMFA programme seem to have close links with the process of drafting development plans. However, the implementation of the PEMFA programme has been delayed in recent years.

2-3-3 Monitoring and evaluation

The monitoring and evaluation (M&E) of development plans is another important issue, along with public financial management and decentralisation, which influences planning and execution of the national development plan. After the development of the PRSP, a guide to PRSP M&E indicators was prepared and distributed to stakeholders, including provinces and districts. The M&E framework in the guidelines was of high quality and encompassed the measuring of outcomes and outputs. However, the Second PRSP Implementation Progress Report pointed out weaknesses in this M&E framework. The GRZ with the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) established a new set of indicators and simple reporting lines for resolution of the bottleneck of the PRSP M&E framework.

2-4 Frameworks for Coordination in Zambia

2-4-1 Harmonisation of Donor Practice

The Paris Declaration in March 2005 confirmed that continued efforts would be made to

harmonise aid practices. Some African governments, working with donors, are developing or have developed common strategies for development, such as the Joint Assistance Strategy. Zambia efforts in this area had actually started two years before the Paris Declaration was signed. In 2003, CPs and the GRZ signed an agreement, 'Harmonisation In Practice'. At that time, some donors, including Japan, did not sign it, but this framework for harmonisation evolved into another agreement, 'WHIP', which more CPs, including Japan, did sign. This framework is the main vehicle for coordinating CPs' assistance for effective management of development of the country by the GRZ and also contributed to the development processes of development plans this time.

2-4-2 Sector Advisory Group (SAG)

To bolster dialogue within a sector, SAGs were established at the central level by involving stakeholders such as donors, NGOs and representatives from the private sector. SAGs are chaired by the Permanent Secretary of the ministry responsible for the specific sector. In the course of developing the FNDP, these groups, including the PDCC, acted as a forum for intensive discussions seeking to develop a chapter in the FNDP on their sector.

2-4-3 Development Coordinating Committee

A Developing Coordinating Committee (DCC) was established at the national, provincial and district levels by Cabinet Circular No. 1 of 1995. They had the following objectives⁴⁵:

- Effective co-ordination between sector ministries and departments, donors, NGOs, and other agents of development, and the council.
- Effective monitoring and reporting on the overall developmental efforts.
- Establishing mechanisms for ensuring the government's responsiveness to local needs in service delivery.

However, DCCs do not have a legal basis, nor the authority to force stakeholders to follow their decisions. They have been calls for the DCCs to be given legal backing, particularly those at the district level, the DDCC.

The NDCC had not been held as of December 2006. The PDCCs are meant to coordinate issues concerning provincial institutions, as well as issues between the central government and the districts. Institutionally, there should be fewer political problems than at the DDCC, since officers are basically centrally appointed at the provincial level and there is no confusion between the position, as there is

⁴⁵ MLGH (2006a) p. 123

with the DC and others. However, the effectiveness of its coordinating functions is limited, because the provincial departments of line ministries should basically be answerable only to their own headquarters.

DDCCs are chaired by DCs and their meetings are usually held on a quarterly basis, except in emergencies. In addition to the fact that DDCCs do not have a basis in law, the vague profile of DCs and lack of legal backing conspire to ensure that DDCCs are largely ineffective. The effectiveness of DDCCs seems to depend heavily on the personal relationships among the DC and other members and the DC's management skills. It is generally recognised that political conflicts among the DC and other members produce malfunctions in the DDCC in some cases. The National Decentralisation Policy proposes to legalize PDCCs and DDCCs to address these problems. But it will also be important to clearly define the relationships between horizontally managed PDCCs and DDCCs and vertically managed local departments of line ministries, in terms of decision-making power and procedure.

3. Review of the Development Processes of the FNDP, PDP and DDP

3-1 Documents Developed and Process Working Structure

3-1-1 Documents developed

The government of Zambia has developed a five-year development plan and a long-term vision (National Long Term Vision (NLTV) (2030)). This long-term vision of Zambia aims to make the country one of the middle income countries by 2030 ('A Prosperous Middle Income Nation by 2030') and sets out seven principles, namely: (i) gender responsive sustainable development; (ii) democracy; (iii) respect for human rights; (iv) good traditional and family values; (v) positive attitude towards work; (vi) peaceful coexistence and; (vii) private-public partnerships. In addition to the 21 characteristics as a nation to which Zambians aspire, the NLTV sets out objectives (i.e. attaining and sustaining high levels of economic growth, creation of an environment and investment climate consistent with the socioeconomic development, and so on) and scenarios to realise them⁴⁶.

The FNDP is the national development plan based on this NLTV. The GRZ positions the FNDP as a critical step in achieving its long-term vision and sets 'broad based wealth and job creation through citizenry participation and technological advancement' as the theme of the FNDP. The FNDP addresses 31 sectors, setting five priority sectors (agriculture, infrastructure, health and education and technical development, water and sanitation, and security)⁴⁷. PDPs and DDPs were developed to identify needs in the field to facilitate the development of the FNDP. While the role of PDPs no longer exists, since they were integrated into FNDP, DDPs are to be used as the effective implementation of DDPs is seen as leading to the successful implementation of the FNDP.

3-1-2 Working structure in developing the FNDP

The development processes of the FNDP, including PDPs and DDPs, were supervised by the National Steering Committee (NSC), the members of which consist of PS and planning officers at the central level. Operational issues were coordinated by the National Technical Committee (NTC). These committees were chaired by the Cabinet Office while the PEMD of MoFNP acted as a secretariat (Figure 3-1).

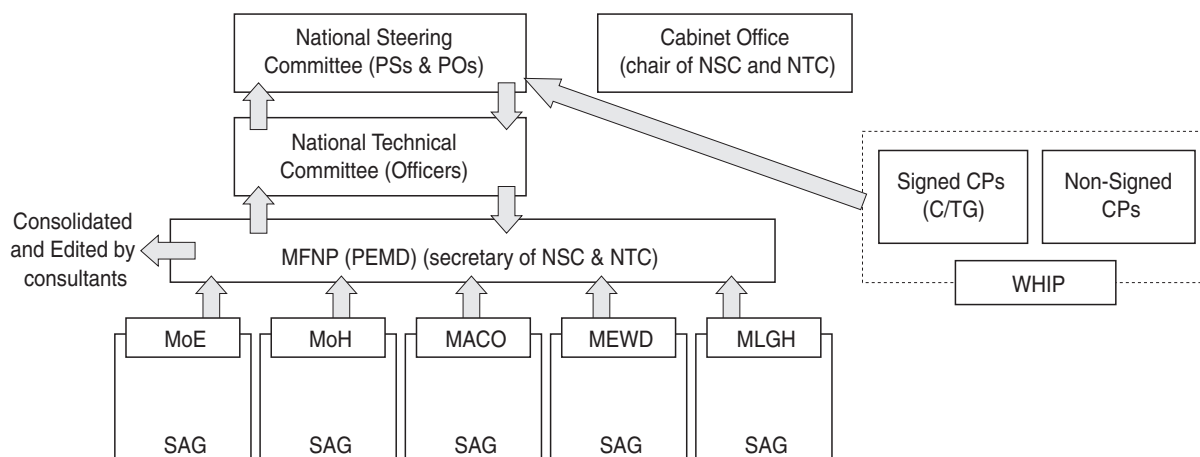
Responding to the GRZ's request for support in the development processes set out in the 'Roadmap for the Preparation of NLTV, FNDP and District Strategic Plan (DSP)', CPs established Coordination and Technical Groups (C/TG) to support the processes. Some CPs did not sign the

⁴⁶ GRZ (2006b)

⁴⁷ GRZ (2006c)

MoU for this, but since the WHIP already had a common position of supporting the GRZ, the WHIP framework was employed to prepare joint comments for the FNDP⁴⁸. In this environment, the responsibility for developing each chapter was delegated to respective line ministries and SAGs. The PEMD employed consultants to support the process within SAGs.

Figure 3-1 Working structure and relationships among stakeholders to develop the FNDP at the central level

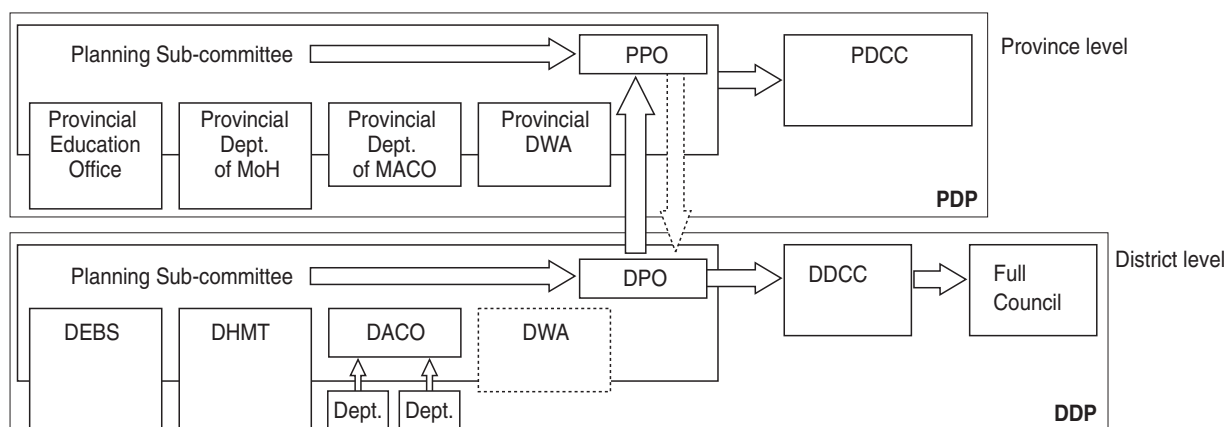


Source: prepared by the author based on results of the field research

3-1-3 Working structure to develop PDPs and DDPs

Development of the PDP was managed by the PDCC and a planning sub-committee under the PDCC carried out the actual work (Figure 3-2). Members of this sub-committee consisted of planning officers of the provincial departments of line ministries and the committee was coordinated by PPO.

Figure 3-2 Working structure to develop PDPs and DDPs



Source: prepared by the author based on results of the field research

⁴⁸ On the other hand, there is a view that information sharing among donors was not sufficient.

These members coordinated the work to draft the chapter related to their own sectors within their original departments. The management structure for the development of a DDP is similar to that for the development of a PDP, using the DDCC and its planning subcommittee coordinated by a DPO.

In DEBS of MoE and DHMT of MoH, it was observed that the planning officers in these institutions coordinated the work of drafting the related chapter by compiling drafts on specific issues written by officers from different sections. In some districts, there was an officer who shared this task with the planning officer. In the department of MACO, DACO basically assumed this coordination task supported by its sections. However, it seems, according to the interviews conducted, that drafts coming from different sections were simply compiled without coordinating their content. In developing the chapter on the water issues, in those districts where officers were assigned from MEWD, the coordination of the work was done by them, while in those districts that had no officer from the ministry, it was difficult to find anybody to coordinate the work.

3-2 Development Processes of the FNDP, PDP and DDP

3-2-1 Expected development processes

The Roadmap was revised several times during the processes. The earliest version of the Roadmap obtained through this research was the February 2005 version. The GRZ distributed this version to CPs to request their support in the development process. The January 2006 version is the latest version obtained by the researcher. According to the interviews, the roadmap was revised several times between these versions⁴⁹. It can be said, then, that the February 2005 version was the roadmap that actually kick-started the process, and according to this version, it was expected that the process would have started with the approval of the preliminary roadmap in March 2005 and would have ended with the launch of the FNDP in November 2005. For analytical purposes, this schedule is divided into three periods: (1) The preparation period; (2) The development period; and (3) The finalisation period.

(1) Preparation period

While the establishment of a NSC/NTC and bidding by consultants were expected, sensitisation with respect to the FNDP through newspapers was also planned in mid–April 2005. To start the SAG meetings, preparatory workshops for districts, provinces, and line ministries as well as an orientation meetings for officers in charge of SAGs and consultants were scheduled for around mid-April and early May respectively.

⁴⁹ MoFNP (2005a), MoFNP (2005b)

(2) The Development period

(a) Central level

From late May to the end of June, the GRZ planned to hold dialogues with MPSAs, chiefs and civil society organisations (CSOs) on the National Long Term Vision (NLTV) and on the design of the FNDP at the national level, and to develop a Zero Draft of the FNDP. An opportunity for dialogue with members of parliament was also expected to be available in around June. Meanwhile, dialogues in provinces and districts and the incorporation of their results in the Zero Draft of the FNDP were also expected. After this incorporation and a second dialogue, line ministries were expected to approve the draft chapters they had developed, and those draft chapters were to be compiled into the Zero Draft for distribution. The National Stakeholders Meeting was then supposed to be held.

(b) District level

At the provincial level, preparatory workshops to train district officials including district councils and local departments of line ministries were scheduled. Data collection and analyses were planned to be started after the workshop was held in each province. Based on the results of the data analyses, drafting of chapters by those officers was to be done from early May to mid-June following the workshops to discuss the vision, mission statement, strategic option and priorities. On the roadmap, core DDPs developed through these processes were to be reflected in the Zero Draft FNDP. On the other hand, the planning and budgeting process for DDP was expected to continue so that it filters into the MTEF for 2006-2008 (from late June to late December).

(c) Provincial level

On the roadmap, nothing was described about the development process of PDPs. No other documents defining PDP were found in the field research this time. The decision to develop PDP appeared to have been made after the development processes of the FNDP and DDP started.

(3) Finalisation period

Outputs in the National Stakeholders Meeting, namely comments from participants, were to be reflected in the draft FNDP. The draft national vision was expected to be approved through the National Conference held after the National Stakeholders Meeting. Comments from donors, NGOs, and the private sector were to be requested and reflected into the final draft FNDP. After final editing, both the NLTV and FNDP would be approved by the Cabinet and a launching ceremony was to be held. Meanwhile, integration of the FNDP with the MTEF and Yellow Paper was expected⁵⁰.

⁵⁰ The February version of the roadmap called for integration from Zero Draft in its caption.

(4) Characteristics of expected development processes

The characteristics of the process expected are as follows:

- (a) Development of the FNDP and that of the DDP were expected to proceed concurrently.
- (b) The role of DDP seemed to be to collect needs in the field for the FNDP in drafting the DDP.
- (c) Given that the MTEF development process was to start in June, the schedule of the DDP development process was appropriate for establishing a link between the DDP budget and that of the central government (MTEF and Yellow Paper).
- (d) There was no description of the process for the PDP and M&E.

3-2-2 Actual processes in developing the FNDP, PDP and DDP

Actual processes will be explained in the following sections and summarized in Figures 3-3, 3-4, 3-5 and 3-6. The expected processes were scheduled to end by November 2005, although they actually ended in December 2006, one year after the schedule in the original roadmap.

(1) Preparation period

(a) Central level

C/TG, which is a CP group to support the development process of the FNDP, was established with a MoU in May after a meeting, held by the MoFNP, to request CPs' support. After the establishment, donors' comments were basically compiled and fed back to the government through this group, in addition to individual comments directly submitted to the MoFNP or personal contributions at the SAG. Indeed, as of the end of May 2005, some steps scheduled on the roadmap were finished almost on time, namely advocacy sensitisation, including meetings with the PSs of line ministries, donors, civil society organisations, and the SAGs, while others were not, such as the employment of consultants who were to support the drafting of the FNDP chapters in the SAGs and editing draft FNDP⁵¹.

Meetings were held with Permanent Secretaries, donors, civil society organizations and SAGs in April 2005, for a dialogue on the vision, draft outline, and other issues⁵². Donors also participated in the meeting and submitted an Issue Paper on the draft outline to MoFNP in May 2005. The consultants employed were invited to an orientation workshop over three days (from June 7th to 9th, 2005) and were given briefings on the macroeconomic and social situation in Zambia, SWAp, WHIP, Public Financial Management, and other matters. Delays in the process became evident from the preparation period. In

⁵¹ MoFNP (2005b), MoFNP (2005c). There is a view that one of the reasons behind this delay in employing consultants was the delay in finance from donors who signed the MoU of C/TG.

⁵² MoFNP (2005d), MoFNP (2005e)

particular, those steps that required a public procurement process, namely bidding, were delayed.

(b) District level

According to an interview with the MoFNP, the development process in districts started with the workshop in Siavonga in December 2004 (hereinafter, the Siavonga Workshop), where a briefing on the annual process to develop the DDP was given to district officials. This was actually different from the process scheduled in the roadmap. At this workshop, presentations were made on the planning and budgeting guideline developed by the MoFNP, which was developed based on the Zambia Social Investment Fund (Zamsif) guideline. The MoFNP guideline explains the annual policy cycle management process from data collection/analysis and planning/budgeting for implementation and M&E, and was distributed to participants. The MoFNP expected that this workshop would mark the start of data collection and analysis in each district as the first step in the DDP development process. However, this expectation was not met.

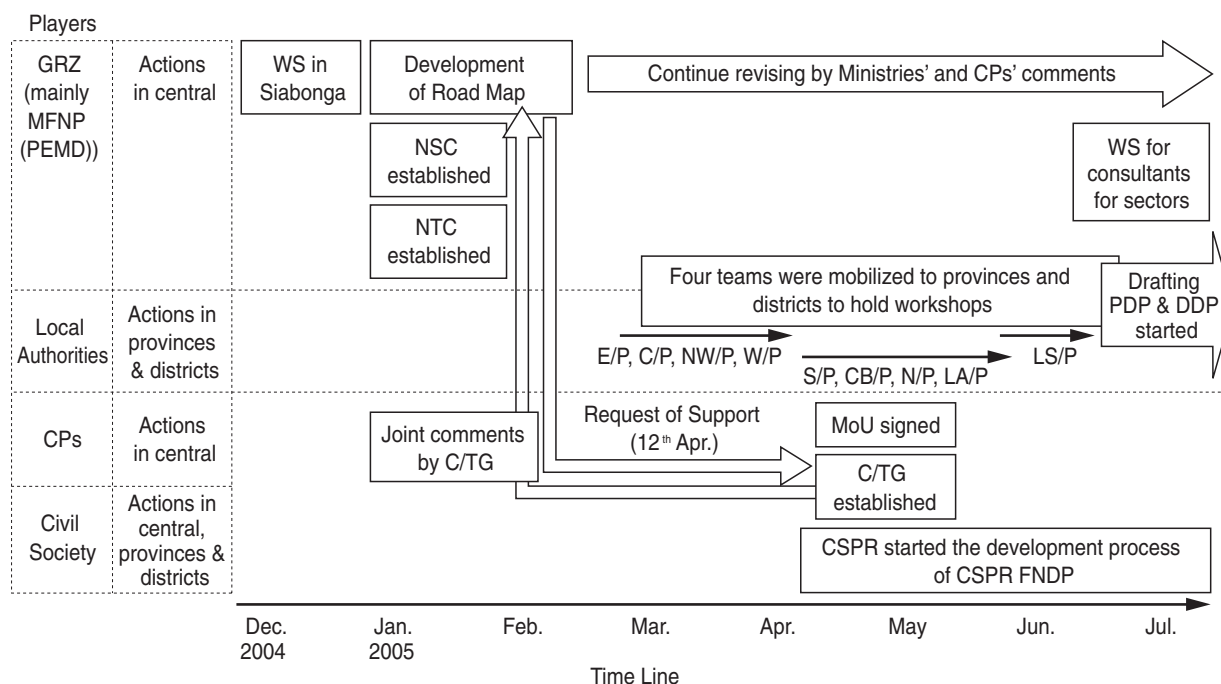
In practice, the common understanding of local officials was different from the expectations of the MoFNP. Most local officials interviewed recognised that the start of the development process was the workshops held at the provincial and district capitals. There were others who recognised that the Siavonga Workshop was the start, but they did not perceive that they were requested to start data collection and analysis at the workshop. This gap in perceptions between the MoFNP and the local officials could be explained by the following assumptions:

- (i) It was possible that participants in the Siavonga Workshop and the other workshops were different in some cases.
- (ii) The Siavonga Workshop might not be enough to mobilize all stakeholders for the development process, since most participants might be unsure whether or not they should collect and analyse data without communication from their ministries, and would have needed a formal request from the MoFNP to mobilize other local officials for data collection and analysis.

(c) Provincial level

As discussed above, the development of the PDP was apparently decided in the course of the process. However, no accurate and reliable information on when the decision was made could be found through this field research.

Figure 3-3 Development schedule of the FNDD, PDP and DDP 1 (preparation period)



Source: prepared by the author based on results of the field research

(2) The development period

As the roadmap made by MoFNP indicated, drafting exercises of the FNDD, DDP and PDP were done concurrently. However, since the preparation of draft PDPs and DDPs was delayed, it was difficult for consultants to review and reflect all these outputs into the draft FNDD. The other critical impediment factor was that budget ceilings were not fixed and communicated to all stakeholders at the local level, when they started planning. This meant that planning in districts started before vertical financial flows, which would be mostly outside district control, were settled and provided to all stakeholders at an appropriate time, in addition to other important lessons, which are explained below. The lessons from these incidents will be explained below with other important lessons learned through the process.

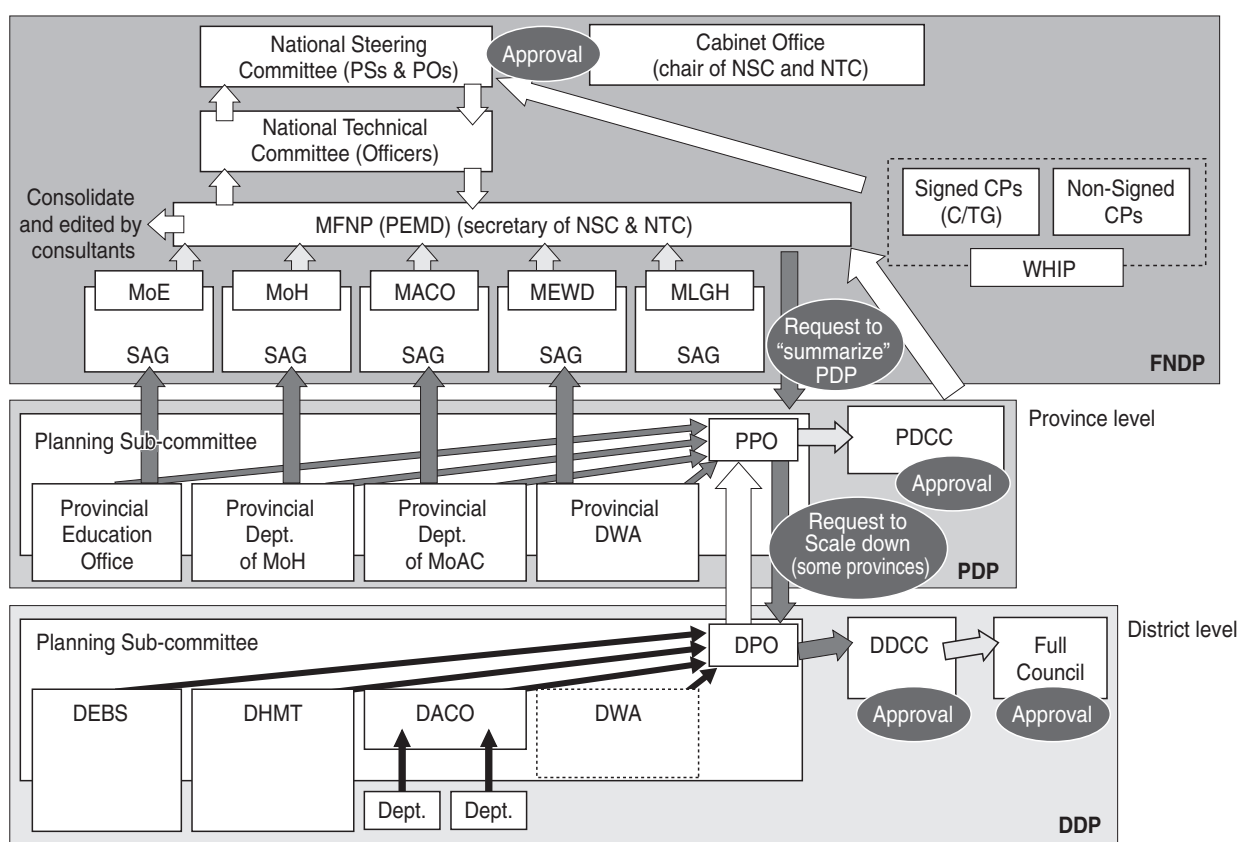
(a) Central level

The development process at the central level in this period took about six months. Each Zero Draft FNDD Chapter was basically prepared by a consultant(s) or SAG working group in consultation within SAG and submitted to the PEMD for comments. The First Draft chapters were prepared by revising the Zero Draft and by reflecting comments from the SAG members and the PEMD. The First Draft chapters were sent to the three consultants employed for editing and compilation into one document.

While other chapters were prepared as mentioned above, the chapter on the health sector followed a different process. Since the FNDP was developed almost at the same time as the NHSP was prepared, MoH prioritised the latter by developing detailed plans in the sector for five years, and made a summary of the NHSP for a chapter on the health sector of the FNDP. Dialogues were also held in the course of the development of the NHSP⁵³.

As shown in Table 3-1, the agriculture and water sectors also have national strategic plans, but unlike the MoH, the ministries responsible for these sectors did not clearly define the relationships between the FNDP and their national strategic plan.

Figure 3-4 Actual process in developing FNDP, PDP and DDP (development period)



Source: prepared by the author based on results of the field research

One of the problems in this period at the central level was the delay in macroeconomic analysis by the Macro SAG, as it led to a delay in the revision of the budget for line ministries, rather than for the sectors, and the revisions were actually taking place after the drafting exercises ended.

⁵³ DHMT interviews responded that they were not involved in any consultation in developing a chapter on the health of a DDP, because the MoH had already concluded the development process of the NHSP, by consulting with stakeholders.

Table 3-1 Sector strategic plans and the period of coverage

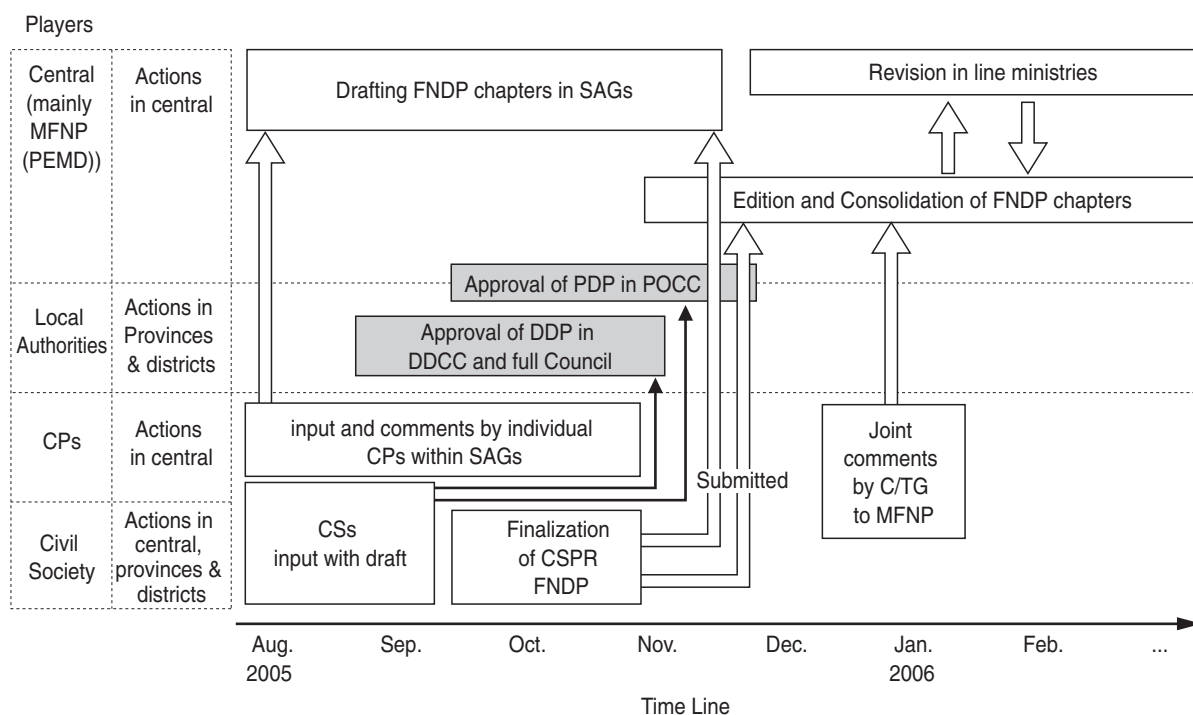
	Name of Strategic Plans and Policy	Period
MoE	National Education Strategic Plan	2003-2007
MoH	National Health Strategic Plan	2006-2010
MACO	NASP National Agricultural Policy	2006-2010 2004-2015
MEWD	Ministry of Energy and Water Development Strategic Plan	2003-2007
MLGH	Rural Water Supply Programme	2006-2015

NASP: National Agriculture Strategic Plan

Source: documents above

Editing the draft, FNDDP revealed that there was no consistency in chapters, namely in the formats of tables and figures, and in the quality of the chapters/ Editing consultants proposed to the MoFNP to organize an exercise to improve consistency among chapters. The consultants and the MoFNP, with comments exchanged with line ministries, revised the draft FNDDP. In this exercise, line ministries (at least, those ministries researched) worked internally, without involving other SAG members or the consultants employed to develop the chapter. Among the ministries researched, some recognised that, in the final stage of the revision, the chapter was revised contrary to the intentions of the SAG. In addition, some of the people interviewed felt uncomfortable with the arrangement, in which the final revision was done only by MoFNP without consultation with the responsible line ministries.

Figure 3-5 Development schedule of the FNDDP, PDP and DDP 2 (development period)



Source: prepared by the author based on results of the field research

(b) District level

To enhance the development process of DDP, MoFNP together with line ministries sent four missions to provinces and districts from April to June 2005 (Table 3-2). Each PDCC and DDCC with the mission team held a workshop for dialogues, involving the district council, local departments of line ministries, chiefs, NGOs, donors, and the private sector, on the long-term national vision and mission statement, as well as on the FNDP, MTEF, and other issues.

Table 3-2 Mission schedule for provinces and districts

Province	Period (all in 2005)
Central, Eastern, Western, North Western	From 22 nd April to 14 th May
Copperbelt, Northern, Southern	From 23 rd May to 18 th June
Luapula	From 28 th May to 19 th June
Lusaka	From 20 th June to 25 th June

Source: prepared by the author based on the information from JICA

In developing the DDP, to increase participation in DDCCs, the number of members of each DDCC was increased and DDCCs came to be called expanded DDCCs⁵⁴. In the local workshops with the mission team, it was revealed that districts did not collect or analyse data, and MoFNP asked districts as a remedial measure to use the existing documents, namely the District Situation Analysis (DSA) and District Development Poverty Reduction Strategy (DDPRS), which were produced under Zamsif.

After the local workshop, and under the framework of the DDCC Planning Sub-committees, which are coordinated and managed by the DPO, local departments of line ministries and district councils drafted their DDP. The draft DDPs were approved by the DDCCs and later by the full council, and sent to the MoFNP and the PPO⁵⁵. According to the interviews conducted in the field research, the time spent by line ministries developing the draft DDP was only two days in the shortest case, while in the longest cases it took about four weeks.

For many tasks that might be expected, including a situation analysis, dialogue, programming, and costing, the actual time spent to draft a DDP seems very short. Revisions of the draft DDP took almost a month. Later, modifications of the DDP outline resulted in repetitive revisions at the district level, and the DPOs had to request the departments of line ministries to revise their chapters several times. The whole process apparently took the districts four to six months.

The quality of chapters within the same DDP differs from chapter to chapter. This inconsistency

⁵⁴ There are some exceptions, where districts actually reduced the number of members, since the usual number of DDCC members was perceived as being too high.

⁵⁵ When the mission was in the district, the mission (with the MoFNP as a member) collected a DDP for the district.

in quality may reflect the capacity of the DPO that compiled the chapters and/or that of the officers who actually drafted the chapters, in addition to the time spent on the process.

(c) Provincial level

Basically, the process taken in a province is similar to that in a district, as has been discussed. After the drafting exercise by the Planning Sub-committee of PDCC, including local departments, the draft was approved by PDCC. The difference is the steps after the approval. In a later stage of the FNDP development process, the MoFNP requested provinces to summarize PDPs and to reduce the budget for the PDP, and the GRZ ended up integrating PDPs into a chapter of the FNDP.

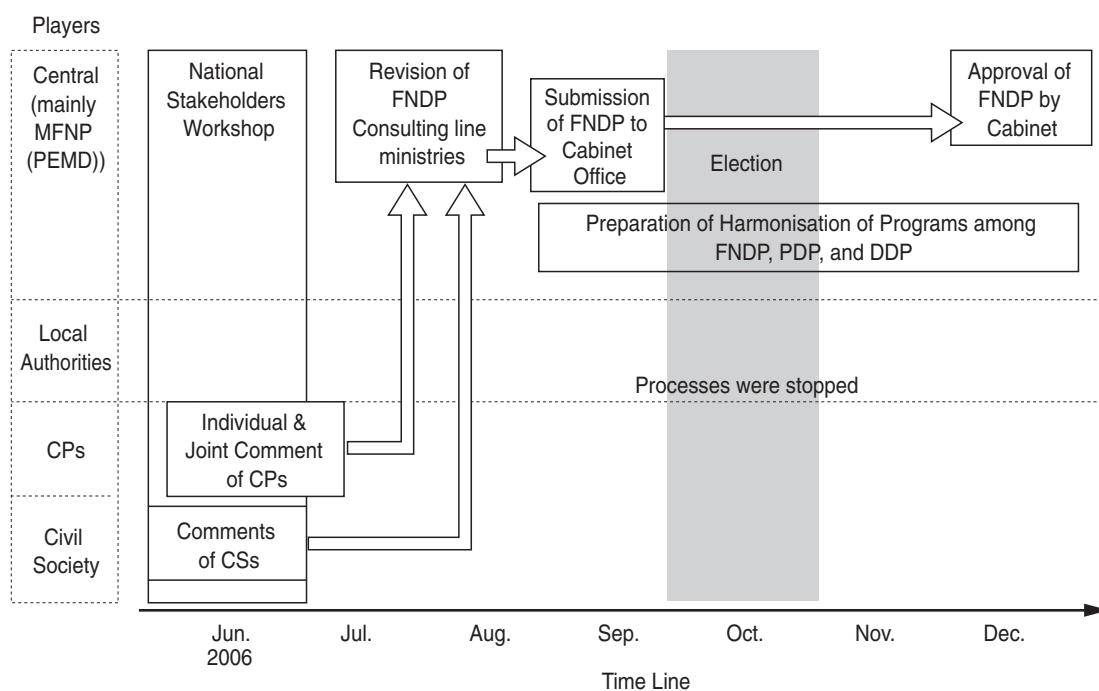
As explained above, no document defining the PDP development process and the status/relationships of PDP with other development plans was found in the field through the research. The ambiguity surrounding the PDPs made the drafting exercise difficult, and it took time for the Planning Sub-Committee members to draft, and some PDPs were developed as a collage of the DDPs. As a result, many programme duplications can be seen in the PDP and DDPs of the same province.

It seems that the understanding of the status of PDPs and the relationships between PDPs and the other two development plans differs depending on which officer was in charge of drafting PDPs. For example, some interviewed officers developed the PDP without obtaining and therefore reading through the DDPs. One interviewed provincial officer responsible for a specific sector adjusted the sector programmes listed in the DDPs and pursued discussions with officers in the sector from different districts. The coordination and harmonisation of programmes to be implemented by provinces and that by districts should be done with a clear budget distribution. Specifically, even though PDPs were accumulated into FNDP as a chapter, the activities of provinces and districts should proceed with clear documented information on finance.

(3) The finalisation period

After the consultants working with the MoFNP officers to edit the draft FNDP had finished their task, the National Stakeholders Workshop was held in July 2006 and the MoFNP received comments from stakeholders, including donors and NGOs. The MoFNP and consultants worked to reflect those comments in the FNDP. The process for finalisation was suspended because of the general election in September 2006. Finally, six months after the National Stakeholders Workshop, the Cabinet approved both the FNDP and the NLTV.

Figure 3-6 Development schedule of the FNDP, PDP and DDP 3 (finalisation period)



Source: prepared by the author based on results of the field research

3-2-3 References used, challenges in the development processes and the extent of participation of civil society

(1) References used in developing DDPs

Documents referenced in developing DDPs differed from institution to institution. According to the results of the field research, the DSA and DDPRS were used in many cases. They formed the foundation of the data and situational analysis that was part of the DDP development process. In this sense, the indirect contribution of Zamsif to the process was valuable.

Table 3-3 summarizes the answers from the interviews on documents used to develop DDPs. It reveals that most district councils and local departments of line ministries did not refer to data from the central government, but used data collected from communities. Macroeconomic and other information would be available in the central government, but would not be accessible for districts. The sharing of this information could have improved the quality of DDPs by allowing district officers to position their district in relation to other districts or against the average over the country. Another problem is the meaning of data for officials at the district level. One of the officials interviewed responded that data needs to be reported to headquarters, and not analysed by himself. He apparently believed that data analysis should be done by headquarters.

Table 3-3 Documents referenced in developing DDPs

		District				
		District Planning Officer	Education	Health	Agriculture	Water
Western	Mongu	DDPRS, DSA, AIP, data of ADC collected via councillors	DSA, SP	DSA was not used, but SP was used.	Mostly DSA, NAP, 2000 census	Poverty Analysis
	Kaoma	DSA, DPRS	DSA, SP	SP	NAP	
Copperbelt	Ndola	local economic development plan				
	Masaiti		DSA and DDPRS were not used, but EOF and SP were used		no DSA and DDPRS, but NAP and SP were used.	DSA, No involvement. DPO drafted (no DWA in this district, Province covers)
Luapula	Mansa				DSA, Annual Plan, DDPRS, No SP	DSA not used
	Samfya	DSA	SP		DSA, other data used was collected from communities in 2004, SP was not used.	No reference
Eastern	Chipata	DSA, DDPRS	Monthly data collected from schools, EOF, SP, DSA, and DDPRS		NAP, SP	
	Petauke	DSA, PA		SP, data from HMIS	NAP, Agricultural Development Programme	DSA was not used. DWA of council drafted

ADC: Area Development Committee, AIP: Annual Implementation Plan, EOF: Educating Our Future, SP: Strategic Plan in the specific sector, CSO: Central Statistical Office, PA: Poverty Analysis

Source: prepared by the author based on results of the field research

(2) Extent of use of budget information

Budget information, particularly budget ceilings, is among the information essential to developing a plan. Given the current institutional framework already explained, two types of information are indispensable in developing a DDP, namely: (i) Which institution will disburse funds to which programme; (ii) What will be the amount of that disbursement. These two types of information are critical for those officers who develop horizontal development plans in the vertical management structure of Zambia. But even line ministries did not receive timely information on budget ceilings, when SAGs were actually developing the chapters of the FNDP. Districts had not received any fiscal information as of January 2007. In this sense, the MTEF and the Yellow Paper were the only documents that could convey the necessary fiscal information to planning officers or officers developing chapters of DDPs.

The MoFNP recommended, in their Terms of Reference, that consultants use the MTEF for the FNDP chapters. In the meantime, based on the understanding that the MTEF is a rolling budget document that is revised annually in light of the changing macroeconomic situation and revenue

estimates, the MoFNP decided to prepare 'FNDP Ceilings' and provide the information to line ministries⁵⁶. This understanding of the MTEF would be logical in the sense that adjustments using the MTEF would be required to make the plan realistic.

To develop a realistic plan and activities, however, it is important for the GRZ to prepare FNDP ceilings based on the MTEF and vice versa, to reduce the workload and gap between planned and actual activities. In this sense, the first year of the MTEF should be consistent with the first year of the FNDP Ceilings at least. The amounts described in the MTEF 2006-2008 and the FNDP ceilings communicated by the MoFNP were different. Together with the Yellow Paper, the MTEF should be one of the bases of the fiscal framework in carrying out annual government activities. This would be a matter of balancing the FNDP budget for five years and MTEF for three years. But with a huge gap between the budget and the executed amount, efforts to prepare a realistic plan would have priority.

As already revealed, there were cases in which provinces and districts rarely referred to the MTEF to obtain information on possible ceilings, although they did not receive any other fiscal information from the central government. And even when the MTEF was referenced, it still did not fully restrict budgets like budget ceilings.

Why was the MTEF not referenced or recognised in developing the other two development plans (PDP and DDP), even by those line ministries which have the MTEF within their institution? And why was the development of 'FNDP ceilings' delayed? The reasons why MoFNP could not share 'FNDP ceilings' with the sector ministries and the districts in a timely way seem to involve, as discussed: (i) The period covered by the MTEF (only the first three years); (ii) The fact that some line ministries have not adopted the MTEF at the district level; and (iii) The fact that the Yellow Paper does not cover the budget to be allocated to districts for some line ministries.

(a) The period of the MTEF

The period covered by MTEF is two years shorter than the period of the FNDP. This two-year gap was noted in interviews with PEMD and Budget Office of the MoFNP.

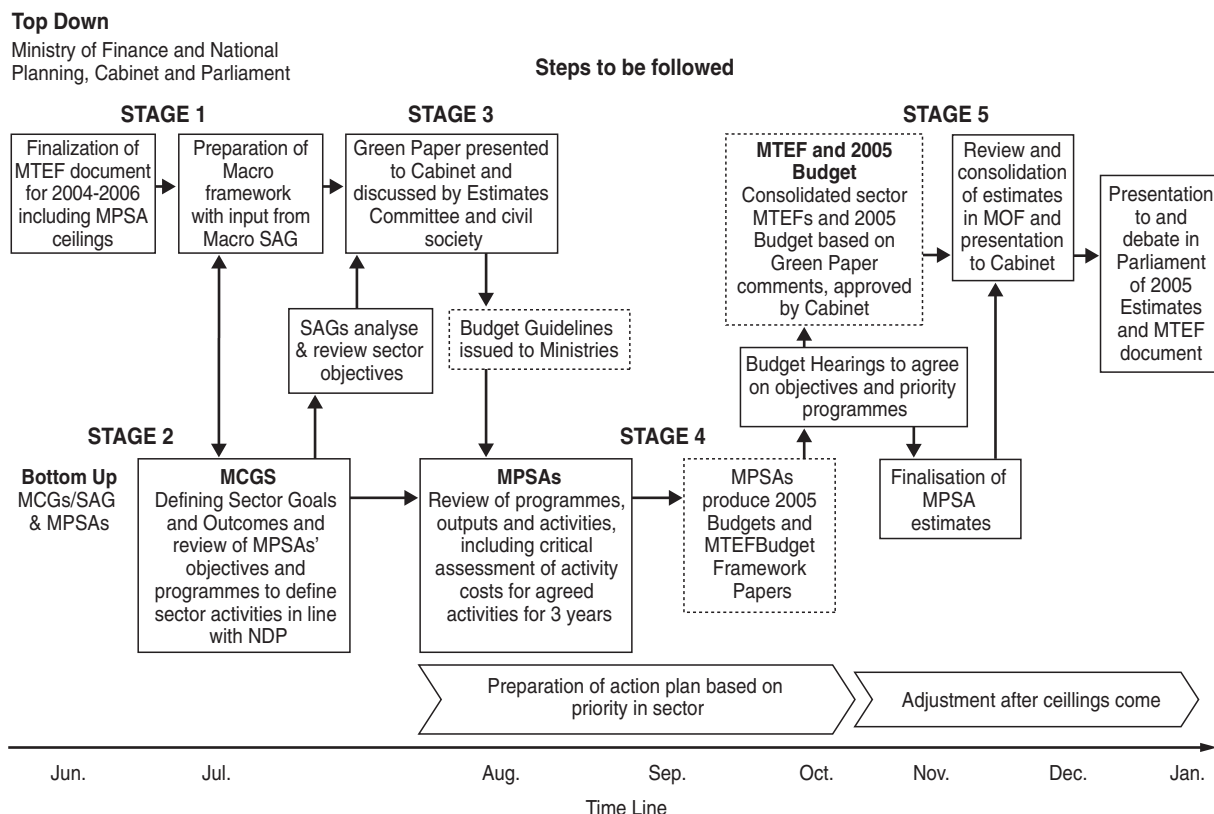
(b) Earmarked budget items and authority of budget allocation under MTEF

The development process of the MTEF 2006-2008 was scheduled to start from June 2005. According to information from the MoFNP, usually after dialogues within SAGs, the Green Paper will be issued with the approval of the MoFNP. The MTEF is attached to this Green Paper and shows some breakdowns in budget items with the total allocation to each ministry. These are the budget items that MoFNP could earmark in addition to the salary item. (An example is shown in the footnote for the next paragraph.)

⁵⁶ Interviews with the PEMD and Budget Office of the MoFNP, and a consultant involved in editing the draft FNDP.

This means that the allocation to the districts and the allocation of the amount left over after deducting the earmarked amount from the total aggregated amount should be decided by each ministry⁵⁷. According to the MoFNP, the national MTEF does not usually specify all expenditures of those ministries that have already adopted the MTEF and those of the districts.

Figure 3-7 Schedule for the development of the MTEF 2006-2008 in the GRZ



Source: Presentation by MoFNP

(c) Extent of installation of MTEF in line ministries researched

As discussed in the previous chapter, the MoH, MoE and MACO installed the MTEF in their departments at the district level, among those ministries researched. The MEWD does not have an allocation to districts, even in the Yellow Paper. Currently, an attempt to bolster alignment among FNDP and DDPs, called the 'Harmonisation' of the FNDP and DDP, is ongoing, and includes financial aspects. The MoFNP left the line ministries to decide on the amounts to be allocated to districts for the execution of the FNDP, although it seems to take those ministries some time to make this decision.

Let us return to the first question, 'Why wasn't the MTEF referenced in developing DDPs?' We put this question to those officers who had developed DDPs (DPOs and local departments of

⁵⁷ For example, if it is assumed that the aggregated total allocation to specific ministry 'A' is 100 billion kwacha, and that the sub-total of earmarked items is 70 billion kwacha, the amount that can be allocated under the authority of ministry 'A' is 30 billion kwacha, in consultation with the MoFNP.

line ministries) and their answers reflected the ways they developed DDPs and how DDPs came to incorporate very large indicative budgets.

(i) Reason 1: The MTEF was used only for some programmes

Answers from most of those interviewed related to the characteristics of the MTEF. In the main, there were four types of answers.

- (I) The MTEF is revised annually. So it should be different from the FNDP and DDPs, which require five-year projections.
- (II) The MTEF does not cover donor support
- (III) Capital investment has not normally been financed, so cannot appear in the MTEF. Some of those interviewed added budgets for capital investment to what the MTEF shows.
- (IV) The MTEF is restrictive, but the FNDP is unlimited in scope.

The first reason (or recognition) is the same as that cited by the officers who were involved in the development of the FNDP at the central level, particularly those working for the MoFNP. The second came from officers working at the local level only. The background is that information on donor assistance collected at the national level does not ‘cover’ donor support direct to districts, if any. ‘No information’ should have been understood as meaning that no donor assistance could be provided to the district. But it was not understood in that way. For example, there was a case in which donor assistance was in the DDP in a form of a programme since donor assistance had been ongoing. There were many other cases in which provinces and districts ignored the MTEF or used it only partially and increased the number of or budget for programmes without any financial background, because they expected donor assistance.

The reasons (III) and (IV) were each cited only once by an interviewee, but are noteworthy as they underscore important aspects of the districts’ recognition of the GRZ budget allocation to the districts. The person who gave us the third reason told us that most of the budget allocation was used for recurrent items, and it has been difficult for the district to improve infrastructure. The one who cited reason (IV) said that, ‘The development process of the FNDP was an opportunity to reflect all district needs in the national plan’.

(ii) Reason 2: The MTEF was not fully used

While officers deliberately did not use the MTEF because of the reasons from (I) to (IV) in the section above, some districts were not even aware that they could use it. Moreover, it was impossible for the local departments of the MEWD to use the MTEF since they do not have it at the local level. All of these reasons highlight why the MoFNP could not provide budget ceilings for the districts for five years.

(3) Positive and negative outcomes from planning guidelines and donor assistance to improve district planning capacity in the development of DDPs

While the outputs of Zamsif (DSA and DDPRS) indirectly contributed to the development process, some districts became confused in the development of their DDP. For instance, to develop the chapters of a DDP, planning guidelines made by the MoE for their officers in the districts were used. In addition, since some districts had developed the DSA and DDPRS in 2005, some district councils submitted the DDPRS as their DDP (but the documents were not approved)⁵⁸. In other cases, the DDP, DSA, and District Council Strategic Plan prepared with the support of “MS Zambia” (NGO) were developed in 2005.

The Planning and Budgeting Guidelines developed by the MoFNP also encouraged confusion. One district, which had come up with a development plan in 2005, said that, ‘We were confused about which guideline we should use...’ and complained that ‘We had developed similar plans’ for the same period. Individual assistance may have had ‘good results’, but for the district as a whole, competition or confusion among the plans diluted their effectiveness and impact.

Given that the DDP is a development plan that the GRZ decided to use as the plan for development and poverty reduction in the districts, donors and line ministries should align their activities to DDPs to avoid further ineffectiveness. One of the incentives for district councils to produce the development plan supported (or requested) by the CPs is finance from the CPs to implement the plan. The IFA could be an incentive to implement a DDP as well. It would not be sufficient to implement the programme planned, but could be used to improve the quality of the DDP. Quality issues with DDPs are at any rate critical. The activities of CPs and the GRZ could be improved markedly by recognising DDPs as a sub-national development plan of the FNDP and coordinating the activities of CPs and the GRZ to support DDPs. Plans should not compete with each other and effectively cancel each other out.

(4) Extent of participation of civil society

The GRZ expressed, in its concept paper, its intention that ‘all efforts will be made to be as inclusive as possible in the actual preparation of the plans⁵⁹’. At the central level, SAGs involved NGOs and the private sector. At the local level, workshops held by the PDCC or DDCC with mission teams from the MoFNP and line ministries invited chiefs, NGOs, and representatives from the private sector. In some cases, dialogues with communities in developing draft chapters were held at the district level.

It should also be noted that an NGO called Civil Society for Poverty Reduction (CSPR) has shown

⁵⁸ From an interview within a district

⁵⁹ GRZ (2005b) p. 4

strong initiative in encouraging collective action for active participation in the process of creating the development plans, particularly the FNDP, but starting with the PRSP. This action had started from June 2004, with a workshop offering presentations on: (1) Understanding NDP; (2) The relationships between the Millennium Development Goal (MDG) and NDP; (3) The relationships between civil society and NDP, and so on. There was an opportunity for substantive discussion. Then, after subsequent workshops, the FNDP of the CSPR was developed and was launched in October 2005. This document was used by NGOs and shared with the SAGs.

It is worth noting that, given the strong intention of the GRZ for intensive participation by civil society, NGOs themselves took steps to improve the extent and quality of participation. After the FNDP was approved, CSPR was planning to publish a simplified, summary FNDP with pictures to facilitate understanding.

3-3 Extent of Alignment of FNDP with DDP

Since the GRZ decided that the FNDP should accumulate PDPs as its chapter, this section analyses the weaknesses of the DDP and the extent of alignment of the FNDP with the DDPs. Weaknesses common to the 65 drafts of final DDPs, obtained in this research, can be summarized with the following four points (Annex 1):

- (i) DDPs lacked a clear explanation on strategic links among programmes
- (ii) DDPs lacked outcome indicators
- (iii) DDPs failed to show any financial resource allocation for each programme and activity
- (iv) The format of the DDPs was not consistent across chapters

The procedural causes of these weaknesses are: (i) Only limited time was available to develop a DDP; and (ii) An outline of a DDP shows a table of contents only, and no guide to the information required in each section. This means that the MoFNP did not explain the relationship between the horizontally developed DDPs and vertically managed government structures, or the procedures for developing a realistic DDP given this relationship. It meant, in other words, a great reliance on the officers' abilities and approach in DDP development. These procedural causes resulted in the development of additional programmes outside of sector plans.

Moreover, unclear direction about the information required in each section in the DDP chapters, the limited capacity of officers in the districts, and inconsistent philosophies on the relationship between DDPs and their work caused inconsistencies in the quality of both DDPs and the chapters within a DDP. However, some districts set out sections in a DDP chapter in a positive way. Consequently, procedural issues had a positive and negative impact on the quality of DDP(s). Of course, this inconsistency is a

challenge to address from the perspective of the national management of activities for development and poverty reduction. To move things forward, the section below considers the above four weaknesses, suggesting good practice.

3-3-1 Strategic links among programmes

Among the 65 draft or final DDPs obtained in this research, 59 districts put the name of the programme or activities only, and did not explain strategic links among programmes/activities. But there are also excellent trials on DDPs of some districts in Southern Province and North-Western Province. The trial in the former province involves a structure consisting of ‘Objectives to Achieve Vision and Mission Statements’, ‘Strategies to Achieve (Each) Objective’, and ‘Activities to Implement Strategies’ (Box 3).

This makes relationships among them and their direction clearer. A more detailed explanation on each item should improve the quality of DDP.

Box 3 Good Case of Strategic Linkage (Livingstone DDP)

Objectives to Achieve Vision and Mission Statements

Objective

- 1 To generate incomes through agricultural production

Strategies to achieve objective 1:

- 1 To improve livestock productivity through prevention of livestock diseases and promotion of appropriate husbandry practices including sustainable range management
- 2 To increase the number and efficiency of farmers' cooperatives
- 3 To facilitate entrepreneurship development in agricultural marketing
- 4 To promote cash crops and out grower schemes through out grower schemes

Activities to implement Strategy (1)

- 1 Demonstrations on improved pasture production, conservation of natural veldt
- 2 Farmer training in improved pasture and natural veldt management
- 4 Farmer training in animal husbandry
- 5 Production of training materials and teaching aids such as leaflets, posters, pamphlets
- 6 Promotion of improved animal breeds
- 7 Vaccinations
- 8 Awareness campaigns on animal disease control
- 9 Disease surveillance and monitoring
- 10 Stock movement control
- 11 Training and demonstrations in animal draught power and handling
- 12 Livestock census
- 13 Construction and rehabilitation of dip tanks and crush pens

Source: Livingstone District Draft Development Plan

3-3-2 Monitoring indicators

Districts were requested to put the output indicators in their DDP budget. But it was found that some DDPs did not have them. Given that the M&E framework was rearranged in the development process, with some districts thinking they should use PRSP M&E indicators, this seems to be attributable to issues in the central government, not in the districts. In this sense, the DDP outline supported by JICA also had a negative impact on this kind of arrangement in the development processes. As in the strategic linking of programmes, some DDPs did have outcome indicators, but they were few.

3-3-3 Clarifying the financial resources of DDP

Virtually none of the DDPs researched had any financial resources for programmes and activities. This lack of clarity will inevitably make it difficult to manage them from a medium-term perspective and creates a situation in which decisions on programmes or activities will be made after funds are obtained. Only one DDP researched had a table showing the financial resources of each programme/activity. But even this table described the resources as ‘expected’. As discussed, the fact that the central government could not provide budget ceilings to the districts was key here.

3-3-4 Consistency of format

As discussed, content inconsistencies among DDPs make regional analysis difficult and it is not appropriate to monitor and evaluate the results of their implementation nationally, or indeed to manage the finance nationally. The excellent initiatives introduced above should be appreciated, but consistency of the basic format should be maintained. The same can be said in drafting chapters of the FNDP. The preparation of basic format (outline) should be completed and the outline should be more detailed.

Many DDPs researched were prepared using Microsoft Word, and budget tables attached to DDPs were developed with Microsoft Excel. But some districts prepared DDPs using a different format and budget tables were prepared using many files, sector by sector. Outlines were revised several times during the process of development. But some officers at local departments of line ministries refused requests from DPOs to revise their output. A full and completed outline, including guidelines and a sharing of it, should be required before the process starts.

3-4 Lessons Learned and the Way Forward

As discussed, from the perspective of (1) collecting needs in the field and (2) carrying out development activities in the provinces and districts, the development process of the FNDP, PDP and DDP has some positive aspects, but there are many challenges to address to properly execute

these development plans and produce superior national development plans in the future. This section considers the lessons learned from the development process and the way forward.

3-4-1 Lessons learned and proposals for the development process

This section shows the lessons learned from the development processes, including some proposals. The first five are particularly important lessons (Table 3-4).

(1) Prepare and share budget ceilings

One of the important lessons is that planning in the district started before the vertical financial flows were fixed and provided to all stakeholders. As discussed, given the current budget tools and structure, it was difficult for the MoFNP to prepare budget ceilings for the districts. However, the importance of this information has not changed. The GRZ needs to improve the adoption of the MTEF in all institutions involved in the development process.

To do this, the appropriate and prudent implementation of the DIP and PEMFA is critical. The ABB is also vital, for prudent execution of the budget. Activities with respect to budget codes in the PEMFA would also improve the creation and execution of national development plans if they could be simplified and made more manageable.

(2) Develop a clear division of understanding between the government structure and reform direction in development processes

This also relates to the implementation of the FNDP. In the development process, if planning exercises were not suited to the current institutional and budgetary structure of the GRZ and the districts, the implementation of development plans would be ineffective, sometimes unrealistic, and the development process itself would be difficult. Part of the weakness of the development process this time was that the GRZ or MoFNP could not provide clear guidance to all stakeholders on how the horizontally managed DDPs and the current vertical management structure can be coordinated in the development process. For example, the NLTV, FNDP, PDP and DDP concept papers only say that the DDCC and PDCC handle the coordination.

Currently, the sequencing programme of the FNDP and DDPs, called ‘harmonisation’, is ongoing. According to interviews, a consultant designed the harmonisation process with the assumption of full sector devolution. At harmonisation workshops and sector devolution workshops, it was revealed that opinions differed on devolution, namely the extent to which government functions should be devolved. These differences were behind the slow pace of the line ministries in providing budget allocations

to the district. But if the purpose of the harmonisation process were to improve the effectiveness of implementing development plans, offsetting up a programme that assumes sector devolution is unrealistic, at least for now.

- (3) The MoFNP should provide clear guidance to planners and appropriately follow up on their progress

Including the decision to develop PDPs while the development process was ongoing, the unclear demarcation of programmes and other aspects of development plans resulted in a duplication of programmes and a great loss of time in preparing the development plans. This would also be a critical problem if all processes in developing the plans were done concurrently.

As discussed, what is needed is more appropriate procedural design, which takes into account the vertical management structure of the GRZ and a format that can be revised as development proceeds. Follow-up of progress and advice on keeping pace with the development plans is also important. For example, if the Siavonga Workshop were held with the intention to launch the process of data collection and analysis in the districts, the MoFNP should have conducted a follow-up on the progress made by the districts.

Distributing the documents needed for the development process is also important. In some cases, documents prepared for presentation in provincial and district workshops by missions from the central government were not distributed to all participants, because only a limited number were printed. They should have been properly distributed to ensure that the guidance from the central government was followed.

- (4) Prepare a schedule of development processes (a roadmap)

A roadmap helps manage the development process and coordinate stakeholders. For the next process, the GRZ should prepare a roadmap and give instructions on following it. The MoFNP heard from stakeholders such as CPs and ministries on the roadmap, and revised it during the development process. This would have been one of the causes of the weaknesses. The progress of reforms may have made it difficult to develop a comprehensive roadmap. But the development of a roadmap should have been completed before the process started and any revisions to the roadmap made during the development process should have been minor.

Another point to be considered is the schedule for the dispatch of missions to provinces and districts. If one district received a mission later than others, this district would be slower to start the process. This means that some districts would have less time to develop their DDPs. To correct this

weakness, missions should visit provinces and districts at the earliest possible stages, and the annual policy cycle management at the local level should be strengthened.

(5) Share the FNDPs, PDPs and DDPs

The field research was conducted before the National Stakeholders Workshop was held. But most of the interviewees at the local level did not see a draft FNDP. To achieve alignment between these three development plans, it is essential to share these documents with those involved in the development process, particularly the officers who actually developed them. This could enable recipients to offer valuable comments for the revision of the draft FNDP.

It was also revealed that, as of November 2006, final DDPs had not been shared with the officers who developed them. To implement DDPs in the districts, they should at least be shared with everyone involved. One factor here seems to be the malfunctioning of copiers. Although this would have been a problem, most districts visited had their own computers. In this case, documents on Capacity Development (CD) could be distributed. It should be noted as well that this is not a problem of infrastructure only, but also a problem of the mindset of officers on how they could realise effective coordination and contribute to poverty reduction together. Even after the ‘harmonisation’ of the FNDP and DDP programmes, the MoFNP should emphasize the importance of following the DDPs in executing the FNDP through actual implementation, because there are many factors that could potentially confuse officers in the district, as discussed above.

(6) Effectively share information on donor assistance

This point was not covered in the field research. But we make the point here since it seems to be an important lesson. As discussed, districts mounted programmes that anticipated donor assistance, despite not having any information. This shows that information on donor assistance or a means of understanding if no information is available to them was not shared properly. Of course, this information is also important for preparing macroeconomic analyses and budget allocations to government institutions. The extent to which this information is shared should be improved.

For example, when the Government of the Republic of Ghana was developing the Growth and Poverty Reduction Strategy (GPRS) as a national development plan, CPs in the country prepared a Resource Envelope of donor assistance and a donor’s Policy Matrix, aligning it to the Policy Matrix attached to the GPRS. These documents give readers information on individual elements of donor assistance (see Annex 2). As a minimum, this made coordination among donors and the Ghanaian Government more effective.

(7) Accelerate public procurement and improve the quality of consultants employed

The proposal in the MoFNP (2004a) on speeding up the procurement process is still valid. Also, many people said that line ministries should choose consultants for the development process, and noted that some consultants did not contribute to a quality draft⁶⁰. Compared with the MoFNP, which employed consultants through a bidding process, line ministries are likely to have more experience and be better able to determine who would work well as a consultant. The employment of inappropriate consultants delayed the processes. It would be worth considering the possibility of involving line ministries in the recruitment of consultants, with the MoFNP handling the preparation of the Terms of Reference (ToR).

(8) Develop the capacity to analyse data and overcome the lack of information

Districts lack the information required from central government and some think that their only task is data collection. There seems to be lack of ability to analyse the data, including an understanding of the importance of conducting their own data analysis at the district level.

3-4-2 Challenges in executing the FNDP

(1) Clarify institutional responsibility and the financial resources for programmes/projects (activities)

Interviewees at the local departments of line ministries responded that they developed programmes with reference to their sector policy and strategic plans (Table 3-5). But DDPs did not show which programmes were aligned with them, or who was responsible for each programme, and how much finance their departments could receive. The FNDP also has this problem in the sense that allocations to districts are not described at all. In other words, it could be said that the former situation, in particular, means that a DDP has less finance confirmed even though a DDP was approved in a DDCC, which MoFNP proposed as process required.

In addition, there were cases in which a district submitted a budget for a DDP that was almost equivalent to the national budget. From the district's perspective, financial adjustment in the annual budget each year is not entirely appropriate for carrying out programmes and projects (activities) from a medium-term perspective. Financial information for the FNDP period should be prepared with consultation among central government and local institutions, and distributed to the district at least. Clarifying responsibility through financial resources for programmes is needed for the execution of the FNDP and DDPs.

⁶⁰ Interviews with line ministries and CPs' responses to the questionnaire.

(2) Sequence programmes at the central, provincial and district levels

For reasons such as unclear guidance, the extent of alignment of programmes in the FNDP and DDP is weak. This is related to the previous challenges discussed. It should be noted that programmes should be sequenced at the central government, provincial, and district levels (Table 3-6).

(3) Consistently and continuously execute DIP and PEMFA

It is also important to improve the capacity of local governments to implement the FNDP. For the districts, the DIP and PEMFA are designed to solve this problem. Improving local government capacity should improve outcomes from the FNDP and DDPs. Possible actions related to basic capacity in planning, budgeting and M&E (including data collection) should be improved and streamlined through policy cycle management, before the development process of the next NDP starts.

Table 3-4 Recommendations for planning the next NDP

Level of Government	Time frame	Recommendation	Responsibility	Reason	Lessons
National	Medium Term (Procedural/ Structural)	1. Prepare and share budget ceilings (1) Roll out the MTEF to line ministries and districts (2) Consistently use MTEF (3) Increase the credibility of MTEF for operational use: reduce the financial gap between the previous MTEF and the current one (Macroeconomic stabilisation; accurate estimates are required)	Budget Office, MoFNP	The fact that the MTEF was not fully developed in some line ministries, province, and districts created a crucial quality problem for the FNDP and DDPs.	FNDP development process
	Short Term (Procedural)	2. Develop a clear division of understanding between the government structure and reform direction in development processes	PEMD, MoFNP	In the FNDP development process, some engaged in planning based on the assumption of full sector devolution, others on the current government structure. This resulted in variable quality of plans developed and plans that were impractical.	FNDP development process
	Short Term (Procedural)	3. MoFNP should provide clear guidance to planners and appropriately follow up on their progress.	PEMD	There is scope to improve the clarity of guidance given to planners and the extent of the follow-up on their working progress.	FNDP development process
	Short Term (Procedural)	4. Prepare a more comprehensive roadmap before the planning process starts, and significantly reduce revisions of it during the planning process	PEMD	This will be of great help to every planner maintaining consistency in the planning process.	FNDP development process
	Short Term (Procedural)	5. Share FNDPs, PDPs and DDPs during and after the planning processes	PEMD	These plans should be shared with all stakeholders, including all civil servants.	FNDP development process

Level of Government	Time frame	Recommendation	Responsibility	Reason	Lessons
	Short Term	6. Effectively share information on donor assistance	PEMD, Budget Office	Districts in particular should be told how much donors will invest in them in the NDP period, even though there is no investment plan at that time.	FNDP development process
	Short Term (Procedural)	7. Accelerate public procurement and improve the quality of consultants employed	MoFNP	Some procurement processes delayed the planning process. Some consultants did not work well and were replaced. This also caused delays. There was scope to improve the quality of consultants with the involvement of line ministries in the selection process.	FNDP development process
	Medium Term (Structural)	8. Clarify the roles of NDCC and strengthen it with legal backing Raise the head of NDCC to Cabinet level	Cabinet Office	NDCC needs to be made operational and its mandate strengthened. Should provide feedback and direction to PDCC and DDCC.	Historical experience
	Medium Term (Structural)	9. Set up a planning backbone for the centre, provinces and districts	PEMD	The presence of PEMD in provinces and districts is critical.	Historical experience
	Short Term (Structural)	10. Coordinate physical and socioeconomic planning	Cabinet Office	Remove the rivalry that exists and streamline the NDP process	Historical experience
	Medium Term (Legal/Structural)	11. Pass the Development Planning Law	PEMD/Cabinet Office	The NDP approach needs legal underpinning to protect it from future changes of government. This will also help coordinate socioeconomic and physical planning.	Historical experience
	Short Term	12. Improve the capacity of PEMD by recruiting more staff with the right skills & work with TA from CPs for skills transfer	Cabinet Officer and PEMD	Lack of capacity is a serious threat to the proper implementation of the NDP and future NDP making processes.	Historical experience
	Short Term (Structural)	13. Improve financial disbursements	MoFNP-BEA	Untimely and inadequate disbursements jeopardize the success of NDPs and leads to frustrations amongst the implementing agencies. This will dilute the credibility of development plans and reduce the quality of the next NDP.	Both
	Medium Term (Structural)	14. Set up a good M&E system	PEMD/CSO	Need to monitor the NDP implementation progress and take corrective action when necessary, learning lessons for future NDP processes Consistent implementation of the M&E system is also important to avoid confusion, rather than changing the M&E system from PRSP to FNDP	Both
Provincial	Medium Term (Structural)	15. Set up an integrated administration to take over from line ministry officers	MLGH and Cabinet Office	This will improve coordination of the implementation of NDP in the provinces.	Historical experience
	Medium Term	16. Strengthen PDCC with legal backing	Cabinet Office	PDCC needs to be given more 'bite'.	Both
	Short Term (Structural)	17. Move provincial planning offices from DPPH to PEMD	Cabinet Office	Coordinate physical and socioeconomic planning	Historical experience
District	Short Term (Structural)	18. Move the District Planning Units to the PEMD	Cabinet Office	Coordinate physical and socioeconomic planning	Historical experience

Level of Government	Time frame	Recommendation	Responsibility	Reason	Lessons
	Medium Term (Legal/Structural)	19. Strengthen DDCC with legal backing	PEMD and Cabinet Office	DDCC needs to be given more 'bite'.	Both
	Medium Term	20. Implement Decentralisation (integrated administration which should take from over line ministry officers)	MLGH and Cabinet Office	This will improve coordination of NDP execution in the provinces. But this should be followed by financial arrangements.	Both
Sub-District	Medium Term (Structural)	21. Set up ADCs	MLGH and Cabinet Office	This will improve monitoring of implementation and information flow from the grass roots (will strengthen the bottom up process)	Both
General	Short Term (Procedural)	1. Step up involvement of the private sector in the planning process.	PEMD	Since the private sector is seen as the engine for economic development, it should be more involved in the NDP process.	Historical experience
	Medium Term	2. Develop the capacity to analyse data and overcome the lack of information.	MoFNP, Line Ministries, councils	Adequate information sharing should be assured to improve quality of data analysis.	FNDP development process

CSO: Civil Society Organization

Note: items categorised as lessons from 'Historical experience' are basically quoted from Malama (2007a).

Source: prepared by the author and Malama (2007a)

Table 3-5 Recommendations for implementation of the FNDP

Level of Government	Time frame	Recommendation	Responsibility	Reason	Lessons
All	Short Term	1. Clarify responsible institutions and financial resources for programmes/projects (activities)	PEMD	Finance and responsibility for DDP programmes/projects are unclear. These should be clarified on a document basis for assuring adequate implementation of these plans and strengthening recognition of their importance in implementation.	Review of FNDP and DDP
All	Short Term	2. Sequence programmes among the central, provincial, and district levels	PEMD	Links between FNDP, DDPs, and sectoral Strategic Plans are not clear in terms of programme/project description. These should be clarified on a document basis along with the clarification of financial and operational responsibility. Annual adjustments and arrangements in preparing budgets and the MTEF are not enough. These are easy, but they will result in the FNDP and DDP losing credibility among the Zambian public and civil servants.	Review of FNDP and DDP
All	Medium Term	3. Consistently and continuously executive the DIP and PEMFA	MoFNP and MLGH (Decentralisation Secretariat)	Some important points were already identified in both programmes. Consistent implementation of these programmes should improve implementation and planning of development plans.	Review of FNDP and DDP

Table 3-6 Key questions for discussion

Level of Government	Time frame	Recommendation	Responsibility	Reason	Lessons
		1. Strengthening PEMD (1) Raise the profile of the PEMD by either linking it to the office of the president or raising the head from Deputy Secretary to Cabinet level (2) Strive to follow the planned budget of the FNDP in actual budget execution	Cabinet Office, MoFNP (Budget Office)	Need to have a stronger NDP agency for inter-ministerial co-ordination. Efforts should be made to strengthen links between the FNDP budget and actual execution. This also strengthens the power of the PEMD.	Both
		2. Give PDCC and DDCC a basis in law with actual finance and structural arrangements	PEMD, MLGH	Even though a basis in law was set, it will be meaningless without an adequate flow of financial resources and procedures, or an adequate clarification/explanation of the links between PDCC/DDCC and line ministries, including local departments.	Both

Note: Both items in this table are originally developed in Malama(2007a).

Source: prepared by the author and Malama (2007a)

4. Donor Assistance in the FNDP, PDP and DDP Development Processes

C/TG is a group established at the request of the GRZ to support the development processes of the FNDP, PDPs and DDPs. An MoU was prepared and signed by 13 donors, namely Department for International Development (DfID), EC, Canada, Denmark, France, Finland, Ireland, Italy, Germany, Netherlands, Norway, Swedish International Development Cooperation Agency (SIDA), and the United Nations. This group was co-chaired by the DfID and Denmark. Norway and Finland financed the pool fund which was established to support the processes. Since the GRZ did not fulfil the requirement to submit the financial report of this fund⁶¹, they could finance 80 % of the original plan as of November 2006.

Apart from C/TG, donors made an indirect contribution, namely in the form of advice and individual comments by experts to the GRZ. Zamsif support also contributed to the process in the districts by DSA and DPRSP (Table 4-1). And the Stichting Nederlandse Vrijwilligers (Foundation of Netherlands Volunteers) participation in the process of designing DDP in the districts was noted, as they give advice to district officers. The GTZ has also contributed with the quality of indirect support to DDPs in Southern Province. JICA directly supported the process of the FNDP and DDP in the form of financial assistance to hire consultants for the preparation of a DDP outline and for the ‘Harmonisation’ Workshop. These contributions aided the development processes, particularly at the central level. However, there was a negative impact. As discussed in the previous chapter, this took the form of confusion in the planning process in cases in which CPs supported improvements in the planning capacity in a district. Moreover, delays in procedures or responses by the GRZ side would have delayed direct support from CPs on occasion.

Table 4-1 Geographic coverage – technical aid

Province CP	Northern	Southern	Western	N/Western	Eastern	Copperbelt	Lusaka	Central	Luapula	National
SNV	Kasama Mpika Luwingu Chrinsali		All districts & Province	All districts & Province						SAGs
GDC		Monze Mazabuka Namwala Choma Gwembe Kalomo Sinazongwe & Province								SAGs MoFNP
WB (Zamsif)	All districts									
JICA	All districts									SAGs MoLGH & MoFNP

Source: Malama (2007b)

⁶¹ The financial report was submitted only once before the field research ended.

5. Conclusion

5-1 Recognising the Importance and Roles of DDPs

From a district perspective, DDPs are horizontal development plans developed by districts at the request of the MoFNP. In addition, DDPs were approved by each DDCC and Full Council. Consequently, the officers of district councils and local departments of line ministries, at least, expect that FNDP will be executed through the implementation of DDPs. There is also recognition that sector development activities have primarily been implemented by line ministries. As the analysis of MTEF shows, some districts perceive the development of DDPs as an opportunity to appeal to the central government for more funds. Because of the recognition of the actual financial situation in districts explained above, district officers also maintain a kind of equanimity that DDPs will not be financed in practice, particularly in districts where a huge DDP budget is planned.⁶²

This outlook was evident based on daily work experience under or with the vertically managed institutional structure of the GRZ. They imply the expectation of further support from the central government and disappointment at the fact that their capacities are limited by insufficient finance from the central government and the vertical institutional management structure.

The GRZ endeavoured to improve intergovernmental coordination, through the DCC, DDCC, WASHE and other means, as one of the important challenges for achieving effective government. The development of DDPs, which seeks to manage development activities horizontally, is also one attempt at improvement and a new start. The importance of developing DDPs is that it was done under the auspices of the GRZ in consultation with civil society. DDPs should receive appropriate recognition internally and externally.

However, even if the DDPs are one of the guiding documents for development in Zambia, if they are neglected and not financed properly by central government, officers in the districts will lose confidence in their DDPs and will end up disappointed. In this sense, without a recognition of DDPs, the situation will be as noted in the Second PRSP Implementation Progress Report: ‘implementing agencies did not seem to fully appreciate the importance of the PRSP/TNDP as the guiding document in national plan’.⁶³

As discussed, some districts developed comprehensive new development plans in districts apart from DDP, supported by some CPs. It was observed, even from the view of planning capacity, that this support helped improvement of planning capacity in some districts. However, there was also the

⁶² Interviews with officers in districts visited.

⁶³ MoFNP (2004a) pp. 65-66

negative impact that the support from the CPs caused more confusion in development processes this time. In implementing a DDP, other comprehensive development plans at the district level will also cause confusion, increase operational costs and reduce expected outcomes. The successor of Zamsif should support improvement of DDPs at the operational level and plans developed with CPs support should complement or supplement DDPs. CPs should go beyond limited individual outcomes within their own support, following the philosophy of the Joint Assistance Strategy for Zambia (JASZ).

The same thing could be said about the activities by line ministries to establish plans for the specific sectors. They should also recognise the importance of DDPs, prepare plans aligned with the FNDP and DDPs, and ensure their activities are aligned. One example is the physical planning, of which the MLGH is in charge. If the city planning developed without any alignment with the FNDP and DDPs in practice, this would reduce the effectiveness and efficiency of all three plans still further. Physical plans would be developed as document(s) for strengthening the FNDP and DDPs. One possible approach is to develop both plans with physical planning attached. Since DDPs were developed under the auspices of the GRZ, DDPs should not be regarded as MoFNP plans. All ministries, including all line ministries, should understand the importance of DDPs as guiding documents developed by the GRZ.

5-2 Proposed Development Processes for Future Development Plans

Based on the discussions in this report, this section will propose two broad types of development processes for the next national development plan. The key lessons are as follows: (i) Budget ceilings were not distributed in a timely way to all stakeholders involved in developing plans; (ii) Guidelines and formats, including outlines of the DDP, were not sufficient; (iii) The vertical institutional management structure of GRZ was not fully reflected in the design of procedures to develop the development plans; (iv) The drafting and finalizing of the FNDP and DDP proceeded concurrently without sufficient communication between the central government and local institutions. To prepare budget ceilings at the appropriate times, (i) revenue estimates based on macroeconomic analysis, and (ii) evaluation of the results of the execution of the previous NDP, should be concluded before the drafting exercise starts.

Therefore, the minimum tasks to be completed and shared before the drafting exercise starts are as follows:

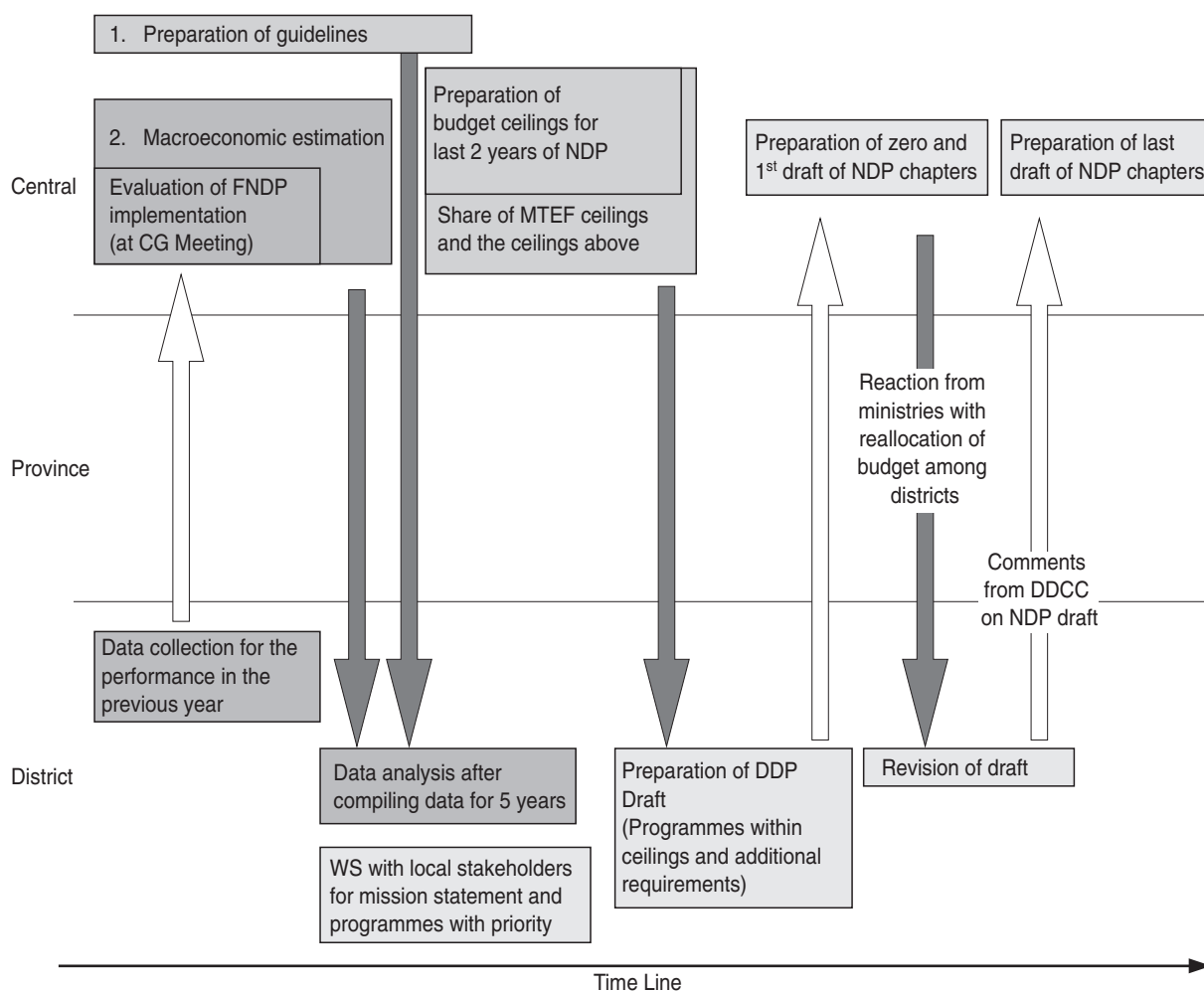
- (i) The development of guidelines
- (ii) Macroeconomic analysis and revenue estimates
- (iii) Budget ceilings for line ministries, provinces, and districts (district councils and local departments of line ministries)
- (iv) Evaluation of the result of the FNDP and adjustment of M&E indicators

Based on these assumptions, two schedules are proposed. The first proposal would apply when a vertical institutional management structure remained or full sector devolution was realised. The second is based on the assumption of the former case.

(1) The first option: alternate NDP and DDP drafting exercises

This is a kind of revised schedule of the actual FNDP development process (Figure 5-1, Table 5-1). If the proposal proceeded at the same pace as the development process this time, similar problems would occur unless the necessary actions were taken. These actions are: (i) Sharing revenue estimates based on macroeconomic analysis prepared for the NDP to be developed; (ii) Sharing evaluations of the results of the implementation of the previous NDP; (iii) Setting clear deadlines for the submission of draft NDP chapters and DDPs; and (iv) Receiving clear guidance from the MoFNP that, if DDPs are submitted after deadlines, they will not be reflected in the FNDP at that time. The procedures in developing the NDP are proposed based on the assumptions that the extent of participation of donors,

Figure 5-1 First proposal: alternate NDP and DDP drafting exercises



Source: prepared by the author

Table 5-1 First option: alternate NDP and DDP drafting exercises

Timing	Central Government	District
1	[CG1-1] Development and sharing with districts of macroeconomic analysis, revenue estimates and budget ceilings (MTEF plus last two years of NDP) based on it, and the format of the NDP and DDP, mainly by the central government	[D1-1] Evaluation of the results of DDP execution in each district, after collecting data from the previous year (based on the assumption that the annual data collection exercise is implemented)
2		[D1-2] Development and submission to central government of a draft DDP based on (i) budget ceilings provided by the MoFNP and (ii) data collected by each district and shared by the central government. Note: (i) This process should be done at least twice for drafting the Zero Draft and First Draft of NDP. (ii) Programmes should be classed in two types (prioritised programmes within budget ceilings and other priority programmes outside them) (iii) A clear deadline for submission should be set and the MoFNP should be strict on the deadline and take a strong position with local stakeholders.
3	[CG1-2] Development and compilation of draft FNNDP chapters based on draft DDPs and the evaluation report of the FNNDP. [CG1-3] Feedback to districts about submitted draft DDPs, i.e. selection of priority programmes from budget ceilings if required, and request to align programmes with national plan(s)	
4	[CG1-4] Sharing of draft FNNDP with districts with request for their comments to DDCC.	[D1-3] Dialogue on draft FNNDP and DDPs [D1-4] Revision of a draft DDP based on comments from the dialogue and central government
5		[D1-5] Submission of comments collected in the dialogue (to MoFNP)
6	[CG1-5] Revision of a draft FNNDP by SAG (National Stakeholders Workshop could be held) [CG1-6] Finalisation of draft FNNDP	

Source: prepared by the author

civil society and the private sector be maintained, for instance in the SAGs, National Stakeholder Workshop and so forth. One potential risk is that the same problem may occur without good coordination by the MoFNP and among all stakeholders.

(2) The second option: developing the DDP after finalizing the NDP

One of the vital lessons learned, as discussed, is that planning in districts started before vertical financial flows were fixed and provided to all stakeholders. This also relates to the two roles of a DDP

Table 5-2 Second option: alternate drafting exercises of NDP and DDP

Timing	Central Government	District
1	[CG2-1] Development and sharing by central government with districts mainly of macroeconomic analysis, along with the revenue estimates and budget ceilings (MTEF plus the last two years of NDP) based on the analysis, and the format of NDP and DDP	[D2-1] Evaluation of the results of DDP implementation in each district, after collection of data of the previous year (based on the assumption that annual data collection is done)
2		[D2-2] Preparation and submission to the central government of proposed programmes based on data collected by each district and shared by central government. (with a strategic explanation)
3	[CG2-2] Development and compilation of draft FNDP chapters based on draft DDPs and the evaluation report of the FNDP.	
4,5 (Twice)	[CG2-4] Sharing of the draft FNDP with districts with a request for their comments to DDCC. [CG2-5] Revision of a draft FNDP by SAGs (a National Stakeholders Workshop could be held)	[D2-3] Dialogue on draft FNDP
6	[CG2-6] Finalisation of draft FNDP	[D2-4] Selection of programmes developed based on (i) national programmes to be implemented in each district, and (ii) budget ceilings

Source: prepared by the author

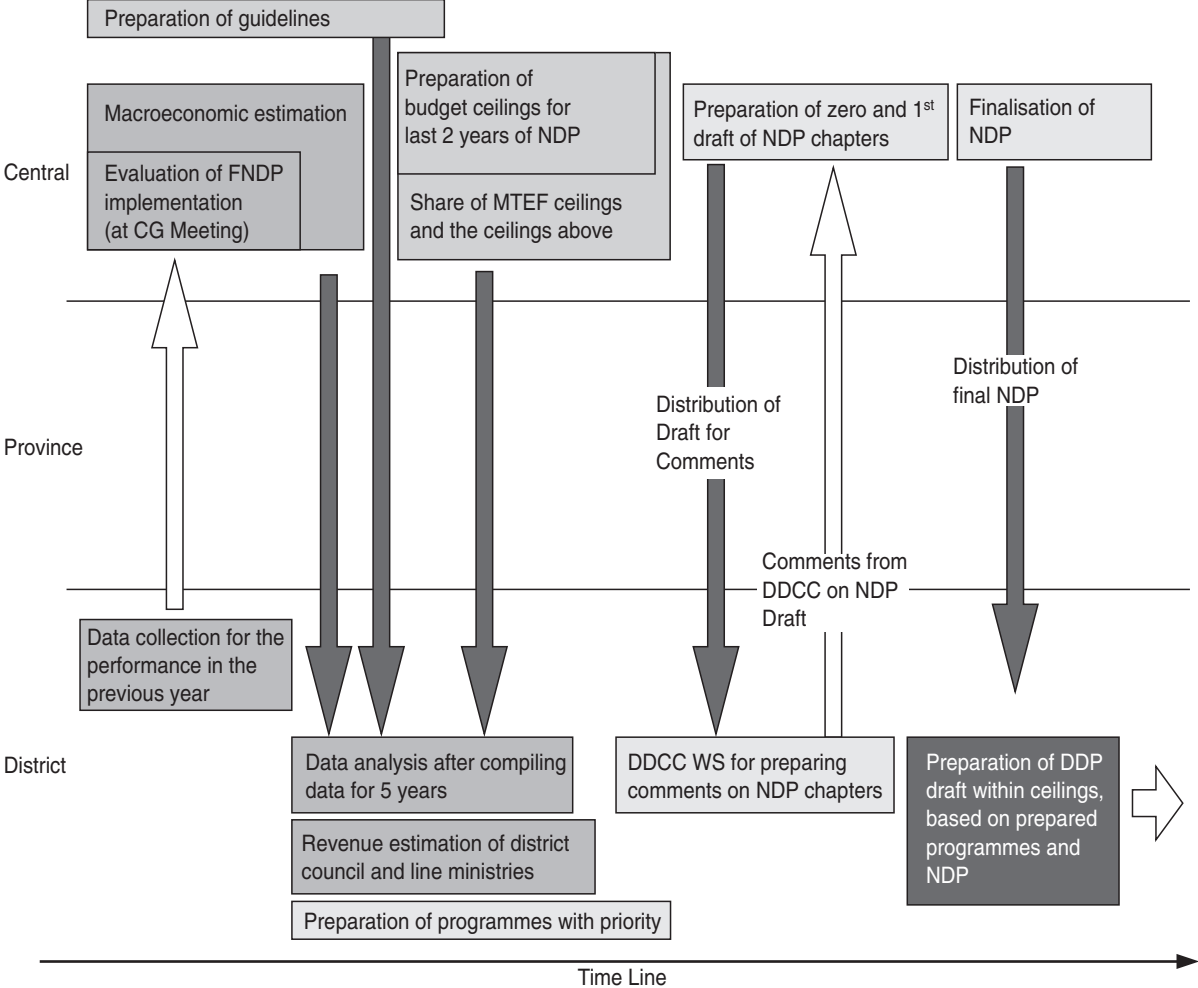
discussed, namely collecting needs in an area and implementing development activities in the plan. This second option clearly divided the two roles by fixing ceilings as a transfer from central to local authority and by dividing development processes of a NDP and DDPs (Table 5-2, Figure 5-2).

Assumptions under the second option are the same as those under the first one. The actions proposed are almost the same. But in [D2-2] of Table 5-2, prioritisation should be done without budget ceilings. So the programmes developed at this moment are prioritised programmes purely based on the needs on the ground. In other words, the steps taken this time are to collect needs and to identify programmes to be implemented with priority. Then, after finalisation, programmes should be reduced based on budget ceilings and information on the national programmes to be implemented in the district, provided from the MoFNP. Mapping of development activities and facilities also contributes to the quality of DDP when it was prepared.

The division of roles explained above is one of solvency for vertical (FNDP and Strategic Plans) and horizontal (DDP) planning under a vertical institutional management structure, which is the reality of implementing national plans. One possible risk is that some DDPs may not be developed without sufficient follow-up by the MoFNP and incentive given to the districts to develop DDPs. This incentive

would be in the form of finance from the central government. If so, the development of DDPs aligned with 6NDP would be one trigger to disburse recurrent and capital grants under IFA.

Figure 5-2 Second proposal: develop DDPs after finalizing the NDP



Source: prepared by the author

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Annex

Annex 1 Partial Evaluation of DDPs

Number	Province	Type of Local Authority	District	Strategic Linkage between programmes	Priority	Budget total (Total)	Summary of Budget (Sectoral basic)	Output indicators
1	Central	District	Chibombo	×	×	×	×	○
2		Municipality	Kabwe	×	partially	×	×	almost
3		District	K/Mposhi	×	×	×	×	almost
4		District	Mkushi	×	partially (but not clear)	×	×	almost
5		District	Mumbwa	×	partially (many in some cases)	×	×	partially
6		District	Serenje	N/A	N/A	N/A	N/A	N/A
7	Copperbelt	Municipality	Chililabombwe	×	partially (but not clear)	×	○	×
8		Municipality	Kalulishi	×	partially (but not clear)	○	○	×
9		City	Kitwe	×	partially (but not clear)	×	×	×
10		Municipality	Mufulira	×	partially (but not clear)	×	×	almost
11		Municipality	Luanshya	×	partially (but not clear)	×	×	almost
12		City	Ndola	×	×	×	×	almost
13		District	Masaiti	×	×	×	×	×
14		District	Lufwanyama	×	partially (but not clear)	×	○	×
15		District	Mpongwe	×	partially (but not clear)	×	×	×
16		Municipality	Chingola	×	×	total of 6 years only	×	×
17	Eastern	District	Chadiza	N/A	N/A	N/A	N/A	N/A
18		District	Chama	×	×	×	×	○
19		Municipality	Chipata	N/A	N/A	N/A	N/A	N/A
20		District	Katete	×	×	total of 6 years only	×	○
21		District	Lundazi	N/A	N/A	N/A	N/A	N/A
22		District	Nyimba	almost	almost	×	×	○
23		District	Petauke	×	×	total of 6 years only	×	partially
24		District	Mambwe	×	×	×	×	×
25	Luapula	District	Kawambwa	×	○	×	×	○
26		Municipality	Mansa	×	partially (but not clear)	○	○	○
27		District	Nchelenge	×	×	total of 6 years only	×	×
28		District	Samfya	×	partially	×	×	×

Number	Province	Type of Local Authority	District	Strategic Linkage between programmes	Priority	Budget total (Total)	Summary of Budget (Sectoral basic)	Output indicators
29		District	Chienge	×	partially (but not clear)	×	×	almost
30		District	Milenge	×	×	×	×	partially
31		District	Mwense	×	partially (but not clear)	×	×	×
32	North-western	District	Kabompo	partially (programmes sorted by time lines)	partially	×	×	almost
33		District	Kasempa	×	partially (but not clear)	×	×	almost
34		District	Mufumbwe	×	partially (some are not clear)	×	×	almost
35		Municipality	Solwezi	×	partially (so many priorities)	N/A	N/A	almost
36		District	Zambezi	×	partially	N/A	N/A	N/A
37		District	Chavuma	×	almost (some are not clear)	N/A	N/A	almost
38		District	Mwinilunga	×	partially (distinction of extent of prioritisation)	×	×	almost
39		Southern	Municipality	Choma	partially	○	×	×
40	District		Gwembe	almost (linkage can be described clearer)	○	×	×	partially
41	District		Kalamo	×	partially (some are not clear)	N/A	N/A	N/A
42	City		Livingstone	partially (objectives, strategies, and activities to implement strategies)	○	N/A	N/A	N/A
43	Municipality		Mazabuka	×	×	N/A	N/A	N/A
44	District		Monze	×	partially (but many activities)	N/A	N/A	N/A
45	District		Namwala	×	×	N/A	N/A	N/A
46	District		Siavonga	×	partially (distinction of extent of prioritisation)	×	total of 6 years only	N/A
47	District		Itezhi tezhi	×	almost (but not clear)	N/A	N/A	N/A
48	District	Sinazongwe	×	partially (but not clear, no activities under programme)	N/A	N/A	N/A	

Number	Province	Type of Local Authority	District	Strategic Linkage between programmes	Priority	Budget total (Total)	Summary of Budget (Sectoral basic)	Output indicators
49		District	Kazungula	partially (objectives and strategies to solve these objectives)	×	N/A	N/A	N/A
50	Lusaka	District	Chongwe	×	×	×	total of 6 years only	N/A
51		District	Kafue	×	×	N/A	N/A	N/A
52		District	Luangwa	×	×	N/A	N/A	N/A
53		City	Lusaka					
54	Western	District	Sesheke	×	broad priority only	×	×	partially
55		District	Kalabo	×	partially (but not clear)	×	×	partially
56		District	Kaoma	×	partially (but not clear)	N/A	N/A	N/A
57		District	Lukulu	×	×	N/A	N/A	N/A
58		Municipality	Mongu	×	almost (activities under programmes)	×	×	×
59		District	Senaga	×	partially	×	×	partially
60		District	Shangombo	N/A	N/A	N/A	N/A	N/A
61	Northern	District	Chilubi Island		partially (but not clear)			
62		District	Chinsali	×	summary attached	○	×	×
63		District	Kaputa	×	partially	×	×	partially
64		Municipality	Kasama	×	×	×	×	partially
65		District	Luwingu	×	×	×	×	×
66		Municipality	Mbala	×	×	×	×	×
67		District	Mpika	N/A	N/A	N/A	○	N/A
68		District	Mporokoso	×	×	×	×	×
69		District	Nakonde	×	×	×	×	almost
70		District	Mpulungu	N/A	N/A	N/A	N/A	N/A
71		District	Mungwi	×	×	×	×	almost
72		District	Isoka	×	×	×	×	almost

Source: Draft or final DDPs of 65 districts

Annex 2 Ghana Development Partner Resource Envelope 2006 and Ghana Partnership Strategy Results Matrix (2006) (Sample)

Annex 2-1 Ghana Development Partner Resource Envelope 2006 (Sample)

Ghana: Development Partner Support Overview

Actual Disbursements Projected Disbursements	2003 - 2005 2006 - 2009 (US\$m)	Actual Disbursements				Projected Disbursements				
		2003	2004	2005	2003-2005	2006	2007	2008	2006-2008	2009
Total Disbursements: Actual and Projected		868.69	982.92	1,087.43	2,939.05	1,259.50	1,206.52	1,175.86	3,641.88	807.94
IMF Support										
PRGF Arrangement (BOP support to BOG)		73.83	39.03	78.02	190.88	76.78			76.78	
Budget Support (MDBS)		264.30	310.91	290.59	865.80	331.54	290.27	266.54	888.36	259.44
Credits		129.57	105.59	171.22	406.38	169.47	131.89	164.37	465.73	164.37
Grants		134.73	205.32	119.37	459.42	162.07	158.38	102.17	422.63	95.07
Sector and Investment Support		530.56	632.98	718.83	1,882.37	851.18	916.24	909.32	2,676.74	548.50
Credits		172.82	224.39	240.85	638.06	322.37	347.48	310.15	979.99	269.15
Grants		357.75	408.60	477.97	1,244.32	528.81	568.77	599.17	1,696.75	279.36

of which:

Pillar 1: Private Sector Competitiveness	236.79	294.77	339.77	871.32	466.59	559.64	493.18	1,519.41	304.21
Agriculture	92.45	104.11	97.00	293.56	196.04	216.00	236.29	648.33	183.23
Private and Financial Sector Development	37.19	37.14	53.02	127.35	82.17	92.29	78.41	252.87	30.27
Energy	7.98	9.14	20.39	37.51	34.69	94.13	39.25	168.07	27.50
Other Infrastructure (mainly Roads)	99.17	144.37	169.36	412.91	153.69	157.22	139.23	450.14	63.21

Table: Ghana Donor Support and Commitments

Country/Agency Name: World Bank
Compiler Name:
E-mail:
Phone number:
Instructions:

1. Please replace World Bank information with your information above.
2. Beginning row 44, please replace World Bank information with your information for each loan/grant disbursement, adding or deleting lines as needed (see instructions below).
3. For the information to be useful for the macroeconomic forecasts, please provide your committed and possible disbursements to 2009. These should be based on the assumption of a continued good policy stance.
For the same purpose, please break down disbursements by loans (for which the macro forecast calculates repayments at a later date) and grants (outright gifts with no requirement of repayment).

Disbursements to Budget (US\$m)	Total Programd Amount	Starting Year	End Year	Grant (%)	2003	2004	2005	2003-2005	Pipeline				
									2006	2007	2008	2006-2008	2009
Total Disbursements					246.17	297.17	330.67	874.01	336.20	338.16	296.72	971.08	265.40
Budget (Program) Support					128.21	127.50	123.60	379.31	125.00	125.00	125.00	375.00	125.00
Loans					90.13	87.47	123.60	301.20	125.00	125.00	125.00	375.00	125.00
Grants					38.08	40.04	0.00	78.11	0.00	0.00	0.00	0.00	0.00
Investment (Project) Support					117.96	169.67	207.07	494.70	211.20	213.16	171.72	596.08	140.40
Loans					113.35	150.57	173.62	437.55	189.69	189.62	147.89	527.20	115.75
Grants					4.61	19.10	33.44	57.14	21.51	23.54	23.83	68.88	24.65

Of Which:

Agriculture					23.86	23.62	25.82	73.30	46.658	26.16	32.5	98.318	18
Private (incl. Financial) Sector Development (US\$m)					7.28	2.1	1.38	10.76	21	34.25	24.25	79.5	24.25
Energy (US\$m)					4.55	8.63	5.54	18.72	28.75	37.25	36.25	102.25	26.5
Other Infrastructure (Roads) (US\$m)					33.16	50.05	66.12	149.33	43.5	43.5	10	97	10
Health (incl. HIV/AIDS) (US\$m)					18.06	55.42	63.38	132.09	8.3	9	5.5	22.8	5.5
Education (US\$m)					3.12	11.02	24.33	38.47	22	16	16	54	16
Water and Sanitation (US\$m)					16.56	14.31	20.5	51.37	38.49	44	46.22	128.71	39.15
Public Financial Management (US\$m)					3.58	0	0	3.58	0	0	0	0	0
Public Sector Reform (US\$m)					6.53	4.52	0	11.05	0.5	1	1	2.5	1
Decentralisation (US\$m)					1.26	0	0	1.26	0	0	0	0	0
Other Governance (incl. M&E/environment) (US\$m)					0	0	0	0	0.2	0.2	0	0.4	0
(vertical check)					0.00	0.00	0.00	-4.77	-1.80	-1.80	0.00	-10.60	0.00

Exchange Rates

Instructions: If you wish to fill out individual loan/credit disbursements in your local currency, enter exchange rates here; otherwise leave as 1.

Currency of individual loans/credits:	Dollar												
Exchange Rate (average US\$/currency):	1	1	1	1	1	1	1	1	1	1	1	1	1

Donor Line By Line Disbursement Information

Instructions: Please replace individual program lines below with your own, adjusting the number of lines and formulas added. If desired, you may enter individual program information in local currency, and formulas will convert to US\$ automatically. You must put in at least one grant element ratio in each category. Formulas use their average to compute the loan/grant breakout.

Budget Support

Budget Support (US\$m)				0.2036 66667	128.21	127.50	123.60	379.31	140.00	125.00	125.00	390.00	125.00
Loans (US\$m)					90.13	87.47	123.60	301.20	125.00	125.00	125.00	375.00	125.00
Grants (US\$m)					38.08	40.04	0.00	78.11	0.00	0.00	0.00	0.00	0.00
PRSC 7	125.0	2009	2010	0									125.00
PRSC 6	125.0	2008	2009	0							125.00	125.00	
PRSC 5	125.0	2007	2008	0						125.00		125.00	
PRSC 4	125.0	2006	2007	0					140.00			140.00	
PRSC 3	123.6	2005	2006	0			123.60	123.60					
PRSC 2	127.5	2004	2005	0.314		127.50		127.50					
PRSC 1	128.0	2003	2004	0.297	128.21			128.21					
Economic Reform Support Operation 3 (ERSO 3)	110.0	1999	2002					0.00					
Economic Reform Support Operation 2 (ERSO 2)	178.2	1997	2003					0.00					

GPRS Investment Lending

Pillar 1 - Growth and Employment													
Agriculture					23.86	23.62	25.82	73.30	46.66	26.16	32.50	98.32	18.00
Loans (US\$m)					22.84	21.88	22.89	67.61	42.95	25.00	32.50	100.45	18.00
Grants (US\$m)					1.02	1.74	2.93	5.69	3.71	1.16	0.00	4.87	0.00
Agriculture SWAp	20.00	2007	2009							2.00	10.00	12.00	8.00
West Africa Agricultural Productivity Project	15.00	2007	2011							2.00	5.00		5.00
Community-Based Rural Development	60.0	2004	2009			1.00	2.96	3.96	15.25	15.00	11.50	41.75	5
Agricultural Services Sub-Sector Investment Program	67.0	2001	2006		14.04	13.30	16.14	43.48	20.23			20.23	
Community-based Integrated Nat. Res. Mgt. (GEF)	0.9	2004	2007	1		0.06		0.06	0.40	0.40		0.80	
Land Administration Project	20.5	2003	2008		0.75	0.90	1.94	3.59	6.00	6.00	6.00	18.00	
Northern Savanna Biodiversity Conservation (GEF)	7.9	2002	2008	1	0.72	1.30	1.46	3.48	0.98	0.46		1.44	
Rural Financial Services Project	5.1	2000	2006		0.54	1.52	1.86	3.92	1.47			1.47	
Forest Biodiversity (GEF)	8.7	1998	2006	1	0.30	0.44	1.47	2.21	2.33	0.30		2.63	
Village Infrastructure Project	30.0	1997	2004		6.73	5.10		11.83				0.00	
Fisheries Subsector Capacity Building Project	9.0	1995	2002					0.00				0.00	
National Resource Management	9.3	1993	2003		0.78			0.78				0.00	
Private (incl. Financial) Sector Development (US\$m)					7.28	2.10	1.38	10.76	21.00	34.25	24.25	79.50	24.25
Loans (US\$m)					7.28	2.10	1.38	10.76	21.00	34.25	24.25	79.50	24.25
Grants (US\$m)					0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Annex 2-2 Ghana Partnership Strategy Results Matrix (2006) (Sample)

PILLAR I: PRIVATE SECTOR COMPETITIVENESS

1. ENHANCING THE COMPETITIVENESS OF THE PRIVATE SECTOR

GPRS Goals	Expected Outcomes	Indicators to Track Implementation towards Outcomes	Government Strategies and Actions	Development Partner Contributions ✓
	Ghana's competitiveness in international and domestic markets increased	Value of non-traditional exports (NTE) Global Competitiveness Index	<ul style="list-style-type: none"> Implement a comprehensive National Trade Policy to aid the integration of Ghana into global and regional markets Implement sector-specific measures for strategic exports, focusing initially on the President's Special Initiatives 	Policy (macro, trade) – USAID (A) Enhancing Capacity Programme – France (OF) Spin-off effects of targeted export business development on NTEs – USAID private sector Devpt. Funds/GPSDF - Italy Trade Gateway & Investment Project – WB (OF) Implementation of TSSP – Danida, UNDP (OF & PF) Contribution to the PSD Strategy pooled fund – DfID M&E support for PSD Strategy – UNDP (A) PSD/Trade sector budget support – EC (PF) Support for fruit exports, helpdesk for exporters – EC private sector Promotion Project. Support to GIPC, Capacity building and trade-related support to private sector associations; Rural Trade and Industry Promotion Project in Brong Ahafo Region- GTZ (OF) Support four private sector business associations/ policy dialogue and PSD monitoring – UNDP (A, OF, PF)
	Improved business and investment environment	Cost of doing business Time to register business	<ul style="list-style-type: none"> Implement key recommendations from a review of existing institutions tasked with providing quality standard services to the private sector Attract investment through measures at the national level to improve the investment climate Conduct a review of the ongoing commercial law reform effort and develop proposals to focus on and prioritize efforts Review anti-corruption initiatives 	Improving access of MSMEs to financial and non-financial services (SPEED II) GTZ – (OF, A) /KfW (PF); UNDP (A, OF, PF); IFC (PF) e-Ghana/ICT project – WB (PF) Econ. Mgmt. Cap. Bldg – WB (PF) Leasing in the financial sector -- Switzerland (OF) Employment & Youth Study – WB (A) Ctry Econ. Memorandum – WB (A)
	Increased access to capital by the private sector	Domestic credit to the private sector as ratio of GDP Private Fixed Investment as % of GDP Number and type of long financing instruments	<ul style="list-style-type: none"> Improve access and increase the volume of credit at affordable prices 	Improving access of MSMEs to financial and non-financial services (SPEED II) GTZ – (OF, A) /KfW (PF); UNDP (A, OF, PF); IFC (PF) e-Ghana/ICT project – WB (PF) Econ. Mgmt. Cap. Bldg – WB (PF) Leasing in the financial sector -- Switzerland (OF) Employment & Youth Study – WB (A) Ctry Econ. Memorandum – WB (A)
	Improved job and income security	Improved access to National Labor Market Information system (LMIS) % access to social security by informal sector employees	<ul style="list-style-type: none"> Develop and implement a comprehensive national employment policy that addresses needs of youth, women and people living with disabilities Promote establishment of country-wide network of Youth Employment Centers Design and implement labor market information system Support organization and dissemination of labor market information for informed decision making 	
	Improved firm-level capacity and competence to grow businesses	Wage employment index Business competitiveness index	<ul style="list-style-type: none"> Develop and implement plan to phase-out Government provision of subsidized finance to firms Develop 'best practice framework' with best criteria against which firm level initiatives will be judged Develop league tables for existing and new firm level initiatives using the above best practice criteria 	Policy (land tenure, labor) – USAID Capacity development of MoTI – JICA Investment Climate Assessment – WB (A) MSME Project – WB/IFC (PF) SME Development – UNDP Sub-contracting Partnerships Exchange – UNDP (A, OF, PF) Reform business registration, commercial law reform – Danida

				Policy (contribution to the PSD Strategy pooled fund) – DfID PSD/Trade sector budget support – EC BUSAC fund provides support to business associations – DfID/Danida/USAID Support to GIPC, land registration, policy dialogue capacity of private sector organizations – GTZ CIDA (OF) EC (OF): GRATIS, Proinvest and CDE Enhancing Capacity Program – France (OF) Ahafo SME linkages program -- IFC (PF)
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Note: Category of support: OF = Ongoing Financial Support
 PF = Planned Financial Support
 A = Analytical/Policy Support