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Ministry of Finance and National Planning

## COUNTRY EVALUATION OF THE IMPLEMENTATION OF THE PARIS DECLARATION IN ZAMBIA PHASE II

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**Disclaimer:** Although this study was prepared for and commissioned and supported by the Government of the Republic of Zambia, opinions expressed arising out of the findings belong to the consultants, arrived at through interviews with various stakeholders including government agencies and reviews of documentation available relevant to the objectives of the study at the time it was carried out.

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## ACRONYMS

AAA	Accra Agenda of Action
ABB	Activity Based Budget
ACC	Anti-Corruption Commission
ACF	Agriculture Consultative Forum
ACM	Annual Consultative Meeting
AfDB	African Development Bank
AFRONET	Africa Network for Human Rights and Development
AIDS	Acquired Immune Deficiency Syndrome
APAM	Action Plan for Aid Management
ASIP	Agriculture Sector Investment Programme
ASP	Agriculture Support Programme
ASPA	Agriculture Sector Performance Analysis
ASTF	Agriculture Sector Task Force
AWPB	Annual Work Plan and Budget
BOZ	Bank of Zambia
CAADP	Comprehensive Africa Agriculture Development Programme
CP	Cooperating Partner
CBO	Community Based Organisation
CCM	Country Coordinating Mechanism
CCPJD	Catholic Commission for Peace, Justice and Development
CCS	Commitment Control System
CHAZ	Churches Health Association of Zambia
CPG	Cooperating Partners Group
CRAIDS	Community Response to HIV/AIDS
CSO	Central Statistical Office
CSOs	Civil Society Organisations
CSPR	Civil Society for Poverty Reduction
DAC	Development Assistance Committee
DBS	Direct Budget Support
DCT	Diagnostic Counselling and Testing
DDCC	District Development Coordinating Committee
DfID	Department for International Development
DMFAS	Debt Management and Financial Analysis system
DoL	Division of Labour
EAZ	Economic Association of Zambia
EFC	External Financing Committee
EPA	Economic Partnership Agreement
ESAMI	Eastern and Southern Africa Management Institute
ETC	Economic and Technical Cooperation Section
EU	European Union
FBOs	Faith Based Organisations
FDI	Foreign Direct Investment
FGD	Focus Group Discussion
FISP	Farmer Input Support Programme
FNDP	Fifth National Development Plan
FRA	Food Reserve Agency
GAVI	Global Alliance for Vaccine and Immunisation
GBS	General Budget Support
GDI	Gender Development Index
GDP	Gross Development Product
GEM	Gender Empowerment Measure
GFATM	Global Fund to fight AIDS, Tuberculosis and Malaria

GHI	Global Health Initiatives
GID	Gender in Development
GRZ	Government of the Republic of Zambia
GTWG	Gender Technical Working Group
HDI	Human Development Index
HDR	Human Development Report
HIP	Harmonisation in Practice
HIPC	Highly Indebted Poor Countries
HLF	High Level Forum
HLPD	High Level Policy Dialogue
HMIS	Health Management Information System
HQ	Head Quarters
ICC	Integrated Coordinating Committee
IDM	Investments and Debt Management Department
IFAD	International Finance for Agriculture Development
IFI	International Financial Institution
IFMIS	Integrated Financial Management and Information System
IHP+	International Health Partnership and Related Initiatives
IMF	International Monetary Fund
INESOR	Institute of Economic and Social Research
ITN	Insecticide Treated Net
JAR	Joint Annual Review
JASZ	Joint Assistance Strategy for Zambia
JCTR	Jesuit Centre for Theological Reflection
JEC	Joint Executive Committee
JICA	Japan International Cooperation Agency
JSC	Joint Steering Committee
JWGMA	Joint Working Group on Mutual Accountability
LCMS	Living Condition Monitoring Survey
MACO	Ministry of Agriculture Cooperatives
MATEP	Market, Access, Trade and Enabling Policies
MDG	Millennium Development Goal
MDGR	Millennium Development Goals Report
MDRI	Multilateral Debt Relief Initiative
MEFMI	Macroeconomic and Financial Management Institute
MIS	Malaria Indicator Survey
MLF	Ministry of Livestock and Fisheries
MoE	Ministry of Education
MoFA	Ministry of Foreign Affairs
MoFNP	Ministry of Finance and National Planning
MOH	Ministry of Health
MoU	Memorandum of Understanding
MP	Member of Parliament
MPSA	Ministries, Provinces and Other Spending Agencies
MTEF	Medium Term Expenditure Framework
NAC	National AIDS Council
NACP	National Anti-Corruption Policy
NAO	National Authorising Office
NAP	National Agriculture Policy
NDP	National Development Plan
NGO	Non-Government Organisation
NHA	National Health Accounts
NHSP	National Health Sector Policy
NIPA	National Institute for Public Administration
NPHRA	National Public Health Regulatory Authority
NRG	National Reference Group

NTE	Non-Traditional Export
NZP+	People Living With HIV/AIDS
OAG	Office of the Auditor General
ODA	Overseas Development Aid
OPM	Oxford Policy Management
OVC	Orphans and Vulnerable Children
PAC	Parliamentary Accounts Committee
PAF	Performance Assessment Framework
PAF	Performance Assessment Framework
PAM	Programme Against Malnutrition
PBAs	Programme Based Approaches
PEMD	Planning and Economic Management Division
PEMFA	Public Expenditure Management and Financial Accountability
PEP	Performance Enhancement Programme
PEPFAR	Presidential Emergency Program for AIDS Relief
PHOs	Provincial Health Offices
PIU	Programme Implementation Unit
PLARD	Programme for Luapula Agriculture and Rural Development
PMTCT	Prevention of Mother to Child Transmission
PPD	Policy and Planning Department
PRBS	Poverty Reduction Budget Support
PROFIT	Productivity, Finance and Trade
PRP	Poverty Reduction Programme
PRSP	Poverty Reduction Strategy Paper
SADFSP	Support to Agriculture Diversification and Food Security Programme
SAG	Sector Advisory group
SBS	Sector Budget Support
SHEMP	Smallholder Enterprise and Marketing Programme
SMAG	Safe Motherhood Action Group
SNDP	Sixth National Development Plan
SPA	Strategic Partnership with Africa
SSBS	Sector Specific Budget Support
SWAP	Sector Wide Approach
TA	Technical Assistance
TB	Tuberculosis
TIZ	Transparency International Zambia
TNDP	Transitional National Development Plan
UNDP	United Nations Development Programme
UNZA	University of Zambia
USA	United States of America
USAID	United States Agency for International Development
WHIP	Wider Harmonisation in Practice
ZDA	Zambia Development Agency
ZDAD	Zambia Development Assistance Database
ZDHS	Zambia Demographic and Health Survey
ZICA	Zambia Institute of Chartered Accountants
ZIHP	Zambia Integrated Health Programme
ZNDNFS	Zambia National Debt and New Financing Strategy

## EXECUTIVE SUMMARY

### Background

Zambia is a land locked country in Southern Africa with an estimated area of 752 600 square kilometres and an estimated population of 13 million people. The country's macroeconomic management has improved tremendously with inflation decreasing since 2004 from 17.5%, to 8.5% in 2010. To achieve this, government has sought to pursue pursued tight fiscal and monetary policies which have helped to return the country to a stable economic environment and laid ground for a rise in investments especially in the mining sector and economic growth. These policies have been commended by both domestic and international observers such as the International Monetary Fund and the World Bank. Fiscal policy was, however, somewhat loosened during the global economic crisis to counter the negative effects of the crisis. The World Bank (2010) Data Profile for Zambia, indicates that the current GDP in purchasing power parity (PPP) is USD17.155 billion while GDP per capita (PPP) is USD1,460.63.

Despite recent positive economic gains improvements in the social conditions for the Zambian population are occurring only slowly. Zambia remains one of the poorest in the world. In such a context, the need for external support to address socio-economic challenges is inevitable. Extreme poverty in rural areas is far much higher than in urban areas. The poor performance of agriculture continues to keep the rural population in poverty given that, according to the 2005 Labour Force Survey, over 94% of people living in rural areas are employed in agriculture. There is hope that things may have begun to improve for the rural population given the good harvest posited in the last two farming seasons. The Gini coefficient, a measure of inequality in consumption, was estimated at 50.7 for 2007 in the 2009 Human Development Report (HDR), a small decline from 52.6 in 1998 cited in the 2001 HDR. Compared to other countries, this is very high inequality. The poorest 10% accounted for only 1.3% of total income while the richest accounted for 38.9% of total income in 2007.

According to the Ministry of Finance, 28 donors are providing ODA to Zambia. But there are many more channelling aid through NGOs. However, this information is not well documented. Therefore, the total ODA reported could be less than the total flows to Zambia but it cannot be ascertained how significantly less this is. ODA to Zambia is very concentrated such that the top three donors provided 34% of ODA between 2006 and 2009. The ten largest donors between 2006 and 2009 were EU (14.3%), USA (10.7%), United Kingdom (9.0%), United Nations (8.9%), World Bank (8.7%), Netherlands (7.6%), Norway (5.6%), Denmark (5.2%), AfDB (4.4%), Germany (4.3%) and Japan (4.3%). The rest of the donors provided 17%.

Zambia is one of the 23 countries globally that have participated in the Phase II Evaluation of the Paris Declaration. This is part of the ongoing monitoring of the implementation of the Paris Declaration and the Accra Agenda for Action being undertaken by OECD DAC Working Party on Aid Effectiveness. In Paris, 2005, Zambia joined more than 50 aid recipient countries and 22 development partners that endorsed the Paris Declaration on Aid Effectiveness. The PD comprises 56 commitments that have been grouped into 5 key principles – Ownership, Alignment, Harmonisation, Mutual accountability and Management for Development Results – and have been agreed upon in partnerships between development partners and aid recipient countries.

The 3<sup>rd</sup> High Level Forum was held in Ghana in 2008 whose outcome was the Accra Agenda for Action (AAA). The AAA was outlined as strengthening country ownership, building more inclusive partnerships and sharpening focus on development results. Zambia participated in the Phase I Evaluation of the Paris Declaration with a view that the results of the Evaluation together with that of other countries would feed into the deliberations of the 3<sup>rd</sup> High Level Forum. Zambia's report was not concluded until after the 3<sup>rd</sup> High Level Forum was held.



The overall objective of the Phase II Evaluation is to trace plausible contribution of aid to development results by assessing and analyzing the relevance and effectiveness of the implementation of the Paris Declaration in Zambia. The evaluation looks at three main areas: (1) the PD context; (2) intermediate outcomes in terms of efficiency of aid management; and (3) development results, and draws evidence from both a review of literature and interviews of key stakeholders both inside and outside government. While the Phase I Evaluation focused mainly on implementation processes, Phase II goes beyond processes to assess contribution of aid to development results achieved at the level of the ultimate beneficiary both in terms of outcomes and impacts.

Contextual issues that are relevant to the implementation of the PD in Zambia are those providing an enabling policy environment such as political governance, prudent macro-economic management, decentralisation and strong sector leadership by government. Zambia had begun implementing aid coordination mechanisms in 1993 when the country introduced the Sector-wide Approach (SWAp) in the health sector. While these initiatives began prior to PD, the endorsement of PD was expected to serve as a catalyst to existing initiatives.

### Overall Conclusions on Common Evaluation Questions

- a) “What are the important factors (enablers and the inhibitors) that have affected the relevance and implementation of the Paris Declaration and its potential effects on aid effectiveness and development results (the Paris Declaration in context)?” (Core Question 1)

The momentum towards more aid effectiveness started before the Paris Declaration was adopted in 2005. Some stakeholders interviewed even argued that the PD borrowed a lot from what had already been going on in Zambia. A key expectation, therefore, is that the adoption of the PD would act as a catalyst towards accelerated progress in integrating these principles into Zambia’s aid relationship. There is no clear evidence that this has happened. The counterfactual – whether the current progress in embracing the principles (pillars) of ownership, alignment, harmonization, management for results and mutual accountability would not have taken place without the Paris Declaration – cannot be answered conclusively. Although there has been some progress in advancing the principles embedded in the PD, its catalytic role appears not to have been as strong as would have been expected.

Interviews with some GRZ officials pointed out that one of the reasons could be a lack of a formal domestication of the Paris Declaration at the country level. After the PD was signed, no one worked through the mechanics of how it was going to be translated into action at country level. However, the ETC in the MoFNP has been the natural home for this given that it is responsible for managing donor relations on behalf of the GRZ. According to the JASZ evaluation the ETC structure appears more amenable to a bilateral focus on aid relations rather than a thematic or principle focus that would suit the handling of the Paris Declaration issues. This worsens the extent to which the ETC is overstretched because it needs to deal with donors on a one-on-one basis.

Donors have, however, coordinated themselves around common principles. The JASZ evaluation thus observed that “the current structure of ETC remains in a pre-Paris Declaration and pre-Aid Policy and Strategy mould. The current ETC *modus operandi* in fact calls for diverse competencies that are designed to respond to the peculiarities of each donor and has, consequently, introduced a systemic overload on an already over-stretched staff whose day-to-day functions are already quite demanding” (OPM, March 2010, p.35). There was even the view that the ETC is being marginalized by the arrangement of the JASZ troika to meet the Secretary to the Treasury once a month.

One obvious contribution of the PD is that it made the principles more widely known and hence easy to relate to. Those who objected to the principles set in the HIP or other domestic agreements on aid effectiveness that followed, were now fewer as a result of the PD. At the same time, donor country offices could now more easily get the support of their headquarters on the country level aid cooperation because these principles were now global.

The interest and engagement in the aid effectiveness agenda among key stakeholders continues. This is seen in the fact that the different dialogue platforms established under the PRBS and JASZ MoUs continue to operate. However, there is dissimilar interest and level of commitment between the donors and the GRZ to this process. For those donors that signed either the PRBS or the JASZ MoUs, the interest in the aid effectiveness agenda continues to be high even though one or two donor agencies that are part of the JASZ appear to have begun to doubt the efficacy of these dialogue platforms and whether the aid effectiveness agenda as implemented is the right way to go. The JASZ evaluation observed that donor groups in different sectors continued to meet regularly even though the cost of coordinating and attending these meetings was recognized to be high.

Regarding the GRZ, commitment to aid effectiveness principles varies between ministries and departments. Within the Ministry of Finance and National Planning, for example, those closest to the management of the aid cooperation agenda such as the ETC continue to be interested. Others are less concerned and show little interest in this agenda. Perhaps this is a natural occurrence. Natural as well is that ministries with SWAps have sustained their interest and continued engagement. Less interest on the aid effectiveness is being displayed by those without SWAps. An example is that the level of seniority of civil servant representatives from sector ministries seems to be declining at the High Level Policy Dialogue meetings. This was specifically noted at the last HLPD in 2009. There have been two reasons offered to explain this. First is that sectors that were asked to contribute to the PAF indicators expected some direct reward regarding the performance of their relevant PAF indicators. The second is that senior civil servants in sectors not performing well on their PAF indicators simply stayed away from the HLPD meetings or sent very junior officers rather than attend and defend the poor performance.

There are three key influences regarding the way aid relations have worked since 2005. The first is Zambia's attainment of the HIPC Completion Point in 2005 and the subsequent debt write off that saw Zambia debt stock fall from US\$7.2 billion to only US\$500 million. With it ended the annual negotiations for debt rescheduling at the Paris Club. Subsequently, the role of the World Bank which often acted as a bridge between Zambia and other donors is no longer as prominent. The second is the rising status of China as a donor to Zambia. Of course the relationship between the two goes back to pre-independence days when China supported Zambia's liberation struggle. China gave loans to Zambia for huge infrastructure development projects such as the Tanzania-Zambia Railway in the 1970s. What is now different is that China has become the second largest economy in the world and her aid to Zambia is becoming more visible. She is not part of the aid effectiveness agenda either internationally or locally and her aid is mostly in the form of loans. The third has been the withholding of some aid due to alleged misappropriation of funds at the Ministry of Health. This last influence appears to have tested Zambia's aid relations more than has been the case at any other time since the mid-1990s.

No donor has directly stated that they would cut back aid as a result of the global economic crisis. However, there is belief among some GRZ officials that this has become an issue because the capacity to provide aid has reduced in the countries giving aid. There is more scrutiny by the populations of donor countries both as a result of fiscal austerity measures in developed countries and questions about accountability for aid in aid recipient countries.

There are no perceived tensions or tradeoffs between principles of the Paris Declaration. Three observations on how these principles are handled in practice can be noticed:

- a) PD principles and their sub-principles are at times interpreted differently by different players. For example, among the donors themselves, the division of labour is understood differently. Some so called "silent" donors have actually been very visible and articulate in practice. A review of the minutes for the agriculture SAG revealed that many more donors than just the sector CP troika including one silent donor attended these meetings regularly. It is difficult to assess the extent to which the non-troika members allowed the troika to steer the discussion

on behalf of the other donors during the SAG meeting. However, the JASZ evaluation's agriculture sector case study observed that among "CP themselves, concern was expressed about one or two CPs that did not sufficiently take a low profile and allow the troika members to lead the SAG discussions on behalf of the CPs" (Chiwele, March 2010, p.6).

- b) There is tension between the GRZ and donors around some specific principles and not between them. Mutual accountability perhaps generates the most tension between the GRZ and donors. Some GRZ officials interviewed expressed the view that whereas there is much scrutiny of government's actions, donors are not equally open to scrutiny on their part on issues such as timely release of aid. The inclusion of donor performance related indicators on the PAF may go a long way in addressing this perceived imbalance. Other GRZ officials also want civil society organisations receiving donor support to be made part of this mutual accountability framework. It seems a lot of ill feeling was created in government circles by the response of one head of mission to a question by a government official at the last HLPD meeting regarding whether it could be considered to include CSOs in the mutual accountability framework. The response that donors did not have problems with the CSOs because they accounted for the funds provided to them and that it was the GRZ with which they had issues left some feeling uncomfortable but the issue was not discussed any further. Civil society too is uncomfortable with the absence of a Mutual Accountability framework. They contend that because of this, even the donors also find it difficult to hold the government to account for certain decisions that it might unilaterally make with no consultation of the CPs or its citizens.
- c) Harmonization or ganging up? In some sectors, there is a view that harmonization has provided CPs a convenient platform with which to mobilize themselves to criticize government. They feel that abiding to PD principles has led to better opportunity for donors to "gang" up against government as they can more easily influence each other regarding some issues. For example, although the issue of fertilizer subsidies is of great concern to a number of donors providing support to agriculture, not all feel very strongly about the issue but all the CPs active in the sector have to take the same position as the other donors (Chiwele, March 2010). This view was repeated in the health sector as captured in the health case study following alleged theft of funds at the Ministry of Health.
- b) "To what extent and how has the implementation of the Paris Declaration led to an improvement in the efficiency of aid delivery, the management and use of aid and better partnerships (process and intermediate outcomes)?" (Core Question 2)

Increased leadership and ownership by the government is reflected in the collaborative development planning processes, national strategies and operational frameworks which have been strengthened since the advent of the Paris Declaration. However, there has been a lost opportunity to maximise the benefits of the return to national development planning. This has been primarily as a result of weak linkage between national development planning on one hand and budgeting, including prioritization of funding, on the other. This poor link is largely due to low staffing levels in the critical departments. There is also increased openness by government and development partners to include civil society in development planning processes with formal representation as evidenced in the health sector by CHAZ in aid coordination, although the extent of civil society participation and engagement is perceived differently across stakeholder groups.

Harmonization is well accepted by development partners particularly with respect to programme based approaches but standardized performance indicators and reporting still need to be harmonized. In terms of alignment, development partners have aligned most of their policies and programmes to the national development plan but have not linked most of their project or programme implementation processes to country systems. Managing for development results is being done mostly at project level. Zambia has recently conducted a Review of Mutual Accountability to investigate further outcomes.

Despite recognizing the need for harmonisation and alignment of donor systems and processes to local ones, many CPs were still relying on their own systems and processes, mainly due to difficulties arising from their headquarters or foreign policy requirements. As a result, many of the expected benefits from greater transparency and oversight have not yet materialized.

In terms of performance and accountability, there are now better systems including the Auditor General's Office and Parliamentary Accounts Committee. However, there is a general feeling among stakeholders that not much has been done to follow-up issues that have been highlighted by these institutions. There is a weak link between these institutions and the law enforcement agencies.

Less duplication of efforts has been noted through primarily the SWAp approaches that were formulated before PD but in a number of ways have been strengthened following PD. Though there has been a challenge in the health sector, efforts have been made towards the use of government systems for financial management, procurement, monitoring and evaluation. Though both the Wider Harmonization in Practice (WHIP) and Sector Advisory Groups (SAGs) started before PD, they have strengthened implementation of the PD, and also vice versa. The Joint Assistance Strategy for Zambia (JASZ) has been particularly a useful agreement aimed at reducing duplication of effort among CPs.

Predictability of financial flows though it had improved significantly, had poor ending in 2010. Following the alleged misappropriation of funds at the Ministry of Health, there has been a general freeze on ODA financial resources leading to government funding 100% of the health budget in 2010 and at least 90% of the agriculture budget in the same year. There is a poor link between head quarters and donor offices. The country donor offices do not have sufficient authority to make decisions that are informed by the local circumstances as the head quarters always have the final authority to overrule the decision.

Capacities for results-driven strategies are getting stronger. The Fifth National Development Plan has provided a framework for that through the Key Performance Indicators consultatively developed by all major stakeholders. These are used as a basis to measure implementation progress at sector as well as national level. The ministry of finance has established a department in the last two years mandated with monitoring and evaluation of development initiatives. However, there is still a long way to go as frameworks are still weak due to poor staffing. Nevertheless, the MFNP has continued to produce an annual report of the NDP to show progress made. Perhaps what is missing is a forum for a robust discussion of the report by all the key stakeholders such as the Annual Poverty Conference during the PRSP implementation.

It is perceived that there is too much focus on PD processes rather than translating them into development action. Another problematic area was the structure of dialogue between CPs and the recipient country. In interviews, many donors described the existing dialogue mechanism between GRZ and CPs as 'insufficient'. It was noted that, while CPs invest in and have access to quality information, the government does not do so, resulting in an unequal dialogue relationship between the two. This seems to affect the capacity of GRZ to effectively negotiate with donors. On achieving recognized standards of performance and accountability, it remains a challenge as the government continues to suffer from weak human and institutional capacities at all levels of governance.

- c) "Has the implementation of the Paris Declaration strengthened the contribution of aid to sustainable development results (development outcomes)? How?" (Core Question 3)

The extent of implementation of PD principles varies across sectors and hence the overall picture is mixed. Experience in the **Health sector** indicates that the relevance and contribution on development results of the Paris Declaration are best described as part of an ongoing continuum with some actions and achievements preceding the introduction of the Paris Declaration. The

endorsement of the PD principles has not only led to better understanding about what has to be done but also has increased the collective capacity of all stakeholders to be conscious of utilizing available resources more effectively and efficiently.

Areas of contribution to progress on aid effectiveness of the Paris Declaration include development policy framework, aid coordination mechanisms and sector wide management approaches. These are significant and sustainable results which have translated into some development investments which reflect all or some of the PD principles in their design and implementation. Specially, the Paris Declaration has enhanced intense dialogue in the health sector which has contributed to the development of mechanisms and processes that have encouraged coordinated support to national systems and the wider use of programme-based approaches. Paris Declaration commitments have guided implementation of the National Strategic Development Plan towards achievement of the Millennium Development Goals.

The Paris Declaration has encouraged harmonization of donor approaches as evidenced through the Joint Assistance Framework and Division of Labor in the health sector. However, most development partners are caught between working collectively at country level and responding to differing priorities and concerns of their Headquarters Offices. Inevitably, pressure remains on some development partners to retain direct accountability of their aid. The continued fragmentation of aid modalities places a huge administrative burden on sector capacity and is a reflection of the waning trust and confidence by development partners in national systems.

A significant proportion of investments do not have adequate monitoring frameworks and systems in place to enable results –oriented decision making and reporting. It is difficult to trace whether the PD has been an influencing factor in managing for results at sector level. Similarly, there is no evidence that the PD has been a determinant factor in influencing mutual accountability due to the asymmetric accountability relationships between government and the development partners.

With respect to administrative efficiency, reports and minutes of the SWAp coordination meetings from 2002 to 2010 showed that a substantial amount of time is spent attending these meetings. MoH staff interviewed indicated that considerable time is spent organizing and staging SWAp-specific and other technical meetings. As part of the organization process, matters arising during the meetings have to be followed up and action taken, reports produced and circulated to all members in time for the next meeting. The donors who were not pooling resources had their own separate planning, budgeting and reporting formats. This is reported to have increased the administration workload of staff, especially the programme managers at lower levels who have had to regularly submit reports to the Ministry of Health headquarters.

In the **Agriculture sector**, compared to the health sector, the heightening of PD-like principles may actually have taken place during the design and implementation of ASIP between 2000 and 2006, which includes some years before PD was actually adopted. At the time MACO/GRZ showed greater ownership by being in the driver's seat with respect to the design and implementation of ASIP and carrying out wide-ranging reforms including putting in place a new decentralized MACO structure to implement ASIP. The GRZ insisted on an end to all area based programmes and asked donors to support agriculture only through a single planning framework of ASIP. Management for results was far much more vigorous than with a clear results based M&E framework and Key Performance Indicators (KPIs) at sectoral level that fed into the overall macro level indicators. An external institution – the University of Zambia (UNZA) – was contracted to undertake Annual Sector Performance Analysis (ASPA). The ASPA fed into the GRZ/CP Annual Reviews where performance in the previous year was reviewed. This was the basis for the Annual Work Plan and Budget (AWPB) preparation for the following year (Agricultural Statistics, Policy and Planning Department, Ministry of Agriculture and Water Development, 1993, 1994, 1995, 1996 and 1997; ASIP Mid-Term Review Summary Report, 1998 pages 52 to 58; INESOR, ASPA Reports, 1999 and 2000).

However, alignment then proved problematic. It does so today. Despite the GRZ making great effort to strengthen the financial and procurement systems, very few CPs accepted to use national systems. Given that GRZ was strong on insisting that there would be no new stand alone projects, many donors simply held on to their funds and ASIP failed to live up to its ambitions. The Agriculture Commercialization Programme (ACP) which on paper succeeded ASIP abandoned the requirement of insisting on the use of national systems. A number of projects with their own implementation units such as the Smallholder Enterprise and Marketing Programme (SHEMP), the Agriculture Support Programme (ASP) and the Programme for Luapula Agriculture and Rural Development (PLARD) immediately followed but all claiming to adopt the ACP ethos of smallholder commercialisation.

The agriculture sector may have benefited from enhanced dialogue structures that have emerged since the adoption of the PD. However, the same contentious issues under ASIP still poison the CP/GRZ relationship – fertilizer subsidies and maize marketing – such that the aid relationship in agriculture is not as amicable as in health (save for differences resulting from the alleged theft of funds in 2009) and indeed education for that matter. This seems to show that PD principles could not be expected to work in the same way in all sectors. For the agriculture sector where there is less agreement on the vehicles for delivering services (e.g. whether private or public sector), a detailed framework for achieving sector objectives is bound to be very contentious. Perhaps learning from the past and ongoing experience, the CAADP Compact signed in January 2011 is not a detailed document but provides mostly a set of principles and commitments by different players expected to take agriculture forward.

The most notable results likely to have been contributed by PD influenced dialogue structures are the 8 refined policy statements in the draft Comprehensive Africa Agriculture Development Programme (CAADP) Compact relating to: equitable access to land; GRZ adherence to predictable, rule-based market and trade policies; GRZ promotion of diversified extension messages to cover all categories of small scale farmers; and GRZ commitment towards the provision of cost-effective, demand-driven research and extension linkages, among others (Zambia CAADP Compact 2009). These policy statements were extensively discussed by all key stakeholders in the agricultural sector through the SAG, including cooperating partners (CPs), GRZ, CSOs and the private sector. They form part of the CAADP document to which all major CPs have rallied behind as the frame for future funding to the sector.

Overall, there are indications that the capacity of Zambia to coordinate and manage aid is growing slowly, with improvements in public financial management, and procurement. However, major gaps remain in terms of analytical work, policy formulation, strategic planning and evaluation capacities. These have been receiving the least support. Most capacity-building has focused on core ministries, with limited attention to the needs of parliaments, auditors and civil society who play an active role.

### **Key recommendations on common questions**

It is vital that if the PD principles are going to be catalytic to the Zambia Development process, these principles are embraced and implemented at all levels within government and non-government sectors. These principles are more than dealing with aid effectiveness; they are also about enhancing better governance and generation of better outcomes for the citizens.

Beyond PD, it is evident that CPs and aid recipient countries will sustain the momentum generated in the pre-PD period and stepped up with PD to influence development outcomes in a more significant way. The next high level forum on aid effectiveness should tackle the issue of how to make aid more impactful on development outcomes such as poverty, inequality, and maternal and child morbidity. This may require coordinated and targeted support by development partners to initiatives that address inequalities more directly, improved monitoring and evaluation systems, and strengthening of service delivery systems such that a larger share of resources goes towards

actual service delivery rather than administrative costs. How to more effectively address social exclusion issues more directly through aid must also be top on the agenda of continuing dialogue on aid effectiveness.

Unfinished PD aspects such as frameworks for enforcing, and indicators for assessing Mutual Accountability need to be addressed as this will be pivotal for ensuring aid had development effectiveness. So applies to indicators for assessing transaction costs.

Methods for assessing the contribution of aid to development outcomes need to be worked further on building on the experience and lessons gained of the PD Phase 2 Evaluation.

## 1 INTRODUCTION

### 1.1 Background and Rationale

The Aid Harmonization agenda began to emerge following the Monterrey consensus and the Rome Declaration of 2002 and 2003 respectively. Since then various agreements and instruments have been developed to enhance the effectiveness of Aid, the most significant being the Paris Declaration (PD) on Aid Effectiveness, which has a monitoring framework with progress indicators. The Paris Declaration on Aid Effectiveness expresses the international community's consensus on the direction for reforming aid delivery and management to achieve improved effectiveness and development results.

In 2005, partner governments, bilateral and multilateral donor agencies signed the Paris Declaration on Aid Effectiveness. Over 120 countries and 30 international organisations are currently signatories to the Declaration. It provides a practical roadmap for improving aid effectiveness, with special targets to be met by 2010. The PD has five pillars, namely **ownership, alignment, harmonisation, management for development results** (MfDR) and **mutual accountability**. *Ownership* encourages aid recipients to articulate their own development priorities and manage the development process. *Alignment* requires donors to bring in line their aid with the priorities outlined by recipient countries in the national development documents, emphasising as well the need to have aid delivered as much as possible through country institutions and procedures. *Harmonisation* focuses on having the delivery of aid well coordinated among donor countries to reduce transaction costs. *Managing for results* recommends placing focus on aid making a tangible impact on the ground particularly in reducing poverty. *Mutual accountability* calls for transparency in the accounting for the use of aid funds between donors and developing countries and in accounting to their citizens and national parliaments. In 2008 the Third High-Level Forum on Aid Effectiveness in Accra named the Accra Agenda for Action (AAA) reaffirmed these principles and called for the acceleration of the implementation of the PD particularly given that the aid arena had become more complex with the entry of "new" donors such as China, India and Brazil.

Zambia actively participated in these important international meetings and decided to move the processes forward at national level. As already seen above, Zambia signed the Harmonization in Practice Initiative in 2002, which was later expanded into the Wider Harmonization in Practice (WHIP) to include other major donors in 2004. The WHIP MoU included an annex containing specific actions to be executed within agreed deadlines. The objective was to enhance ownership, alignment, and harmonization through such actions as increased use of budget support, establishment of more SWAps, increased reliance on government systems for procurement, fund management and auditing. The WHIP MoU also advocated for the strengthening of the Office of the Auditor General and the country's monitoring and evaluation (M&E) systems.

In order to understand what the Declaration has achieved for aid effectiveness, the OECD-DAC developed a comprehensive evaluation strategy. Phase 1 of the strategy focused on ways of improving the implementation of the Declaration. Eight countries participated in Country Evaluations and eleven Donor Agencies conducted Headquarter studies. Phase 1 findings were presented at the High Level Forum (HLF) on Aid Effectiveness in Accra in September 2008.

Phase 2 of the evaluation began in September 2009 and is being undertaken by a multinational team from International Organisation Development (IOD) Ltd. The findings of the evaluation will be presented at the HLF on Aid Effectiveness, to be held in Seoul in 2011.

Zambia participated in both the 2006 and 2008 survey on monitoring the Paris Declaration along with 33 other countries in 2006, and 50 other countries in 2008. These were based primarily on data and findings communicated by government and donors to the OECD. The results of the 2006 Survey provided the baseline indicators for monitoring the PD whereas the 2008 Survey analysed



the progress made up to that time, and assessed the likelihood of meeting the 2010 indicators. The results of these two rounds of monitoring have been documented on the OECD website and other publications<sup>1</sup>.

The 2008 results indicated that progress was being made but not fast enough. It was therefore important that this Phase 2 evaluation be carried out in-country, to assess how Zambia has implemented the Paris Declaration, and analyse its contributions to aid effectiveness drawing on the lessons learnt from the two surveys. The evaluation was required to come up with Zambia specific recommendations on the PD implementation and map out a way forward.

## 1.2 Specific objectives of the Evaluation

The purpose of the Phase 2 evaluation is to assess the relevance and effectiveness of the Paris Declaration and its contribution to aid effectiveness and ultimately development effectiveness, including poverty reduction. The evaluation design acknowledges the importance of country-specific differences including differences in policy, history, and resources both among donors and aid recipients. The aim of the evaluation is therefore to analyse results in context, taking into account preconditions or enabling conditions that may lead to or inhibit positive development results supported by aid.

The Terms of Reference for the Evaluation specify five study objectives, namely to:

1. Document the results achieved by implementing the Paris Declaration in Zambia;
2. Enable country-based “partnerships”, in which partner countries and donor/agencies clarify, improve and strengthen policies and practices with the Paris Declaration in the pursuit of aid effectiveness and development effectiveness;
3. Highlight barriers and difficulties that may limit effectiveness of the Paris Declaration and the effects and impacts – and how these barriers and difficulties may be overcome;
4. Strengthen the knowledge base as to the ways in which development partnerships can most effectively and efficiently help maximize development results through aid in different development contexts – including various degrees of “fragility”; and,
5. Enable sharing and exchange of experience amongst stakeholders, countries and partnerships so as to facilitate reflection, lesson –learning and policy improvement.

## 1.3 Analytical approach and methodology

### Assessing plausible contribution

The matrix questionnaire provided by the evaluations core management team was the backbone of this evaluation as a way to organise the evidence for assessing the plausible contributions of PD to development effectiveness and poverty reduction (see Annex 2). The matrix was designed in a way that would analyse three key areas:

1. PD Context: This assessed the factors that have affected the relevance and implementation of the Paris Declaration and its potential effects on aid effectiveness and development results.
2. Effects of PD on Aid Effectiveness: This focused on how and the extent to which the implementation of the Paris Declaration has influenced improvements in the efficiency of aid delivery, management and use of aid, and progress toward better partnerships. It looked at the aid modalities that existed before the Declaration and how the PD may have been a catalyst to aid delivery mechanisms post- 2005. This involved assessing the period 2000- 2010 in terms of

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<sup>1</sup> See publications on 2006 and 2008 Monitoring the PD surveys on [www.oecd.org](http://www.oecd.org)

changes in the aid engagement processes such as the setting up of the sector working groups, joint analysis between donors and with the government, changes in programme modalities, and adoption of performance management systems. Processes and intermediate outcomes around ownership, partnerships and delivering and accounting for results were particularly analysed.

3. *Effects of PD on Development Results*: This aspect was concerned with providing evidence regarding whether or not the implementation of the Paris Declaration has strengthened the contribution of aid to sustainable development results. It further explored the extent to which development results were influenced by the implementation of PD in Zambia and the ways in which the PD made its contribution to these development results.

## Sampling

Besides a general overview on the implementation and contribution of PD to development outcomes, it was required that two sector case studies be conducted. The health sector was already prescribed by the International Core Team. The agriculture sector was chosen by the Ministry of Finance and National Planning (MoFNP) in consultation with the National Reference Group (NRG) to offer a basis for comparison. MoFNP and the NRG chose the agriculture sector on the basis that it has grappled with donor coordination initiatives since the mid-1990s. The sampled key stakeholders for interviews consisted of 10 officials in government (including line ministries and agencies), 8 officials in development partner organisations (bi-lateral and multi-lateral), 2 in quasi-government institutions (commissions and parastatals) and 10 from other organisations including civil society, the academia and the private sector. They were selected based on a comprehensive stakeholder analysis which focused on roles, interests, priorities and influence in the selected sectors. This assessment was informed by: (1) The review of documents; (2) Lessons learnt from previous evaluations such as the Evaluation of the JASZ, Phase 1 Evaluation of Paris Declaration and Evaluation of the General Budget Support; (3) PD Monitoring Survey Reports; (4) Key informant interviews; and, (5) Focus group discussions.

## Data collection approaches and tools

The evaluation used both qualitative and quantitative data collection approaches, which combined desk review of existing secondary data and primary data collection through: (1) Face to face semi structured interviews; (2) Self-administered structured interviews; (3) Focus group discussions; and, (4) Stakeholder analysis.

1. **Document review against structured checklist** – documentary review was used to assist in the analysis of the context, extent of PD implementation, statistics on aid delivery, socio-economic indicators, and budgetary data. These documents included reports from government and donors, past evaluations, media reports, and sector programmes.
2. **Key informant interviews** – The consultants engaged stakeholders from government and the development partner agencies, civil society and academia in face to face interviews using a purposely developed interview guide.
3. **Focus group discussions (FGDs)** - FGDs were used to build consensus on broad issues during the evaluation. These issues were followed up during in-depth key informant interviews and documentary review. The FGDs were carried out in working group format with a cross-section of stakeholders – civil society, development partners and government.

In order to undertake the assignment in a systematic manner, the following instruments were developed and utilised:

1. **Semi-structured key informant interview guide** – This guide was developed to help ensure a systematic coverage of questions and issues by team members working individually. The topics were developed around the evaluation questions, but grouped and targeted according to the organisation or individual being interviewed. Being semi-structured, they allowed interviewers to explore unforeseen avenues of enquiry as issues arose. Interviews were held with officials at different levels of government, donor representatives and observers, civil society representatives, private sector representatives, parliamentarians and other politicians at different levels.
2. **Structured interview guide** – This tool enabled the team to solicit views of a wider range of respondents and those who are geographically dispersed. The questionnaire was e-mailed or hand delivered to respondents.

## 1.4 Limitations

At first, it was envisaged that the evaluation would assess the impact of the PD on development outcomes. During the inception phase of the evaluation, it was recognized that this was going to be too complex given the attribution difficulty as development outcomes were subject to a host of many other variables. Further consultation with the NRG and the IRG around the issue led to the decision to put emphasis instead on the assessment of the contribution of the PD to development results. Still even in this modified form, interpreting evidence with respect to PD contribution remained a challenge especially given that some of the aid effectiveness initiatives such as the Harmonisation in Practice and the SWAp in the health sector pre-dated PD.

Zambia has a Central Statistical Office (CSO) and numerous evaluation and assessments had been conducted. However, most periodic national reviews were some years behind posing challenges in getting real-time data and consistency. For example, the last survey to provide data on poverty, a key variable by which to check development outcomes, was conducted in 2006, a year after PD was adopted. Zambia's national population census was last conducted in 2000 and was being conducted again in 2010 at the time of the evaluation. The last National Health and Demographic Survey which provides key information on a number of health variables was last done in 2007. The team was thus forced to rely on facility based data from sector ministries which is obviously different from household survey data produced by the CSO.

The emergence of donors outside the Paris Declaration mechanism such as Brazil, Russia, India, China and South Africa known as the BRICS affected the aid architecture in Zambia. For instance resources from China (a country which has been increasing in importance regarding aid to Zambia) were often off-budget (meaning that they were not disbursed through Government systems).

Field work was undertaken in the period July to August when most officials of development partner agencies were away for their annual summer vacation. This delayed the interaction with cooperating partners until, in some cases, September.

Delays in the internal administrative processes at MoFNP effectively reduced the time frame for the evaluation by 8 weeks and consequently putting pressure on the team to deliver work within a shorter period.

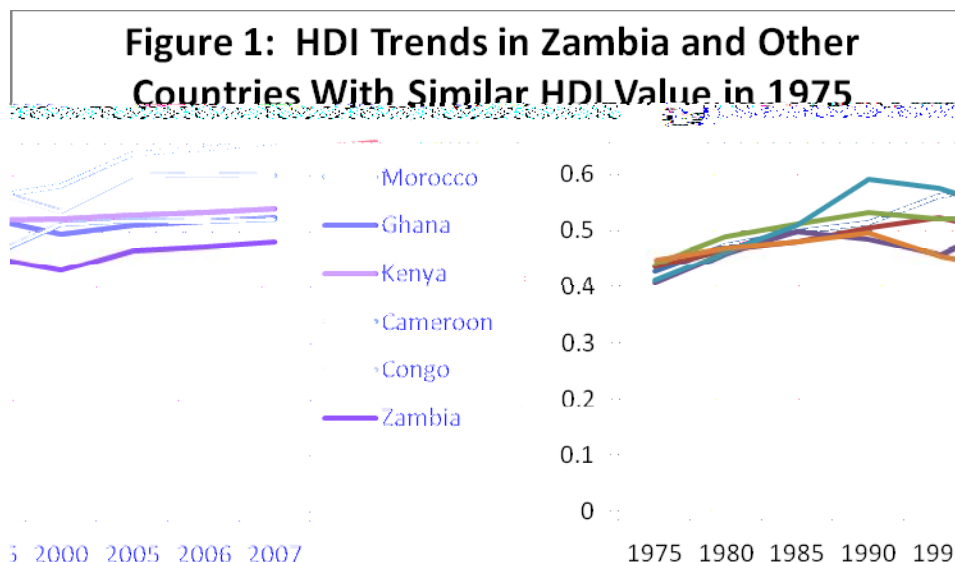
## 2 THE PARIS DECLARATION IN CONTEXT

**Core Question 1: “What are the important factors that have affected the relevance and implementation of the Paris Declaration and its potential effects on aid effectiveness and development results?”**

### 2.1 Key Characteristics of the Country Most Relevant to PD

#### Social and Poverty Context

The Paris Declaration’s emphasis on improved aid effectiveness was particularly relevant within the country’s context of deteriorating human wellbeing Zambia had gone through for more than three and a half decades. While there has been some progress in the last few years, the country is yet to achieve sustained improvements as seen in a range of indicators. The Human Development Index (HDI) which declined continually in the 1990s from 0.495 in 1990 to 0.431 in 2000 improved in the new century and was 0.481 in 2007. The annual increase between 2000 and 2005 was higher than between 2005 and 2007. However, Zambia is still classified as a low human development country being at position 164 out of 177 countries in the 2009 Human Development Report. This points to the fact that Zambia has been lagging behind other countries in making progress in human development. When compared to other African countries that had similar HDI as Zambia’s in 1975, the first year for which HDI has been calculated in the global Human Development Reports, Zambia though making progress since 2000, was by 2007 still lagging behind these countries (see Figure 1).



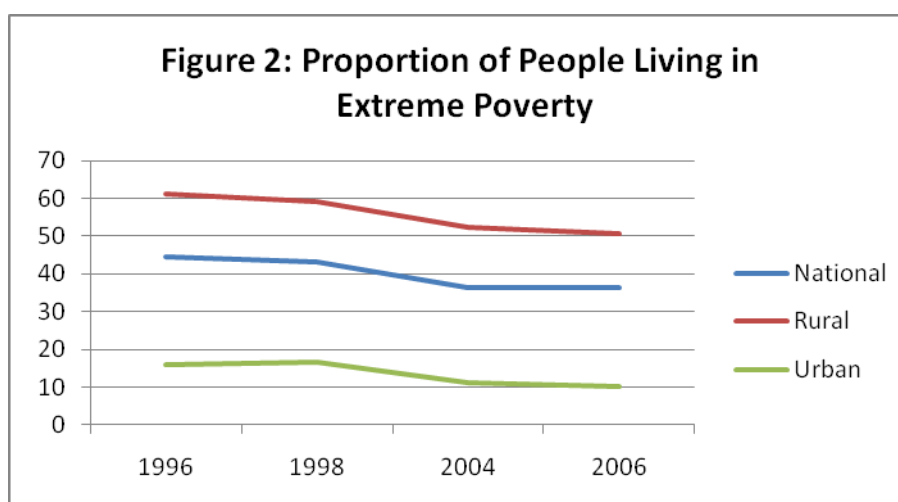
**Source:** UNDP, 2001: *Human Development Report 2001*, Human Development Indicators Table 2 and HDR 2009 Statistical Tables [www.hdr.undp.org/en/media/HDR\\_2009\\_Tables\\_rev.xls](http://www.hdr.undp.org/en/media/HDR_2009_Tables_rev.xls).

Another way of expressing what is captured in the HDI trends is to look at Zambia’s progress in MDGs. Baseline MDG indicators show that by the time the Heads of State and Government met in 2000 to adopt the MDGs, Zambia’s social conditions had deteriorated to such an extent that achieving these goals was going to be a great challenge in the first place. Furthermore, most indicators representing the MDGs either deteriorated or hardly changed between 1990 and 2003 when the first Millennium Development Goals Report (MDGR) for Zambia was published. The only improvements recorded were the primary school survival rate and the infant mortality rate. The

2008 MDGR showed an improvement over what was recorded in the 2005 MDGR. This was particularly the case for child malnutrition, primary education, infant mortality and the incidence of malaria. For this reason, the number of MDG targets listed in the MDG Report for 2005 as “unlikely to be achieved” fell from three to one (environmental sustainability) in the MDG Report for 2008. The targets on hunger, education, gender equality and HIV&AIDS were said to be “likely to be achieved”. The remaining indicators were reported as “potentially achievable”.

The slow progress in reducing poverty is perhaps for Zambia the most visible struggle in improving the country’s social conditions. Unfortunately since poverty data in Zambia goes only up to 2006, we are not able to differentiate between the period prior to PD and after. Although the incidence of extreme poverty dropped between 1996 and 2006, it seems the momentum that picked up from 1998 was lost between 2004 and 2006 (see Figure 2). This situation was made worse by the high inequalities in the country. The Gini coefficient a measure of inequality in consumption was estimated at 50.7 for 2007 in the 2009 HDR, a small decline from 52.6 in 1998 cited in the 2001 HDR. Compared to other countries, this is very high inequality. The poorest 10% accounted for only 1.3% of total income while the richest 10% accounted for 38.9% of total income in 2007.

Extreme poverty in rural areas is far much higher than in urban areas (see Figure 2). The poor performance of agriculture continues to keep the rural population in poverty. According to the 2005 Labour Force Survey, over 94% of people living in rural areas are dependent on agriculture for their livelihood (Government of the Republic of Zambia, 2007a). There is hope therefore that the good harvest posted in the last two agriculture seasons are the beginning of better times to come.



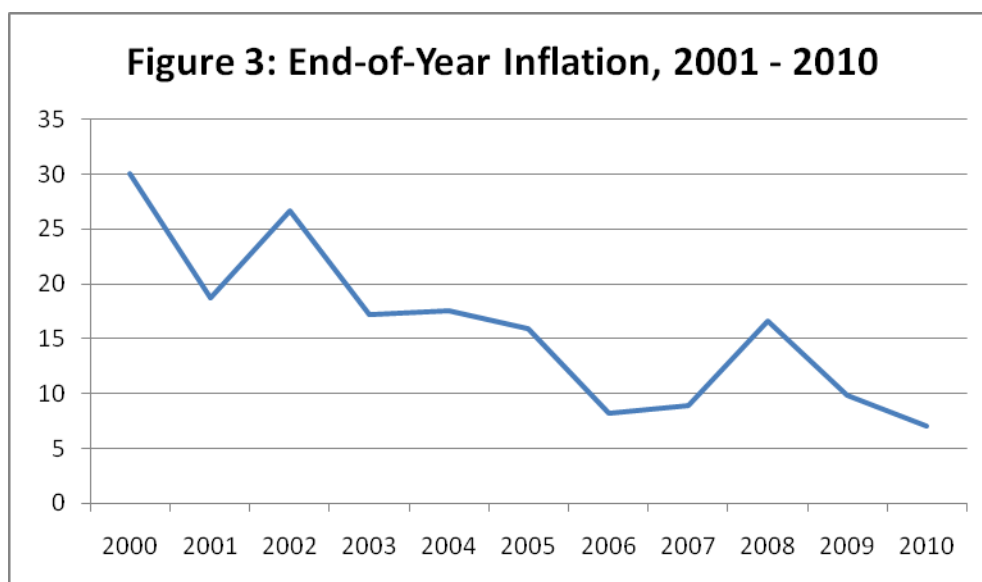
**Source: Central Statistical Office, July 2010: Poverty trends report 1996-2006.**

Amidst these poor human conditions, gender inequalities persist though the situation is improving slowly. According to MDG Reports, Zambia is making good progress in the primary net enrolment ratio of girls to boys which has improved consistently in the past decade. The prospects for equality between boys and girls in primary education by 2015 are very bright. However, the same cannot be said of secondary net enrolment ratio where girls lag behind boys and it is even worse in tertiary education. Global Human Development Reports show that the Gender Development Index (GDI) has also been improving, rising to 0.473 in 2007 from 0.420 in 1999. The 2009 HDR ranked Zambia better than it did with the HDI ranking. This is mostly because of some countries such as those in the Middle East that perform poorly on this score. Apart from life expectancy, there are significant gender differences in adult literacy, combined gross enrolment ratio and estimated earned income that have tended to pull down the GDI for Zambia. The 2009 HDR also estimated the Gender Empowerment Measure (GEM) at 0.426 and ranked Zambia at 92 out of the 109 countries for which GEM could be calculated. The ratio of estimated female to male earned income was put at only 0.56 indicating very high gender inequalities. Women made up only 34% of non-

agriculture formal sector employment in 2005 according to the Labour Force Survey of 2005. Zambia also does poorly on political representation such that only 14% of the country's members of parliament are women.

### Key Economic Features, Issues and Trends

The Paris Declaration has been implemented in Zambia at a time when economic development indicators were improving as seen in macroeconomic stability and economic growth. Improvements in social conditions for the Zambian population however have been occurring only slowly. Macroeconomic management has improved tremendously such that inflation fell from 16.6% at end of 2006 to 7.1% in November 2010, compared with an average of 22.1% between 2001 and 2004. Therefore, inflation in recent years has been at its lowest in many years falling from the three digit rates in the early 1990s. To achieve this, government has pursued tight fiscal and monetary policies. Fiscal policy was however loosened a little during the global economic crisis to counter the negative effects of the crisis.



Source: Central Statistical Office, [www.zamstat.gov.zm](http://www.zamstat.gov.zm) (The 2010 inflation is for November 2010)

Reduced debt service, the significant rise in copper prices coupled with an increase in production, the rise in Foreign Direct Investment and the increase in non-traditional exports (NTEs) contributed to the appreciation of the Zambian Kwacha by about 30% between January and December 2005 (Weeks et al, 2007). The appreciation of the Kwacha affected negatively the non-traditional exports.

Zambia's GDP has increased at an average rate of 5.2% per year between 2000 and 2009 (see Table 1). Positive economic growth began in 1998 after a long period of decline and stagnation that started in 1975 making this the longest period of sustained growth since independence in 1964. The GDP growth rate averaged 5.9% between 2005 and 2009 compared to 4.5% between 2000 and 2004. The high contributors to growth have been mining at an average of 8.5% and construction at an average of 15.7%. Manufacturing, although sluggish in comparison has also performed relatively well growing at an average rate of 4.2%. These three sectors contributed to improved social conditions more in the urban than in rural areas. The most important sector in uplifting living standards for the rural population, the agriculture sector, has performed poorly with growth averaging a mere 1.4% (see Table 1).

**Table 1: GDP Growth in Selected Industries, 2000 – 2009**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Total GDP</b>	3.6	4.9	3.3	5.1	5.4	5.3	6.2	6.2	5.7	6.3
<b>Agriculture</b>	1.6	-6.0	-6.3	8.0	6.1	-4.0	3.0	-2.7	1.9	12.3
<b>Mining &amp; Quarrying</b>	0.1	14.0	16.4	3.4	13.9	7.9	7.3	3.6	2.5	15.8
<b>Manufacturing</b>	3.5	4.2	5.7	7.6	4.7	2.9	5.7	3.0	1.8	2.5
<b>Construction</b>	6.5	11.5	17.4	21.6	20.5	21.2	14.4	20.0	8.7	15.6

Source: Central Statistical Office, [www.zamstat.gov.zm](http://www.zamstat.gov.zm) and MoFNP, Economic Reports.

The high growth rates in the mining sector have been propelled mostly by soaring international commodity prices which started to rise in 2001 and fortunately coincided with the completion of the privatization of the mines. Therefore, the supply problems Zambia had faced since the early 1970s were now being resolved by the new investors and output in copper was beginning to rise. Increased production and soaring prices combined to make a favourable impact on GDP growth. Mining was however severely affected by the recent global economic recession which saw growth in the sector falling to 3.6% and 2.5% in 2007 and 2008 respectively from 7.3% in 2006. It rebounded strongly in 2009 after copper prices began to recover. The growth in the manufacturing sector has risen as domestic demand began to pick up on account of overall growth. Improved stability and access to domestic borrowing meant that establishments which have been producing at below installed capacity could begin to expand production again. The drivers have been food, beverages, tobacco and non-metallic mineral and basic metal products. The performance of textiles and leather output on the other hand has been variable. As to be expected, construction has responded very positively to Zambia's economic boom.

The poor performance of agriculture is as a result of the underperformance of the small scale sub-sector. Some of the factors responsible for this include low labour productivity among small scale farmers, poor animal husbandry, inadequate access to farm inputs (fertilizer and hybrid seeds), labour constraints at the peak of the farming season, little reliance on farm mechanization and inadequate on-farm investments (Chiwela, et al, October 2010). Added to this is climate change and variability and the lack of adaptation by small-scale farmers. Yields have varied significantly from one year to another on account of changes in weather. Farmers neither use supplementary irrigation nor practice moisture conservation to mitigate rainfall failure at critical times of the growing season. In 2002, the GRZ introduced a fertilizer and hybrid subsidy scheme to boost production among small farmers. Given that variability of production continued, it is too early to categorically say that the scheme is having positive results. The scheme which has not been supported by donors has put strains between the GRZ and the donors but Government has resolved to press on. An evaluation of the Joint Assistance Strategy for Zambia concluded that principles to improve aid relations have not worked as well in agriculture as they have done in other sectors partly due to disagreements around input subsidies.

The global economic crisis of 2008 and 2009 was perhaps a critical test of the soundness of the economy and how far it had turned a corner. Copper prices that had peaked at US\$8,714 per tone in April 2008 having risen from US\$1,560 in 2002 fell to US\$3,222 by January 2009. This led to closure of some mines and a scaling down in investments. Zambia weathered far much better than expected with GDP slowing in 2008 and rebounding in 2009 to grow at an even faster rate than before. This has been attributed to four factors: (i) Radical macroeconomic reforms undertaken in the 1990s meant that there were no serious maladjustments that could have dislocated the economy further once hit by the shock; (ii) The economy was in a much stronger position to absorb the shock given the good performance posited in the previous 9 years before the global recession; (iii) Good response to the crisis by the GRZ whose fiscal triggers allowed spending to continue

despite the fall in revenue; and, (iv) A quick recovery in China and other emerging markets speedily turned around the fall in commodity prices, principally copper prices for Zambia (UNDP and MoFNP, December 2010).

### Governance Context and Fragility

Zambia has steadily improved on the Mo Ibrahim Index, a composite index of African governance, from 49.8 in 2000/2001 ranking 25 among African countries to 55.3 in 2007/2008 ranking 18 but there is still room for improvement. Progress has mostly occurred in the area of sustainable economic opportunities and human development. These improvements reflect what has been discussed above, the consistent GDP growth recorded in the last decade and the progress made in human development as captured in the indicators for the MDGs. Compared to other African countries, Zambia scores better in safety and rule of law and participation and human rights. However, at 66.5 and 59.7 in 2007/08 respectively, these two scores still have some way to go before reaching satisfactory levels attained by Africa's high performers like Mauritius and Botswana. Zambia has also begun to score better than Africa's average in recent years in sustainable economic opportunities but consistently underperforms relative to other countries in Africa in the area of human development.

**Table 2: The Mo Ibrahim Index of African Governance for Zambia, (2000/01 – 2007/08)**

Year	Safety and Rule of Law	Participation and Human Rights	Sustainable Economic Opportunities	Human Development	Ibrahim Index of African Governance
2000/01	65.8	48.5	42.4	42.4	49.8
2002/03	64.0	53.5	41.8	43.3	50.7
2003/04	65.3	52.9	42.7	43.4	51.1
2004/05	64.7	53.5	44.1	43.9	51.5
2005/06	65.1	55.5	47.0	44.3	53.0
2006/07	64.2	60.9	48.6	46.1	55.0
2007/08	66.5	59.7	47.8	47.3	55.3
Sample Average	56.0	46.9	42.1	51.8	49.2
SSA Average	55.9	46.9	42.1	51.8	49.2
N. Africa Average	55.6	45.8	40.8	50.0	48.1

Source: [www.moibrahimfoundation.org](http://www.moibrahimfoundation.org)

With the help of donors, the Office of the Auditor General (OAG) has made significant improvements in issuing out timely reports on the utilization of public funds by line ministries and other grant supported bodies. In accordance with its strategic plan for 2008 – 2012, the OAG has expanded its human resource capacity and has expanded its presence in all provincial centres of the country to improve audit coverage (OAGI, 2010). The OAG presents its report to the Parliamentary Accounts Committee (PAC) which invites controlling officers to respond to the findings of the report where the use of funds is found not to have followed laid down procedures and regulations. The hearings are open to the public and are widely reported in the media. Controlling officers found wanting are publicly censured by parliamentarians. What is clear is that every year the OAG reports serious cases of misapplication of funds. However, concern has been expressed over the inability of Parliament to translate recommendations into enforceable sanctions on the Executive and individuals where abuse of funds is detected (Chiwele, 2009). This undermines the Legislature's oversight role but also the effectiveness and integrity of the budget. Part of the problem is that there is no clearly elaborated mechanism for the Executive to pick up these revelations and bring sanctions to bear on the offenders.



## National Development Strategies

The Paris Declaration was adopted at a time when the country's ownership of the development process was improving. The GRZ began to articulate its development priorities much more clearly facilitating guidance to Cooperating Partners in Zambia's development. Although Zambia did away with national planning in 1991, it was reintroduced beginning with the Poverty Reduction Strategy Paper (PRSP) that ran from 2002 – 2004 and the Transitional National Development Plan (TNDP) from 2002 - 2005. Therefore, there were two plans running side by side in the period just prior to the Paris Declaration. After the PRSP was finalized with the support of the World Bank and a significant buy-in from other donors, the GRZ quickly drew up the TNDP because it felt that the PRSP did not embrace some sectors with particular emphasis on infrastructure. The GRZ wanted to put all expenditures into context.

Nevertheless, the PRSP remained the main focus. Partly this is because the PRSP was developed through a wide-ranging consultative process unlike the national plans developed before 1991 and indeed the non-PRSP components of the TNDP itself. Through Technical Working Groups there was wide participation by donors, civil society and the GRZ. Interestingly, the civil society organizations coordinated by the Civil Society for Poverty Reduction (CSPR) had significant amounts of their contribution included in the PRSP. The PRSP had an overall goal of reducing poverty from 73% in 1998 to 65% by the end of 2004. It sought to achieve this by stimulating sustained economic growth at an average of 4.2% per year through macroeconomic stability as well as improved performance in economic sectors (agriculture, manufacturing, tourism and mining) with potential for both growth and high impact on poverty reduction. Economic growth under the PRSP exceeded the 2004 target of averaging 4.6%. However, it failed to meet the poverty target of 65% as it came down to only 68% by 2004.

The TNDP and PRSP were followed by the Fifth National Development Plan whose tenure ran from 2006 to 2010. At the same time, the GRZ launched its Vision 2030 with three overarching objectives of: (i) Reaching middle income status; (ii) Significantly reducing hunger and poverty; and, (iii) Fostering a competitive and outward oriented economy. Being the first building block towards the Vision 2030, FNDP identified two priorities for public spending, which were: (i) Strengthening the relevant economic and social infrastructure, especially roads, schools and hospitals; and (ii) Enhancing agriculture and rural development. On 29<sup>th</sup> September 2010, the Government introduced the draft Sixth National Development Plan for public comment and review. It continues with the ambition of the FNDP to have Zambia attain middle-income status by 2030. Its strategic focus is infrastructure and human development with four key objectives: (i) Accelerate infrastructure development; (ii) Promote economic growth and diversification; (iii) Promote rural investment and accelerate poverty reduction; and, (iv) Enhance human development.

## Organization of Government (Decentralisation and Aid Management)

### *Status of Decentralisation*

Zambia has had a multiparty parliamentary democracy since the abolition of the one party system. It also has a constitution that provides for separation of powers between the executive, legislature and judiciary. There are 160 Members of Parliament (MPs) of whom 150 are elected. The President can nominate up to 8 MPs. The Speaker of the National Assembly and the President are both counted as part of Parliament. This means that there are 150 constituencies which elect an MP. Each constituency is further sub-divided into wards which elect councilors who in turn sit on the council of the respective municipality. There are 73 municipalities synonymous to the number of districts. The 1991 Local Government Act has been amended several times to give municipalities mandate over a wide range of development initiatives in their areas .

However, there is a parallel system at district level as line ministries with devolved units operating at district level and not accountable to local authorities but their headquarters in Lusaka operate at district and sub-district level as well (Chiwele, 2002 and Institute of Democracy in Africa and RuralNet Associates Limited, November 2010). Line ministries receive most of central government and donor support while local authorities have few resources. In order to provide better coordination, District Development Coordinating Committees (DDCCs) were introduced in the 1990s. The DDCC is the main coordinating organ with respect to planning and supervision of development activities in the district. It consists of district heads of line ministries and is chaired by the District Commissioner. It is linked to the Local Authority through the Council Secretary who acts as the secretary to the DDCC. Before the appointment of the District Commissioner in 2000 (previously called District Administrator), the Council Secretary chaired the DDCC. Through the Council Secretary, decisions of the DDCC are submitted to the District Council for ratification.

At district level, line ministries report to the District Commissioner who coordinates the activities of Central Government in the district. The Commissioner is not formally linked to the Local Authority except indirectly through the DDCC's decisions when passed on to the Council. When the office was first created in 2000, the Commissioner reported only to the President making the office bearer more of a politician than a technocrat. In 2002, effort was made to rationalize the office of the District Commissioner by making the office bearer a civil servant reporting to the provincial Permanent Secretary.

Line ministries that report to the DDCC also report to their provincial offices, creating a dual reporting system. However, of the two, reporting through the ministerial channels to the province tends to be stronger as resource flow and technical supervision tend to also follow the same channel. A number of line ministries such as health, education, community development and agriculture have officers operating at sub-district level. Through these, some line ministries have created sub-district level committees which include membership of beneficiaries of their services. This has been done with a view to enhance stakeholder participation.

Despite this effort, poor coordination at district level has been observed in four main aspects (RuralNet Associates Limited, June 2005). First is the lack of coordination between the different offices of district councils mainly arising from weak district planning units. Second is the poor coordination between the central government and district councils particularly that the district commissioner who chairs the DDCC does not report to the district council. Third is the preference by central government and donors to fund development through sector ministries rather than local authorities. Fourth, which arises from the third aspect, is that sector ministries at district level put emphasis on sector-based planning rather than on district planning. The third and fourth factors undermine the extent to which the district strategic plans which are supposed to be a coordinating tool for development in the districts and are developed with the input of communities can be effective.

To deal with these weaknesses, the GRZ adopted a National Decentralisation Policy (NDP) in November 2002 which was subsequently launched by the President in August 2004 (RuralNet Associates Limited, 2006). The NDP was adopted against the background of poor and declining service delivery by local authorities and inadequate participation of citizens in local decisions that affect their wellbeing. Its specific objectives include, among others:

1. Empowering local communities by devolving decision making authority, functions and resources from the Centre;
2. Promoting a bottom up integrated development planning approach;
3. Promoting accountability and transparency in the management and utilisation of resources; and,
4. Providing a legal and institutional framework to promote autonomy in decision making at the local level.

The Decentralisation Secretariat anticipated that ten years would be required to fully implement the NDP. However, it no longer seems feasible that significant devolution of power would be achieved by 2012 due to a prolonged delay in approving the Decentralization Implementation Plan.

### *Aid Management*

The GRZ developed its Aid Policy and Strategy in 2005 although it was not adopted until 2007 (Government of the Republic of Zambia, May 2007). This was at the same time the Joint Assistance Strategy for Zambia (JASZ) was being developed among Zambia's donors (Government of Canada, et al, April 2007). The aid policy sought to reduce progressively Zambia's dependence on aid, promote the use of GRZ systems to manage aid resources, encourage a multi-year time frame, make Technical Assistance (TA) demand-driven, strengthen monitoring systems, progressively move towards Direct Budget Support which was the preferred aid modality for the GRZ, have the Ministry of Finance and National Planning as entry point for aid cooperation and have aid as much as possible aligned to the GRZ planning cycle. Therefore, the principles of the Zambia aid policy moved in tandem with those of the Paris Declaration (Oxford Policy Management, March 2010).

Zambia has been a frontrunner in putting in place structures for cooperation between the GRZ and donors with regards to aid effectiveness. In 2002 seven bilateral donors (Norway, Denmark, Sweden, Finland, Ireland, the Netherlands and the United Kingdom) signed an MoU with the GRZ (OPM, March 2010). The MoU was called the Harmonization in Practice (HIP) and had harmonization and alignment of aid modalities as the major focus. Since it sets the basis for the agreements on aid effectiveness that came later, it is important to list its provisions hereunder:

1. Encourage donors to adopt GRZ management systems;
2. Promote a harmonized approach to country planning behind the PRSP;
3. Work towards a more coordinated entry by like-minded donors into budget support;
4. Promote adoption of sector-wide approaches whereby donor funding is guided by a single sector policy and expenditure programme;
5. Ensure donor harmonization of their policies/approaches towards the requirement for counterpart funding;
6. Facilitate donor agreement on, and utilization of, joint reviews of programme support in those areas where there is common interest;
7. Help GRZ develop the Aid Policy;
8. Introduce measure to improve the effectiveness of TA;
9. Make GRZ take a leadership role in project and financial reporting and monitoring systems; and,
10. Ensure development of poverty monitoring indicators.

The HIP quickly attracted the interest of other donors who wished to become part of the MoU and so in April 2004 a new MoU was signed called the Wider Harmonization in Practice (WHIP). The UN system in Zambia and the World Bank were now included but the number of signatories to the WHIP eventually rose to 17 (GRZ, April 2004).

One month after the signing of the Paris Declaration, a Poverty Reduction Budget Support (PRBS) MoU was signed between donors and the GRZ in April 2005 (GRZ, April 2005). The PRBS MoU was specific to one aid modality, i.e. Direct Budget Support (DBS) to provide aid to Zambia through the budget process without being earmarked to a given sector or project/programme. The signatories were to deliver aid through the GRZ financial management systems and budget procedures and spend according to GRZ's priorities. The initial signatories on the donor side were the Netherlands, Norway, Britain, the World Bank and the European Union. The IMF which did not sign the MoU was granted an ex-officio status. The DBS donor group was later joined by Germany, Finland and the African Development Bank.

To support the achievement of the intended outcomes of the PRBS, a dialogue architecture was constructed and embedded in the MoU. The GRZ and its partners would meet twice a year to review performance based on the indicators contained in the Performance Assessment Framework (PAF). The PAF Indicators and targets reviewed and agreed to annually. Other areas for dialogue include discussion on budget performance and status of the underlying principles to the PRBS MoU. The MoU also provides for a Joint Steering Committee (JSC) led by three lead CPs, rotating every two years. The JSC is tasked with dealing with technical issues on a quarterly basis or more often if need be. The JSC appoints a Joint Executive Committee (JEC) to prepare for the various meetings provided for in the MoU.

Recognizing that a significant part of aid to Zambia was still earmarked to projects/programmes, 16 donors signed the Joint Assistance Strategy for Zambia (JASZ) in April 2007. CPs had started negotiating for the JASZ about two years earlier. Unlike the PRBS MoU, the GRZ was not a signatory to the JASZ. A special emphasis of the JASZ was the reduction of transaction costs for the donors and the GRZ through a division of labour among the donors. The JASZ went beyond the PRBS as its focus was on aligning as much as possible different aid modalities both budget and off-budget support to the priorities enshrined in the FNDP.

#### External and Domestic Resource Mobilization Patterns

According to the Ministry of Finance, 28 different donors are providing ODA to Zambia, but there are many more who are giving aid through NGOs. The actual numbers is not well documented. Therefore, the ODA total as presented in Table 3 is less than the total ODA flows to Zambia but how significantly less this is remains an empirical question. ODA to Zambia is very concentrated such that the top three donors provided 34.0% of ODA between 2006 and 2009. The ten largest donors between 2006 and 2009 were; EU (14.3%); USA (10.7%); United Kingdom (9.0%); UN system (8.9%); World Bank (8.7%); Netherlands (7.6%); Norway (5.6%); Denmark (5.2); AfDB (4.4%); Germany (4.3%) and Japan (4.3%). The rest provided 17%.

An intermediate indicator for measuring aid cooperation is the extent to which direct budget support and sector budget support delivered through SWAps which are the preferred aid modalities for the GRZ are increasing in the total share of ODA. From Table 3 project support as a share of ODA increased between 2002 and 2004 but started to decline thereafter up to 2008 and rose again in 2009 as DBS, which had been rising since 2004, fell while the volume of project support increased.

**Table 3: Overseas Development Assistance to Zambia – 2002 - 2009**

Indicator	2002	2003	2004	2005	2006	2007	2008	2009
Total ODA (\$'m)	754.1	406.4	519.8	652.0	596.2	647.4	846.7	918.6
Direct Budget Support	311.1	58.8	64.8	153.7	140.0	152.2	250.7	196.2
Grants	81.9	38.9	44.1	129.7	140.0	152.2	218.9	163.7
Loans	229.1	19.9	20.7	24.0	0.0	0.0	31.8	32.6
Project Support (PS)	443.1	347.6	455.0	498.3	360.4	344.1	432.2	579.4
Project Support % of ODA	58.8	85.5	87.5	76.4	60.45	53.2	51.0	63.1
ODA as % of GDP	22.0	9.1	9.3	6.8	5.5	5.6	5.8	7.0

Source: UNDP and MoFNP, December 2010; GRZ, 2010: Development Cooperation Report 2009.

In this sense, therefore, progress has been made towards achieving one of the objectives of donor cooperation although there is a view that Project Support still remains too high and that the rise in 2009 is a major concern. The JASZ evaluation provides us with a view on the progress made with regards to donor cooperation (OPM, March 2010). The evaluation has indicated that other issues meant to be dealt with through the various memoranda remain in the areas listed below:

1. Donor cooperation has been more effective in the area of improved processes than at the level of aid effectiveness and improved development outcomes. Nevertheless, the evaluation of the DBS once complete will be more authoritative on this issue as it is dealing with the question of impact much more comprehensively.

2. The dialogue architecture emerging from this cooperation often does not respect GRZ processes and existing consultative mechanisms are driven by arrangements developed by donors.
3. Although there has been some progress regarding harmonization, bilateral decision-making and requirements still dictate many actions.
4. Mutual accountability is seen as weak by a majority of CPs, and there has been little progress under the JASZ in developing a mutual accountability framework.
5. There is limited delegation between HQ and country offices. This prevents the extent to which the GRZ is able to exercise leadership of donor cooperation.

It is not clear whether transaction costs on the part of the GRZ have reduced, partly due to lack of monitored indicators that quantify these costs. Officials in health, agriculture and other sectors interviewed suggest that if this has happened it is only to a limited extent because of the tendency by many donors not to respect their own arrangements in communicating with the GRZ and instead “secretly” holding individual discussions. On the other side, within the sector ministries, some departments feel marginalized in dialogue and have preferred the continuation of the old system especially where there had been a long standing relationship between a department and a particular donor.

#### Events that Have Affected PD Implementation

##### *Key Issues Affecting Aid Arena in the Country*

A number of events have affected aid relations in Zambia. The country's huge external debt situation estimated at US\$7.2 billion before 2005 had compromised the funding of public sector activities as a big part of export earnings had to be set aside to service debt. In recognition of the constraints that debt servicing imposed on public expenditure and her economic reform efforts, Zambia accessed the Highly Indebted Poor Countries (HIPC) initiative in December 2000. In April 2005 Zambia attained the HIPC completion point which saw her external debt stock reducing from US\$7.2 billion to US\$3.5 billion. Additionally debt write off under the Multilateral Debt Relief Initiative reached at the Gleneagles G8 Summit in 2005 further reduced the debt stock to less than US\$600 million. From that time onwards the Zambian Government has tried to follow strict debt sustainability criteria in contracting new debt. Grants are preferred to loans. Where loans are procured, they are to be preferably targeted at infrastructure development.

A coalition of civil society organisations had partnered with international organisations to champion Zambia's debt forgiveness. With this goal attained, they have now turned their focus on the need to reform domestic procedures for contracting loans. Although there are procedures outlined as imbedded in the Aid Policy Document, the CSOs express concern that Parliament is not privy to and provides little oversight on how new loans are procured by the Government. They objected vociferously to some loans.

Related to this is the rise of China as an important donor to Zambia. In terms of the volume of total disbursements, China moved from number 17 to 12 between 2006 and 2009 on the list of donors to Zambia. China appears not to be recognizing the PD principles and is not part of the dialogue platforms setup to improve aid effectiveness. In 2008, China accounted for about 35% of loans Zambia received.

Other events that have been important include the signing of HIP, WHIP, JASZ and the PRBS as described above. Although they mostly came about before the adoption of the PD, they nevertheless adopted PD-like principles and, although not officially, the dialogue platforms put in place have been the means through which the PD principles have been discussed and taken forward at country level.

The surge in copper prices between 2002 and 2008 was expected to have significant impact on aid relations but this turned out not to be the case. The expectations were that with the copper boom, revenue collection from the mines will also go up significantly and Zambia will get less dependent on aid. However, the GRZ had signed agreements with the new mining companies at the time of privatization with very generous waivers to encourage them to make significant investments and recapitalize the plants. In 2007, the GRZ imposed windfall taxes with forecasts of high substantial revenue collections from the mining sector. The mining companies resisted this and with the advent of the global economic crisis the GRZ in 2008 scrapped the new tax regime.

## Place of Aid Subject to PD Principles

### *Pre and Post PD Trends in ODA and Other Resources*

From Table 3, it is seen that ODA as a percentage of GDP has continued to decline from 9.1% in 2003 to 6.8% in 2005 and then to 5.8% in 2008 before rising again to 7.0% in 2009. ODA has not increased at the same pace as the country's GDP. Zambia is increasingly relying less on ODA for her development. In the meantime, Foreign Direct Investment rose from \$121.7 million in 2000 to \$939 million in 2008. It increased only slightly to US\$959 million in 2009 due to the global economic crisis but has rebounded strongly to US\$2.4 billion in the first half of 2010 alone according to the Zambia Development Agency. Zambia is currently regarded as one of the favored destinations for FDI in sub-Saharan Africa. This is mostly attributed to investments in the mining sector. China, India, South Africa and Canada are among the main sources of FDI.

Trade has also performed well since 2000. Merchandise exports have increased more than six-fold from US\$746 million in 2000 to \$5,089 million in 2008 driven by increased production and exports of copper. Up to the mid-1980s, copper accounted for 95% of total merchandise exports. Non-traditional exports such as sugar, cotton, tobacco, electrical cables and fresh flowers also increased significantly, from \$248 million in 2000 to over \$881 million in 2008. The share of Non-Traditional Exports (NTEs) in total exports increased gradually thereafter until it reached 33% in 2000. The recovery in mineral exports after 2000 saw the share of NTEs reduce drastically to 17% in 2009 even though the volume of NTEs increased almost three times between 2000 and 2009. Therefore, there has been an increase in both mineral and non-traditional exports but with mineral exports rising faster than for NTEs.

Zambia does not get much in remittances because of the small size of her Diaspora. Remittances consequently oscillated between \$10 million and \$20 million between 2005 and the second quarter of 2009.

### Key Actors in Aid Relations

The key actors in aid relations can be grouped into five categories: (i) donors; (ii) parliament; (iii) civil society organisations and the general public; (iv) Ministry of Finance and National Planning; and (v) line ministries. Perhaps an organizing instrument around which all these meet to influence aid relations is the national budget. The process of drawing and implementing a budget is on paper very consultative but due to various institutional weaknesses both at MoFNP and by other stakeholders, the extent and quality of consultations is less than desired (Chiwela, July 2009).

Parliamentary oversight in the contracting of aid is limited. Nevertheless, at the level of use of funds as provided for in the national budget the role of Parliament is much clearer. Its responsibility

is to scrutinize the budget so that the interests of citizens are catered for and policies and principles agreed to by the country are reflected. Factors preventing Parliament to effectively play this role include the Executive's tendency to submit supplementary expenditure estimates after the expenditure has taken place and Parliament is made to approve these expenditures. The second factor is that Parliamentarians also have little information on policies and principles that shape the construction of the budget to effectively scrutinize it. Thirdly, Parliament plays a minimal role in the construction of the Medium Term Expenditure Framework (MTEF) from which the annual budgets are drawn.

The Ministry of Finance and National Planning is at the centre of managing aid relations in Zambia. It engages donors at various platforms both international and domestic to mobilize aid resources. It makes itself accountable to the wider GRZ, Parliament, civil society and the citizens at large over matters of mobilisation and use of aid and other resources. But the MoFNP has major human resources weaknesses which prevent it from carrying out these roles effectively. As an example, the restructuring of the ETC in recent years undermined its capacity to coordinate donor cooperation let alone systematically promote the implementation of the PD principles. Currently there are only four staff managing donor relations. As stated earlier, there are 28 donors. The imbalance immediately conveys the extent to which the MoFNP is overstretched in effectively managing donor relations let alone the Paris Declaration commitments.

Line ministries are heavily involved in managing of aid related to their activities. Although in the end it is the MoFNP which signs the aid agreements on behalf of the GRZ, negotiations leading to this are usually championed by the respective line ministries. Once the aid has been contracted, the line ministries host the necessary dialogue mechanisms to ensure that issues of implementation are constantly tackled. Sector Advisory Groups (SAGs) have emerged as the most important forum pulling together various players in the sector. The extent to which SAGs have been effective varies considerably. However, most have tended to become active only around the design period of the national development plan and their meetings are usually ad hoc, meeting only when there are critical issues at hand rather than quarterly as provided for in their terms of reference. There has also been a view in some SAGs that donors tend to dominate these discussions (For example see Chiwele, March 2010 and Monica Chundama with Chiwele, June 2010).

Line ministries engagement with the Ministry of Finance is also not as it should be. First, the MoFNP which has a seat on every SAG rarely attends these meetings and hence cannot monitor the quality of dialogue and issues being discussed. Second, over the years, as disbursements to line ministries failed to abide by the agreed timings, the integrity of the budget got undermined. Third, line ministries complain that the process of reducing the budget proposals to remain within the MoFNP ceilings is not done systematically which reduces the effectiveness of the budget once drawn and implemented. Therefore, line ministries staff do not invest enough time in drawing up work plans and budgets because they do not think that these would be properly funded or assume that the budget even if approved would be erratically reduced throwing the plan off course.

Various CSOs are involved in a wide range of budgetary issues. They mostly focus on general advocacy for transparency in public expenditure matters and inclusion of poverty-related expenditures in the budget. Of particular concern to organizations such as Transparency International Zambia (TIZ), Integrity Foundation and Inter Africa Network for Human Rights and Development (AFRONET) is to advocate for systems that prevent the abuse of public funds. Others such as the Civil Society for Poverty Reduction (CSPR), Jesuit Centre for Theological Reflection (JCTR) and the Catholic Commission for Peace, Justice and Development (CCPJD) advocate through various channels the inclusion of aspects important to the poor. Organisations such as the Economics Association of Zambia (EAZ), the Zambia Institute of Chartered Accountants (ZICA) and the Agriculture Consultative Forum (ACF) provide a forum for budget analysis particularly in the aftermath of the budget presentation by the Minister of Finance to Parliament.

Forums identified above help the involvement of the public in budgetary affairs. However, there is no precedence of Government altering the draft budget to accommodate observations made during post-budgetary discussions. The MoFNP during preparation invites the public and interest groups to submit proposals for consideration in the budget. It is unclear to what extent these submissions are taken into account. In a democratic environment, the public would influence the budget more indirectly but very strongly by voting on policy issues and bringing into power a party that more closely reflects people's aspirations. But Zambia is classified a neo-patrimonial state with its politics dominated by personalities of contending parties rather than policies and principles (see Oxford Policy Management, February 2008).

### The Extent to Which the PD Principles Have Been Implemented

PD-like principles have been long sought after in different agreements between donors and the GRZ and among donors themselves even before the PD was adopted in March 2005, hence it is necessary to differentiate between the principles themselves and the declaration. The assessment provided here is on the principles without attributing them to the Paris Declaration as such. It draws on the discussion provided above but also relies a lot on the conclusions arrived in the evaluation of the JASZ by the Oxford Policy Management conducted in the first part of 2010.

- a) *Ownership: [Quite significant engagement]*. Donors have supported Zambia's return to NDPs as a means for the country to articulate its own priorities. The PRSP was developed with World Bank support and took a highly consultative process to ensure that the views of all stakeholders were taken into account. After it was developed, the PRSP became the main document of reference with respect to development cooperation between the GRZ and Zambia's cooperating partners. The same has been the case with the FNDP. Another example of donors' respect for the priorities set in the NDPs is that the PAF indicators which serve as the main input into the dialogue between Zambia and her cooperating partners involved in DBS are mostly taken from indicators in the FNDP. Some of the difficulties emerge as a result of a perception by donors that the GRZ is not complying with the priorities in the FNDP. This is the case with the funding of the agriculture sector of which two-thirds over the past years has been going to maize support through the Farmer Input Support Programme and the Food Reserve Agency. Within the FNDP, these two activities were the least of the eleven priorities under the agriculture sector.

The JASZ evaluation (Oxford Policy Management, March 2010) finds, however, that the sense of country ownership varied from sector to sector. It appeared strong in sectors with a SWAp (e.g. health and education) but very weak in the sectors where sector coordination was problematic (e.g. agriculture). With respect to allowing the GRZ exercise leadership in managing aid, the JASZ evaluation concluded that the GRZ's systems and processes for aid management and for taking an effective cross-sectoral strategic view on aid issues were weak. It placed a big question mark on the GRZ's ability to influence donors.

- b) *Alignment [Quite significant engagement]*. After it was finalised, donors in developing their subsequent country strategies took cognisance of the strategic direction provided in the PRSP as an attempt to line up their aid behind Zambia's own set priorities. For example, the PRSP indicated that the commercialisation of smallholder agriculture was to be the main pillar for developing agriculture in subsequent years. A number of donors in the sector took cognisance of this with a new generation of projects that had commercialisation as the core of their support coming in place. Sweden developed the Agriculture Support Programme (ASP) under the theme of "*agriculture as a business*", IFAD came up with the Smallholder Enterprise and Marketing Programme (SHEMP) while the United States of America had the Productivity, Finance and Trade (PROFIT) all tackling different aspects of smallholder commercialisation.



The decision to move progressively towards DBS or SWAp funding offered the best opportunity to enhance alignment. However, because project support continued to be predominant and even increased to 63% in 2009, as disbursement of DBS was suspended for a while, progress in alignment was slow. The dominance of vertical funds in health also undermined alignment even under a SWAp arrangement.

The JASZ evaluation found that weakness in the GRZ systems tended to hinder progress in CPs using country systems. This was particularly the case regarding financial reporting and addressing fiduciary risk. Donors have nevertheless strongly supported capacity building in this area such as the support to the Office of the Auditor General by Norway and the Public Expenditure Management and Financial Accountability (PEMFA) by a consortium of donors.

- c) *Harmonisation [Quite significant engagement]*. The JASZ evaluation observed that Zambia has advanced on the Division of Labour more than her neighbours in the region. This has helped to streamline processes of engagement between GRZ and donors with a view to reduce transaction costs on the part of the GRZ. However, interviews carried for this evaluation as well as for the JASZ evaluation found that there has been some doubt about this because donors at times do not respect the spirit of communicating through the lead donor or the troika, wanting to engage the GRZ directly. At the same time, donors find the discussions that they have to engage to reach a common position burdensome. For the lead donors in particular, there is an obvious increase in the transaction costs just to manage the dialogue processes.

The outcome of whether the GRZ has shown leadership in determining the Division of Labour has been mixed. In some sectors such as health, education and environment the GRZ has been very proactive in determining the CP leadership. The resulting DoL has also heavily influenced CP's staffing in Zambia. And yet the GRZ also appears to lack space in this regard as a lot of times the DoL was due to decisions taken by the CP HQs rather than as a result of dialogue at country level.

- d) *Managing for Results [Limited engagement]*. Both the GRZ and donors have expressed dissatisfaction with the high number of PRBS PAF indicators and questioned the poverty relevance of some. There have been questions regarding the process of indicator selection. In environment, for example, frustration was expressed in two areas (Chundama with Chiwele, June 2010). First is that the sector has been unable to set indicators that can be used to assess progress in the sector more generally. Secondly, the PAF indicators are process and not impact indicators. This arose from the fact that PAF indicators are reviewed twice a year while environmental indicators take much longer to have data collected and reviewed. It is agreed by both the Ministry and donors that the current environment indicator on the PAF may not be effective in monitoring environmental change on the ground.
- e) *Mutual Accountability [Very limited engagement]*. The low score on this is attributed to the Mutual Accountability Framework which has not yet been developed by the donor group although there have been some discussions towards this. It is nevertheless noted that the PAF for 2010 included three indicators on PRBS donor performance. This will go a long way towards addressing concerns that accountability was not mutual as it seemed that it was only the performance of the GRZ that was at stake and not that of donors. Some Zambian officials have even asked when the civil society would be brought into this matrix of accountability since they too are recipients of donor aid.

## Conclusions on the Paris Declaration in Context

The momentum towards more aid effectiveness started before the Paris Declaration was adopted in 2005 as outlined above. Some stakeholders who were interviewed even argued that the PD borrowed a lot from what had already been going on in Zambia. A key expectation, therefore, is that the adoption of the PD would act as a catalyst towards accelerated progress in integrating these principles into Zambia's aid relationship. There is no clear evidence that this has happened. The counterfactual – whether the current progress in embracing the principles (pillars) of ownership, alignment, harmonization, management for results and mutual accountability would not have taken place without the Paris Declaration – cannot be answered conclusively. Although there has been some progress in advancing the principles embedded in the PD, its catalytic role appears not to have been as strong as would have been expected.

Interviews with some GRZ officials pointed out that a reason could be a lack of a formal domestication of the Paris Declaration at the country level. After the PD was signed, no one worked through the mechanics of how it was going to be translated into action at country level. However, the ETC in the MoFNP has been the natural home for this given that it is responsible for managing donor relations on behalf of the GRZ. According to the JASZ evaluation the ETC structure appears more amenable to a bilateral focus on aid relations rather than a thematic or principle focus that would suit the handling of the Paris Declaration issues. This worsens the extent to which the ETC is overstretched because it needs to deal with donors on a one-on-one basis. Donors have, however, coordinated themselves around common principles. The JASZ evaluation thus observed that “the current structure of ETC remains in a pre-Paris Declaration and pre-Aid Policy and Strategy mould. The current ETC *modus operandi* in fact calls for diverse competencies that are designed to respond to the peculiarities of each donor and has, consequently, introduced a systemic overload on an already over-stretched staff whose day-to-day functions are already quite demanding” (OPM, March 2010, p.35). There was even the view that the ETC is being marginalized by the arrangement of the JASZ troika to meet the Secretary to the Treasury once a month.

One obvious contribution of the PD is that it made the principles more widely known and hence easy to relate to. Those who objected to the principles set in the HIP or other domestic agreements on aid effectiveness that followed, were now fewer as a result of the PD. At the same time, donor country offices could now more easily get the support of their headquarters on the country level aid cooperation because these principles were now global.

The interest and engagement in the aid effectiveness agenda among key stakeholders continues. This is seen in the fact that the different dialogue platforms established under the PRBS and JASZ MoUs continue to operate. However, there is dissimilar interest and level of commitment between the donors and the GRZ to this process. For those donors that signed either the PRBS or the JASZ MoUs, the interest in the aid effectiveness agenda continues to be high even though one or two donor agencies that are part of the JASZ appear to have begun to doubt the efficacy of these dialogue platforms and whether the aid effectiveness agenda as implemented is the right way to go. The JASZ evaluation observed that donor groups in different sectors continued to meet regularly even though the cost of coordinating and attending these meetings was recognized to be high.

Regarding the GRZ, commitment to aid effectiveness principles varies between ministries and departments. Within the Ministry of Finance and National Planning, for example, those closest to the management of the aid cooperation agenda such as the ETC continue to be interested. Others are less concerned and show little interest in this agenda. Perhaps this is a natural occurrence. Natural as well is that ministries with SWAps have sustained their interest and continued engagement. Less interest on aid effectiveness is being displayed by those without SWAps. An example is that the level of seniority of civil servant representatives from sector ministries seems to be declining at the High Level Policy Dialogue meetings. This was specifically noted at the last HLPD in 2009. There have been two reasons offered to explain this. First is that sectors that were asked to contribute to the PAF indicators expected some direct reward regarding the performance

of their relevant PAF indicators. The second is that senior civil servants in sectors not performing well on their PAF indicators simply stayed away from the HLPD meetings or sent very junior officers rather than attend and defend the poor performance.

There are three key influences regarding the way aid relations have worked since 2005. The first is Zambia's attainment of the HIPC Completion Point in 2005 and the subsequent debt write off that saw Zambia debt stock fall from US\$7.2 billion to only US\$500 million. With it ended the annual negotiations for debt rescheduling at the Paris Club. Subsequently, the role of the World Bank which often acted as a bridge between Zambia and other donors is no longer as prominent. The second is the rising status of China as a donor to Zambia. Of course the relationship between the two goes back to pre-independence days when China supported Zambia's liberation struggle. China gave loans to Zambia for huge infrastructure development projects such as the Tanzania-Zambia Railway in the 1970s. What is now different is that China has become the second largest economy in the world and her aid to Zambia is becoming more visible. She is not part of the aid effectiveness agenda either internationally or locally and her aid is mostly in the form of loans. The third has been the withholding of some aid due to alleged misappropriation of funds at the Ministry of Health. This last influence appears to have tested Zambia's aid relations more than has been the case at any other time since the mid-1990s.

No donor has directly stated that they would cut back aid as a result of the global economic crisis. However, there is belief among some GRZ officials that this has become an issue because the capacity to provide aid has reduced in the countries giving aid. There is more scrutiny by the populations of donor countries both as a result of fiscal austerity measures in developed countries and questions about accountability for aid in aid recipient countries.

There are no perceived tensions or tradeoffs between principles of the Paris Declaration. Three observations on how these principles are handled in practice can be noticed:

- d) PD principles and their sub-principles are at times interpreted differently by different players. For example, among the donors themselves, the division of labour is understood differently. Some so called "silent" donors have actually been very visible and articulate in practice. A review of the minutes for the agriculture SAG revealed that many more donors than just the sector CP troika including one silent donor attended these meetings regularly. It is difficult to assess the extent to which the non-troika members allowed the troika to steer the discussion on behalf of the other donors during the SAG meeting. However, the JASZ evaluation's agriculture sector case study observed that among "CP themselves, concern was expressed about one or two CPs that did not sufficiently take a low profile and allow the troika members to lead the SAG discussions on behalf of the CPs" (Chiwele, March 2010, p.6).
- e) There is tension between the GRZ and donors around some specific principles and not between them. Mutual accountability perhaps generates the most tension between the GRZ and donors. Some GRZ officials interviewed expressed the view that whereas there is much scrutiny of government's actions, donors are not equally open to scrutiny on their part on issues such as timely release of aid. The inclusion of donor performance related indicators on the PAF may go a long way in addressing this perceived imbalance. Other GRZ officials also want civil society organisations receiving donor support to be made part of this mutual accountability framework. It seems a lot of ill feeling was created in government circles by the response of one head of mission to a question by a government official at the last HLPD meeting regarding whether it could be considered to include CSOs in the mutual accountability framework. The response that donors did not have problems with the CSOs because they accounted for the funds provided to them and that it was the GRZ with which they had issues left some feeling sore but the issue was not discussed any further. Civil society too is uncomfortable with the absence of a Mutual Accountability framework. They contend that because of this, even the donors also find it difficult to hold the government to account for certain decisions that it might unilaterally make with no consultation of the CPs or its citizens.

- f) Harmonization or ganging up? In some sectors, there is a view that harmonization has provided CPs a convenient platform with which to mobilize themselves to criticize government. They feel that abiding to PD principles has led to better opportunity for donors to “gang” up against government as they can more easily influence each other regarding some issues. For example, although the issue of fertilizer subsidies is of great concern to a number of donors providing support to agriculture, not all feel very strongly about the issue but all the CPs active in the sector have to take the same position as the other donors (Chiwele, March 2010). This view was repeated in the health sector as captured in the health case study below following alleged theft of funds at the Ministry of Health.

### 3 PROCESS AND INTERMEDIATE OUTCOMES

**Core Question 2: 'To what extent and how has the implementation of the Paris Declaration led to an improvement in the efficiency of aid delivery, the management and use of aid and better partnerships?'**

#### 3.1 Stronger National Strategies

Evidence regarding how Zambia started to make progress towards greater ownership over her development process has been presented in Section 2. After about a decade without development planning this was reintroduced with the PRSP in 2002 followed by the FNDP in 2006. Zambia is in the process of introducing the Sixth National Development Plan. The new phase of development planning has been much more participatory with inputs from civil society, donors, academia and private sector organizations. Sector Advisory Groups (SAGs) which were established during the preparation of the PRSP have been the main vehicle for stakeholder consultation. During the implementation of these development plans, SAGs are the main entry point for cooperation between the stakeholders at sector level. They provide a forum for discussions on policy and budget planning processes. However, their success is mixed as some SAGs are more active and meet regularly, while others are dormant.

The two sector case studies on health and agriculture conducted for this evaluation presented in Section 4 provide a means to assess the progress in Zambia's ownership over development processes. In the health sector, Zambia has consistently demonstrated strong ownership both before and after the adoption of the Paris Declaration. This can be seen from how Zambia has developed four national health strategic plans since the mid 1990s based on principles that are well aligned to those in the Paris Declaration— leadership, partnership and accountability. The scope and depth of the health reforms agenda designed and implemented over these years further demonstrate the strong ownership Zambia has demonstrated. An example of these reforms is the decentralization of the health system by which the Ministry of Health sought to transfer a number of organisational and management functions to structures at lower levels.

Major concerns about national ownership in the health sector remain nevertheless as demonstrated later in the report. This is mostly attributable to the huge players operating outside structures more harmonized with the PD principles. Project funding is still an issue of contention. Significant amounts of resources are being channeled through project support such as the Global Fund, Clinton Foundation, GAVI Alliance, Melinda and Bill Gates which use parallel reporting mechanisms outside those compliant with the Paris Declaration. Ministry of Health officials interviewed state that some of these projects are not aligned to the national development strategies and distort national ownership at sector level.

Ownership in the agriculture sector has not been as consistent as in health and is currently weaker when compared to what took place between 1995 and 2000 (Chiwele, March 2010). Donor support to agriculture then was rallied around the Agriculture Sector Investment Programme (ASIP) which was a response to poor sector performance and the proliferation of uncoordinated projects. This was said to result in duplications and over-stretching of the management capacity of the responsible ministry.

The Agriculture Sector Task Force composed of both GRZ and non-state representatives took the lead in the design of ASIP and consulted widely. As with the health SWAp, the principles on which ASIP was based were in line with the PD principles adopted 10 years later, i.e. (i) Sector wide coverage; (ii) Coherent policy framework; (iii) Driven and owned by local stakeholders; (iv)

Financed by all donors in the sector; (v) Common implementation arrangements; (vi) Minimum use of long-term technical assistance; and, (vii) Implemented within government institutional framework including integration of all on-going projects into the ASIP framework. These principles proved much more controversial in agriculture than was the case in health. The call for sector wide coverage in a sector where core services are not clearly public goods was contestable then and remains so today. Therefore, few donors contributed funds in the sector basket that was put in place which led to the programme not achieving its planned objectives (INESOR, July 2008).

The level of engagement did not remain the same level as the period of the ASIP. However, some degree of ownership persisted mainly anchored on inclusive national development planning processes. MACO with the inputs of other sector players developed the agriculture chapter of the PRSP 2002-2004. This was the basis on which the National Agricultural Policy (NAP, 2004 – 2015) was designed. The intention to adopt the NAP, however, went back to the ASIP design period when it was recognized that there was no coherent policy framework elaborated in one document. Adoption of the NAP took long because of the perceived need for all stakeholders to reach consensus. The PRSP experience was replicated during the process of designing the agricultural chapter for the FNDP 2006-2010 and the SNDP 2011-2015 which by January 2011 was still at draft stage. The agriculture SAG also spearheaded the design of the Comprehensive African Agriculture Development Programme (CAADP) Compact signed between the GRZ, donors and civil society on 18<sup>th</sup> January 2011.

### 3.2 Increased Alignment of Aid

This evaluation confirms the findings of JASZ evaluation (OPM, March 2010) that overall Zambia has made significant progress in the area of alignment. The number of donors providing budget support increased over the last several years, leading to greater use of country systems, increased co-ordination between donors and better alignment with national priorities. With the recent growth of programme-based approaches (PBAs) and the willingness of many donors to fund such programmes (including more technical assistance), these efforts should bear fruit. At times it is the donors who accuse the GRZ that its spending priorities are not well aligned to priorities articulated in the national development plans. A clear example is the budget allocation to the agriculture sector where between 2002 and 2009 two programmes, agriculture fertilizer subsidy and maize marketing, accounted for nearly 70% of the total budgetary allocations (Chiwele, et al, October 2010). The two programmes were at the bottom of the list of priorities outlined in the FNDP for the agriculture sector. Although the size of spending does not necessarily have to follow the list of priorities, donors contend that it is a big anomaly that the least priority programmes have crowded out programmes ranked higher on the list.

#### Aid Modalities

**The GRZ has explicitly stated in its National Aid Policy that its preferred modality of aid is Direct Budget Support.** According to data presented earlier in Table 3, DBS increased between 2004 and 2008 but fell in 2009. The JASZ evaluation observed that the amount of DBS was projected to drop after 2010. Some stakeholders interviewed attributed this drop to the waning CP confidence in country systems, especially public financial management. Projections made in the current MTEF for future support to the health and education sectors indicate that financing through SWAs will drop in the coming years.

The JASZ evaluation examined trends in the number of sector projects and project implementation units as one indicator to check whether there was greater coherence in aid modalities as a result of JASZ. It found no evidence to this effect. Its case study of the agriculture sector showed that the number of projects in the sector had not decreased and was likely to rise in the following years. In

the education sector, although there was evidence of greater alignment to GRZ priorities, the number of projects too had not decreased.

The JASZ evaluation found that the objective of replacing separate CP country strategies with the JASZ was not realised. However, 25% of CPs interviewed in an online survey were of the view that there was substantial change in their strategies in Zambia as a result of the JASZ, and 62.5% considered there was some change. These changes related largely to changes in sector engagement (and in the provision of GBS) as a result of the Division of Labour (DoL), although in two cases it was considered that this was driven more by agency head office decisions than by the JASZ as such (OPM, March 2010).

Both PD Monitoring Surveys of 2006 and 2008 noted that government and cooperating partners recognize that frameworks for aligning aid to development strategies need to be strengthened especially by enhancing government capacity to monitor aid delivery effectively and programme outputs. Efforts to align aid to national priorities are ongoing but need to be strengthened further. Both GRZ and CPs recognise this need.

### **3.3 Performance and accountability to citizens and parliament**

#### Auditor General Office

As discussed in Section 2, the Auditor General's Office is recognised as an important oversight institution that oversees prudent government expenditure. The Zambian government has increased its funding and releases funds to support special audits. Cooperating partners are also strengthening the technical and financial capacity of the OAG with resources to conduct thorough audits of public expenditure. As a sign of its effectiveness, the OAG exposed the alleged theft of funds in the health sector in 2009 which unfortunately led to the suspension of aid to the sector by some donors in 2010. However, there is general public perception that the OAG report is *toothless* as public officers found wanting are not adequately penalised.

The OAG continues to lobby for more funding in order to execute its duties diligently. While in absolute numbers MTEF allocations reflect a positive trend for 2010, overall funding remains low in light of the increased staff levels, country wide coverage, specialized audits and other additional tasks now performed by the OAG. According to the 2010 budget, OAG saw a nominal increase of 11% compared to 2008 and 2009.

#### Parliament

Zambia's parliamentary system is also discussed in Section 2. Recent changes to enhance accountability included the running of a Parliamentary radio station that offers an opportunity to the citizenry (particularly those who live within the proximity of Lusaka) to follow debates on various issues. A number of parliamentary offices have been constructed and are operational whose aim is to promote greater interaction between voters and their elected representatives. These developments have occurred after the adoption of the PD. However, their impact in terms of promoting accountability to citizens is yet to be fully realised.

Parliament debates and approves the budget after presentation by the Minister of Finance. The Executive is required to account for the funds allocated through the budget to Parliament through the Parliamentary Accounts Committee (PAC) which receives reports from each controlling officer (Permanent Secretary of a ministry). Any misappropriation of funds is thoroughly discussed and the controlling officer is made to answer queries. However, there is no provision for Parliament to prosecute those found wanting. It instead depends on law enforcement institutions whose performance according to the Joint Donor Review on Corruption (ITAD and LCD, 2010) has

unfortunately been weak. This situation predates the PD and there is not evidence that PD has helped to improve it.

### 3.4 Less duplication of efforts and rationalized activities

#### Increased capacity to coordinate aid

The Paris Declaration requires coordinated efforts by CPs to assist in strengthening the capacities for government to improve aid effectiveness. In the PD Monitoring Survey of 2006, Zambia scored 32% for “coordinated support to strengthen capacity”, which was mainly attributed to efforts of the Wider Harmonisation-in-Practice. Building on lessons learned since 2006, some efforts have been made towards enhancing coordination and alignment of technical assistance for capacity development in Zambia. This can be attributed to coordination structures such as those introduced under the JASZ and the PRBS which have enhanced dialogue between government and CPs. The FNDP provided opportunities for CPs to align their support in various sectors to national capacity development initiatives.

#### Implementation of the Joint Assistance Strategy for Zambia /Division of labour

The JASZ as described in Section 2 has helped to lessen duplication of efforts and to rationalize donor activities. For instance in the education sector, **Education Sector Management and Coordination Guidelines** have been developed as part of the Ministry of Education’s effort to improve the management and implementation of the education programme as defined in the FNDP and in line with the GRZ efforts to harmonise procedures across line Ministries and with the external funding agencies. As part of the JASZ dialogue, the Ministry of Education (MoE) in consultation with MoFNP considered how aid could be delivered to the sector more effectively through simplifying and harmonizing donor procedures and financing modalities. MoE also sought to improve the overall effectiveness of aid and reduce the transaction costs of managing development assistance in a spirit of mutual trust and accountability. Specifically, attention was paid to disbursement procedures and making the delivery of funds more flexible in order to achieve the national development objectives and improve MOE ownership and management of the programmes.

Participation in the Ministry of Education supported programmes is based on an overall objective and a defined set of principles. The overall objective is to reduce transaction costs by MoE and donors, and improve the quality and coherence of policy dialogue on aid. This is to be accomplished by active communication and collaboration of all CPs based on the principles of mutual respect, accountability and ownership by the Ministry of Education and the other key players in government.

This story is, however, not uniform across all sectors. The 2008 PD Monitoring Survey noted that the Zambian JASZ revealed some disappointing unwillingness for cooperating partners to make specific commitments which rendered it weak as CPs preferred their Country Assistance Strategies or their bilateral agreements.

#### Implementation of the Division of labour (DoL)

A core element of the JASZ is the DoL based on FNDP themes and objectives. The 2008 PD Monitoring Survey noted both challenges and achievements in decongesting certain preferred sectors by CPs. The DoL strengthened harmonisation amongst CPs through the establishment of the CP Group, where regular meetings with government are conducted by the lead troika. This has enhanced coordination and the quality of dialogue between government and CPs around the core principles of the Paris Declaration.



Under the JASZ, a 'lead partner' has been appointed in each sector, thematic area and sub-sector to coordinate the support and contributions to sector/thematic dialogue of other partners active in that area. In some cases, a group of donors, through troika arrangements, has collectively assumed leadership. The lead donor concept entails that the lead donor speaks and acts on behalf of the other CPs in a given sector, e.g. through the SAG as well as in other sector-related policy discussion forums (JASZ, 2007).

Operationalising DoL among CPs has not been without its own challenges. After government identified 19 sectors under the FNDP, CPs were requested by Government to self-assess and indicate the sectors in which they wished to be active either as Lead CP, Active CP or Silent/Background CP. The GRZ sent out its proposals suggesting not more than five donors per sector, covering all FNDP areas. However, results of a consultancy that assessed the feelings of the CPs over the proposed DoL revealed to GRZ that there were misgivings among CPs regarding moving out of their preferred sectors, particularly from the most popular sectors of health and education. After further consultations through a process that lasted more than a year, the final DoL matrix was agreed upon (OECD, 2008).

The JASZ evaluation observed that donor alignment to the wishes of Government has not been smooth; many CPs aligned themselves to sectors based on their own interests or perceived comparative advantage (OPM, March 2008). Although government indicated that no sector should have more than five donors, some clearly exceeded this number partly due to rigid aid policies and mandates of some of the donor countries. For example, as many as nine CPs wanted to remain in health; ten in education; a similar number in governance; and nine in macroeconomics.

In a number of sectors, donor interest remained quite marginal. These include Science and Technology with no donor interest at all; and only two CPs for the housing sector. It became clear to government that there was no dialogue among CPs themselves, in the spirit of harmonization, to agree on how the less popular/lower priority areas of government could best be supported. The process was characterized by what came to be known as a 'beauty contest' among CPs in their individual drive to capture their preferred slots with little consideration of government's expressed DoL preferences. This subsequently raised fundamental questions regarding the preparedness of CPs under JASZ to align themselves, in a coordinated and harmonized manner, to the stated preferences and priorities of Government.

The DoL has arguably been the most visible instrument for implementing the JASZ and the PD in Zambia. Despite the prolonged period of negotiation between GRZ and CPs, the final outcome was more a reflection of the current or proposed commitments of CPs, rather than a restructuring of CP engagement to support the implementation of the FNDP.

### Transaction Costs

Some rationalisation of CP engagement took place at sector level as a result of the DoL. The online survey carried out for the JASZ evaluation, however, showed that it was less clear as to whether the DoL, and the JASZ more generally, managed to reduce transactions costs for CPs and for GRZ (OPM, March 2008). Almost all CPs indicated some increase in staff time spent in meetings, with most showing a significant increase. Similarly almost all indicated an increase in staff time in reviews. The main areas where there had been some reduction is in time spent in project and programme management, more likely to be a result of changes in aid modalities, rather than directly as a result of the JASZ.

The evaluation further observed that much of the increase in time spent in meetings was as a result of time spent in sector level meetings. One CP indicated that "*to reach a joint position which is not that of the lowest common denominator takes time*". It was generally agreed that being a lead donor took considerable resources. In some cases, CPs had brought in specialist staff specifically to provide back-up for the lead position. This was also the case for the CP Troika. The

Lead Troika at the time of the JASZ evaluation brought in a new member of staff to help with the JASZ related administration. The Troika takes responsibility for maintaining the CP website ([www.cpg.org.zm](http://www.cpg.org.zm)), developing the calendar of meetings, writing and posting minutes, and other general administrative duties. Some CPs employed interns to assist in these processes. Unlike the situation in some other countries, the JASZ does not have a formal Secretariat, but relies on the Troika to carry out basic servicing, though specific tasks may be delegated to other CPs. It was obviously easier for CPs with larger country offices to take on the additional responsibilities of being in the Troika.

At the sector level, the costs of taking a lead role varied significantly. In some sectors, arrangements mirrored those of the CPG. Health, for example, had 15 technical subcommittees, with each given a lead and active CPs. The education sector had also introduced a DoL system as a result of the JASZ. This resulted in more work for the lead CPs, but was believed to have reduced transaction costs for GRZ. In agriculture, there was less success in reducing transactions costs for GRZ, in part because the project approach was still the dominant aid modality. Also, as the case study carried out as part of this Evaluation indicates, in agriculture, although the troika is supposed to represent the CPs at SAG meetings, in fact many other CPs turn up as observers (and are possibly more active in meetings than their status would indicate).

### **3.5 Simplified donor procedures, more collaboration**

#### *Use of common arrangements*

According to the 2008 PD Monitoring Survey, a score of 54% of “aid in the form of programme-based approaches” was recorded compared to 42% in 2006. The target for 2010 was 66% and this indicator seems to be on track. This upward trend can be attributed partly to the increased number of donors using direct budget support, increased awareness in various sectors that PBAs can deliver more effective results and improved donor coordination, in general.

During the 2008 PD Monitoring Survey, government and donors had agreed to a common list of PBAs in order to standardize the responses. In the 2006 PD Monitoring Survey, PBAs approaches were found to have been used across a wide range of sectors. However, it has to be acknowledged that not all programmes strictly met the OECD/DAC criteria such as single programme and budget framework and use of country systems.

#### *Conducting joint missions and analytical work*

The 2006 PD Monitoring Survey established that only 15% of 155 donor missions were coordinated. There was an increase to 46% of coordinated donor missions recorded in the 2008 PD survey. However, the government in interviews noted that despite CPs endorsing the three month *Missions Free Period* from January to March, CPs continued to make separate missions even during the mission-free period. One of the major challenges among CPs for poor performance in this area is the continued desire by CPs to remain visible by “raising their flags”.

The Paris Declaration encourages CPs to harmonize their work in order to reduce the separate duplicative missions. Government has observed that donors have made some improvements in the use of joint analysis. Joint analytic work has been conducted in the Ministries of Health and Education as well as the development and use of the Performance Assessment Framework (PAF) which was developed with the participation of all key stakeholders. There is consensus by both government and CPs that good progress has been made by the Macro-Economic Group in the area of joint analytical work.

The SAGs, which involve various stakeholders, are a positive example of joint analytical work. It should, however, be pointed out that some Sector Advisory Groups (SAGs) are more active than

others. Further strengthening of the role of the SAGs in all sectors would enhance the overall national performance on joint analysis.

### **3.6 More Predictable Flows, Changed Conditionalities**

The 2008 PD Monitoring Survey revealed that CPs in Zambia had made significant progress on predictability of aid moving from a baseline of 50% in 2005 to an impressive 85% in 2007, which surpassed the 2010 targets. These impressive results are attributed to better notification of aid disbursements by CPs to GRZ, and improved ability to accurately record aid disbursements at a centralized level. But it also noted that some donors are only able to commit funding projections for one year which affects planning. While they provide some projections for 2-3 years, there is a clause on subjectivity to availability.

Despite the progress noted in the 2008 PD Monitoring Survey, there was still concern among government officials in both agriculture and health who in interviews expressed frustration that CPs were not disbursing their pledges according to the agreed time frames. The seemingly contradictory perception from that of the findings in the 2008 PD Monitoring Survey was related to the more difficult donor relations of 2010 arising from the alleged theft of funds in the health sector which reversed the above stated progress. According to GRZ expenditure data, government contributions to the health and agriculture sector budgets in 2010 were 100% and 90%, respectively. The government repaid all the funds allegedly stolen from the health sector using its own domestic resources. Government's discovery and replacement of funds stolen in the health sector should have restored the confidence of donors in government systems, but this has not been the case.

Other challenges remaining include lack of effective mutual accountability mechanisms allowing the government to hold donors to their commitments, lack of specialized personnel in line ministries to mobilize external resources and need for swift operationalisation of the Zambia Development Assistance Database (ZDAD) to provide a uniform system for data collection and verification across ministries.

Whatever is done, however, gaps in aid predictability will remain because cooperating partners have different aid disbursement processes while failure by government to meet conditions for disbursements may from time to time lead to delays in aid disbursements or firming of donor commitments. It is therefore necessary that the government increases its capacity to continue to be innovative in generating domestic revenue.

### **3.7 Sufficient delegation of authority (donors)**

Separate interviews with the CPs carried out for this evaluation confirmed the findings of the JASZ evaluation that there was inadequate delegation of authority between donor head quarters and country officers. This constrained the extent to which GRZ is able to exercise leadership over donor cooperation given that key decisions on aid often have to be made at the head office of the CP. In addition, donor staff working within the recipient country, whose appreciation of issues on the ground is better informed, are often faced with an uphill battle in terms of convincing their head offices on decisions that might be most appropriate to recipient countries. Usually their decisions are overruled.

### **3.8 Sufficient integration of global programmes and initiatives**

PD's contribution towards the integration of global programmes and initiatives in the country has had mixed success, generally very slow and in some cases non-existent. The health sector has

had the most of these global programmes and initiatives, including: GAVI; the Global Fund to fight AIDS, Tuberculosis and Malaria (GFATM); the US President's Emergency Plan for AIDS Relief (PEPFAR); the Bill and Melinda Gates Foundation; the Clinton Foundation and the World Bank Malaria Booster Programme. Almost all these are not sufficiently aligned to country systems such as financial management and procurement. However, there is an effort by USAID and all the funds affiliated to it to harmonize financial reporting with that of GRZ. To this end, systems are being worked on to bring this vision to fruition. There are also plans in the near future (from as early as 2011) to harmonize data collection and procurement systems with those of GRZ which will include the use of CSO for data collection (Sources: NHA 2006, National Health Account 2004-2006, MOH, Zambia 2010; USAID Interview 2010; USAID Zambia Mission Briefing Book, 2010).

The National Aids Council (NAC) has made some progress in integrating global programmes and initiatives in the HIV and AIDS, TB and Malaria subsector. This is primarily through the "3-1s principle" which is about: one national coordinating body (i.e. NAC), one National AIDS Strategic Framework (NASF) and one Monitoring and Evaluation Plan (MEP). All the stakeholders in this sub-sector (including global funds and related initiatives) adopted one monitoring and evaluation framework that consisted of 78 indicators (see the Review of the 2006-2010 MEP Synthesis Report, NAC 2010; NASF 2006-2010, NAC; and MEP 2006-2010 NAC).

### **3.9 Stronger capacities for results-driven strategies**

Zambia began making strides towards managing for results prior to the Paris Declaration. This is evidenced by content of the PRSP of 2002, then TNDP and subsequently the FNDP and SNDP. However, since the 2006 Monitoring Survey, Zambia has invested more resources in designing policies and programmes that are results driven. The FNDP which ended in December 2010 was seen as the main reference point for results-based policy and programmes by government and its stakeholders. In this respect, important policy and programme reforms in government systems, processes and procedures were undertaken while some are still ongoing in the quest to create an enabling environment.

The Ministry of Finance and National Planning is the major institution in managing for results. MoFNP has a budget department that prepares and disseminates the national budget. It works closely with the Budget Estimates Committee in Parliament. Government has been commended for increasing transparency in budget formulation and execution by embracing other stakeholders. In response to national demands and CP concerns, in 2009 the Minister of Finance began to present to Parliament in October the budget estimates for the following year. This has entailed that the budget is adopted by December and government begins to execute it in January. Previously, the budget was presented in January and only adopted in March with execution beginning only in April. It is envisaged that this will accelerate the implementation of national programmes.

In the 2006 PD Monitoring Survey, Zambia got a 'low' rating as baseline measure for performance on the principle of "results-driven strategies". Factors that contributed to this low performance included lack of linkages among the different strategies and intended results and limited capacity for data collection. A recommendation was made for Zambia to put in place a consistent and realistic monitoring and evaluation system under the FNDP and build capacity for regular data collection and treatment.

An annual review of the FNDP is conducted on the performance of the sectors against the agreed indicators. There has been a commendable effort in this regard particularly in health and education which have a sound system of tracking progress on key indicators. The HQs of most CPs put a lot of pressure on field offices on performance. As a result, most CPs are knowledgeable on the approach on managing for results. A system of tracking progress by both GRZ and CP was also put in place through the development of the Performance Assessment Framework (PAF).

As already noted above, there is a positive move towards the use of joint reviews between government and CPs. For instance, in the education sector, government and CPs conduct Joint annual reviews to assess performance for a given year - senior ministry officials visit selected schools, progress reports are prepared half yearly, technical experts visit sites and prepare reports and CPs also do their own visits. In the third quarter, GRZ and CPs visit sites leading to a joint Annual Report.

According to the FNDP progress reports for 2007 and 2008 and interviews with Ministry of Finance officials, the Ministry of Finance two years ago established a department responsible for Monitoring and Evaluation (M&E). The same unit is responsible for reporting on an annual basis. However, the department is yet to operate optimally as it has a few challenges including inadequate human resources.

### *Public Expenditure Management and Financial Accounting Reforms (PEMFA)*

The government has in the last few years made some progress by strengthening fiduciary systems, especially the financial management systems, through the launch of the Public Expenditure Management and Financial Accounting Reforms (PEMFA). PEMFA was launched in 2005 and is aimed at improving fiscal discipline, effectiveness in resource allocation and realization of value for money in the execution of expenditures. Specific measures introduced under PEMFA are the Integrated Financial Management and Information System (IFMIS) and the Commitment Control System (CCS) which attempts to match expenditure with revenue. According to the 2008 PD Monitoring Survey, the total budget is approximately USD74 million and is funded by 11 CPs under a PEMFA Memorandum of Understanding. Zambia has also adopted the Medium Term Expenditure Framework (MTEF), a medium-term (three-year) budget framework within which resources from government and cooperating partners are allocated to achieve approved objectives of the national development plan.

Other measures to strengthen treasury management include strides towards the creation of the Treasury Management Department, the establishment of the Treasury Single Account and the modification of the budget management cycle described above. Despite some minimal administrative challenges, the reforms have already been rolled out at the Bank of Zambia and Ministry of Finance and National Planning. The government is optimistic to roll this out to sector ministries, with Ministry of Health slotted as a pilot phase to enhance effective budget accounting and management for results. In 2006, the World Bank's CPIA rating for Zambia was a score of 3.5 for the quality of its Public Finance Management systems.

The Paris Declaration encourages CPs to increasingly utilize country systems when they deliver their aid. The PD Monitoring Survey of 2008 measured the extent to which donors made use of country systems for budget execution, financial reporting and audit. On average across the three systems, 59% of aid channelled to Zambia was through country systems with 11 donors using all three systems, representing 41% of all ODA channelled to the government. This is an improvement from PD Baseline Survey of 2006, when the same average was 34%, and less donors, 7, made use of all three country PFM systems. This upward trend was attributed to the increase in the number of donors who joined the budget support group in 2007. By carrying out the PFM reforms described above, government is determined to reduce to less than one third the percentage of aid not channelled through country systems in order to enhance effective planning and monitoring.

According to the PD Monitoring Survey of 2008, 81% of donors utilized procurement country systems compared to 41% recorded by the PD Monitoring Survey of 2006. The 2010 target of aid using country systems for procurement purposes has thus already been attained. This upward trend has been attributed to dialogue and improved national procurement management under the Public Procurement Authority.

An OECD/DAC 2007 Assessment of Zambia, which analysed 12 indicators, identified procurement weaknesses such as lack of transparency in competitive bidding, non-existent complaints systems, non-existence of standard bidding documents and weak procurement planning. In its quest to combat corruption in public procurement, government enacted the Procurement Act in 2008 and established the Public Procurement Authority to ensure that all procurements in public institutions are undertaken within the stipulated guidelines. The Health and Education sectors reflect the most encouraging cases of the use of country procurement systems.

Nevertheless, some CPs are still sceptical of the national procurement systems and continue to use their own systems. The finalization of Procurement Guidelines has been delayed due to internal procedures between the Ministry of Finance and the Ministry of Justice. There is pressure from many stakeholders for government to finalise them. These guidelines will be the basis for developing the Procurement Manual that will standardize all public procurements in the country (see PD Monitoring Survey 2008 Report; and FNDP Annual Progress Reports for 2007 and 2008).

### **3.10 Enhanced accountability to citizens**

Since the 2006 and 2008 PD Monitoring Surveys, Zambia has made significant efforts to strengthen mutual accountability. A Joint Working Group on Mutual Accountability (JWGMA) was established in 2007, chaired jointly by Sida, the Netherlands and the ETC unit at the Ministry of Finance. A PAF has been developed with agreed indicators to assess progress by both parties. A high level meeting between CPs and GRZ is held once a year to assess progress against key mutually agreed milestones. However, there has been far less progress in setting up a framework for mutual accountability. ToRs were prepared for an Independent Monitoring Group, in 2008, clearly anticipating that the IMG would start in the first quarter of 2009 but progress has since been slow.

The need to enhance the role of parliament and CSOs in mutual accountability issues is also critical but such a role can only be effectively performed if the capacities of CSOs are adequately built in areas such as budget processes and tracking resources. As CPs become more inclined to move from project funding to budget support, there is need to strengthen formal channels of mutual accountability especially parliament and CSOs to enhance mechanisms for transparency and accountability.

#### Data management

According to officials interviewed at the Ministry of Finance, inadequate availability of data is a major challenge for government to hold CPs accountable to their commitments and subsequently improve on aid predictability. Sector planning of aid flows is vital to the overall national planning and aid delivery mechanism. The Zambia Development Assistance Database had been intended as an aid management system, which would track planned and actual donor resource inflows as part of the process of monitoring the FNDP. It was launched officially in 2008, but has not yet been made fully functional.

### **3.11 Less corruption, more transparency**

GRZ has re-affirmed its resolve to fight corruption. To this effect, the Government officially launched the National Anti-Corruption Policy (NACP) on 26th August, 2009 and is now working on an Implementation Strategy and Plan. It is not clear the extent to which, if any, PD influenced the enactment of NACP. The Anti-Corruption Commission Act was revised in 2010 to incorporate good governance practices contained in the international anti-corruption instruments to which Zambia is a signatory. The Government has announced the following measures:

- Establishment of a serious frauds unit under the strengthened Anti-Corruption Commission to specifically investigate complex corruption cases; and,
- Immediate setting up of a financial intelligence unit, which will be an independent institution to monitor suspicious financial transactions.

In addition, the government has directed that:

- Forensic systems and procurement audits be undertaken in the major spending ministries, provinces and spending agencies to ensure that weaknesses are identified and addressed;
- The funding to the office of the Auditor General (AG) and the ACC be increased; and,
- The procurement systems be strengthened and all loopholes closed.

Furthermore, the government has established Integrity Committees in some key public service institutions prone to corruption, such as the Zambia Revenue Authority, Ministry of Lands, Immigration Department, Patents and Companies Registration Office. It has also developed a Code of Ethics for the public service. Each sector or ministry is expected to adopt these codes and adapt them to address specific governance issues in their sector or ministry. Also, the government has developed Client or Service Charters to improve efficiency of service delivery. Zambia Revenue Authority and the Ministry of Lands have since developed Charters which are being disseminated. The potential impact of these measures on the socio-economic environment in the country is likely to be positive as there is likely to be increased confidence in the systems of governance. This situation is likely to result in efficient service delivery, growth, and poverty reduction (see National Anti Corruption Policy, 2009; and Joint Donor Anti Corruption Review Report of 2010 done by ITAD/LCD).

### **3.12 Conclusions**

Paris Declaration principles are being implemented with mixed results at sectoral level. Increased leadership and ownership by the government is reflected in the collaborative development planning processes, national strategies and operational frameworks which have been strengthened since the advent of the Paris Declaration. There is also an increased openness by government and development partners to embrace civil society in development planning processes with formal representation as evidenced in the health sector, where CHAZ participates at annual policy meetings.

Increased leadership and ownership by the government is reflected in the collaborative development planning processes, national strategies and operational frameworks which have been strengthened since the advent of the Paris Declaration. However, there has been a lost opportunity to maximise the benefits of the return to national development planning. This has been primarily as a result of weak linkages between national development planning on one hand and budgeting, including prioritization of funding, on the other. This poor link is largely due to low staffing levels in the critical departments. There is also increased openness by government and development partners to include civil society in development planning processes with formal representation as evidenced in the health sector by CHAZ in aid coordination, although the extent of civil society participation and engagement is perceived differently across stakeholder groups.

Harmonization is well accepted by development partners particularly with respect to programme based approaches but standardized performance indicators and reporting still need to be promoted. In terms of alignment, development partners have aligned most of their policies and programmes to the national development plan but have not linked most of their project or programme

implementation processes to country systems. Managing for development results is being done mostly at project level. Zambia has recently conducted a Review of Mutual Accountability to investigate further outcomes.

Despite recognizing the need for harmonisation and alignment of donor systems and processes to local ones, many CPs are still relying on their own systems and processes, mainly due to difficulties arising from their headquarters or foreign policy requirements. As a result, many of the expected benefits from greater transparency and oversight have not yet materialized.

In terms of performance and accountability, there are now better systems including the Auditor General's Office and Parliamentary Accounts Committee. However, there is a general feeling among stakeholders that not much has been done to follow-up issues that have been highlighted by these institutions. There is a weak link between these institutions and the law enforcement agencies.

Duplication of effort has been reduced primarily through adoption of SWAp approaches that were formulated before PD but in a number of ways have been strengthened with the advent of the PD. Though there has been a challenge in the health sector, efforts have been made towards the use of government systems for financial management and procurement let alone, monitoring and evaluation. The Wider Harmonization in Practice (WHIP), Sector Advisory Groups (SAGs) though both started before PD, have strengthened implementation of PD. The Joint Assistance Strategy for Zambia (JASZ) has been particularly a useful agreement aimed at reducing duplication among CPs.

Though having initially improved significantly, predictability of financial flows, has had a poor ending in 2010. Following the alleged theft of funds at the Ministry of Health, there has been a general freeze on ODA support leading to government funding 100% of the health budget in 2010 and at least 90% of the agriculture budget in the same year. There is a poor link between the headquarters and country offices of development partners. The country offices do not have sufficient authority to make decisions that are informed by the local circumstances as the headquarters have the final authority to overrule the decision.

Capacities for results-driven strategies are getting stronger. The Fifth National Development Plan has provided a framework for this achievement through the Key Performance Indicators consultatively developed by all major stakeholders. These are used as a basis to measure implementation progress at sector as well as national level. The Ministry of Finance has established a department in the last two years mandated with monitoring and evaluation of development initiatives. However, there is still a long way to go as frameworks are still weak due to poor staffing. Nevertheless, the MFNP has continued to produce an annual report of the NDP to show progress made. Perhaps what is missing is a forum for a robust discussion of the report by all the key stakeholders such as the Annual Poverty Conference during the PRSP implementation.

It is perceived that there is too much focus on PD processes rather than translating them into development action. Another problematic area was the structure of dialogue between CPs and the recipient country. In interviews, many donors described the existing dialogue mechanism between GRZ and CPs as 'insufficient'. It was noted that, while CPs invest in and have access to quality information, the government does not do so, resulting in unequal dialogue relationship between the two. This seems to affect the capacity of GRZ to effectively negotiate with donors. On achieving recognized standards of performance and accountability, it remains a challenge as the government continues to suffer from weak human and institutional capacities at all levels of governance.



## 4 DEVELOPMENT OUTCOMES

**Core Question 3: 'Has the implementation of the Paris Declaration strengthened the contribution of aid to sustainable development results'? How?**

### 4.1 HEALTH SECTOR

#### Main developments and challenges

According to Chansa *et al* (2008), the health sector SWAp represents a good example of sector level donor coordination. SWAPs were initiated in 1994 after realization that both donor and GRZ initiatives were fragmented with resources wasted on uncoordinated priorities which in turn undermined the effectiveness of these interventions. In response to these inadequacies in the health sector, the government through Ministry of Health designed a sector policy on aid harmonisation which later became the Sector Wide Approach (SWAp) in 1994. The health SWAp is still being implemented in the sector and has been instrumental in aligning and harmonizing donor assistance in accordance with national health strategic plans. Memoranda of Understanding were signed in 1999 and 2006 between the Ministry of Health and the cooperating partners to provide a framework for sector cooperation with agreed terms and procedures (Ellen van Reesch, 2008).

Over the years, the health SWAp has been seen as a tool that has helped donors to pool their resources together with government through basket funding. The SWAp was intended to reduce transaction costs through joint sector initiatives such as annual reviews and consultative meetings. While there is consensus amongst stakeholders that the health SWAp is an ideal mechanism for aid coordination, it has been faced with numerous challenges as not all donors are providing aid through the systems provided by the SWAp. Global programmes providing vertical funds for major health interventions such as for prevention and treatment of HIV and AIDS, Tuberculosis and Malaria have developed plans and budgets alongside the sector strategic plan. According to the Roadmap for the Implementation of the International Partnership (MoH, 2007), the health sector in Zambia has more than five separate plans and budgets for the major global programmes contributing to the fight against HIV/AIDS, TB, Malaria and Child Health illnesses (Chansa *et al* 2008 and van Reesch 2008). The large share of resources they expend but managed outside the sector plan poses enormous administrative challenges on an already overstretched human resource base.

The preference of major global health programmes to work with separate plans undermines the GRZ sector strategic plan, which charts the developmental vision of the sector. Parallel aid delivery structures within the sector reduce the effectiveness of the SWAp mechanism in promoting donor harmonization and alignment (Chansa *et al* 2008 and van Reesch 2008).

#### Results in specific sectors (such as health) enhanced

##### Evidence of progress towards policy goals

The Health Policy Framework of 1991: "Managing for Quality: A Healthy People Policy Framework" aspired among other things, to achieve a health service delivery system that would assure "equity of access to cost-effective, quality health care as close to the family as possible" (SAZA Report,

2000). This vision, as expressed in the official 1991 Health Policies and Strategies document, has remained the guiding principle for all subsequent National Health Strategic Plans. Clearly outlined in the Health Policies and Strategies paper is that: "In the implementation of the vision, the Ministry of Health shall be guided by the important principles of leadership, partnership and accountability. In this process of development, the Ministry of Health shall (i) lead and manage the process; (ii) collaborate with consumers and health providers to determine how best to improve the health system; (iii) encourage partnership among all those concerned with health and health care; (iv) provide a health system that encourages accountability for consumers, providers, and the Government, all working effectively together to improve health status". These, in fact later became the famous SWAp principles.

Since 1991, at least two external reviews have been conducted. The Independent Review of the Zambian Health Sector, for example, was carried out in 1996 by Dr. Mahler. Furthermore, in 2005, the fourth National Health Strategic Plan (NHSP 2006-2010) was approved and was aligned with the Fifth National Development Plan (FNDP 2006–2010). The NHSP IV aimed at "further improving service delivery in order to significantly contribute to the attainment of the MDGs and national health priorities".

In line with the above, the health sector has seen a number of interventions which have helped the country make progress towards achieving its policy goals. Regarding the fight against HIV and AIDS, the free ARV policy of 2005, development of treatment guidelines, a scale-up plan, provider-initiated counselling and testing and capacity building at different levels are all interventions that assisted in the acceleration of progress towards policy targets. With the current pace of approximately 20,000 people enrolled on ART per quarter, the target set for 2010 is likely to be achieved before its time. Targets have subsequently been revised. Zambia has been able to attract substantial external resources to roll-out treatment and other HIV related services, while the government of Zambia increased its domestic spending on HIV/AIDS. Estimates of the total government- and donor funding committed to the national HIV/AIDS strategic framework for both 2006 and 2007 were US\$ 257.85 million per year. About 93% of the HIV and AIDS funding was provided by donors, with the United States Government (USG) being - by far - the largest contributor (USAID, 2008).

The National Reproductive Health policy has now been approved by Parliament. To strengthen the MNCH continuum of care, a Roadmap was developed to accelerate the attainment of MDGs related to maternal, neonatal and child health (2007). The Interagency Coordinating Committee (ICC) has expanded to include maternal and newborn issues. Safe Motherhood Action Groups (SMAGs) have been formed in 24 districts so far (MoH RHU 2008). Additionally, districts are initiating innovations ranging from incentives (e.g. mothers and traditional birth attendants given gifts for facility-based delivery) to punitive (e.g., mothers, spouses and village headman fined for the same) to increase delivery service utilisation. There is increasing integration between reproductive health and other services, notably HIV, Prevention of Mother to Child Transmission (PMTCT) related services and the malaria programme at HF level. The 2002-2007 period has seen increased access to free Insecticide Treated Nets (ITNs) and routine prophylaxis of malaria in ANC. For example, the proportion of Pregnant Women (PW) receiving IPT of two doses increased from 0.5% to at least 63.5%, use of ITNs by pregnant women increased from 8% to 38.5% (CSO, Zambia Demographic and Health Surveys 2002 and 2007).

Zambia's achievements in fighting malaria can be attributed to its integrated malaria control interventions that cover both preventive and curative measures. The recently completed 2008 Malaria Indicator Survey (MIS) shows dramatic achievements in nearly every indicator since the 2006 MIS. Nationally, the parasitaemia rate in children under age 5 has declined by more than 50%, from 21.8% to 10%. Severe anaemia in children has reduced by 62%, from 13.3% to 5% (2008). According to the HMIS, the malaria incidence rate and hospital case fatality rate have fluctuated slightly from 2005 to 2007 (MOH, Health Statistical Bulletin, 2007).

The explicit attention for TB/HIV is paying off. Between 2007 and 2009, there was a big increase in the number of TB patients tested for HIV. Reporting forms for the TB corners now incorporate HIV and MDR TB. At national level, a TB/HIV collaboration committee has been established that is being chaired by the MoH. Similar committees are also being established at provincial and district level. Various tools have been developed to accommodate the above achievements, such as the TB/HIV guidelines, guidelines for the formation of TB/HIV committees and a training package for diagnostic counselling and testing (DCT). The MoH National Stop TB strategic plan runs up to 2012 (MoH, 2006, NHSP IV).

#### Sector governance improved/ Institutional mechanisms operating effectively

The National Health Strategic Plan (NHSP) 2006-2010 identified “governance” as one of its 12 priority intervention areas, the objective being ‘to provide a comprehensive policy and legal framework and systems for effective coordination, implementation and monitoring of health services’. In the NHSP, four thematic areas are identified as follows: policy, legislation (and regulation); organisation and management (including hospital management); gender (and right to health); and, the sector-wide approach or SWAp (including Aid architecture, the IHP compact, the MoU and sector coordination). However, the discovery in 2009 of alleged misappropriation of resources has contributed towards low trust and confidence from stakeholders (Governance Action Plan, MoH, 2010).

#### Sector Wide Approach Practices –SWAp

The background to the health SWAp and its eventual adoption is well described by Chansa *et al* (2008). The drivers were perceptions that the sector was too centralized, had weak partnerships and suffered from low predictability of funds. Donors at the time mainly supported projects. The SWAp was expected to address all these, being one of the first SWAps to be tried in the world. The GRZ showed great commitment in designing and implementing the health SWAp given the scope and speed of reforms that went along with it including decentralized decision making. Accompanying the reforms was the intention to have both domestic and external funds channelled through the national budget. Some donors at the time were sceptical of these intentions but the GRZ boldly steered these reforms.

Today the SWAp is the government’s umbrella for all activities undertaken by both the government and the donors in the health sector under the framework set out in the national health strategic plan. However, in recent years, the SWAp in Zambia has been challenged by an increasing amount of funds that are available only for disease-specific efforts, especially HIV/AIDS. Large initiatives and partnerships such as the Global Fund to fight Aids, Tuberculosis and Malaria and the President’s Emergency Plan for Aids Relief (PEPFAR) have brought in significant funds since 2003. Much of the funding through disease-specific initiatives is not channelled through the common SWAp basket. In some cases, these initiatives also use separate reporting and accounting systems. Because of this, the discussion about project approaches and vertical programmes and their assumed inefficiencies has resurfaced (Chansa *et al*, 2008).

**Table 4: SWAP and Aid architecture in health sector**

JUNE 2008		MAJOR OUTPUTS	INDICATORS, TARGETS, ACTIVITIES	PROGRESS JAN 2008
<p>ured to cover 2<sup>nd</sup> and 3<sup>rd</sup> level statutory board and the development, capital investment and</p> <p>been providing this type of providing HR incentives whiles er fees removal. WHO provides programmes.</p> <p>ng systems and procedures d basket.</p>		1. Basket Funding	Expand existing basket funding mechanisms to include all levels and content areas (2006-2007)	Beyond the district, funds have been seen health facilities, 27 training institutions, of Ministry of Health, human resource development, drugs procurement and management.
		2. Health Sector Budget Support	Basket funding transformed into Sector Budget Support	Since 2006 the EU and DFID (UK) have support. The EU finance is earmarked for that of DFID is replacement money for use SBS to HR training and earmarked PH p
		3. Procedures	Systems and procedures for basket funding harmonised among CI <sup>2</sup> (2006)	There is improvement towards harmonisation among those contributing to the expanded
			Financial reporting and monitoring of NHSP programmes improved	The financial reporting and Monitoring are the years. The biannual revenue and expenditure approved lead to disbursement of funds.
		4. Benchmarks	Sector Performance benchmarks for release of donor funds developed and agreed (2006)	Currently, the completion of Joint Annual report serves as the benchmark for disbursement. Donors agree that the indicators reported provide a framework for the entire five years and for monitoring and evaluation. Because of the benchmarks for release of donor funds are agreed. A common health sector performance framework is being developed.
5. Resource allocation	Resource allocation criteria under SWAp reviewed (see also HCF)		There are guidelines for resource allocation. A significant shift in resources towards the districts and primary care has been achieved. There is no resource allocation formula for other levels and inter-district allocation. Hospitals, training institutions and statutory bodies are still not adequately considered for fair resource allocation.	
6. Training	Capacity of staff of SWAp secretariat strengthened		All staff within the secretariat have been provided opportunities to attend training courses and workshops. One has completed a Masters programme in health economics. One is currently pursuing an MBA. An additional person has been co-opted to handle logistics. The increasing level of expertise has made these staff members highly sought after to support other countries.	

Outputs and Indicators taken from NHSP IV

Source: Adopted from Chansa *et al.*, 2008.

Aid coordination processes

The Ministry of Finance has recognised the significant role that the health sector has played in applying the principles outlined in various agreements on aid effectiveness with donors and between donors themselves and has used the sector as a model for implementing aid coordination initiatives. The health sector is therefore an important contributor to the ongoing dialogue on aid coordination processes through the poverty reduction budget support dialogue structures. Division of labour has been implemented in the health sector, with an arrangement of three lead donors also known as the Troika on a rotational basis. The lead donors for the period 2006 -2010 covering the Fifth National Development Plan and the NHSP were SIDA, DFID and WHO.

In 2007, Zambia signed onto the International Health Partnership (IHP), which is a compact that provides a framework for donor alignment and coordination in order to accelerate the attainment of health related MDGs 4 and 5. IHP was piloted by the former British Prime Minister Gordon Brown to accelerate the implementation of the Paris Declaration by building upon ongoing efforts to strengthen effective aid delivery in the health sector. Furthermore, IHP compact emphasizes the role of country ownership in the health sector by strengthening country systems by compelling countries to increase their budget allocations, enhance effective sector planning and to improve accountability. This would be beneficial to the health sector as a greater proportion of donor resources will be coordinated in line with the NHSP and channeled through country systems in a predictable manner.

However, progress towards stronger aid coordination processes has been hindered by the creation of parallel aid delivery structures as explained above. According to the NHSP IV Mid-term Review,

2006-2010, only about 10% of all donor support for health goes directly to government for the support of comprehensive health systems - the remaining 90% goes to support disease-specific programmes particularly HIV/AIDS through NGOs.

### Administrative efficiency and changes in transactions costs

A review of reports and minutes of the SWAp coordination meetings from 2002 to 2010 showed that a substantial amount of time is spent attending these meetings. MoH staff interviewed indicated that considerable time is spent organizing and staging SWAp-specific and other technical meetings. As part of the organization process, matters arising during the meetings have to be followed up and action taken, reports produced and circulated to all members in time for the next meeting. The donors who were not pooling resources had their own separate planning, budgeting and reporting formats. This was said to increase the administration workload of staff, especially the programme managers at lower levels who have to regularly submit reports to the Ministry of Health headquarters. It is not clear therefore whether the transactions costs have indeed been reduced as a result of the SWAp. This is certainly compounded by the fact that there has not been any indicator or any attempt to monitor these costs both on the part of the government and of the donors.

### **Box 2: Views on SWAp**

#### **Some voices on SWAp...**

“The objective of a SWAp is to come up with a common report which will be accepted by all the players in the SWAp. If I submit one financial report it should be able to meet the needs of everyone. But what is happening now is that whichever donor sends money requests individual reports . . . This is time consuming<sup>2</sup>.”

“There is need to have a full SWAp to address all the key areas especially human resources. Until we start supporting all critical areas, we will achieve nothing. A SWAp should support the full sector—it’s supposed to be sector-wide. What we have is a district and hospital SWAp and further within that only a few cost items are addressed. It’s not a full SWAp in terms of horizontal and vertical dimension. You need to go all the way if you expect to achieve more<sup>3</sup>.”

*Source: Adopted from Chansa et al, 2008.*

Introducing a sector-wide approach in the health sector will not automatically lead to efficiency improvements.<sup>4</sup> It seems that the SWAp can merely provide a framework for collaboration, but it will not necessarily create any significant change. In the case of Zambia, despite strong commitment, large amounts of resources are still channelled outside the government system. *“In order to achieve a full SWAp, all actors (government and the developing partners) in aid-receiving countries must further harmonize implementation and reporting systems in order to reduce the administrative workload of ministries of health. Furthermore, all support should be coordinated and planned in relation to the goals set out in sectoral strategic plans. Doing this will not require a modification of the SWAp model itself; it is rather a task of developing systems for planning, funding, and monitoring and evaluation which all stakeholders can trust and adhere to”* (Chansa et al, 2008).

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<sup>2</sup> **Views of MoH Staff.**

<sup>3</sup> **Views of bilateral donor.**

<sup>4</sup> The analysis in this section is drawn heavily from a recent paper titled “Exploring SWAp’s contribution to the efficient, allocation and use of resources in the health sector in Zambia” by Collins Chansa, Jesper Sundewall, Di McIntyre, Go’ran Tomson, and Birger C Forsberg (2008), in *Health Policy and Planning* 2008; 23:244–251.

Continuing challenges of the health SWAp in Zambia include:

- Health system still administratively inefficient due to high frequency and comprehensiveness of meetings; different modes of support; and use of parallel systems especially USAID funded projects and Global Health Initiatives. USAID and other CPs perceive the government systems to be yet unsafe for management of aid as they are still too weak. CPs are under severe intense scrutiny from their tax payers back in their home countries, and cannot use such systems if they are weak and occasionally cases of theft or financial misappropriation are unearthed. Hence, duplication and high transaction costs;
- Low level of funding compared to needs. The Zambian public health system requires \$33 dollars per capita per year against the available \$ 23 per capita;
- Minimal achievements in allocative efficiency due to over-emphasis on the district level leading to inefficient intra-sectoral resource allocation;
- Inadequate support for cost items such as drugs and human resources making it difficult to provide quality health care;
- More has to be done in the area of procurement & accountability for performance; and
- Inability of the system to take care of sudden but drastic losses in funding due to exchange rate fluctuations.

### **Help to improve prioritization of needs of poorest people**

Attention to gender issues has increased during the PD period largely due to greater awareness on the importance of gender issues in achieving poverty reduction. Poverty in Zambia has a gender face, whereby it is concentrated in rural areas where women provide the bulk of agricultural labour and are employed in seasonal agricultural activities. It is much less in urban areas where men provide the bulk of labour in formal employment.

In 2008, the MOH launched the National Reproductive Health Policy which stressed the import of gender mainstreaming in reproductive health issues. This policy highlights the connection between Gender Based Violence and HIV infection and stresses the importance of male involvement in reproductive health issues. The National Food and Nutrition Policy of 2006 incorporated several cross-cutting issues among them the elderly, women, children, the disabled, refugees, displaced persons and orphans. The National Child Health Policy of January 2008 highlights some gender related issues such as STIs, HIV/AIDs, unplanned pregnancies, sexual violence, sexual abuse, orphans and vulnerable children. The Community Based Rehabilitation Policy of August 2008 produced by MoH identifies women with disabilities as a gender category that faces double disadvantage as women and a disabled group. There is a Gender Joint Support Programme (2008-2010) which supports the national priorities of Zambia in the area of gender, as reflected in the FNDP, and in line with the MDG on gender. It is supported by cooperating partners guided by the Joint Assistance Strategy for Zambia.

According to interviews with Ministry of Health officials, several analytical studies on extreme poverty, gender and exclusion-focused have been conducted between 2003 and 2010 in close collaboration with the University of Zambia, the World Bank, and the World Health Organisation, on the themes of health care financing, health systems; National Health Accounts (NHA); public expenditure tracking surveys; NHA disease specific accounts (HIV/AIDs, malaria, TB); comparison of equity in health sector; HIV/AIDs PETs; and resource mapping. Also, some surveys with disaggregated data by region, sex and excluded groups are conducted periodically notably: The Zambia Demographic Health Survey; HIV/AIDs Service Provision Assessment; and Malaria Control Partnership (MACEPA) Survey. The Health Management Information System of the Ministry also routinely collects gender disaggregated data. However, there is consensus that most disaggregated data, collected through population based surveys and analyzed by region, sex and

excluded groups is often lost when aggregating from health facility to national level. Efforts to strengthen data collection mechanisms are underway (Interview of MoH officials, 2010).

However, minimal efforts have been made so far to engender the national budget so that women's needs are taken more into account. Although gender is treated as a cross cutting issue in the FNDP, its significance is not reflected in sector budgets at the national level and at MoH. Gender is given some attention in the strategic plan 2006-2010, in practice a very inadequate budget has been released for gender mainstreaming activities of the ministry and this negates implementation. Interviews with the Gender Technical Working Group (GTWG) showed that the GTWG has continued to mobilize funding through the Gender Mobilization Strategy for gender mainstreaming in health. Since 2005, there have been a number of pro-poor strategies and policies towards excluded segments of society enacted which have increasingly become crosscutting issues in the sector's development agenda. PD structures have given stakeholders a legitimate forum to enhance awareness through advocacy by bringing cultural issues to national debates to pave way for development of women, girls and the disadvantaged in society (Chansa, 2008 and van Reesch, 2008).

### **Sustainable increases in institutional capacities and social capital**

#### *Institutional capacity*

There has been some improvement in institutional capacities during the period of implementation of the PD at various levels in the sector particularly with respect to information management which began with an assessment of the Health Management Information System (HMIS) in mid 2005. This led to the development of new indicators to meet the MDGs and specific intervention areas including HIV/AIDS, Malaria, and TB. Several inter-linked projects have since been executed by MoH with financial support from EU (total budget of 3.3 million Euros over the period 2006-2008) and technical support from various agencies. The roll-out of HMIS is having a phased approach, both with respect to provinces covered and capacities built. Using the newly developed HMIS handbook, MoH introduced indicators and new tools to the provinces, districts and health facilities in the period July 2007 to May 2008 .

With regards to addressing challenges in human resources, the retention scheme and the provision of adequate supplies, equipment, and infrastructure as well as efficient and effective systems of communication, referral, and transport will have a positive effect on retention and ultimately on health outcomes. Other interventions aimed at strengthening supportive supervision, performance management, equitable distribution and deployment practices and the provision of in-service and on-the-job training opportunities could also be considered to support retention and help reduce losses and attrition. In May and June 2008, the MoH, with support from the Clinton Foundation, conducted a comprehensive assessment of all 39 health training institutions to determine the feasibility and resources needed to address the challenges they faced. Based on this information, the 2008 National Training Operational Plan and the Training and Development Plan were developed. The finding was that US\$60m would be needed to scale up from the current intake of 1,900 to 3,700 by 2012, to recruit 360 extra health teaching staff, provide adequate teaching materials and equipment and to construct and rehabilitate student and staff accommodation, classrooms, and libraries (Daka, 2008).

In 2007, 70% of all doctors employed in the country and 44% of all the available health workers were based in Lusaka and Copper Belt provinces. Data available on distribution of health personnel at all levels in the 2007 Annual Health Statistical Bulletin shows that the distribution of staff across all the provinces remains relatively unchanged. The number of doctors in post increased by 146 between 2006 and 2007, with 67% of this number based in Lusaka (Annual Health Statistical Bulletin, 2007).

**Table 5: Distribution of Health workers by province and population**

Provinces	Population (2007)75	No. of HF (as at 1 Jan 2008)	2006 a Total staff76	2007 b Total staff	2006 a % of all staff	2007 b % of all staff
Central	1,237,251	154	1,158	1,160	9.0	9.0
Copperbelt	1,911,572	229	2,782	2,733	21.0	21.0
Eastern	1,632,583	195	1,166	1,154	9.0	9.0
Luapula	945,868	136	648	651	5.0	5.0
Lusaka	1,654,579	105	2,996	3,076	23.0	23.0
Northern	1,586,753	193	675	981	5.0	7.0
North-Western	711,127	154	1,009	662	8.0	5.0
Southern	1,483,654	236	2,058	2,045	16.0	15.0
Western	901,299	161	768	757	6.0	6.0
<b>TOTALS</b>	<b>12,064,686</b>	<b>1,554</b>	<b>13,260</b>	<b>13,219</b>		

Source: Annual Health Statistical Bulletin 2007 (draft produced August 2008).

The minimal increases in staffing are not really addressing staff shortages. Reports from the field visits suggest that health worker shortages are still a major constraint to the delivery of health services. This is substantiated by recent surveys and research that found very high rates of staff vacancies, staff turnover and a heavy reliance on expatriates and volunteers in health facilities. It has been reported that Environmental Health Technicians are often the only health workers in charge of the rural health centres and are often executing complex duties with limited skills, while neglecting their designated tasks.

#### Recruitment and deployment

Recruitment and deployment are highly centralised and the processes involved are complex, cumbersome and long. Getting a post created, funded, approved and filled involves a number of directorates and agencies and there are several procedures and processes to be followed. The MoH can recommend staff to Public Service Management Division (PSMD) to fill the established positions on the structure, who then seek clearance from the Office of the Secretary to the Cabinet and the Public Service Commission. This bureaucracy makes the recruitment process a lengthy and tedious one. There are also delays in getting staff onto the payroll and this makes it difficult for the provinces and districts to retain them. Districts are employing various strategies to retain staff. Some are paying staff from local funds (grants) until they are officially appointed and put on the payroll, while others are 'employing' staff who do not have an approved established position while awaiting their official recruitment into the establishment. It would appear that the 'mandatory rural posting' scheme has not been very effective in deploying and retaining doctors in rural areas but it has potential to be strengthened further and replicated to other health personnel categories.

#### Social capital

Although social capital initiatives existed before the Paris Declaration, they have clearly improved since 2005, suggesting a positive contribution by PD through ownership and structures of stakeholder dialogue. Social capital has the potential of enabling the poor and marginalised to participate and organize themselves in community development and society transformation processes. Of particular importance are Neighbourhood Health Committees (NHCs) which play an important role in improving service delivery through participatory monitoring and evaluation. These social networks at community level and community health schemes introduce a variety of stakeholders to each other in a *peer to peer* collaborative setting by exchanging best practices.

USAID through the Zambia Integrated Health Programme (ZIHP) had striven to build the skills and capacity of NHC members to be well informed and skilled health promoters in their communities.



NHC members have been trained to mobilize their communities, identifying problems, prioritize them and work towards a solution. Face-to-face training is complemented by distance education through radio, as well as the provision of print materials. The coverage of such training is limited, hence there is need for scaled up NHC training if PD results are to be realized as expected at the grassroots level.

However, some interviewees expressed concern that the PD principles may work against social capital because they emphasise the importance of formal structures and systems which may undermine informal approaches and cultural dimensions. Other interviewees, however, felt that formal and informal social capital approaches can effectively coexist both at community and national levels.

## Evolution of mix of aid modalities

### Contribution of aid to the sector

#### *Active and productive dialogue*

Dialogue between the MoH and its stakeholders is intense and productive through a series of planned consultative meetings namely: Ministers' and Heads of Missions Policy Meeting; Ministry of Health and Co-operating Partners Annual Consultative Meeting; Health Sector Advisory Group Meetings; Ministry of Health/Co-operating Partners Policy Consultative Meetings; Monitoring and Evaluation Sub-Committee Meetings and various technical working group meetings. These platforms for stakeholder dialogue pre-date the PD but comply with the PD principles.

### Alignment of aid with sector programmes, strategies, policies and related targets

The health sector SWAp under the broad guidance of the Zambia Aid Policy and Strategy and the Joint Assistance Strategy for Zambia (JASZ) continues to be receptive to foreign assistance. The various plans and programmes are informed by the Vision 2030, the Fifth National Development Plan (2006-2010) and the National Health Strategic Plan (2006- 2010). These are consistent with the MDGs and other global agendas. The Launch of the Aid Policy in February 2008 was a major milestone in defining Zambia's aid architecture. In setting its ideals on "good practices" towards aid harmonization and effectiveness, Zambia's Aid Policy has drawn substantively on the tenets of the Rome Declaration on Harmonisation, signed in February 2003 and the subsequent 2005 Paris Declaration.

### Sector strategies and plans jointly financed (government and donor) to meet agreed upon national targets

The National Health Strategic Plan IV has been jointly financed by government and cooperating partners as illustrated in Table 6.

**Table 6: Joint Financing of National Health Strategic Plan IV**

ITEMS	2006	2007	2008	TOTAL
<b>Currency</b>	<b>ZAMBIAN KWACHA - Billions</b>			
NHSP IV Financing requirements	1,071	1,347	1,611	4,029
Available financing	1,080.8	1,218.3	1,512.3	3,811.4
GRZ	557	830.2	973.8	2,360.9
Cooperating partners	532.8	388.1	538.5	1,459.4
Financing gap	9.8	128.7	98.7	217.6

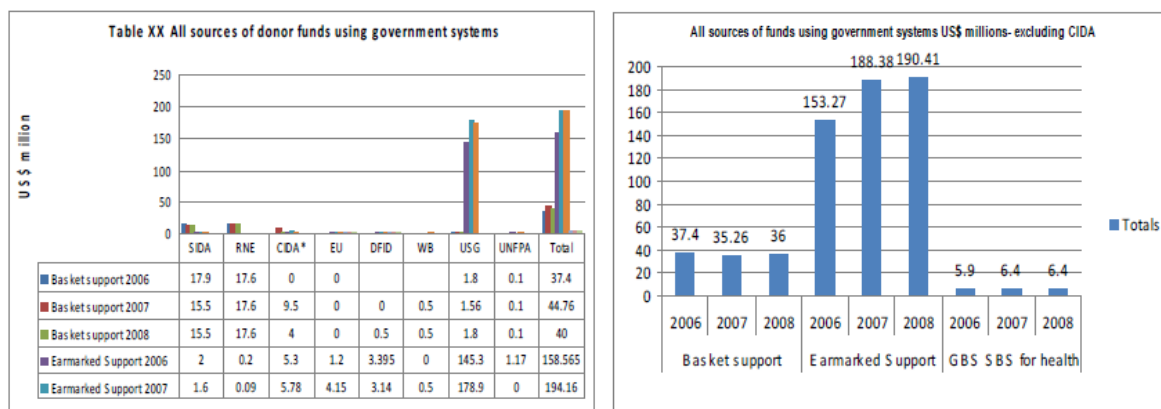
Source: MoH, 2006, NHSP IV (2006-2010).

Other jointly financed projects are: Government/World Bank Results Based Financing Project; Government/Netherlands Diagnostic Equipment; Government/JICA Infrastructure Project; and the China/Infrastructure Project (Interview with MoH officials, 2010).

Aid modalities

There is a significant mix of aid modalities in the health sector. There are three main funding mechanisms: (i) basket funding, (ii) earmarked-on-budget and (iii) General Budget Support (GBS) / Sector Budget Support (SBS). A fourth mechanism which is off-budget is referred to in this report as Direct Earmarked Funding and is discussed later.

Figure 4: All sources of donor using government systems (USD millions)



Source: MOH SWAp Secretariat Database \*CIDA values are in Canadian dollars.

Sector Budget Support (SBS) has considerably accelerated during the PD phase, though it is an initiative that came in with the health SWAp in the early 1990s. During PD, the sector became a shining example of SBS involving a multiplicity of CPs but this is the only significant mode of funding. In the past few years, Direct Earmarked Funding using the donors systems which are off-budget has also become the largest pool of funds available in the health sector. Indeed almost all the partners including basket funders, the signatories to the Global IHP Compact, allied initiatives and UN agencies in health, run directly financed vertical programmes using Direct Earmarked Funding.

SBS funds are ring-fenced funds held at the Ministry of Finance and disbursed on budget. It is the ring fenced nature of the funds in GBS that lead to the funds being referred to as SBS. In 2006 the fund yielded USD 5.9 million, in 2007 USD 6.4 million and was projected to retain USD 6.4 million in 2008. EU SBS funding has government linked conditions that need to be reported on separately by the sector. The funds reported as Earmarked-on-Budget funds in Figure 4 are those linked with activities undertaken by MoH or with their consent by other agencies and represent the largest amounts of funds. In principle, these are on-budget. The funds totalled USD 153.26 million in 2006, US\$ 197.88 million in 2007 and about USD 207.21 million in 2008. USG and DFID are the major contributors to this type of earmarking.

Basket funds were USD 37.4 million for 2006, USD 42.24 million for 2007 and estimated at USD 40 million for 2008. SIDA, RNE and CIDA are the major contributors to the Basket Fund. Other minor contributors include USG, DFID, World Bank and UNFPA. The Basket Fund and the DFID SBS contribution are the only funds that can be appropriately classified as fully aligned and harmonised with government systems.

In this regard, the impact of PD has been eroded in the last few years on account of the vertical funding arrangements. The pattern of Earmarked Direct Funds is also excessively skewed towards HIV/AIDS.

**Table 7: Total donor flows 2005 - 2010 (ZMK Billions) [\* 2010 figures are projections]**

	2005	2006	2007		2008	2009	2010
			Budget	Release			
SWAp	28.20	43.94	51.18	NA	43.72	35.00	35.00
Projects & Loans	70.55	229.60	292.60	NA	275.21	252.04	214.11
Grand Total	98.75	273.54	343.78	NA	318.93	287.04	249.11
<b>Basket as % of Total</b>	<b>29%</b>	<b>16%</b>	<b>15%</b>	<b>NA</b>	<b>14%</b>	<b>12%</b>	<b>14%</b>
<b>GRZ+Basket + HR support as % of Total</b>	<b>79%</b>	<b>39%</b>	<b>45%</b>	<b>NA</b>	<b>45%</b>	<b>47%</b>	<b>48%</b>
<b>HIV/AIDS as %age of Total</b>	<b>21%</b>	<b>61%</b>	<b>55%</b>	<b>NA</b>	<b>55%</b>	<b>53%</b>	<b>52%</b>

Source: MOH-SWAp Secretariat database

The increasing fragmentation in aid modalities may be a reflection of donors' disillusionment with inadequate direction and responsiveness within the MoH and government's inability to provide clear policy leadership. The general perception is that there is no clear basis for cost calculation in the National Health Strategic Plan except that in most cases the cost implications are drawn from specific strategic plans, e.g. the Malaria Strategy. The main weakness in this approach is the risk of double budgeting of same items across programmes leading to inflated figures. There are many programme based plans, costs and budgets that are developed as silos and not linked to each other. While it is generally accepted that some programmes may need to be provided with direct funding, even if not on budget, no guidance is provided as to how this may be accepted and managed. Anecdotal evidence suggests that MoH does request for funds from donors for various programmes as standalone projects even if these could have been easily funded from the basket or government sources.

Since 2005, some CPs have 'migrated' to other sectors in line with GRZ policy of decongesting over-subscribed sectors which is stressed in the JASZ. It is estimated that this has led to the MoH losing approximately US\$ 25.2 million per annum. This is based on DFID and EU shifting to general budget support (US \$ 12.1 million), Danida and DCI moving to other sectors (US \$ 11.4 million) and USAID expected reduction of US \$ 0.2 million. A DFID report (2007) suggests that despite the migration, the shortfall had been considerably compensated for. There might be marginal increases in funds. However, in the face of low government service budget and Basket Funds and the unpredictability of SBS and earmarked funds, the total loss of DANIDA and DCI funds, is a real loss to the sector.

It is hopeful to note the increased harmonisation of partner processes with that of government particularly amongst the Basket and Earmarked on-budget funders. However, given the high levels of earmarked funding, harmonisation and alignment is not complete. As mentioned earlier, Direct Earmarked Funding using the donors systems which are off-budget has become the largest pool of funds available in the health sector. Indeed almost all the partners including basket funders, the signatories to the Global IHP Compact, allied initiatives and UN agencies in health, run directly financed vertical programmes using Direct Earmarked Funding. DFID direct earmarked funds and on budget funds are almost the same [basket + SBS = US\$ 9.2 million and earmarked funds + US\$ 9.125 million].

Donor funding remains a significant part of health financing in the country contributing 32% to the total health budget in 2007 and 42% in 2009.

**Barriers to achievement jointly recognised and strategies in place to address them**

Since the revelation of the alleged misappropriation of funds in the sector, trust and confidence in national systems has been eroded. The government also felt that CPs utilized the PD principles to 'gang-up' against it despite the government's audit system having been the one to have unearthed the case. Furthermore, the high turnover of CP staff affects jointly recognised strategies because there is non-continuity of information during handover from predecessor to successor (Interview with MoH 2010).

**Effects of PD on aid relationship****Efficiency in aid delivery**

The aspiration of moving towards Sector Budget Support (SBS) has not yet been fully realised. Experience in operating SBS suggests that it entails additional transaction costs and a high level of unpredictability in fund release. The EU funds for 2006 were delayed for a year, while those of 2007 came six months later. These were due to administrative delays by the EU in signing the agreement; and, in the second instance, by government failure to meet the specified conditions.

The EU 10 million Euro SBS funds were reprogrammed to be disbursed in two tranches of 5 million Euros each. The first tranche was released early 2008. The rest was by September 2010 yet to be disbursed. With regard to DFID funds, funds for 2007 became available to government in October 2007 and disbursed to MOH in April 2008. This level of unpredictability negatively affects effectiveness of planning and implementation because planned programmes are either not undertaken or had to be reprogrammed without certainty that the funds would be disbursed on time. This is compounded further by a more recent infusion of large amounts of funds that are earmarked for specific diseases or programs from the various Global Health Initiatives (GHIs) such as: GAVI, the Global Fund to fight AIDS, Tuberculosis and Malaria (GFATM), the US President's Emergency Plan for AIDS Relief (PEPFAR), the Bill and Melinda Gates Foundation, the Clinton Foundation and the World Bank Malaria Booster Programme. With the inclusion of funds from PEPFAR and Global Fund alone, mainly for HIV/AIDS, public per capita expenditure moved from US \$11 to approximately US\$ 34 in 2006 (Ministry of Health, National Health Accounts Reports for the period 2004-2006).

**Table 8: Estimates of government and donor funding for national HIV/AIDS Strategic framework 2006-2010 (USD millions)**

Source	2006	2007	2008	2009	2010
Government of Zambia*	15.00	15.00	15.00	15.00	15.00
UN Family & World Bank	5.00	5.00	5.00	5.00	5.00
JICA (Japan)	3.21	3.21	3.21	3.21	3.21
PEPFAR (USA)†	149.00	149.00	149.00	74.00	74.00
NORAD (Norway)	2.85	2.85	2.85	2.85	2.85
Netherlands	1.21	1.21	1.21	1.21	1.21
DCI (Ireland)	3.75	3.75	3.75	3.75	3.75
SIDA (Sweden)	3.93	3.93	3.93	3.93	3.93
Global Fund‡	52.80	52.80	52.80	19.80	19.80
DFID (United Kingdom)	7.07	7.07	7.07	7.07	7.07
European Union	4.03	4.03	4.03	4.03	4.03
Private Charities	10.00	10.00	10.00	10.00	10.00
<b>Total</b>	<b>257.85</b>	<b>257.85</b>	<b>257.85</b>	<b>149.85</b>	<b>149.85</b>

\* The GoZ is expected to increase its input up to US\$30 million per year due to the Debt Dividend, but the estimates here represent 50% of the maximum. †US Government commitment beyond 2008 is uncertain. ‡Zambia will apply for the Global Fund Round 6, but estimates here are based on current Global Fund grants only. SOURCE: National HIV/AIDS Council 2006

Management and use of aid in sector

The NSHP IV Mid Term Review conducted in 2008 observed an increasingly fragmented financing system that was leading to large inefficiencies as reflected by the increase in proportion of total health expenditures going to administration (and consequently, reducing the expenditures going to service delivery). The Zambia National Health Accounts exercises (2006 and 2007) illustrate clearly that when off-budget expenditures of CPs increased, total health expenditures going to administration more than doubled from 14.8 percent in 2001 to as high as 30.8 percent in 2004, and this trend has persisted into the PD era. Apart from the actual cost of administration, the cost of coordinating these off-budget activities also involves hidden costs of managerial and staff time of both government and donor partners. Clearly, much can be gained under unified financing, procurement, and other procedures as agreed upon globally under the Paris Declaration on donor harmonization.

As contribution to specific areas, details are shown in Table 9 below.

**Table 9: Donor Financial Contribution to Specific Areas (2007/8)**

Specific Area of Donor Funding	Proportion of Donor Funding (%)
Service Delivery	72
District health services	62
Human Resource Training	55
National health system management	47
Drug management	41

Source: Centre for Health, Science and Social Research 2008, Analysis of the Zambia 2007 budget Presentation by T Ngulube to the MoH.

Partnerships

One of the overall key principles that guide the implementation of the NHSP 2006-2010 is partnerships in health service delivery. An underlying assumption is that there will be partnerships with all relevant stakeholders in promoting the health sector and that these partnerships will benefit from the synergies provided by each stakeholder group. It is evident that over recent years the diversification of donor instruments has changed the financial support mechanisms for the public and private actors in the health sector. Donors such as USAID, PEPFAR, WB and GFATM provide significant support to vertical programmes and to the Faith Based Organizations (FBOs), Non-Governmental Organizations (NGOs), Community Based Organizations (CBOs) and the private sector. As a consequence, the private not-for-profit sector has been empowered to increase its support to the health sector. Conversely, reporting and M&E requirements have contributed to an increased workload at district, provincial and national levels. In addition, coordination has become more problematic. Coordination at all levels has therefore been identified by MoH as an area for strategic attention. The constraints have been realised by the MoH and its stakeholders. The Lusaka meeting of the International Health Partnership and Related Initiative (IHP+) in February 2008 emphasised the urgent need to align external aid for health with national health and HIV/AIDS structures and systems. In this context, it is envisaged that all partners will harmonize and align their support to the SWAp approach (see HLSP-Performance Monitoring Frameworks in the Health Sector, Zambia Country Notes, 2008).

**Interim development results**Improved administrative capacities among all development actors, including CSOs

No evidence yet has been clearly noticed concerning this aspect. However, it is generally perceived that the capacity of both government structures and CSOs is weak and requires

strengthening, though CSOs have experienced some reasonable capacity building during the PD period, particularly through financing from CPs. There is also consensus that the PD has generated interest of CSOs to actively participate in the aid effectiveness agenda in Zambia. (Interview CP, MoH 2010).

*Improved ability to consult with and account to stakeholders*

This is gradually improving with PD implementation due to strengthening of dialogue mechanisms as noted above. These mechanisms promote active interaction between government and other stakeholders as well as between CPs. However, the issue of accountability has a long way to be realized. Vertical funds have little accountability to Parliament and citizens, let alone to each other.

*Evidence of 'learning by doing'*

As a pioneer in health sector reforms and SWAp, Zambia has had to learn by doing. These reforms have consequently been studied by many experts with publications in internationally peer reviewed journals and other publications. This in itself does not provide evidence of learning by doing. Among the authors of the published studies have been a number of people in active employment with the MoH who were at the centre of the reforms at the time of their writing. In addition, the active collaboration between the MoH and the University of Zambia and universities abroad mentioned above has produced useful outputs from which to learn from.

*Improved capacity to develop, implement and report upon comprehensive decentralization plans*

A major challenge for the health sector is that there is still limited capacity within local authorities with which to partner and harmonize systems and activities. Structures exist but capacity is inadequate. Under the National Decentralisation Policy, the MoH is expected to 'devolve' primary health care to the local authorities; yet, this can only be done when appropriate capacity and arrangements have been put in place. The health sector has had many years of sectoral decentralisation in various forms, unlike other sectors. The challenge remains for the MoH to be proactive by using the existing PD structures in the implementation of the National Decentralisation Policy in order to decentralise in the appropriate themes of the sector. Building capacity for engagement with other sectors will support inter-sectoral collaboration which is essential for effective functioning of the sector (Interview of MoH officials 2010).

*Improved partnership and network formation*

Efforts aimed at improved partnerships and network formation began before PD and were embedded in the ethos of the health SWAp. However, it does appear that the PD has contributed towards the strengthening of these efforts. At national level, interactions between MoH, CPs, Churches Health Association of Zambia (CHAZ) and other NGOs have improved tremendously (Stocktaking Report for Zambia, February 2008).

*Improved capacity to design and implement effective regulation*

In the NHSP IV, it is clearly stated that the Statutory Boards, both regulatory and service, play an important role in the implementation of the overall Government health policy. In Zambia, it is the National Public Health Regulatory Authority (NPHRA) that has the mandate to coordinate the activities of the regulatory boards. For the inspection tasks, law enforcement tasks and accreditation function, the Boards mainly depend on the Provincial Health Offices (PHOs). However, the PHOs do not have adequate technical capacities and resources to execute these functions (NHSP IV MTR, 2008).

### Improved capacity for policy and strategic monitoring

Over the period 2006-2008, the Directorate of Health Planning and Policy Development has taken responsibility for the process, through a team of policy analysts, working closely with technical staff inside and outside of the MoH on policy formulation. There has been an apparent disconnect between policy formulation and implementation. Lessons learnt from SWAp monitoring and evaluation working groups can be transferred to the whole sector (Interview of MoH officials 2010).

### Improved capacity for evaluation and reporting

Capacity has improved through SWAp mechanisms such as the process for the Joint Annual Reviews which involve literature review of the selected provinces, face to face interviews, field trips to selected provinces and thereafter report internally to all the SAGs (MoH staff interview, 2010)

## **Effects of PD on aid relationship**

### Country-led capacity development strategies

The government sponsors Grade 12 school leavers to enrol into government nursing schools (students contribute 10% of fees) and enrolled nurses who want to upgrade to registered nurses (including updating in private nursing schools). For pre-service training, intakes into the various institutions from 2006 to 2008 showed an increase of 12.7% for medical students. Registered and enrolled nursing schools, where records were available, showed variation; some schools reporting an increase and others reporting a reduction. Cumulative figures for 7 registered nursing schools (i.e., 29.2% of total number of nursing schools in the country) showed an increase of 1.5% and for 9 enrolled nursing schools (or 37.5% of total number nursing schools) had an increase of 5.2%.

**Partnership between the MOH and the CPs-** Different coordinating mechanisms have been established in order to strengthen partnerships through the SWAp and through coordination of activities in health interventions. The overall aim of the coordination is to foster the realisation of the health sector vision. The health partnerships operate through Joint Coordinating Mechanisms. These are closely linked consultative/coordination structures comprising of: (1) Annual Consultative Meeting (ACM); (2) Sector Advisory Group (SAG); (3) the MoH/CP Consultative Policy Meeting; (4) Technical Working Groups/Sub-Committees; and (5) Health CP Group Meeting. In addition, the Joint Annual Review (JAR) is conducted each year to assess the performance of the sector. The Global Fund operates through the Country Coordinating Mechanism (CCM). The MoH and the CPs signed a MoU in 2006 to confirm and reaffirm their commitment to the health sector and to the implementation of the entire duration of the NHSP 2006- 2010. Zambia clearly has established an enabling environment for dialogue and working partnerships through which the MoH and CPs can interact. Despite some constraints, the MoH and CPs seem to be satisfied with the systems in place.

**Partnership between the MoH and Christian Health Association of Zambia (CHAZ) -** CHAZ represents the work done by church health institutions in Zambia. CHAZ has 135 affiliates representing 16 churches (protestant and catholic). They comprise 34 hospitals, 64 health centres and 37 Faith Based Organisations (FBOs). These institutions cover about 30% of the health care in Zambia. CHAZ is a major player in the Zambian health sector and more specifically in the areas of HIV/AIDS, TB and Malaria. CHAZ is well known for its role in ART scaling up, home based care and support to Orphans and Vulnerable Children (OVCs). CHAZ operates through: (1) an MoU signed with the MoH in 2004; (2) formal arrangements with a number of CPs that include the Global Fund, DanChurchAid/DANIDA, the Royal Netherlands Embassy, Irish Aid, Catholic Relief Services and Center for Disease Control/AIDS Relief Programme. The MoH supports 100% of the salaries in the Church Health Institutions (for approved health staff and Daily Classified Employees). The Global Fund and CHAZ (as primary recipient) have signed HIV/AIDS and TB grants totalling \$50,906,608 up to 2008 for rounds one and two; additional grants were approved in

2007 (for HIV/AIDS, ART scale up and Malaria). The annual budget in 2006 was US\$20.14 million). It is evident that CHAZ has a strong and diversified resource envelope. CHAZ currently implements its own Strategic Plan 2006-2011. This plan has been developed in line with the National Development Plan and is almost fully aligned to the NHSP IV. CHAZ has opted to follow the same planning cycle as the NHSP IV in order to harmonise the strategies with the MoH. CHAZ closely interacts with the MOH and participates in the SAGs, JARs and the district planning mechanisms. The collaboration with CHAZ is highly appreciated by the MoH. Recently CHAZ has been requested by the MoH to become a coordinator for the NGOs in Zambia (Chansa et al, 2008).

**Partnership between the MoH and other members of Civil Society** - At National level, the MoH actively engages with civil society in service delivery and has signed MoUs with a number of Health programmes (e.g. HSSP) and international NGOs. Using PD principles, cooperating partners have a CSO basket funding which they use to fund areas of their interest in CSO strategic plans. The CSO funding is often for a 3 to 5 year rolling plan which coincides with CP country strategic plans. It is estimated that Zambia has a total of 600 NGOs, of which 150 NGOs exclusively focus on HIV and AIDS. The NGO sector is differentiated and complex due to differences in focus and funding arrangements. Significant funding for the international NGOs comes mainly directly through the CPs. USAID funding and PEPFAR funding is channelled to more than 60 partners (FY 2008 budget was US\$32 million). The GFTAM supports not only Ministry of Finance (for line ministries), the MoH, CHAZ (FBO sector) but also the Zambia National AIDS Network (comprised of NGOs and the private sector). The World Bank has a five year, US\$ 42 million grant for the Zambia National AIDS Response to HIV/AIDS (ZANARA). ZANARA channels funding to the community level through NGOs, FBOs and CBOs (through the Ministry of Finance and National Planning). This component is known as the Community Response to HIV/AIDS (CRAIDS). In addition, the National AIDS Council (NAC) receives support from different donors. The majority of the NGOs implement their programmes at provincial and district level. FBOs, NGOs and CBOs closely collaborate with the DHMTs and the DAFTs (Memorandum of Understanding between Cooperating Partners and Ministry of Health, 2006).

Joint planning, budgeting and supervision activities are carried out. Resources and transport are shared but not pooled into a Provincial or District fund. In addition, a number of provinces do have special NGO coordination meetings. Partnerships with community representatives (e.g. Neighbourhood Health Committees, Community Based Volunteers) exist as an integrated part of the sub-district planning system. The collaboration with the FBOs, NGOs and CBOs differs from district to district. Support provided by FBOs, NGOs and CBOs shows a wide range of services. This varies from capacity building, incentives, provision of drugs, equipment, IEC materials, resource centres, resource mobilisation, support supervision, mobile VCTs, support to AIDS and TB clients for income generating activities. NGO staff often collaborates with MoH and CHAZ health workers in the health facilities (Chansa et al, 2008).

**Partnerships with the private sector** - The MoH has started to strengthen its relations with the private commercial sector. This is part of the overall investment strategy from the Cabinet Office. The Triangle of Hope initiative aims at increased investments in the health sector. Priority areas are: medical services; manufacturing of pharmaceutical products; medical laboratory services; diagnostic services; repair and maintenance of medical equipment; laundry services to medical institutions; ambulance services and HRH development. Favourable tax incentives will be provided to attract investors. A study has been carried out to examine potential areas for public-private partnerships in health. The outcome shows that there is willingness among private practitioners (general practitioners, drug vendors, traditional practitioners) to collaborate with the Government in different areas (e.g., treatment according to standard protocols and health promotion). There is increased CP support to the private sector in order to attract medical practitioners to Zambia. In addition, private health facilities are coming on board. The STI PPP framework has been developed in order to enhance standard treatment in the private sector. In addition, collaboration between the National TB programme and private consulting rooms is being explored.



**Improved sector capacity for comprehensive decentralization plans** - MoH has had a long history of decentralization initiatives long before PD. However, it is notable that these efforts were significantly reinforced during the period of the PD. The challenge remains for the MoH to be proactive by using the existing PD structures in the implementation of the National Decentralisation Policy in order to decentralise in the appropriate themes of the sector. Building capacity for engagement with other sectors will support inter-sectoral collaboration which is essential for effective functioning of the sector and would potentially make service delivery at various levels more cost effective.

Decentralisation can be further accelerated by strengthening the provincial structures to ensure that decision making is not over centralised at HQ. This will need careful and periodic review of management costs to ensure that staffing the new structures is not at the expense of money for service delivery. The revision of the district health planning guidelines needs to address steps towards greater harmonisation with the local authorities. District health offices need support to work with local authorities in identifying the key areas for harmonisation and to develop locally adopted roadmaps for sustainable results.

### **Conclusions on the PD Development Outcomes in the Health Sector**

The relevance and contribution on development results of the Paris Declaration perhaps can best be described as **part of an on-going continuum** with some actions and achievements preceding the introduction of the Paris Declaration. The endorsement of the PD principles has not only led to better understanding about what has to be done but also has increased the collective capacity of all stakeholders to be conscious of utilizing available resources more effectively and efficiently.

Areas of contribution to progress on aid effectiveness of the Paris Declaration include development policy framework, aid coordination mechanisms and sector wide management approaches. These are significant and sustainable results which have translated into some development investments which reflect all or some of the PD principles in their design and implementation. More specifically, the Paris Declaration has enhanced intense dialogue in the sector which has contributed to the development of mechanisms and processes that have encouraged coordinated support to national systems and the wider use of programme-based approaches. Paris Declaration commitments have guided implementation of the National Strategic Development Plan towards achievement of the Millennium Development Goals.

The Paris Declaration has encouraged harmonization of donor approaches as evidenced through the Joint Assistance Framework and Division of Labor in the health sector. However, most development partners are caught between working collectively at country level and responding to differing priorities and concerns of their Headquarters Offices. Inevitably, pressure remains on some development partners to retain direct accountability of their aid. The continued fragmentation of aid modalities places a huge administrative burden on sector capacity and is a reflection of lack of trust and confidence by development partners in national systems.

A significant proportion of investments do not have adequate monitoring frameworks and systems in place to enable results –oriented decision making and reporting. It is difficult to trace whether the PD has been an influencing factor in managing for results at sector level. Similarly, there is no evidence that the PD has been a determinant factor in influencing mutual accountability due to the asymmetric accountability relationships between government and the development partners.

With respect to administrative efficiency, it is evident that a substantial amount of time is spent by both CPs and GRZ officials attending SWAp coordination meetings which overall, appears to be increasing rather than reducing transactions costs (especially for the Lead Donor or the Troika). Considerable time is spent organizing and staging SWAp-specific and other technical meetings. As part of the organization process, matters arising during the meetings have to be followed up and action taken, reports produced and circulated to all members in time for the next meeting. The donors who are not pooling resources have their own separate planning, budgeting and reporting

formats. This has tended to increase the administration workload of staff that is already overstretched especially the programme managers at lower levels who have to regularly submit reports to the Ministry of Health headquarters who now have an added responsibility to write project specific reports for onward submission to CPs funding vertical projects in the health sector.

## 4.2 AGRICULTURE SECTOR

### Main Developments and Challenges

#### Results in specific sectors enhanced

##### Evidence of progress towards policy goals

##### *Intended development goals*

Interventions in the sector since the mid-90s have consistently focused on the sector's long-term development goals though in many respects not significantly effective and efficient. The following have been the long-term goals of the sector: (i) Market liberation and private sector-led agricultural development; (ii) Attainment of food security; (iii) Poverty reduction; (iv) Contribution to balance of payments; and, (v) Agriculture as the engine for the country's economic growth. The goals have been variously articulated in a number of documents including: (i) The Agricultural Sector Investment Programme (ASIP), 1996-2000; (ii) The agriculture component of the Poverty Reduction Strategy Paper (PRSP) (2002-2004); and, (iii) The agriculture chapter of the Fifth National Development Plan (2006-2010) (see GRZ, 2006b, pages 47- 48).

Agricultural programmes meant to achieve these broad country objectives include the Farmer Input Support Programme (FISP) which focused on achieving national and household food security. The national research agenda is meant to also help achieve food security. The key challenge in research has been lack of skilled manpower for implementation. The seed certification programme focuses on food security and agricultural commercialization. Initiatives dealing with conservation agriculture have been well articulated but remain fragmented and needing synchronization in terms of channels for delivery. These initiatives deal with a broad range of objectives. Lately conservation agriculture has taken additional importance when linked to the issue of climate change and variability. Irrigation development to enhance food security has been talked about for a long time, but derailed. The World Bank will be funding construction of big dams, installing of irrigation infrastructure and linking small and big farmers. The anticipated total project cost is US\$ 40 million. This initiative will be called Irrigation Development Program (IDP). The loan has already been signed (Interview with MACO, 2010).

##### Evidence of progress towards policy goals

Evidence from the mid-term review of the FNDP (GRZ, 2009), the Bank of Zambia Annual Report for 2009 (Bank of Zambia, 2010) and interviews with officials at MACO shows that the contribution of the PD towards achievement of policy goals has been mixed. An assessment of the FNDP objective targets compared to actual outcomes also reveals mixed results. For example, irrigation was below target (i.e., less than 30% of the target for land put under irrigation was achieved) while food security targets for 2008/2009 and 2009/2010 agricultural seasons showed that food insecure households reduced to below 20%. In terms of export earnings (an indicator of BOP contribution) results for some major crops such as cotton in 2007-2008 are mixed. There was a reduction of cotton yarn exports from US\$12.4 million to US\$7.5 million (cotton lint in the same period reduced from US\$37.1 million to US\$35.4 million) due to low international prices. Exports of fruits and vegetables increased from US\$24.6 million to US\$27.0 million. During the past 2 to 3 years coffee

production declined by 50%, from 6,000 MT down to 3,000 MT (2009/2010). The projection was over 10,000 MT for 2009/10. Tobacco production is stable and exports increased from US\$63.2 million to US\$74.6 million between 2008/09 and 2009/10. However, this subsector has a number of health and environment related challenges. In the same period, sugar reduced from US \$74.4 million to US\$60.7 million.

#### Sector plans implemented as intended

Going by the evidence provided immediately above, sector plans have not been implemented as intended. One reason is inadequate funding. The agriculture chapter in the FNDP was ambitiously designed with inadequate resources from both GRZ and CPs. Overall only 60% of total budget under FNDP was released. Of this figure, it is estimated that at least 70% went towards Farmer Input Supply Programme (FISP) and maize marketing (Food Reserve Agency – FRA). The agriculture chapter of the SNDP is currently being finalized and MoFNP is emphasizing the need to prioritize the sector programmes and make the chapter less ambitious in comparison to the FNDP. Infrastructure development is accorded greater priority in the agriculture SNDP chapter, reflecting national emphasis on infrastructure (2000-2008 GRZ Expenditures for MACO; Interview with MACO staff 2010).

#### Sector strategies on track

Both the FNDP mid-term review findings and interviews with MACO officials confirm that the strengthening of agriculture extension services has been on track. In the past 3 years agricultural extension has benefitted from strong support from a number of CPs. For instance, most extension workers have been provided with motor cycles lack of which had made their mobility and effectiveness very big problems. Staffing levels in the extension sub-sector have gone up to 80% from less than 50% 3 years ago. Key challenges are inadequate operational resources and infrastructure hence the emphasis of the agriculture chapter in SNDP. Seed production has had a very good story. Zambia is now a net exporter of seed. However, as documented above, the other strategies have not been on track.

The National Agricultural Policy (NAP) (2004 – 2015) was developed in the pre-PD period. There is no evidence yet to show that the PD has positively contributed towards sustainable progress in long term goals of the policy. However, the PD has had a positive contribution towards improved sector policy dialogue between Government and CPs as evidenced by active and productive discussions on agricultural input and marketing policies during the preparation of the CAADP Compact for Zambia which was developed in the last one-and-half years. The agricultural sector growth rate has been on average 7.1% in the past 2 years compared to 0.9% in pre-PD period. The likely contribution of PD to this positive growth is analysed below.

#### **Sector governance and institutional mechanisms operating Effectively**

The PD period has been characterized by instability at the political governance level evidenced by 5 ministers, which on average, translates to one minister per year. The high turnover of Permanent Secretaries at MACO in the same period has exacerbated the situation. There have been three permanent secretaries or one PS for every 20 months. This unstable governance has posed a big challenge to achieving PD results. For instance, CPs and government had reached an advanced level of active and productive dialogue regarding the contentious issue of subsidising fertilizer. The CPs and MACO agreed to adopt the voucher system perceived as more efficient, able to promote private sector participation and sustainable in the long term. However, there was a change in ministers just before the voucher system could be implemented and all that had been agreed was set aside. To date, the fertilizer subsidy policy remains the most contentious between government and CPs. The PD period has also seen a reduction in institutional capacity of MACO (in terms of both extension service provision, planning and policy development) following its split in 2009 into two, the new one being the Ministry of Livestock and Fisheries (MLF). This development further

diminished prospects of Zambia achieving MDG targets. The reduced capacity was directly linked to a halving of the available resources to MACO (moveable assets, funds and staff). MACO looks forward to the signing of the CAADP in January 2011 as this will usher in mechanisms to rebuild the capacity of the MACO in planning and extension work among others.

Sector dialogue during the PD period generally improved but appeared more active during times of designing key initiatives. Minutes of the SAG meetings and interviews with MACO officials indicate that the SAG has been key in providing space for dialogue between CPs, CSOs, the private sector and government. The SAG met regularly during the design of the agriculture chapter of the FNDP and the SNDP. It did the same with regards to the design of the Zambia CAADP Compact to be signed in January 2011<sup>5</sup>. The Compact has had stakeholder buy-in with respect to sectoral policies and strategies. Harmonization regarding stakeholder roles has been strengthened as the Compact clearly stipulates the expectations of each stakeholder category in a bid to promote efficiency, another clear positive contribution of PD. A signed compact is critical to unlocking ODA flow to the sector for investment programmes which will in turn be expected to positively impact on poverty.

### **Judgment on progress, especially since 2005**

Since 2005, some progress has been made towards the achievement of overall sector goals as seen above. However, distortions remain in the sector. Examples are the fertilizer subsidy under FISP as well as the maize marketing role played by the Food Reserve Agency (FRA). In both sub-sectors, there is need for more private sector participation. FRA has dramatically grown in terms of financial resources it handles. For instance, in the 2009/10 agricultural season, the Agency managed a resource envelop of about US \$213 million allocated to maize purchasing, an increase of more than 50%. The contribution of agriculture to GDP averages 15-16% due to the faster growth of the other sectors (mining & construction particularly). The agriculture sector growth rate was 12.1% in 2008/09 agricultural season.

### **Contribution of aid to the sector**

#### **Overall scale of committed aid within the sector, predictability and disbursement**

The agriculture sector allocation as a percentage of the total annual national budget improved from an average of 6.5% in the pre-PD period (2000 to 2005) to 9.4% in PD (2006 to 2010). PD made a positive contribution to: (i) CSO involvement in budget tracking; and, (ii) Pro-poor budgetary allocations which set the sector as one of the major recipients of resources earmarked for pro-poor interventions, given that nearly 70% of the country's population depends on the sector. These sustained CSO advocacy efforts are likely to have caused government to increase expenditure to agriculture. CSOs are heavily funded from external sources such that in more than 98% of the cases, CSO funding is 100% ODA (CSPR 2009). It should be noted that though the resource allocation for agriculture has increased it is still below the target of 10% in the CAADP Compact (2000-2008 GRZ Actual Expenditure, MACO).

A recent Diakonia Baseline Survey conducted in 2010 and covering activities of 9 CSOs revealed that significant progress has been made towards advocacy in key areas including social and economic justice, human rights, gender equality and democracy. There are emerging outcomes (including increased economic activity, policy change, increased productivity by marginalized groups) at national, district and community levels resulting from CSOs advocacy activities. PD has further made a positive contribution towards common basket financing of CSOs based on mostly three year strategic CSO plans. There is an emerging best practice regarding ODA funding of

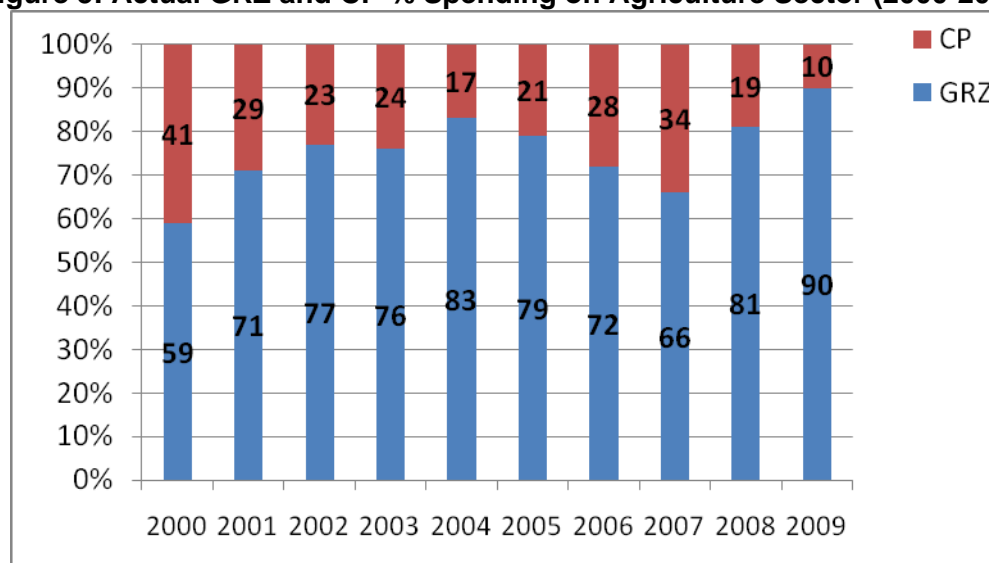
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<sup>5</sup> Zambia CAADP Compact was to be signed in August 2010 but was postponed at the last minute due to disagreements between the CPs and the government regarding the FISP and only signed in January 2010.

CSOs relating to use of the same Strategic Plans by all CPs, common financing arrangements and joint monitoring and evaluation arrangements, among others (CSPR, 2010; TIZ, 2009).

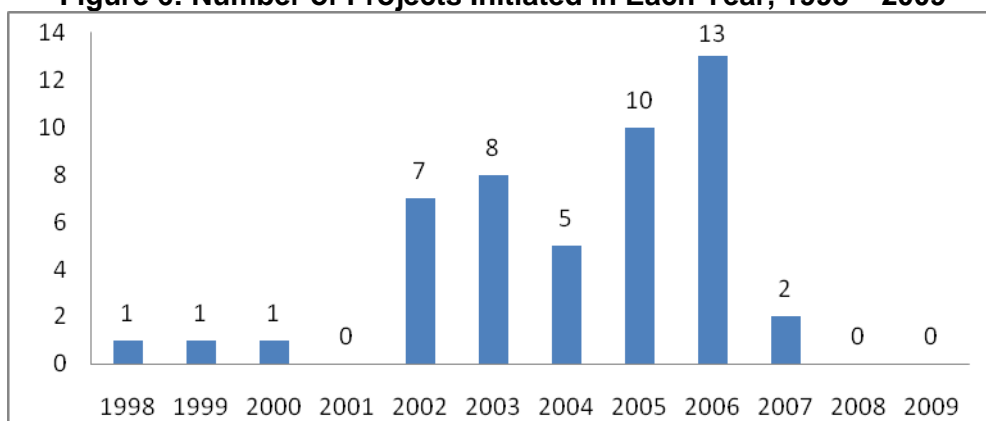
GRZ contribution to the sector budget marginally increased from an annual average of 74.2% during the pre-PD era (2000-2005) to 77.3% in the PD (2006-2009) period. On the other hand, CP contribution declined from 25.8% to 22.7% in the two periods respectively. GRZ annual budgetary contribution showed an upward trend during the PD period from 72% (2006) to 90% (2009) while that of CPs declined in the same period from 28% in 2006 to 10% in 2009. The decline in CP contribution to the agriculture budget started in the pre-PD period which at the time was 41% (2000) to 21% (2005). This decline is consistent with the fact that new projects to the sector decreased from 13 in 2006 to zero in 2008 and 2009. ODA to the sector has not been very predicable. Overall, there has been a downward trend since 2006 (as already noted above), see **Figure 5** for details.

**Figure 5: Actual GRZ and CP % Spending on Agriculture Sector (2000-2009)**



Source: MACO (Constructed from GRZ Expenditure, 2000 to 2008 and Approved Expenditures for 2009 and 2010)

**Figure 6: Number of Projects Initiated in Each Year, 1998 – 2009**

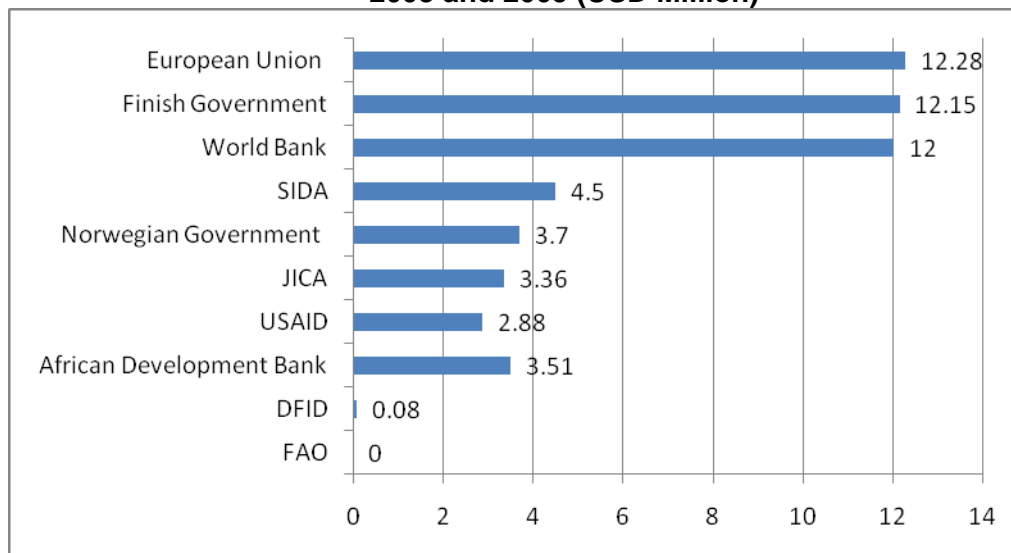


Source: MACO: Profile of Donor Funded Programmes/Projects Under the Ministry of Agriculture & Cooperatives in Zambia During the FNDP Period<sup>6</sup>, In Chiwele D. JASZ Evaluation Agriculture Case Study, 2010, page 8.

<sup>6</sup> The data supplied by MACO's Policy and Planning Department tabulates the donor, project name, programme period and total budget. It does not provide annual breakdowns or the amounts disbursed. There is a possibility that the data is incomplete and there might be some duplication with respect to delegated funding but it is comprehensive enough to provide us a good picture.

In the past 2 years, the biggest 5 CP financiers to the sector in descending order were: (i) the European Union; (ii) Finland; (iii) the World Bank; (iv) Sweden; and (v) Norway (Figure 7).

**Figure 7: Project Grant and Loan Disbursements to Agriculture, 2008 and 2009 (USD Million)**



Source: Chiwele D, March 2010, JASZ Agriculture Case Study, page 9.

Multi-lateral CPs have begun financially supporting the sector following more than 6 years of consistent good macro-economic performance. The World Bank, the African Development Bank (ADB), and the International Fund for Agriculture Development (IFAD) have all initiated loan financing agreements with government and some of these agreements have already been signed. Negotiations for a second IFAD loan are underway. Similarly, the WB Bank apart from the livestock sub-sector loan agreement which has already been agreed upon, has already started discussions with the Government for another loan facility (OPM, March 2010; Government actual expenditures 2000-2008; MACO staff interview 2010).

#### Active and productive dialogue

Good progress has been made in active dialogue between MACO and CPs particularly in the past two years. The dialogue has come about as a result of the CAADP Compact process. The most important space for such dialogue has been the Agricultural Sector Advisory Group (SAG) which used to meet on average monthly when the Compact design was at its peak. However, since about 7 months ago, the last minute pull out by CPs in terms of signing the CAADP Compact resulted in a break down in dialogue. The two major policy issues of disagreement were the fertilizer subsidy and state intervention in maize marketing. Dialogue was resumed leading to progress towards seeking a solution to the two sticking issues (Zambia CAADP Compact, December 2009; CP and MACO Interviews, 2010).

#### Alignment of aid with sector programmes, strategies, policies and related targets

Alignment of aid in the agricultural sector has existed in principle mainly being promoted through the Agriculture Chapter of the FNDP that stipulates the sector goals, objectives and strategies. The National Agriculture Policy (2004 - 2015) has also been availed to CPs resulting in them making efforts to ensure that their support is aligned to the sector policies and priorities. Currently, NAP is being reviewed to take into account a number of socio-economic developments that have taken place in the sector. Some of the issues to be taken into account during the development of the new

NAP include: climate change and research on, and production of, crops for bio-fuel purposes. There is a wide range of stakeholder consultation (including CPs) during the review of the current NAP. A similar highly consultative process obtained when developing the current NAP (FNDP 2006-2010; NAP 2004-2015 and Interviews with MACO, 2010).

CPs support specific areas within the overall strategies, for instance conservation, irrigation and agri-business programmes. Under the 9<sup>th</sup> EDF, the European Union (EU) is supporting extension (Support to Agriculture Diversification and Food Security Programme (SADFSP, 2006 to 2010) in North-Western and Western provinces). There is a general perception in MACO and among CPs that alignment is inadequate at the operational level. For instance, different CPs insist on their own financial management and procurement systems. The Programme for Luapula Agricultural and Rural Development (PLARD) 2006-2010 funded by Finland has its own Programme Implementation Unit (PIU); The EU funded SADFSP uses its own financial and procurement systems (ToRs of Consultant to Review and Prepare the Revised National Agricultural Policy (2011-2015); CP and MACO staff interviews, 2010).

#### Sector strategies and plans jointly financed (government and donor) to meet agreed upon national targets

The Extension Programme has been jointly financed by MACO and CPs. Other jointly financed programmes are: Livestock Disease Control; and Smallholder Livestock Investment Programme co-financed with IFAD (it is a 7 year programme). Joint financing in the sector existed before PD. For instance, of the total cost of ASIP 1996 – 2000 amounting to US\$ 350 million (with an annual average cost of US\$ 87.5 million), 60% was expected to be from CPs, 37% from government and 3% from beneficiaries. For the first year of ASIP implementation, government actual disbursement was 66.5% and CPs 17.1% against the budgeted contributions for the year (Agricultural Sector Performance Analysis, 1996 and 1997, page 41, University of Zambia; Interview MACO 2010).

#### Barriers to achievement jointly recognised and strategies in place to address them

One of the major challenges relates to timely disbursements of funding from Government to agreed commitments. Where disbursements have taken place, these have tended to be usually less than 50% of the budget, particularly in 2010, as GRZ has been pointing to the national consensus as a major cost centre that has drawn a considerable amount of resources. The other challenge is what has already been alluded to in the section on “Alignment of Aid” regarding the insistence by various CPs to use their own financial, procurement and management procedures and systems (Interview with CPs and MACO, 2010).

### **Effects of PD on aid relationship**

#### Judgement on progress, especially since 2005

Little progress has been made with regard to effects of PD on aid relationship in the agriculture sector. The donor-government relationship has been difficult due to contentious issues surrounding fertilizer subsidies and state role in maize marketing. However, there has not been a complete cessation in the flow of ODA to the sector. ODA in agriculture remains segmented given the predominance of project funding in the absence a sector basket. The situation might improve with the signing of the CAADP Compact (Interviews with CPs and MACO staff, 2010).

#### Efficiency in aid delivery

There has been little progress regarding the efficiency in aid delivery in the sector. This is on account of the following reasons: (i) Formulation of programmes in the sector has taken longer than necessary (e.g. the follow-up to the Sida funded Agricultural Support Programme (ASP) has taken over 3 years to be realized and the formulation of support to agri-business has taken over one and half years); and (ii) There is the challenge of rigidity by some CPs in terms of red-tape in

the disbursement of funds. For instance, EU sticks to its own rules and regulations. On average, it takes 3-6 months for funds to be replenished. The World Bank's Agriculture Diversification Support Project (ADSP) (2006 to 2010), a US\$ 44 million grant, has its own financial and procurement procedures and systems which are time consuming. MACO states that it has seen no reduction in the transaction costs since 2005, citing the continued multiplicity of meetings with CPs. Though the agriculture troika has been meeting monthly and has done well to interact with the other 6 CPs active in the sector, such meetings are perceived by MACO as fora for exchange of information (Project Appraisal Document, Agriculture Development Support Project, the World Bank, November 2005, page 18; Division of Labour Matrix under JASZ, updated March 2010; and Interviews with MACO staff 2010).

### Management and use of aid in the sector

Some progress has taken place in aid management and use of aid in agriculture. There are CP written rules regulating management and use of aid that are passed on to MACO. Once these rules are broken, MACO faces sanctions from CPs. Aid management is also assisted by external supervision missions. However, CPs have not aligned themselves to government systems in monitoring and supervision procedures. This is despite the fact that there are CP fora which MACO feels are more like "pressure groups" given three main reasons. Firstly, in 2008, there was an assessment of MACO institutional capacity through Sida funding. The results were shared with other CPs operating in the sector, using such fora. According to the report, MACO had low capacity and hence it was in a weak position to effectively implement CP support to the sector. According to MACO, this explains in part the reason why there has been no new CP support to the sector since 2008. Secondly, the Finnish funded PLARD Phase I (2006-2010) has had a separate PIU, its own financial and procurement procedures and systems. PLARD Phase II ear-marked to start early 2011 for another four year period is scheduled to continue with the status quo for the first two years while assessing MACO's capacity. Finland is one of the CPs in the agricultural sector. Thirdly, the last minute (May 2010) withdrawal by CPs from signing the Zambia CAADP Compact is linked to this "pressure group" influence. Though the CPs were part of the whole process of the development of the compact and were even represented in a sub-committee specifically constituted to spear-head the drafting of the compact, they still withdrew after having contributed part of the contents of the Compact (Zambia CAADP Compact, 3<sup>rd</sup> December 2009 Version; PLARD Phase I and II Programme Documents; and Interview with MACO staff, 2010).

### Partnerships

Some partnerships have worked well during the PD period. Three examples can be given. First, the Agriculture Support Programme was used as a framework for multiple CP funding. Though ASP was primarily funded by Sida, Norad did disburse its own funds to the programme because it felt that the framework used was efficient in delivering the targeted services to the small scale farmers. Second, the Agriculture Consultative Forum (ACF) has had multiple CP funding (though ACF is facing a downward trend). Third, the three (3) year Performance Enhancement Programme (PEP) to be implemented from early 2011 is aimed at building the capacity of MACO. PEP was designed by EU (who will be putting in 10 million Euros). Sida will also co-finance PEP through IFAD.

CPs are beginning to look at which programmes are running. They then interact with the implementers and financiers with the view to learning what's working well and not. This also allows them to build on the strengths of on-going initiatives (ASP Annual Review, 2008; Interview with MACO, 2010).

### Judgement on progress, especially since 2005

Substantial progress has been made in this regard. For instance, there is a CP forum in the sector that meets monthly. The forum provides MACO feed back. CPs raise issues with MACO and



discuss these with the Permanent Secretary (PS), and later the Minister. The PS would then call directors for discussion and further follow-up. An example of an issue raised by CPs under such a forum which followed such a route is the voucher scheme for fertilizer. CPs raised this matter with MACO as a way of improving the efficiency of FISP. CPs went to the extent of sponsoring MACO and private sector staff to undertake a familiarization tour in the region to study the voucher system. Unfortunately, the minister was transferred to another ministry before the system could take off. Both CPs and MACO had agreed to have the voucher scheme implemented as an alternative to the fertilizer subsidy intervention. It had been agreed to pilot the voucher system. The piloting of the voucher scheme has since been started and is being undertaken by the Conservation Agriculture Support Programme, in 12 districts. In terms of PD contribution to the long-term development goals, it was felt that little has been realized. Some stakeholders consulted felt that the systems for managing for results were in fact better performing before PD during the implementation of the SWAp (i.e., ASIP).

#### Overall aggregate judgement

Some positive steps have been taken in the sector towards implementation of PD principles. For instance; alignment of national programmes; harmonization of CP support, Division of Labour which has promoted good relationships among CPs e.g. JASZ as evidenced in the JASZ matrix. However, the contribution of these to effective, efficient and sustainable long term policy goals is not equally strong.

#### **Help to improve prioritisation of needs of the poorest people**

##### Effects of PD on the aid relationship

##### *Joint statements / dialogue / analysis / Joint statements become Action points / Annual reviews*

PD appears to have positively impacted on this. In the case of joint statements made in the context of the agricultural SAG, the Policy and Planning Department (PPD) of MACO is the Secretariat to the Advisory Group. The Secretariat writes CPs, the private sector institutions and others that sit on the SAG, requesting for agenda items. The members agree who will facilitate the discussion. After discussions, the SAG decides who will take what action. Those related to policy are passed on to the Minister of Agriculture. Likewise, issues to do with funds are passed on to MoFNP. These matters are jointly undertaken by the stakeholders concerned.

The private sector usually presents issues related to infrastructure, trade facilitation, and credit. All these are meant to improve the environment for the private sector to thrive. For instance, the stock monitoring committee monitors food security stocks in the country (millers, farmers, MACO, etc are part of its composition). Currently, there is a challenge regarding the huge maize stocks due to the recent maize bumper harvest. The committee is presently discussing issues of exports. The committee meets quarterly. CPs are not included in the membership of the committee (Zambia CAADP Compact, 3<sup>rd</sup> December 2009 Version; Interviews of MACO staff, 2010).

##### Joint programmes / activity

CPs have joint programmes and activities. They meet monthly to discuss issues relating to the sector and arrive at a common position which they discuss with government through the Troika which represents the bigger group. Examples of joint programmes have already been highlighted above (GRZ, 2009).

### Joint groups / structures

Troika and JASZ on the side of CPs and SAG which encompasses both GRZ and CPs are examples of these. These joint groups and structures have proved helpful in improving PD implementation (OPM, March 2010).

### Are there more / wider entry points for productive dialogue and engagement between partner countries and donors

The advent of the PD has brought with it more entry points for dialogue. Examples which have already been alluded to include: SAGs, CP Fora, Department fora; high level policy dialogue meetings (involving ministers and ambassadors) who meet once a year. MoFNP chairs this high level dialogue (through the Permanent Secretary). Though the meetings usually involve all sectors, participation is supposed to be for those sectors that have penitent issues to discuss. All sectors come together, though it depends on which sectors have key issues that need to be dealt with. These are given priority. All CPs involved in the particular sector with issues to be discussed attend the high level forum. The agricultural sector has featured in the forum the last 2 years (Zambia CAADP Compact, 3<sup>rd</sup> December 2009 Version; Interviews with World Bank staff, 2010).

### Unintended impacts or effects

The creation and implementation of a number of fora for dialogue which have been facilitated following the implementation of PD principles has resulted in a challenge as far as the MACO is concerned. While the fora among CPs have facilitated the exchange of information that has led to eventual improvement in programme implementation and performance, some information that has been shared among CPs has worked against MACO. For instance, there were a number of CPs that did not mind FISP as long as it included effective targeting of the most vulnerable farmers. However, following the improved dialogue among CPs during the formulation of the Zambia CAADP Compact, all CPs took a united stand against the FISP. Consequently, MACO feels that the space that has been created to enhance dialogue has also resulted in CPs acting as a “pressure group” rather than trusted partner (Interview with MACO staff 2010).

### Judgement on progress, especially since 2005

Generally, some progress has been made with respect to improved relationships especially among CPs though they have not resulted in improved aid flows as already evidenced by the statistics mentioned above.

### Level of pro-poor, gender responsive priorities in national strategies, budgets

#### **Greater prioritization of the needs of the poorest**

Though the prioritization of the needs of the poorest including women and children as well as OVC was given attention pre-PD,<sup>7</sup> it has been more pronounced since 2005 and is embedded in the FNDP<sup>8</sup> (2006-2010). CSOs have contributed towards raising the profile of the poor and those excluded from the country’s development agenda through aggressive and sustained advocacy (as noted above). For instance, the 50:50 principle relating to grassroots level leadership roles has

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<sup>7</sup> The National Agriculture Policy (NAP), 2004-2015 in one of the strategies focuses on “promotion of gender equity in resource allocation and access to agricultural services focusing more on women and young farmers”.

<sup>8</sup> The FNDP Agriculture chapter (2006-2010) does talk about “provision of targeted support to outlying areas and under privileged farmer groups”.

become well established across the country. Women in rural communities now have equal representation in leadership of local organizations and structures, can more easily access land, know their rights regarding property grabbing and have become more assertive (RuralNet 2010). Four issues need to be noted. Firstly, multi-lateral CPs have generally not cared about such prioritization, e.g. the EU has continued to finance its interventions without such prioritisation. Secondly, on the other hand, bi-lateral CPs have been very concerned about such prioritization and have tended to insist on deliberate targeting of their support to such groups. Thirdly, GRZ has been under pressure to prioritize the needs of the poorest from two major fronts; pressure from CPs over a prolonged period of time (before PD), and Civil Society Organizations (CSOs), particularly the Civil Society for Poverty Reduction (CSPR) that has been involved in budget tracking aimed at assessing resource allocation towards Poverty Reduction Programmes (PRPs). Following ASIP formulation, prioritization was clearly undertaken. However, resources have been inadequate to meet the needs of the poorest and marginalized. Lastly, data collection and analysis by the Central Statistics Office (CSO) and major agricultural interventions in the country have disaggregated data by gender (Budget Tracking Report (undated) by CSPR, pages 9 and 10; Agriculture Sector Investment Programme, Mid-Term Review, INESOR, UNZA, 1998; Interviews with CPs, 2010; and Interviews with MACO, 2010).

### **Interim development results**

#### *Increased generation and use of disaggregated data and analysis around poor and excluded groups, including women and girls*

Bi-lateral CPs have always insisted on use of data that is disaggregated and analysed around poor and excluded groups. However, there has not been much insistence from multi-lateral institutions on this. MACO has been doing it. On the overall, this has become almost embedded in data management and analysis systems. It's a practice which goes back even to the pre-PD period.

#### *Extreme poverty, gender and exclusion-focused analyses conducted*

Analysis by gender is the most common of all these analyses and began pre-PD. The Central Statistical Office is one of the few institutions that goes beyond analysis by gender. It also includes analysis by extreme poverty. Examples are: (i) the Living Condition Morning Surveys; and (ii) the Post Harvest Surveys (agricultural survey), among others. These surveys analyse data by extreme poverty, gender and other exclusions. However, the other institutions are still lagging behind in the other exclusion focused analyses (see Central Statistical Office Living Conditions Monitoring Surveys 1996, 1998, and 2006; and PSH 2003).

#### *Increased recognition of extreme poverty, exclusion and gender issues within development policy and planning*

Except for disaggregation by gender, MACO is not giving the other elements their due consideration. Only CSO is doing this in totality in the national surveys alluded to in the *Section on Extreme Poverty and Gender exclusion* above. Availability of skilled staff to do this is a major challenge. The National Agriculture Policy, 2004-2015 has strategies that focus on "*promotion of gender equity in resource allocation and access to agricultural services focussing more on women and young farmers*". The FNDP Agriculture chapter (2006-2010) identifies "*provision of targeted support in outlying areas and under privileged farmer groups*" as a priority area of investment. Other categories do not come out clearly (see National Agricultural Policy (NAP) 2004-2015, page 3; and FNDP 2006-2010, pages 47 and 296-302).

#### *Increased resource allocations to tackle extreme poverty, gender and exclusion issues*

There has been no notable incremental gender and exclusion related budgetary allocation arising from the PD in the agricultural sector. For instance, the gender Focal Point Persons (FPP) in

MACO (at both national and district levels) complain about non availability of resources even for the most basic coordinating functions they are supposed to be involved in (Interviews with CPs, CSOs and MACO, 2010).

In the case of gender, where it has been prevalent, it has tended to be confined to data disaggregation by gender only.

Overall judgement on progress, especially since 2005

There has been no notable contribution to implementation progress in this area resulting from PD. Whatever has been done is as a result of processes initiated in pre-PD period.

**Contribution of aid (finance/ other) to the sector**

What has been the scale of aid

As already alluded to above, the scale of aid (in terms of contribution to actual funds disbursed to the sector) has averaged 25% in both the pre-PD and PD periods.

The intensity and productivity of policy dialogue

Dialogue among key stakeholders in the sector has been intense and contentious at times, particularly on two policy issues, namely fertilizer and maize marketing, a point already discussed above. Currently there is an in-depth dialogue around the review of the NAP (2004-2015), CPs are interacting well with GRZ on this process which is aimed at refining agricultural policies in the next 5 years. GRZ has promised to reform the two contentious policy issues regarding fertilizer subsidies and maize marketing. Both parties are hopeful that the continued dialogue on the two issues will eventually yield the desired fruits (Interviews with Embassy of Finland and MACO, 2010).

Joint recognition of barriers to achievement and strategies in place to address them, e.g. joint thematic platforms, strategies and reviews

The Ministry of Agriculture and the various cooperating partners in the sector jointly recognise that there is need to realign resources from FISP and FRA to more productive sub-sectors of MACO. MACO technocrats are particularly in full agreement with CPs on the urgent need to reprioritize such resources. Both parties are agreed on the need for appropriate legislation on marketing. This has since been initiated though it has been a slow process. The Marketing Act is now being reviewed. The agricultural SAG offers a good platform for discussions between CPs and GRZ in terms of discussing various issues including barriers, as evidenced by the formulation of the Zambia CAADP Compact (Zambia CAADP Compact, 3<sup>rd</sup> December 2009 Version).

Judgement on progress, especially since 2005

Progress on implementing issues regarding excluded groups has been very slow due to the absence of adequate funding from both government and CPs. Structures exist such as Focal Point Persons, but funds are not there to enable social exclusion issues to be addressed effectively.

## **Sustainable increases in institutional capacities and social capital**

### *Increased institutional capacity at all levels*

Institutional capacity at all levels was stronger pre-PD. Eighty percent of MACO's extension staff posts were filled then, staff were motivated, they had adequate logistical support for effective performance of their duties, and were more skilled due to better education and training programmes. Staffing declined to 50% by 2007. However, since then staffing for extension services has recovered back to 80%. This has been through a PD ethos of joint financing between Government and CPs. However, extension staff faces serious logistical problems which hinder them from performing optimally. The low staff levels in MACO have been exacerbated by staff transfers to other ministries in a bid to improve capacity in those ministries.<sup>9</sup> There is dire need to sharpen skills for extension and other MACO staff if the sector is to realize development results to expectation. There is also need for experience as there are more new staff coming in due to the high turnover. Capacity of CSOs at various levels has improved. PD seems to have contributed to this improvement through the strengthening of active dialogue and information flow among CPs that has resulted in joint financing of CSOs based on CSOs' development strategies.

ODA efforts towards institutional capacity building have had mixed results. For instance, DFID began to support the Anti Corruption Commission (ACC) 10 years ago. Though ACC has continued to make efforts towards fulfilling its overall mandate and has resulted in two clear results (i.e., the National Anti-Corruption Policy (NACP-2010) and making anti-corruption a social agenda), ACC's full potential has not been fully exploited. A number of reasons may contribute to the low performance, including low staffing levels estimated at 20% to 30% and poor logistical support. On the other hand, NORAD started supporting the Office of the Auditor General (OAG) also 10 years ago but with better results. The capacity of OAG is evidenced by its work that has resulted in the exposure of a number of anomalies, irregularities, etc with respect to government financial management systems. PD did bring about an acceleration of the capacity building efforts by both CPs. It would appear that one of the most critical factors that has affected institutional capacity building efforts is the availability of staff to ensure presence on the ground. Success or failure has hinged on this factor (Joint Donor Review on Anti-corruption, ITAD and LCP, 2010).

### *More effective institutional machinery to comprehensively address extreme poverty, gender and exclusion issues*

There is some evidence that PD has contributed towards the strengthening of the institutional machinery aimed at dealing with extreme poverty though in some cases this has weakened during the past three years. The Programme Against Malnutrition (PAM) was established by GRZ in 1992 following the worst drought in living memory as the biggest local NGO dealing with vulnerable groups. Over the past years, PAM has implemented a number of GRZ and CP funded programmes targeted at the poor and vulnerable due to its extensive networks throughout the country. The heightened attention given to PAM was partly as a result of PD as CPs harmonized and aligned their support towards addressing extreme poverty, partly through PAM. One of the programmes undertaken by PAM is the Food Security Pack aimed at providing inputs for vulnerable but viable households (including female headed households). The inputs provided were to be adequate for one hectare, primarily focussing on maize production, the country's staple crop. This has had multiple funding sources (from GRZ and CPs). However, since 3 years ago, PAM is

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<sup>9</sup> MACO was the first government ministry to establish a Policy and Planning Department (PPD) in the 1970s whose reputation for skilled manpower spread far and wide within the country. The Department had a strong long-term training programme as well as short-term skills training. There was an intensive skills transfer from expatriates to local professionals through the presence of many expatriates provided by several CPs who provided technical assistance to PPD. The other MACO departments had a similar strong long-term training programme and interface with skilled expatriates. Consequently, MACO was one of the first few ministries to post University graduates at district level some with second degree training. The erosion in capacity started happening long before PD.

under stress due to the drying up of funding both from CPs and GRZ.

Gender in Development (GID) was established as a department in the late 1990s. In 2008, it became a ministry, with a full Cabinet Minister. Among other functions, GID is concerned with promoting interests of women and girls in the country's development agenda (FNDP, 2006-2010). The Network of Zambian People Living with HIV/AIDS (NZP+) is a national organization for the people living with HIV/AIDS (NZP+). It was established in 1996 to among other things, deal with stigmatization and integrate HIV/AIDS positive citizens into the country's development agenda. Its vision is: *"an improved quality of life for PLHIV who are empowered and productive members of a community, well informed about HIV and AIDS, free of stigmatization and discrimination"*. With government support, NZP+ has been facilitated to mobilize resources from various local and international institutions. Government in 2007 gave NZP+ free office space. All major development interventions have HIV/AIDS mainstreaming including the FNDP 2006-2010. There are Focal Point Persons in MACO (as well as all other ministries) at national and district levels<sup>10</sup>.

## **Interim development results**

### ***Improved administrative capacities among all development actors, including CSOs***

This has had mixed results. While the capacity of government structures has generally weakened during the PD period as noted above, that of CSOs has improved. There has not been much improvement in the private sector actors, because they have largely taken a low profile in most development initiatives in the sector (MTR of ASIP, 1998; FNDP 2006-2010).

### **Improved ability to consult with and account to stakeholders**

Consultation with and accountability to stakeholders has tended to be one sided. According to MACO, all other stakeholders would like MACO to account to them, i.e. whether CPs, private sector institutions or CSOs. For instance, the private sector would push for a ban or it's lifting on certain agricultural commodities depending on whether they will benefit from such. They don't take into account regional trade issues (Interview with MACO staff).

## **Evolution of mix of aid modalities**

The preferred aid modality by the Ministry of Finance and National Planning (MoFNP) is the General Budget Support (GBS) while MACO's preference is the Sector Specific Budget Support (SSBS) as this facilitates direct flow of resources. Though figures are not there to assess the extent to which PD has promoted disbursements to MACO through GBS (MoFNP's preferred aid modality), there is an indication of improvement in this regard. Earlier analysis already presented in Table 3 in Chapter 2 of this report (ODA to Zambia, 2002-2009) showed that disbursements through GBS increased by 23% between pre-PD and PD period (from pre-PD average of \$144.9 million to PD-average of \$153.7 million). The most significant increment was from 2004 to 2005 which equated to 137% (\$ 64.8million to \$153.7 million). Therefore, one may conclude that PD improved disbursements to the agriculture sector through GBS inferring from assertions above.

The sector has known four types of funding modalities: (i) project funding, e.g. USAID supported initiatives like Production, Finance and Trade (PROFIT) and the Market Access, Trade and Enabling Policies (MATEP); (ii) initiatives that are implemented through institutions that deal with agriculture but are outside MACO, e.g. the Zambia National Farmers' Union (ZNFU); (iii) initiatives

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<sup>10</sup> Sources: (i) Targeted Food Security Pack for Vulnerable but Viable Farmers, Mid-Term Evaluation Final Report, FASAZ, October 2003, page 3; (ii) PAM Annual Reports 2005-2008; (iii) Report on Access to Medical Services by People Living with HIV and AIDS in Zambia, NZP+(undated), Page 4; and (iv) FNDP 2006-2010.

that have a separate Project Implementation Unit (PIU) but connected to MACO in varying degrees (the Finnish funded PLARD is a typical case in point); and (iv) the General Budget Support (GBS). The first two have no reporting obligations to MACO whilst the 4<sup>th</sup> is PD compliant (JASZ Evaluation, 2010; Interviews with MACO, 2010).

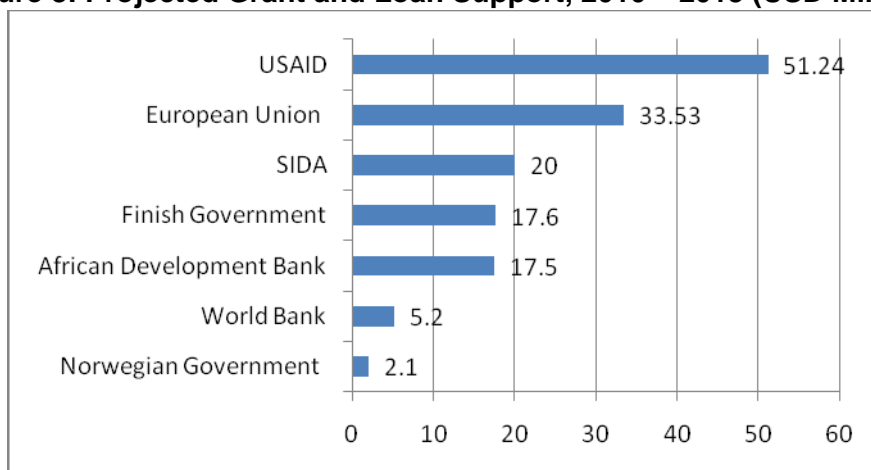
**Assessments of relative relevance and effectiveness of different modalities for different uses**

For the first three modalities (project funding; funding through other institutions in the sector; and funding through PIUs), results are positive while they are running. However, once funding phases out, every thing collapses. For GBS, MACO is not in a position to do an intelligent assessment as it does not know how much comes to the sector from MoFNP through this modality.

There has been a discussion among some stakeholders, including MoFNP regarding which of the four is the most effective aid modality in impacting poverty reduction. This is the case because it does not necessarily follow that project support is devoid of merits that would have positive impact on poverty reduction and other areas. For example, USAID using vertical funding as opposed to PD compliant GBS has emphasized (among other interventions) that impact can be achieved at all critical levels including government (through policy advocacy), the private sector and small scale farmers through increased productivity and market participation and higher income levels. These efforts USAID funded initiatives have began to show improved results on the ground. In 2009, small scale farmers increased their crop yield by 30% through the spray service initiative that covered 3,350 ha, and 50 of the 81 Zambian companies that were facilitated to enter the export market completed exports with a total value of US\$ 57 million. The past several months, USAID has been working hard to align its financial management system to that of GRZ for ease of reporting. In 2011, the Agency plans to align its procurement system to that of government and intends to start using the government system for data collection and analysis through the Central Statistics Office but this is to be preceded by capacity building (USAID, 2010).

Statistics on projections for loan and grant support (2010-2013) suggest that USAID will be the biggest financier of the agricultural sector (see **Figure 8**) among all CPs. With continued improvement in the macro-economic environment in the country resulting in increased capacity to generate own resources, questions are being raised as to the implications of all this regarding PD principles.

**Figure 8: Projected Grant and Loan Support, 2010 – 2013 (USD Million)**



Source: EU in Chiwele D, March 2010, JASZ Agriculture Case Study, page 9

## Key lessons and explanations

Compared to the health sector, the application of PD-like principles in the agriculture sector may actually have taken place during the design and implementation of ASIP between 2006 and 2000, some years before PD was actually adopted. At the time MACO/GRZ showed greater ownership by being in the driver's seat with respect to the design and implementation of ASIP and by carrying out a wide-range of reforms that culminated in the birth of a new decentralized MACO structure to implement ASIP. The GRZ insisted that all area based programmes should be phased out and requested donors to support agriculture only through a single planning framework of ASIP. Management for results was far much more vigorous than with a clear results based M&E framework and Key Performance Indicators (KPI3) at sector level that fed into the overall macro level indicators. An external institution – the University of Zambia (UNZA) – was contracted to undertake Annual Sector Performance Analysis (ASPA). The ASPA fed into the GRZ/CP Annual Reviews where performance in the previous year was reviewed. This was the basis for the Annual Work Plan and Budget (AWPB) preparation for the following year (Agricultural Statistics, Policy and Planning Department, Ministry of Agriculture and Water Development, 1993, 1994, 1995, 1996, 1997; ASIP Mid-Term Review Summary Report, 1998; ASPA Reports, 1999, 2000).

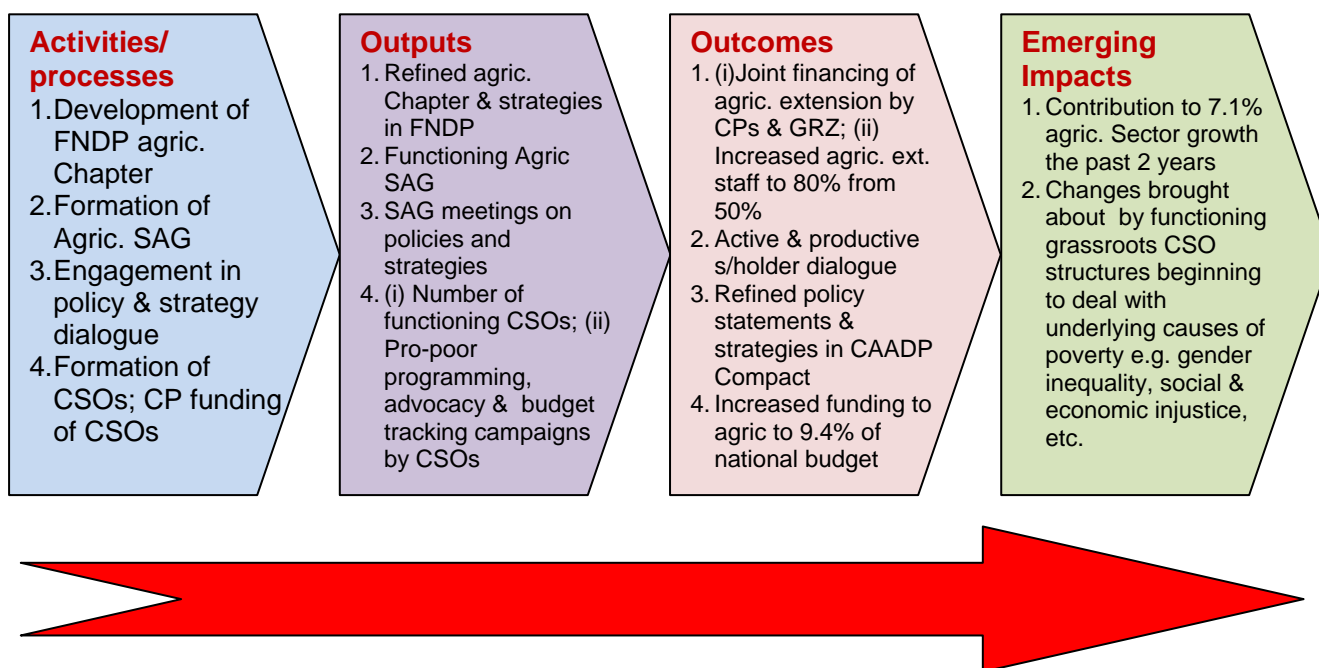
However, alignment then proved problematic. It still is so today. Despite the GRZ making great effort to strengthen the financial and procurement systems, very few CPs accepted to use national systems. Because the GRZ was strong on insisting that there would be no new stand alone projects, many donors simply held on to their funds and ASIP failed to live up to its ambitions. The Agriculture Commercialization Programme (ACP) which on paper succeeded ASIP abandoned the requirement of insisting on the use of national systems. A number of projects with their own implementation units such as the Smallholder Enterprise and Marketing Programme (SHEMP), the Agriculture Support Programme (ASP) and the Programme for Luapula Agriculture and Rural Development (PLARD) immediately followed but all claiming to adopt the ACP ethos of smallholder commercialisation.

The agriculture sector may have benefited from enhanced dialogue structures that have emerged since the adoption of the PD. However, the same contentious issues under ASIP still poison the CP/GRZ relationship – fertilizer subsidies and state intervention in maize marketing – such that the aid relationship in agriculture is not as amicable as in health (serve for differences resulting from the alleged theft of funds in 2009) and indeed education for that matter. This seems to show that PD principles could not be expected to work in the same way in all sectors. For the agriculture sector where there is less agreement on the vehicles for delivering services (e.g. whether private or public sector), a detailed framework for achieving sector objectives is bound to be very contentious. Perhaps learning from the past and ongoing experience, the CAADP Compact signed in January 2011 is not a detailed document but provides mostly a set of principles and commitments by different players expected to take agriculture forward.

**Figure 9** presents a summary of perceived PD (or PD aid compliant) results path in the agricultural sector, giving an indication of possible perceived results (emerging outcomes and impacts). It needs to be underscored that the contents of the results path are not exhaustive.



**Figure 9: Perceived PD (or PD aid compliant) Results Path – Agricultural Sector**



Source: (Own source).

### Conclusions on the PD Development Outcomes in Agriculture sector

The most notable results likely to have been contributed by PD influenced dialogue structures are the 8 refined policy statements in the draft CAADP Compact relating to: (i) equitable access to land; (ii) GRZ adherence to predictable, rule-based market and trade policies; (iii) GRZ promotion of diversified extension messages to cover all categories of small scale farmers; and, (iv) GRZ commitment towards the provision of cost-effective, demand-driven research and extension linkages, among others (Zambia CAADP Compact 2009). These policy statements were extensively discussed by all key stakeholders in the agricultural sector through the SAG, including CPs, GRZ, CSOs and the private sector. They form part of the CAADP document behind which all major CPs have rallied as the frame for future funding to the sector.

Increased funding to the sector that now stands at 9.4% of the national budget may have been influenced by CSO advocacy activities particularly with respect to budget tracking towards poverty reduction interventions. The multiplicity of CSOs in the country and their heightened activity came about as a result of PD initiatives. This development is in the right direction towards accelerating poverty reduction initiatives given that about 70% of the country population depends on agriculture for their livelihood. There is a likelihood that the 7.1% average growth rate of the sector in the last two seasons may have been partly as a result of increased funding. If this assertion is correct, it may therefore be concluded that PD could have had some positive influence towards the sector's positive growth in the recent past. However, there are many other contributory factors that were also at play over the same period including the general improvement in macro-economic performance.

The increased sensitization by CSOs at community level focusing on the underlying causes of poverty, are beginning to bear fruit. One notable result is the increased access to land by women, a vital and basic production resource (Land Alliance, 2010). As in the above case, PD may have had some positive contribution towards this through its promotion of CSO activity.

## 5 CONCLUSIONS, LESSONS AND RECOMMENDATIONS

### 5.1 Conclusions

With the evidence provided from Sections 2 to 4, a number of conclusions can be reached with respect to the five pillars of the Paris Declaration.

- a) Ownership. Both national and sector level planning processes show that Zambia has since 2002 increasingly taken control in setting her own development agenda. At the same time donors have supported and accepted Zambia's return to NDPs as a means for the country to articulate its own priorities. The PRSP and FNDP successfully served as rallying documents for the country's development process. The fact that the SNDP is under design to cover the period 2011 to 2015 shows that this return to NDPs is not a passing phase but has become a more permanent feature than otherwise speculated. However, a comparison of the health and agriculture sectors shows that the strength of ownership is not uniform across sectors, being much more consistently stronger in the former compared to the latter. From this we conclude that whereas the national level process steers sector level ownership, it will not work to the same extent in all sectors. It is more likely to be stronger in those sectors where it is easier to reach consensus on priorities and strategies than where donors and the government occupy polarised positions on matters of policy. The contentious (and to a very large extent political) issues of fertiliser subsidy and staple food market intervention by the state continue to constitute a litmus test to the character and reliability of the dialogue process cultivated by the PD. Going forwards, mechanisms to broker a deal and continue to engage using the partner country preferred aid instruments need to be identified.
- b) Alignment Good progress has been made in this regard but serious challenges have also emerged. The decision to move progressively towards DBS or SWAp funding offered the best opportunity to enhance alignment. However, because project support continues to be predominant and even increased in 2009 indicates enduring challenges. The number of projects in some sectors like agriculture and education are bound to increase in the next few years. In the health sector, Global Initiatives focused on specific diseases by their huge size in terms of the funds they command when compared to funds going through sector budget support and their tendency to create parallel structures are undermining alignment efforts. Some CPs argue that although they are prepared to utilize national systems, they are dissuaded by the weak state of these systems. For some of them, however, they are prevented to do this by their own operational rules. Therefore, to make progress, there has to be movement on two fronts. First, efforts to strengthen national systems should continue and be accelerated. Second, stock should be taken of the operational rules that prevent some countries from utilizing national systems which then should be helped to reform as a mark of their own seriousness with regard to PD principles they signed to. Care should be exercised to avoid suspension of aid especially in circumstances where the state financial management systems have been strengthened to the level where they start detecting resource leakage, or misappropriation or organised outright theft and government offers a guarantee to replace such misappropriated resources. By doing so, gains made in alignment are reversed and a disincentive to unearth fraud can be unintentionally communicated to the Government. Unearthing of resource leakage is actually a good sign that the systems are working but need improvement to prevent the leakage in the first place. To get over this hurdle on alignment, donors and the recipient government need to view each other as trusted partners working together to build a system capable of lowering fiduciary risk to a level where it is almost non-significant/non-existent.
- c) Harmonisation From the evidence presented above, this is perhaps the area where most progress has been made, but also equally challenging in terms of resulting in tangible

reduction in transaction costs. The JASZ in particular has helped Zambia to advance on the Division of Labour more than her neighbours in the region and helped to streamline processes of engagement between GRZ and donors with a view to reduce transaction costs. However, evidence presented suggests that transaction costs may not necessarily reduce even with what may be a successful DoL. For donors, DoL because it has heightened the need for more intense and regular consultation may have actually increased transaction costs. This is particularly so for troika members who have to organise the consultation process among donors to reach consensus and then engage the GRZ on behalf of their donor group. For the GRZ, transaction cost may not reduce when there is failure to respect the principles of the DoL. Both the health and agriculture case studies for this evaluation and the JASZ evaluation show that bilateral engagement between the GRZ and the donors has continued more or less at the same level as before in some cases. Evidence presented above also indicates that the need to field joint missions has not been adhered to some still taking place during the “no missions” seasons requested by the GRZ. A fundamental issue still to be resolved is how to define indicators to measure and monitor these transaction costs in order to determine the most appropriate level of coordination/harmonisation that keeps the costs to a basic minimum.

- d) Managing for Results The adoption of the PAF under the PRBS is perhaps the best indicator of the kind of progress made with respect to managing for results with progress in implementation reviewed twice a year. However, both the GRZ and donors have expressed dissatisfaction with the number of PRBS PAF indicators and questioned the poverty relevance of some. A question may even be raised as to whether the process should not graduate to a joint review of the NDP. This was done for a while during the PRSP implementation with the holding of the annual poverty conference at which different SAGs presented implementation progress. One advantage is that this was a much more open process and created more strongly a sense of country ownership in managing for results.
- e) Mutual Accountability The low score on this is attributed to the Mutual Accountability Framework not being developed by the donor group although there have been some discussions towards this.

## 5.2 Lessons and Recommendations

- GRZ and donor cooperation has been more effective in improving the quality of dialogue between the government and development partners but results are mixed in terms of aid effectiveness and improvement in development outcomes. It is critical that the dialogue architecture emerging from this cooperation continues to respect GRZ processes and existing consultative mechanisms. It should be driven by arrangements recognizing the socio-political environment in Zambia. It is a fallacy that although there has been some progress regarding harmonization, bilateral decision-making and requirements still dictate many actions. The principle of Mutual Accountability is seen as weak by a majority of CPs, and there has been little progress under the JASZ in developing a mutual accountability framework. There is urgent need for enhanced delegation between Donor HQ and country offices. Lack of proper delegation prevents the extent to which the stakeholders in Zambia can be able to exercise leadership of donor cooperation. It is also recommended that there is a review and/or development of policy and guidelines on domestication (integration) of the PD principles into Zambia's development agenda to increase aid effectiveness and enhance performance of sectors on national strategies such as PAF. The policy should provided clarification of roles and obligations (including division of labour) for all parties to have uniform understanding of the PD principles and better coordination of aid implementation.

2. The momentum towards more aid effectiveness started before the Paris Declaration and was stepped up in 2005. Some argue that the PD borrowed a lot from what was already on-going in Zambia. The adoption of the PD served more as a catalyst towards accelerated progress in integrating these principles into Zambia's aid relationship. It is critical that stakeholders in Zambia build on the founding basis in order to enhance the implementation of PD in Zambia. While it is not possible to estimate what the effect of the counterfactual scenario (that is, the case of "without PD") would have been, the PD has been embraced by Zambia and it is vital that better cooperation and coordination exists in order for PD to generate the expected added value. This added value can only be generated only if there is progress on implementation of all the PD principles, namely: ownership; alignment; harmonization; management for development results and mutual accountability. The key benefit of implementing the PD is that these principles become catalysts of better governance, better service delivery, and enhanced trust by the citizens of both the donor country and aid recent country (Zambia in this case).
3. To achieve broad-based implementation of the PD, a driver of the process of capacity building national stakeholders (including those in various ministries of government is needed). It is apparent that there is lack of a formal domestication of the Paris Declaration at the country level. After the PD was signed, no one worked through the mechanics of how it was going to be translated to action at country level. The Ministry of Finance and National Planning, through its mandate of rationalizing the allocation of national resources through the budget instrument, offers a natural home for such technical expertise on PD issues. The MoFNP should play a pivotal role by steering the country's efforts towards increasing the effectiveness of aid, by putting in place mechanisms for domestication of these principles. Key roles the MoFNP could play in the future include: (i) assisting the Executive in defining the vision for the country in relation to aid effectiveness; (ii) advising on aid effectiveness policies and procedures that will guide dialogue between government, cooperating partners and other stakeholders and how these conduct their business in Zambia; (iii) identifying and facilitating participation of key people in aid effectiveness dialogue at country and international levels; (iv) developing and coordinating the implementation of an annual calendar activities that will keep the momentum and interest on aid effectiveness high on the national development agenda; (v) capacity building of state and non-state parties on aid effectiveness principles and the monitoring of compliance; (vi) tracking the implementation of commitments and informing decision makers on areas of concern; and (vii) developing instruments for joint assessment of how aid is impacting on efficiency of development cooperation and development outcomes at citizen level.
4. To-date the ETC in the MoFNP has been the natural home for fostering implementation of PD principles, given that it is responsible for managing donor relations on behalf of the GRZ. Zambia should therefore see how the ETC's role could be expanded and capacity added accordingly through additional skilled people or through coordinated capacity building of current staff (or a mixture of both). PD principles will be useful and catalytic to national development, if there is a clear framework for domesticating the principles. Such frameworks may include: (i) those to guide planning processes at national, sector, and local government levels; (ii) those to help stakeholders such as CSOs and Donor to integrate NDP priorities into their strategic plans; (iii) resource mobilization and allocation principles and guidelines; (iv) monitoring and evaluation systems that track aid effectiveness at national, sector, and local government levels; (v) strategies and action plans for evaluating and reviewing national plans and service delivery strategies; and (vi) mechanisms to strengthen the oversight function of Parliament and civil society in general in relation to aid acquisition and utilisation.
5. The interest and engagement in the aid effectiveness agenda among key stakeholders must continue. It is however useful to consolidate the different dialogue platforms established under the PRBS and JASZ MoUs which continue to operate separately. There is need to pitch high enough the interest and level of commitment between the donors and the GRZ. For those donors that signed either the PRBS or the JASZ MoUs, the interest in aid effectiveness agenda continues to be high even though some donor agencies that are part of the JASZ appear to have begun to doubt the efficacy of these dialogue platforms and whether the aid effectiveness

agenda as currently implemented is the right way to go. Some donors see no value addition from increased dialogue and when the cost of such a dialogue is beginning to bear on their own institutional objectives and budgets. It is vital that the implementation of the PD be transparent enough for stakeholders to define the expected objectives out of the dialogue. Defining and working with quick wins or low hanging fruits would be good strategy. Such low hanging fruits could be how to put in place a system that prevents resource misappropriation whilst continuing with the commitment to a particular preferred aid modality.

6. Regarding the GRZ, the knowledge and interest concerning PD principles varies between Ministries and Departments. For instance, within the Ministry of Finance, it is those closest to the management of the aid cooperation agenda such as the ETC that continue to be interested in PD issues. Others show less knowledge, interest and concern for this agenda. Perhaps this is a natural occurrence. Natural as well is that Ministries with SWAs have sustained their interest and continued engagement. Less interest and weaker commitment to aid effectiveness principles are being exhibited by those without SWAs. It is vital that if the PD principles are going to be catalytic to development, they be embraced and implemented at all levels in ministries, departments and agencies. These principles are more than dealing with aid effectiveness; they are also about enhancing governance and generation of better outcomes for citizens. It is vital that GRZ capacity to effectively engage with donors in negotiating and managing aid, report on performance and become more accountable be strengthened in a coordinated and sustainable manner.
7. It is critical to keep the interest and momentum high at the High Level Policy Dialogue Meetings. An example is that the level of seniority of civil servant representatives from sector ministries seems to be declining at the High Level Policy Dialogue Meetings for two reasons. Firstly, sectors that were requested to contribute to the PAF indicators were actually expecting some direct reward for performance on the PAF indicators. The second is that senior civil servants in sectors not performing well on their PAF indicators simply stayed away from the HLPD meetings or sent very junior officers rather than participate and defend the poor performance.
8. There are no perceived tensions or tradeoffs between principles of the Paris Declaration. What is clear is that these principles and their sub-principles are at times interpreted differently by different players. For example, among the donors themselves, the division of labour is understood differently. Some so called “silent” donors have actually been very visible and articulate in practice. That there is tension between GRZ and donors around the issue of mutual accountability is clear. Some GRZ officials held the view that whereas there is much scrutiny of government’s actions, donors have not been not equally open to scrutiny on issues such as timely release of aid and consistent provision of information on the indicators in the PAF. In some sectors, there is a view that abiding by PD principles has led to better opportunity for donors to “gang up” against the government as they can more easily influence each other regarding some issues. For example, although the issue of fertilizer subsidies is of great concern to a number of donors providing support to agriculture, not all feel very strongly about the issue yet, they have to take the same position as the other donors. The notion of PD implementation should not preclude the benefits attained by the Zambian population from service delivery. PD implementation can only be a catalyst for better service delivery.
9. Both the GRZ and donors have expressed dissatisfaction with the number of PRBS PAF indicators and questioned the poverty relevance of some. There have been questions regarding the process of indicator selection. There is need for development of comprehensive results-based M&E systems across sectors to support results-oriented management (decision making) and reporting. Development of results based M&E systems concerned all stakeholders, and can be a key instrument in fostering harmonization and alignment of donor systems and processes to Zambian local context to improve performance and enhance the benefits of greater transparency and oversight.

10. One proposal is that any loans proposed by Government over a certain amount should be debated by Parliament. The PAC at present debates the reports of the Office of the Auditor General, and performs an oversight function. This could be extended to provide greater oversight on the use of ODA. In addition, CSOs role in monitoring aid effectiveness should be strengthened. These roles include, for example, monitoring Parliament's involvement in approving aid agreements and loans; participation in joint annual reviews of national plans and sector programmes, monitoring of budget allocations (pro-poor and gender budgeting) and quality and rate of spending, monitoring of accountability in government (e.g., how cases of corruption or theft of public resources are being handled in government), and participation in the evaluation of benefit incidence and impact of aid.
11. It is worth noting that gaps in aid predictability will continue in the coming years because of different aid disbursement processes of cooperating partners and the occasional failure by government to meet conditions for disbursements. The government has to continue improving systems for public financial management and accountability to prevent theft and misappropriation. It has to be innovative in generating domestic revenue to fill any gaps caused by unexpected suspension of aid or delays in aid disbursements.
12. Introducing a sector-wide approach in the health sector will not automatically lead to efficiency improvements. It seems that the SWAp can merely provide a framework for collaboration, but it will not necessarily create any significant change. In the case of Zambia, despite strong commitment, large amounts of resources are still channelled outside the government system. In order to achieve a full SWAp, all actors (government and the developing partners) in aid-receiving countries must further harmonize implementation and reporting systems in order to reduce the administrative workload of ministries of health. Furthermore, all support should be coordinated and planned in relation to the goals set out in sectoral strategic plans. Doing this will not require a modification of the SWAp model itself; it is rather a task of developing systems for planning, funding, and monitoring and evaluation which all stakeholders can trust and adhere to.
13. In terms of leadership in the sector, MoH should strengthen its leadership role by strongly requesting the Cooperating Partners, National Aids Council and the NGOs to adhere to the SWAp principles, as otherwise the aid architecture around the NHSP could be weakened further and not achieve its intended development results. GRZ needs to complement this with tighter full proof financial controls to prevent misappropriation and theft of resources.
14. Under the National Decentralisation Policy, the MoH is expected to 'devolve' primary health care to the local authorities; yet, this can only be done when appropriate capacity has been created and institutional arrangements have been put in place. The challenge remains for the MoH is to be proactive by using the existing PD structures in the implementation of the National Decentralisation Policy in order to decentralise in the appropriate themes of the sector. Building capacity for engagement with other sectors will support inter-sectoral collaboration which is essential for effective functioning of the sector and would potentially make service delivery at various levels more cost effective.
15. Decentralisation can be further accelerated by strengthening the provincial structures to ensure that decision making is not over centralised at HQ. This will need careful and periodic review of management costs to ensure that staffing the new structures is not at the expense of money for staffing the service delivery. The revision of the district health planning guidelines and planning process needs to address steps towards greater harmonisation with the local authorities. District health offices need support to work with local authorities in identifying the key areas for harmonisation and to develop locally adopted roadmaps for sustainable results.
16. In the Agriculture sector, harmonization regarding stakeholder roles has been strengthened as the CAADP Compact clearly stipulates the expectations of each stakeholder category in a bid to promote efficiency, another clear positive contribution of PD. Though there was a stalemate

regarding the signing of the Compact, there are indications suggesting that the process is about to be moved forward. A signed compact is critical to unlocking ODA flow to the sector for investment programmes which will in turn be expected to positively impact poverty.

17. In the Agricultural sector also, extension staff face serious logistical problems which hinder them from performing optimally. The low staff levels in MACO have been exacerbated by staff transfers to other ministries in a bid to improve capacity in those ministries. There is dire need to sharpen skills for extension and other MACO staff if the sector is to realize PD development results to the level expected. There is also need for resources to recruit and retain qualified staff.
18. Capacity of CSOs at various levels has improved. PD seems to have contributed to this improvement through the strengthening of active dialogue and information flow among CPs that has resulted in joint financing of CSOs based on CSOs' development strategies. CPs should continue to support CSOs based on the latter's strategic plans which should be aligned with national priorities.
19. Beyond PD, it is evident that CPs and aid recipient countries need to sustain the momentum generated in the pre-PD period and stepped up with PD to influence development outcomes in a more significant way. The next high level forum on aid effectiveness should tackle the issue of how to make aid more impactful on development outcomes such as poverty, inequality, and maternal and child morbidity. How to more effectively address social exclusion issues more directly through aid must also be top on the agenda of continuing dialogue on aid effectiveness.
20. Unfinished PD aspects such as frameworks for enforcing, and indicators for assessing Mutual Accountability need to be addressed as this will be pivotal for ensuring aid had development effectiveness. So applies to indicators for assessing transaction costs. Mutual Accountability measures should bring on board everyone concerned including the civil society organisations who are also a major recipient of ODA, especially through vertical funds.
21. Methods for assessing the contribution of aid to development outcomes need to be worked out further building on the experience and lessons gained from the PD Phase 2 Evaluation. Capacity should be created and institutionalised within the government system to effectively monitor and evaluation results from aid.

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## 7 ANNEXES

### **ANNEX 1: Joint Evaluation of the Paris Declaration, Phase 2 Generic Terms of Reference (ToR) for Country Evaluations**

#### **Guidance to Readers**

Under the umbrella of the overall Evaluation Framework for Phase 2, this paper sets out the key common features and issues to be covered in the Country evaluations, including agreed purposes and objectives, design, management and governance arrangements, support, staffing, quality assurance, and timelines. Specifically, the document includes a draft Common Evaluation Matrix for country evaluations, and a proposed draft outline for the eventual evaluation reports, aligned with the matrix. The latter should encourage a clear understanding from the outset on the intended end-products. The Evaluation synthesis in turn will be aligned with this matrix, integrating the findings of the country evaluations, donor/agency HQ studies, and other agreed sources.

It should be stressed that each participating country - while contributing fully to answering the minimum common evaluation questions that will be agreed upon for all - may also wish to supplement this coverage with particular evaluation issues or questions of special interest or relevance to the country, within the resources available for the evaluation.

These Generic ToR will be used by the Country Coordinators and Reference Groups to guide them in their responsibilities for launching, managing and ensuring the success of the evaluations. They will also provide guidance for the professional Teams that will be recruited to carry out the work, backed up by the overall Framework and the continuing engagement and support of the Core Evaluation Team. It was strongly confirmed in each of the regional workshops from 27 October to 20 November 2009 that, in order to meet both sets of needs, the Generic ToR for this challenging evaluation need to be clear, straightforward, rigorous, manageable and comparable across the two dozen countries where the evaluations will be carried out.

The substantial revisions from a first draft version, circulated on 20 October, 2009, reflect a systematic consolidation of the inputs of the many participants in the regional workshops, all the advance comments on the first draft by other members of the International Reference Group, and final refinements agreed upon at the meeting of the Group on 1 December, 2009. The Generic ToR go as far as possible at this stage to set out the main lines of the approach. This will enable National Coordinators and Reference Groups to launch the national evaluation exercises, recruit evaluation teams, and complete the evaluations in time to inform the Fourth High Level Forum in Seoul. As confirmed at the IRG meeting (with a number of specific suggestions) revised evaluation matrices, with final, detailed methodologies and standard methods will be finalized through regional workshops with Country Teams, National Coordinators and the Core Evaluation Team as soon as the individual country evaluation teams are in place (by March 2010). The preparatory proposals will also be circulated to the full IRG for its review, as will the April 2010 Inception Report for the Evaluation which will contain the final version.

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#### **Background and Rationale: the overall Phase 2 Evaluation**

1. The Paris Declaration expresses a broad international consensus developed in the 15 years up to 2005, stipulating that new partnership relationships and ways of working between developed

countries and partner countries are essential if development results are to be assured, aid well spent and aid volumes maintained.

2. The Paris Declaration<sup>1</sup> was endorsed at the 2<sup>nd</sup> High Level Forum held in Paris in 2005 by 52 donors/agencies and partner countries and 30 other actors in the development cooperation field (UN and other multilateral agencies & NGOs). The Declaration consists of 56 “Partnership Commitments,” and aims to strengthen “partnerships” between donor countries and countries receiving aid in order to make aid more effective and to maximise development results.

3. The requirement for independent evaluation was built into the original Declaration and re-confirmed in the Accra Agenda for Action in 2008.<sup>2</sup> The first phase of the Evaluation<sup>3</sup> ran from March 2007 to September 2008 and aimed at providing information on the “HOWs and WHYs” of the early implementation process of the Paris Declaration, looking at **inputs and early outputs**. It was designed and used to deliver practical lessons and help take stock of implementation performance at the 3<sup>rd</sup> High Level Forum on Aid Effectiveness held in Accra, Ghana in September 2008.

4. The second phase of the Evaluation will run from the 3<sup>rd</sup> High Level Forum in 2008 up to the 4<sup>th</sup> High Level Forum in Korea in 2011. This phase will emphasize **outcomes and results** and offer answers to the critical policy question of whether the intended long-term effects of the Paris Declaration are being achieved or advanced. The evaluation is expected to analyze results in context, taking into account preconditions or enabling conditions that may lead to or inhibit positive development results supported by aid.

## 2. Country Evaluations: purpose, objectives, uses and approach

5. **Purpose:** The country evaluations that will be the Evaluation’s primary focus will be the main vehicles for answering the core evaluation questions on the effects of the Paris Declaration on aid effectiveness and development results, including poverty reduction. These country evaluations will assess the effectiveness in this regard of donors/agencies in the country, alongside that of the country stakeholders, and of the partnerships between them.

6. **Objectives:** The aim of the evaluation is to document, analyze and assess the relevance and effectiveness of the Paris Declaration in the country and its contribution to aid effectiveness and ultimately to development results, including poverty reduction.

7. Specific objectives include:

To document the results achieved in the country through implementing the Paris Declaration.

<sup>1</sup> The full Declaration can be found at: <http://www.oecd.org/dataoecd/11/41/34428351.pdf> and the Accra Agenda for Action at <http://www.oecd.org/dataoecd/58/16/41202012.pdf>

<sup>2</sup> The Evaluations complement the monitoring of the implementation of the Paris Declaration, undertaken through the Cluster D of the OECD DAC Working Party on Aid Effectiveness “Assessing Progress on Implementing the Paris Declaration and the Accra Agenda for Action.”

<sup>3</sup> Wood, B; D. Kabell; F. Sagasti; N. Muwanga; Synthesis Report on the First Phase of the Evaluation of the Implementation of the Paris Declaration, Copenhagen, July 2008. The report can be found at: [http://www.djis.dk/graphics/Subweb/paris\\_evaluation\\_web/index.htm](http://www.djis.dk/graphics/Subweb/paris_evaluation_web/index.htm)

<sup>3</sup> To enable the partner countries and donors/agencies active in the country to clarify, improve and strengthen policies and practice consistent with the Paris Declaration in pursuit of aid effectiveness and development effectiveness.<sup>4</sup>

To highlight barriers and difficulties that may have limited the effectiveness of the Paris Declaration and its effects and impacts – and ways that these barriers and difficulties may be overcome.

To enable sharing and exchange of experience among stakeholders, countries and partnerships so as to facilitate reflection, lesson-learning and policy improvement.

<sup>4</sup> In a number of participating countries, clear links are already being forged between this evaluation and other, related monitoring and evaluation activities in order to maximise the synergies, guard against duplicative work, and strengthen the usefulness of the evaluation in the country.

8. The Accra Agenda for Action further specified some of the Paris Declaration’s commitments with the aim in particular of strengthening country ownership; building more inclusive partnerships; and sharpening the focus on development results. The Phase 2 evaluation will therefore pay particular attention to assessing implementation of these Accra commitments, which address the current concerns of many stakeholders. These Accra commitments are reflected in these ToR.

9. **Audiences, Stakeholders and Usefulness of the Evaluation:** The focus of Phase 2 is on a results oriented evaluation, with the synthesis and component evaluation reports to be presented to the High Level Forum 4 in 2011. It is equally intended that the evaluation process will spur interest and improvement efforts in the participating countries and agencies.

10. Key constituencies include the executive and legislative branches of government in the country, those of its bilateral development partners, and governing authorities and senior managements of development agencies. Also crucial are those tasked with implementing the Paris Declaration: government, donor, civil society and private sector stakeholders in the partner countries as well as donor agencies. The findings are also expected to be of direct interest to many citizens of both the host countries and of countries providing international development assistance.

11. The goal of ensuring wide dissemination and use of the evaluation by its intended audiences should influence the process and products at every stage of the evaluation, by:

- a. Keeping the central questions and key audiences constantly in sight;
- b. Using straightforward language: minimizing acronyms, jargon and unnecessary technical language in all products;
- c. Open internal communications – as in the planned knowledge-sharing system within and among teams;
- d. Trilingual operation: specific work to ensure timely translation of key documents and balanced literature sources in English, French and Spanish;
- e. Building in the time required for peer exchanges, edits, strong summaries;
- f. Critically, meeting the required deadlines for progress steps and the submission of draft and final reports and dissemination summaries.

National communications plans should be directly linked to key points in the national and international dialogue on aid effectiveness and MDG trends over the coming two years to build policy engagement with the study and ensure its timely contribution to the debates.

12. **Approach for Country Evaluations:** An approach for the overall Evaluation has been set out in the “Evaluation Framework and Work-plan” for Phase 2. It takes account of the distinctive methodological challenges of evaluating the Paris Declaration. The Phase 2 evaluation will focus on effects at the level of partner countries and their partnerships, i.e. the

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joint arrangements between donors and the recipients of aid that have been put in place to support the implementation of the Declaration.

13. As the main foundation for the overall evaluation, well-grounded comparisons between experiences (within and across countries) will be important to test claims for the effects of the Paris Declaration.

14. There will be country evaluation teams in each participating partner country, responsible for undertaking independent evaluations of aid effectiveness and development results. These teams will address both:

Implementation or “process” – assessing changes of behaviour of countries and donors around aid and development and within the aid partnership itself. A strong focus on the context for implementation in each country (including one major block of evaluation questions) is designed to ensure that the evaluation remains realistic and relevant in individual country situations; and

Results or outcomes in terms of aid effectiveness and development results, with rather precise minimum common “core” questions, scope and methodologies for all country evaluations, to allow meaningful aggregation and synthesis. This will not limit the ability of country evaluations to supplement the Common Evaluation Template/Matrix with questions of special relevance or interest to their particular situations.

15. Whilst most evaluative activity for the overall Evaluation will be undertaken by country teams, their evidence will be complemented by: a number of headquarters-level donor/agency studies, together with the eleven conducted in Phase 1; and a small number of “supplementary studies” where essential to provide adequate coverage of important issues. Specific opportunities for complementary coverage will be sought out and together these elements are intended to ensure

adequate depth and breadth of the evaluation. The building blocks for the Phase 2 Evaluation (and the central role of the country evaluations) are illustrated in the Figure below.

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<sup>5</sup> This work, summarized in the “Approach Paper for the Phase 2 Evaluation” (May 2009) included a major workshop of the International Reference Group in Auckland, New Zealand in February 2009 and a commissioned study on “The Paris Declaration, Aid Effectiveness and Development Effectiveness” in November, 2008 (the “Linkages Study”).

## Building blocks of the Paris Declaration Evaluation Synthesis

### 3. Evaluation Methodology: evaluation questions and methods

16. **Evaluation Questions:** The evaluation draws on a good deal of preparatory work which took into account the many complex factors and relationships at work in the implementation of the Paris Declaration and the special challenges involved for evaluation methodology<sup>5</sup>.

17. The Evaluation Matrix for Country Evaluations set out in [Appendix B](#) will be the principal instrument for guiding and conducting these evaluations and the preparation of their products. It is constructed around a set of core evaluation questions and sub-questions which will serve as the minimum common structure for all individual country evaluations and for the final comparative synthesis report (which will also integrate the results of Donor HQ studies, the Phase 1 evaluation, and other inputs.)

18. The evaluation will: a) evaluate to what extent the Paris Declaration has been implemented, and b) in as so far it has been implemented evaluate what the results have been in terms of aid effectiveness and development. The core questions (as refined through the regional workshops and inputs from the International Reference Group members) are set out below and then in the Matrix in Appendix B, where they are backed with the sub-questions, together with indications of the common types, indicators, and sources of evidence, to be used, as well as initial directions on common techniques and methods. Once the core questions and sub-questions are confirmed (through approval of the Generic ToR, December 2009), additional guidance will be developed to flesh out the Matrix, particularly the methods and tools in Column 4, with a more precise identification of the analytical methods for each study element. This will ensure clear understanding of all the steps involved to support standard approaches, e.g. on data handling and analytical steps for each stage.

19. The “logic chain” of the questions is illustrated in three different diagrams in the Evaluation Framework, and it should be noted that the order and content of the three main evaluation questions, and the framework for conclusions, successively emphasise the accepted guiding evaluation criteria of relevance, efficiency, effectiveness and sustainability.

### The Core Questions

1. “What are the important factors that have affected the relevance and implementation of the Paris Declaration and its potential effects on aid effectiveness and development results?” (The Paris Declaration in context)

2. “To what extent and how has the implementation of the Paris Declaration led to an improvement in the efficiency of aid delivery, the management and use of aid and better partnerships?” (Process and intermediate outcomes)

3. “Has the implementation of Paris Declaration strengthened the contribution of aid to sustainable development results? How?” (Development outcomes)

The Framework for Conclusions:

i. What has been the relevance of the Paris Declaration and the ways it has been implemented to the challenges of aid effectiveness?

ii. To what extent has each of the five principles of the Paris Declaration been observed and implemented, and the Accra Agenda priorities reflected? Why? Have there been conflicts or trade-offs between them?

iii. What has the Paris Declaration achieved for aid effectiveness and development results? How significant are these contributions? How sustainable? Is there evidence of better ways to make aid more effective and contribute more to development results?

iv. What effects has the implementation of the Declaration had on the respective burdens of aid management falling on partner countries and donors, relative to the changing volume and quality of aid and of the aid relationship itself? Are these effects likely to be transitional or long term?

v. What has been the added value of Paris Declaration-style development cooperation compared with the pre-Paris Declaration situation, and seen alongside other drivers of development in the country, other sources of development finance and development cooperation partners beyond those so far endorsing the Declaration?

vi. What are the key messages for a) national stakeholders, and b) donor countries and agencies?

vii. What are the key implications for aid effectiveness in the future taking account of new challenges and opportunities (e.g. climate change) and new actors and relationships?

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20. **Special Challenges:** In addressing these core evaluation questions it is clear that the challenges of attributing results to a set of commitments like the Paris Declaration are especially complex. **One vital starting point is to recognize that the 2005 Declaration itself brought together a variety of reform efforts and initiatives that had been underway in different settings for some years before. Thus each evaluation should explicitly include assessment of these “upstream” or precursor steps as an integral part of its scope.**

21. Paris Declaration implementation is a multidimensional, multi-level process, affected by many factors, which can change its direction, emphasis, and pace at different times and in response to different influences. One way of making these factors more explicit and prominent throughout the evaluation is the emphasis placed through the first question on a far more in-depth and dynamic analysis than would be usual of the **context** for the implementation of the Paris Declaration and Accra Agenda in each country where an evaluation is undertaken.

22. The main evaluation questions will be operationalised through a set of sub-questions including descriptive, analytical, normative and evaluative questions. These will be supported wherever possible by common specifications and suggestions of:

- i. the types of evidence and, where applicable, indicators to be used;
- ii. the anticipated availability and (probable) reliability of data sources; and
- iii. proposed sources, methods & techniques for data collection, analysis, triangulation and validation.

23. **Key elements:** As ready guidance for the Country Level Evaluations, the key elements of the overall evaluation methodology set out in the Evaluation Framework can be summarized as follows:

a. A “*theory based*” approach – which recognises that outcomes / results from Paris Declaration implementation may not be fully visible by the time of the Evaluation – so focuses instead on identifying the chains, directions, causes and trends of causality and the linkages involved (see points below);

b. A “theory of change” which anticipates and explores *complexity* rather than expecting to apply simple or one-dimensional models of attribution;

c. Seeking out and exploring the *causal mechanisms and key actors* driving or inhibiting change, their roles, inter-relations, and relative weightings in influencing outcomes (especially through Core question 1);

d. Focused on *causality in context*: searching for common trends rather than (necessarily) generalised truths, but recognising that the shape, nature and pace of change is heavily determined by locally specific factors and influences;

e. Focused on *comparability*, ensuring robust analysis at aggregate level (through e.g. the development of common standards for analytical frameworks and data collection) while giving full weight to contextual factors;

f. A *summative and formative* model – allowing judgments around outcomes and results whilst supporting forward-looking policy development and improvement.

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24. **Specific methods:** for pursuing the evaluations include:

a. *Literature and documentation review*

b. The analysis of *the most relevant existing statistical data* such as human development and poverty indicators, PRSP reports, LMSs, sector reports, MDG reports etc.;

c. *Syntheses and meta-analyses* of existing evidence (i.e. secondary sources such as policy, evaluations and research). Common specified parameters will be proposed and agreed for data identification, inclusion and structured assessment;

d. *Structured surveys and questionnaires* (key informant groups) deepened by *semi-structured interviews* and *focus groups* (key stakeholders including government (different branches and levels) donor agencies, civil society and the private sector). Any possibilities for drawing on participative approaches will be pursued;

e. To help ground the evaluations, *a common template for analysis by all or almost all country evaluations of one important “tracer sector” (health) and for comparable analysis of the other sectors of priority chosen within each country*. Following broad agreement in the regional workshop process to a special focus on two sectors per evaluation, an agreed template and guidance will be developed for the identification, design and implementation of these analyses;

f. *Backward tracking*, retrospective or inductive studies of sector, site or theme; using methodologies such as the analysis of time-series data; statistical trends; synthesis studies to assess “distance travelled” etc.;

g. *Forward looking analysis*; which anticipates development results that are in formation but have not become fully evident, and *backward-tracking studies* as a basis for seeking plausible links in the causal chain - from Paris Declaration-style aid inputs to development results - to assess and predict the likely direction of further travel..

25. **Rigour and Comparability:** In addition to the use of the agreed minimum common questions, sub-questions and methods, the robustness of the approach and methodology for the evaluation and its results will be further ensured by:

a. A consistent stance in the evaluation that does not assume attribution of results to the Paris Declaration, but rather takes a critical approach and examines alternative explanations;

b. A set of support mechanisms available to individual evaluation coordinators, reference groups and teams, particularly from the Core Evaluation Team, both directly and through research resources and interactive internet facilities [See Section “Support Arrangements for Country Evaluations” for detail]

c. Verification of evidence emerging through ongoing triangulation between the multiple data sources and methods employed;

d. Step-by-step validation of evaluation results by national core teams (with peer review among them encouraged) by the core team, country reference groups, the Evaluation Secretariat and Management Group, possibly high level external reviewers, and the International Reference Group;

e. Quality assurance processes that are built in to each component evaluation (as well as the preparation of the final synthesis report) – all are required to meet the DAC Evaluation Quality Standards, UNEG Standards, or the comparable national or regional standards where these have been adopted;

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6 A Glossary has been prepared as part of the guidance to the Phase 2 Evaluation

f. Selection and contracting of appropriately-skilled evaluation teams by established procedures, with protection for the independence and professional integrity of their work;

g. Forming country teams using national expertise to the maximum extent possible but also including regional and international experts where appropriate, assuring that all are free of potential conflicts of interest;



- h. Prioritizing the use of country systems to capitalize on existing data/literature including academia, universities, and civil society;
- i. Wherever possible, seeking the engagement and coverage of providers of development resources not yet formally endorsing the Paris Declaration in the capacity of donors, and
- j. Using a set of agreed working definitions for key terms<sup>6</sup> and a common style guide to avoid confusion and inconsistent treatment.

#### **4. Management of the Evaluation: responsibilities and accountabilities**

26. The points below draw and build on the 'Guidance for Management of Country level Evaluations' Note issued by the Secretariat in September 2009. More detail on the international structure, relationships and governance in the overall Evaluation is provided in the "Evaluation Framework, Work-plan, and Timetable" for Phase 2.

27. **Management considerations:** The key management considerations for a Country Evaluation are;

In-country management arrangements that are operational

Clarity on roles, responsibilities and accountabilities

Communication with stakeholders

Progress reporting

28. **In-country management arrangements:** The **National Evaluation Coordinator**, appointed by the Government, is responsible for managing all aspects of the Country Evaluation process including, most importantly:

a. Selecting, setting up and then scheduling and convening meetings of the in-country National Reference/ Advisory Group, expected to include major stakeholders from governments, donors, civil society and possibly academia;

b. Developing final ToR for the Country Evaluation in consultation with the National Reference/ Advisory Group; incorporating the common evaluation matrix for Country Evaluations and (if required) a module with country-specific evaluation questions;

c. The recruitment and contracting of the consultants for the Country Evaluation (with selection where possible by the National Reference/ Advisory Group);

d. At least bi-monthly reporting on the progress of the evaluation in line with a manageable agreed common format;

e. Quality control; assuring that the evaluation is of acceptable quality in reference to identified relevant national, regional and/or international (DAC) standards and

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drawing on the pro-active and responsive services of the Core Evaluation Team and the Evaluation Secretariat.

29. This management role will require significant inputs of 'dedicated management time' over the whole evaluation process, with concentrated effort anticipated during the start-up period, inception, first draft report and final reporting milestones.

30. The **National Reference/Advisory Group** will normally be responsible for the following important functions:

a. Approving the design of the pertinent evaluation that comprises a common set of evaluation questions applicable to all country evaluations and where desired a module with supplementary, country-specific evaluation questions.

b. Deciding on selection criteria for the country teams

c. Selecting the members of country evaluation teams, consistent with the selection criteria and national competitive procurement or tender rules

- d. Serving as a resource and to provide advice and feedback to the National Coordinator and Team
- e. Helping to ensure the independence, integrity and quality of the evaluation;
- f. Reviewing and commenting on (but not approving) the draft products of the respective country evaluation

31. National reference groups should also have important roles to play in accessing information; exerting quality control; linking to government and engaging civil society; facilitating the necessary wider consultation; and encouraging the use and usefulness of the evaluations findings.

32. These roles will require a Group with sufficient representation from among key stakeholders, good credibility and access together with the necessary measure of independence. The tasks will imply the need for a series of dedicated inputs of time from the individual members of the National Reference/ Advisory Group.

33. Management in-country will be supported by self-monitoring of progress with the evaluation, and reflection at periodic National Reference/ Advisory Group meetings on the extent to which the Country evaluation remains 'on-track' and actions to be taken if and when 'gaps' appear.

34. **Clarity on roles, responsibilities and accountabilities.** The success of this collaborative exercise in-country will be heavily influenced by initial clarity and ongoing discipline on who is expected to deliver on what and by when, and who is accountable. Key accountabilities in the process are:

i. **Competent independent Country Evaluation Team selected, contracted and resourced by latest [31<sup>st</sup> March 2010]:** The National Evaluation Coordinator is accountable for this milestone being reached with the support of the National Reference/ Advisory Group, and for the independence of the evaluation being maintained throughout the process.

ii. **Country Evaluation Report delivered in-country on time:** The Team Leader [and/or the contracted firm or institution] of the Country Evaluation Team is accountable for the organisation and co-ordination of the work of the evaluation team (and through this ensuring the quality and relevance of team member contributions) and assuring the delivery of emerging findings and a comprehensive final report which meets evaluation standards, within the contracted timeframe/ specifications.

iii. **Country Evaluation Report of an acceptable quality submitted to the Core Evaluation Team for use in preparing the synthesis report and publishing;** The National Evaluation Coordinator through successive processes of quality control is accountable for delivery of a report of acceptable quality for the Synthesis stage.

35. **Communication with stakeholders:** Each Country Evaluation is expected to develop and implement a 'Communication Plan' through which stakeholders for the evaluation within the country will be kept informed and engaged. A variety of channels and activities should be used and opportunities maximised to link to key points in national strategic and decision-making cycles (already planned in several countries). Links should also be forged with key milestones in the international dialogue on aid effectiveness and MDG trends over the coming two years to build policy engagement with the study and ensure its timely contribution to the debates.

36. Ensuring this communication and engagement takes place and in a form that fosters stakeholder interest, civil society involvement, and 'buy-in' to the evaluation process would be a responsibility of the National Reference/ Advisory Group.

37. **Progress reporting:** The National Evaluation Coordinator, in his/her role as in-country focal point for the Phase 2 Evaluation will provide the Secretariat with bi-monthly updates (copied to the Core Evaluation Team) – starting end of December 2009 - on the status of the Country Evaluation process. This will use a simple pro-forma to be developed by the Evaluation Secretariat in consultation with the Core Evaluation Team which will facilitate the updating by the Core Team of the 'master sheet' on progress across the 20+ country Evaluations.

38. **Country Evaluation Timeline:** The overall Evaluation Work-plan and Schedule below incorporates the sequence of key milestones for the Country evaluations, alongside other elements and processes.

## ANNEX 2: Joint Evaluation of the Paris Declaration, Phase 2 Operational Matrix for Country Evaluations

For Evaluation Team Leaders and Members: Understanding and using this Matrix as a working tool.

- 1. Do not be alarmed by the number of points or pages here.** This matrix has been designed and developed to make your task of answering the evaluation questions and sub-questions easier, and yield comparable evaluation findings for the whole Evaluation.
- 2. Keep the program theory of the Paris Declaration in view.** It is important to keep constantly in mind the “Note on the Program Theory” and the annexed diagrams, which help locate all the questions, data and ultimately findings emerging from the matrix.
- 3. Use basic materials to get a faster start.** With the support of the Evaluation Management Group, the Core Team has identified a standard set of key documents that need to be collected by all National Coordinators (with the support of Reference Groups) and provided to Teams. These materials will form a key part of the Country Dossier and should ensure that the most fundamental documentary sources are available at the outset, saving the Teams from expending a lot of time in searching out these materials. Discrepancies between data sets should be noted.
- 4. Balance comprehensiveness, emphases and level of effort.** All the Evaluation questions and sub-questions need to be dealt with, even if in some rare instances it is simply to show that a sub-question is not relevant to the particular country situation, and why not. With respect to the selected progress markers and related indicator(s), the aim is to use several good measures where possible (both quantitative and qualitative), to triangulate and cross-check data/ information as a basis for reaching a judgement on progress. In some cases, Teams will find that not all progress markers or indicators can be reliably sourced or used in their particular evaluations. Where Teams meet major difficulties in finding reliable trend data for these multiple measures, they should not invest excessive time and effort; but move on having documented where data is not readily available and reasons for this. If critical gaps remain, they can be identified at the draft stage and remedied wherever possible. Disaggregate all data whenever possible by gender and excluded group.
- 5. Use the interview guide strategically.** The interview guide is designed to answer questions in the matrix that need to be covered or supplemented by informed respondent interviews. Interviewers need to keep very much in mind that most such interviewees - given their particular responsibilities and backgrounds - will only be knowledgeable on some of the questions in the interview guide. Thus they should be asked first about the areas where they are most informed, and then offered the chance to respond in other areas, but without necessarily expecting that all will be covered in each interview.
- 6. Explain rating judgements.** The rating scales used have been carefully selected. The matrix will not try to pre-define the criteria for rating judgements each Team will need to determine their own meaning behind a particular point on the rating scale. Teams will also need to apply their own weighting across one or more indicators when reaching judgements on progress and in forming overall conclusions at the end of each core question section.
- 7. Refer to the outline of the Country Evaluation Report.** Ensure that the focus of the narrative of the report is on analysis and that effort of the Team is proportionate to the length of each report section (as indicated in the Generic ToR).
- 8. Establish a basis for sampling donors/agencies for a particular indicator.** At a minimum take the sub-set of the five largest (financial flows) donors/ agencies present. This could be extended through a purposefully selected cross section of donors/ agencies reflecting differences in size, type of agency (bilateral, multi-lateral, Global Programme etc) or performance to date on a particular parameter (strong/weak). In isolated cases data for the whole set of donors/ agencies may be readily available.
- 9. Call for help.** Please contact the Core Evaluation Team for any question(s) you may have on the use of the Matrix.

Core Q1. “What are the important factors that have affected the relevance and implementation of the Paris Declaration and its potential effects on aid effectiveness and development results?” (The Paris Declaration in context)

Key Characteristics of the Country: Poverty/Development Status	Sources of Evidence / Indicators	Methods / Forms of Analysis (see Annex A, section 2)	Categories for Analysis & Judgements
1a) What are the key characteristics of the country that have been most relevant to the implementation of the Paris Declaration?			
Baseline (2000) plus changes identified between 2005 and 2010 (milestones of 2005 & 2009)			
i. Human development, social and poverty conditions including gender equity.	<p>At a minimum refer to country specific data within the following global sources (see Country Profile, Section 3 Country Dossier), complemented by standardised/ agreed data sets in the country:</p> <ul style="list-style-type: none"> <li>• Human Development Index (UNDP)</li> <li>• World Bank Poverty Assessments: Proportion of population below national poverty line (World Bank/ National)</li> <li>• MDG Progress Reports (on track/ off track) (UNDP)</li> <li>• Gender and Empowerment (GEM) status (UNDP/ UN Genderstats)</li> <li>• Gender and Development Index (GDI) (UNDP/ UN Genderstats)</li> <li>• Gini co-efficient (UNDP)</li> </ul>	A, B	<p>Description of broad contextual/ structural conditions of the country noting and analysing trends including the pace of change in respect to:</p> <ul style="list-style-type: none"> <li>➤ Economic &amp; social conditions</li> <li>➤ Governance</li> <li>➤ Development strategy</li> <li>➤ Aid management policy</li> <li>➤ Level and source of ODA</li> </ul>

Key Characteristics of the Country: Poverty/Development Status	Sources of Evidence / Indicators	Methods / Forms of Analysis (see Annex A, section 2)	Categories for Analysis & Judgements
ii. Key economic features, issues and trends	<ul style="list-style-type: none"> <li>• GDP / GNI per capita (World Bank/ National)</li> <li>• Doing Business indicators (World Bank)</li> <li>• Creditor Reporting System reports (OECD-DAC)</li> <li>• Global Competitiveness Reports (2005/ 2010) World Economic Forum</li> <li>• International Trade and tariff statistics (WTO/ UNCTAD)</li> </ul>	A, B	
iii. Governance and fragility (the rule of law and a functioning legislature, and respect of human rights are likely to be key conditions)	<ul style="list-style-type: none"> <li>• Africa: Ibrahim Index</li> <li>• CPIA (World Bank)</li> <li>• List of Fragile States (World Bank)</li> </ul>	A	
iv. National development strategies <sup>11</sup> (NDS)	<ul style="list-style-type: none"> <li>• Presence/ absence and date of National Development Strategies (or equivalent) and revisions</li> <li>• Key priorities in the NDS</li> </ul>	A	
v. Organisation of Government; aid management, decentralisation.	<ul style="list-style-type: none"> <li>• Role of key actors in the development process (Government, Civil society &amp; Private Sector).</li> <li>• Presence/ absence and date of national Aid Management Policy statements/ revisions</li> <li>• Constitutional arrangements; nature and extent of decentralisation.</li> </ul>	A, F	

<sup>11</sup> The Term National Development Strategy (NDS) is used here as it is applied in the Paris Declaration; namely, to include poverty reduction and similar overarching strategies, as well as sector and thematic strategies.

Second Phase Evaluation of the Implementation of the Paris Declaration in Zambia

Key Characteristics of the Country: Poverty/Development Status	Sources of Evidence / Indicators	Methods / Forms of Analysis (see Annex A, section 2)	Categories for Analysis & Judgements
vi. External and domestic resource mobilisation patterns	<ul style="list-style-type: none"> <li>• National sources</li> <li>• Levels of Official Development Assistance; International Development Statistics (OECD)</li> <li>• Major development actors: International Development Statistics (OECD)</li> </ul>	A, B	
1b) What are the most important national and international events that have affected [in the country] the implementation of the Paris Declaration and the Accra Agenda for Action priorities, and how?			
Changes identified between 2005 - 2010			

Key Characteristics of the Country: Poverty/Development Status	Sources of Evidence / Indicators	Methods / Forms of Analysis (see Annex A, section 2)	Categories for Analysis & Judgements
<p>i. Identification of key issues that have / are influencing the aid arena in country: For example;</p> <ul style="list-style-type: none"> <li>• Political priorities and policy reforms, governance reforms, decentralisation.</li> <li>• Economic conditions; both domestic and international macro level changes e.g. financial crisis, including changes in donor countries influencing future aid flows.</li> <li>• Civil unrest, natural &amp; man-made disasters.</li> <li>• New resources (internal or external).</li> <li>• Radical changes in relations with key donors, new entrants</li> <li>• National / international drivers e.g. upcoming High Level Forum on Aid Effectiveness.</li> </ul>		A, C, D	<p>Among possible list of influences, identify those that are important and rank the significance of each in terms of its implications for the implementation of the PD</p> <ul style="list-style-type: none"> <li>• <i>Very significant</i></li> <li>• <i>Quite significant</i></li> <li>• <i>Limited significance</i></li> <li>• <i>Insignificant</i></li> <li>• <i>Did not occur</i></li> </ul> <p>The Degree of change in the wider environment affecting the aid arena since 2005</p> <ul style="list-style-type: none"> <li>• <i>Very significant change</i></li> <li>• <i>Quite significant change</i></li> <li>• <i>Limited change</i></li> <li>• <i>Very limited change</i></li> <li>• <i>No change</i></li> </ul>



Key Characteristics of the Country: Poverty/Development Status	Sources of Evidence / Indicators	Methods / Forms of Analysis (see Annex A, section 2)	Categories for Analysis & Judgements
1c) What is the place of aid subject to PD principles among all sources of development finance and resources? What have been the trends from early roots to 2005 and since?"			
Baseline (2000) plus changes identified between 2005 – 2010 (milestones of 2005 & 2009)			
i. Pre and post PD trends in Official Development Assistance shares and components of external and overall development finance and national resource mobilisation (inc. private investment, trade receipts, remittances etc.).	OECD-DAC statistics on Official Development Assistance and other development finance <sup>12</sup> (alongside other international sources – World Bank, UNDP, etc.)  Financial flows through South-south programmes  National budget / forecasts on revenue  Trade receipts  Remittance inflows as % of GDP / ODA  Levels / sources of new resources (internal or external)  Private sector investment (domestic / external – FDI etc)	A, B	<p>Aid / ODA as a proportion of GDP</p> <ul style="list-style-type: none"> <li>• Significant increase</li> <li>• Slight increase</li> <li>• Stable</li> <li>• Slight decline</li> <li>• Significant decline</li> </ul> <p>Aid / ODA as a proportion of total national budget (and as a proportion of capital/development budget)</p> <ul style="list-style-type: none"> <li>• Significant increase</li> <li>• Slight increase</li> <li>• Stable</li> <li>• Slight decline</li> <li>• Significant decline</li> </ul>
ii. How the government – donor/agency landscape has evolved; how close and how important is the relationship with different donors? New entrants/ new sources of development finance?	Reports Government/ Donor Forums.	D	<p>Breakdown of aid modalities: <i>1<sup>st</sup> level</i>; distinction between ‘on budget’ and ‘off budget’</p> <p><i>2<sup>nd</sup> level</i>; distinction using the categorisation adopted by the country. This is likely to cover a number of categories (that may overlap);</p> <ul style="list-style-type: none"> <li>• Project aid</li> <li>• Technical co-operation.</li> </ul>
iii. How is the delivery of aid organised, e.g. is there a strong coordinating Ministry, is there a joint assistance strategy? What are the key modalities used?	Major shifts in Partner Government (sectoral) spending and in donor/ agency aid (sectoral) commitments	A	<ul style="list-style-type: none"> <li>• Project aid</li> <li>• Technical co-operation.</li> </ul>

<sup>12</sup> The Core Evaluation Team will provide the compilation of best available international sources and statistics to all Country Teams in relation to these questions, for them to cross-check, widen and deepen from national sources (e.g. National ODA database) wherever possible.

Key Characteristics of the Country: Poverty/Development Status	Sources of Evidence / Indicators	Methods / Forms of Analysis (see Annex A, section 2)	Categories for Analysis & Judgements
<p>iv. What shares and types of ODA flows in turn are in practice subject to PD principles?</p> <p>Note: <i>Ensure appropriate coverage of technical cooperation, South-South and triangular cooperation, NGOs/CSOs and faith-based groups, and other sources of development cooperation not covered by the PD.</i></p> <p>See Guidance Note on “What is Aid”</p>	<p>Proportion of total ODA from PD signatories</p> <p>Modalities (proportion of PD-type aid using programme-based approaches (GBS, SBS etc)</p> <p>Number/ volume of Global Programs.</p>	<p>A, B</p>	<ul style="list-style-type: none"> <li>• Sector support (e.g. sector wide approaches and sector ‘narrow’ approaches such as single issue support)</li> <li>• General Budget Support</li> <li>• Other programme aid</li> <li>• Fellowships, scholarships etc.</li> <li>• Other (specify e.g. humanitarian assistance)</li> </ul> <p>Estimated share of total ‘aid’ provided from sources not yet endorsing PD.</p> <p>Development and use of joint co-operation strategies / joint institutional structures</p> <ul style="list-style-type: none"> <li>• <i>Significant increase [volume terms]</i></li> <li>• <i>Slight increase</i></li> <li>• <i>Stable</i></li> <li>• <i>Slight decline</i></li> <li>• <i>Significant decline</i></li> </ul>
<p>1d) Which are the key actors, in the country and among its development partners, who take major decisions on aid? What influence do the Paris Declaration and AAA commitments have on them, in relation to their other priorities and incentives?</p>			
<p>Changes identified between 2005 - 2010</p>			
<p>i. Chronology of major decisions taken by Partner Government and donors/ agencies affecting the level and nature of ODA</p>	<p>Key points in budget and spending estimates cycles, main aid consultations and pledging sessions, joint performance reviews, if applicable</p>	<p>A, D</p>	<p>Proportion of total resource flows (including ODA) to decentralised structures</p> <ul style="list-style-type: none"> <li>• <i>Significant increase</i></li> </ul>

Key Characteristics of the Country: Poverty/Development Status	Sources of Evidence / Indicators	Methods / Forms of Analysis (see Annex A, section 2)	Categories for Analysis & Judgements
<p>ii. Identification of the relevant key decision-makers. Maps of the key objectives, interests, capacities, priorities and motivations of key actors on both sides of the aid relationships in the country, relative to the commitments of the PD and AAA. Taking account of changing relations with key donors, parliament, local government and decentralised funding, civil society, organisations representing women and excluded groups, private sector and media actors.</p>	<p>This evidence is related to, but goes beyond, the “commitment, capacities and incentives” surveyed in Phase 1.</p>	<p>C, F</p>	<ul style="list-style-type: none"> <li>• <i>Slight increase</i></li> <li>• <i>Stable</i></li> <li>• <i>Slight decline</i></li> <li>• <i>Significant decline</i></li> </ul> <p>Level of delegated authority over donor / agency decisions at country level (e.g. decisions on financial approvals and decisions on new areas of/ additional support]</p> <ul style="list-style-type: none"> <li>• <i>Significant increase</i></li> <li>• <i>Slight increase</i></li> <li>• <i>Stable</i></li> <li>• <i>Slight decline</i></li> <li>• <i>Significant decline</i></li> </ul>
<p>iii. Consistency / degree of decentralised decision-making between donor/agency HQs and country Field Offices.</p>		<p>A</p>	
<p>iv. Who takes direct responsibility for PD implementation within national government?</p>		<p>A</p>	
<p>v. How many different donors are active and what shares of aid are provided by each? How concentrated is the donor community (i.e. shares of total aid provided by the top third, middle third and bottom third of contributors by volume).</p>		<p>A, B</p>	
<p>vi. Who are perceived as the five most important donors? Why? What institutional and financial resources do they direct to the implementation of the PD agenda in-country?</p>		<p>A, B</p>	
<p>vii. What are the mechanisms for parliamentary, public and civil society oversight of the budget and aid allocations?</p>		<p>A</p>	

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Key Characteristics of the Country: Poverty/Development Status	Sources of Evidence / Indicators	Methods / Forms of Analysis (see Annex A, section 2)	Categories for Analysis & Judgements
<b>1e) To what extent and where have the PD principles been implemented?</b>			
Baseline (2000) plus changes identified between 2005 – 2010 (milestones of 2005 & 2009)			
i. How have the different PD principles been interpreted, weighted and implemented in the country? Since when have they been implemented in the country? (e.g., pre-2005, later)	Shifts pre-2005 towards aid effectiveness discussion / processes / mechanisms, if relevant  Date of adoption / endorsement of PD	A, C, D	<p>Length and duration of engagement with PD (from 2005) in aid effectiveness agenda</p> <ul style="list-style-type: none"> <li>• <i>Very significant engagement</i></li> <li>• <i>Quite significant engagement</i></li> <li>• <i>Limited engagement</i></li> <li>• <i>Very limited engagement</i></li> <li>• <i>No engagement</i></li> </ul> <p>Length and duration of engagement prior to 2005 with 'PD like' aid effectiveness agenda</p> <ul style="list-style-type: none"> <li>• <i>Very significant engagement</i></li> <li>• <i>Quite significant engagement</i></li> <li>• <i>Limited engagement</i></li> <li>• <i>Very limited engagement</i></li> <li>• <i>No engagement</i></li> </ul>
ii. What have been formal statements and changes around PD implementation (implementation plan, Aid Management Policy, PD progress reports, consultations on e.g. AAA etc)	National level PD implementation strategy / targets  Country progress reports re: PD implementation plan  Brief updating of key Phase 1 evaluation results (where applicable.)	A	

<i>Conclusions on the Paris Declaration in context:</i>	
<p>A. Status and relevance of the aid effectiveness agenda:</p> <ul style="list-style-type: none"> <li>• Political engagement / take-up</li> <li>• Evidence of a level of continuing interest and engagement in the aid effectiveness agenda among key stakeholders</li> </ul>	<p>Take-up and application of the aid effectiveness agenda</p> <ul style="list-style-type: none"> <li>• <i>Very significant take-up and application</i></li> <li>• <i>Quite significant take-up and application</i></li> <li>• <i>Limited take-up and application</i></li> <li>• <i>Very limited take-up and application</i></li> <li>• <i>No take-up and application</i></li> </ul> <p>Evidence of continued interest / engagement in the aid effectiveness agenda</p> <ul style="list-style-type: none"> <li>• <i>Substantial interest / engagement</i></li> <li>• <i>Some interest / engagement</i></li> <li>• <i>Little interest / engagement</i></li> <li>• <i>No interest / engagement</i></li> <li>• <i>Reduced interest / engagement</i></li> </ul>
<p>B. What have been the main influences 2005-2010 that have affected the ways aid has worked?</p> <ul style="list-style-type: none"> <li>• Accra Agenda for Action</li> <li>• Changes in the aid environment (donors, government actors, laws and regulations around aid)</li> <li>• Changes in national context (political change / unrest, political economy factors, change of government, natural disasters, changing population profile etc)</li> <li>• Changes in international context (economic volatility, impacts of climate change etc)</li> </ul>	
<p>C. Extent of adoption / implementation of the PD principles, and explanation</p> <ul style="list-style-type: none"> <li>• What have been the key factors influencing the extent of adoption/ implementation</li> <li>• Any evidence of perceived tensions / tradeoffs between principles?</li> <li>• Interest in and initiatives with regards to alternative approaches (not directly associated with the Paris Declaration) to aid effectiveness at country level</li> </ul>	

Core Q2. “To what extent and how has the implementation of the Paris Declaration led to an improvement in the efficiency of aid delivery, the management and use of aid and better partnerships?” (Process and intermediate outcomes)

PD expected outcomes	Progress markers	Potential indicators of change / milestones	Methods / Forms of Analysis	Judgement on progress, especially since 2005	Key reasons & explanation
<i>Intended state of the aid relationship at country level in 2010 (PD)</i>	<p><i>What evidence of progress to date towards outcomes?</i></p> <p><i>4 primary sources for the progress markers indicated:</i></p> <ul style="list-style-type: none"> <li>• <i>Paris Declaration on Aid Effectiveness (2005)</i></li> <li>• <i>Accra Agenda for Action (2008) (shaded)</i></li> <li>• <i>Monitoring Survey (MS)</i></li> <li>• <i>Regional workshop and IRG member suggestions</i></li> </ul>	<i>MS refers to Monitoring Survey (2005 &amp; 2008) and the results under its numbered indicators (see Annex B for reference)</i>	<i>See Annex A, section 2</i>	<p><i>Rating:</i></p> <ul style="list-style-type: none"> <li>• <i>Substantial</i></li> <li>• <i>Some</i></li> <li>• <i>Little</i></li> <li>• <i>None</i></li> <li>• <i>Regression</i></li> </ul>	<i>To justify the judgement on progress</i>
<b>A Country ownership over development<sup>13</sup></b>					
i. <b>Stronger</b> national strategies and operational frameworks.	<ul style="list-style-type: none"> <li>• Government lead in aid co-ordination at all levels with donors</li> </ul>	<i>Aid co-ordination groups led by government representatives</i>	A, C, E	<ul style="list-style-type: none"> <li>• <i>Substantial</i></li> <li>• <i>Some</i></li> <li>• <i>Little</i></li> <li>• <i>None</i></li> <li>• <i>Regression</i></li> </ul>	
	<ul style="list-style-type: none"> <li>• NDS with clear, results-oriented strategic priorities and ‘bankable programmes’ linked to MTEF<sup>14</sup> or similar</li> </ul>	<p><i>MS Ind 1</i></p> <p><i>Linkages between NDS &amp; annual and multi-annual budget processes</i></p>	A	<ul style="list-style-type: none"> <li>• <i>Substantial</i></li> <li>• <i>Some</i></li> <li>• <i>Little</i></li> <li>• <i>None</i></li> <li>• <i>Regression</i></li> </ul>	

<sup>13</sup> Core Question 2 is structured according to the main headings of the Accra Agenda for Action; (A) Ownership, (B) Partnerships and (C) Development Results.

<sup>14</sup> Medium Term Expenditure Framework.

PD expected outcomes	Progress markers	Potential indicators of change / milestones	Methods / Forms of Analysis	Judgement on progress, especially since 2005	Key reasons & explanation
	<ul style="list-style-type: none"> <li>Increased monitoring and scrutiny through parliamentary processes of progress with the national development strategy.</li> </ul>	<p><i>Dedicated parliamentary processes and records for NDS progress review debate.</i></p>	A, D	<ul style="list-style-type: none"> <li>Substantial</li> <li>Some</li> <li>Little</li> <li>None</li> <li>Regression</li> </ul>	
	<ul style="list-style-type: none"> <li>Fully consultative process (including civil society organisations and those representing women and excluded groups, local authorities and the private sector) in NDS development</li> </ul>	<p><i>Clear frameworks for consultation</i>  <i>Range of consultations undertaken and range of actors involved in dialogue</i>  <i>Donor funded programmes / activity around engagement with non-state actors</i></p>	A, C, D	<ul style="list-style-type: none"> <li>Substantial</li> <li>Some</li> <li>Little</li> <li>None</li> <li>Regression</li> </ul>	
	<ul style="list-style-type: none"> <li>NDS and sector strategies respond to international commitments on gender equality, human rights, disability and environmental sustainability</li> </ul>	<p><i>NDS has clear analytical basis which addresses gender, rights, disability and environmental sustainability</i>  <i>NDS based on improved information systems, including e.g. disaggregated data around e.g. gender and disability</i></p>	A	<ul style="list-style-type: none"> <li>Substantial</li> <li>Some</li> <li>Little</li> <li>None</li> <li>Regression</li> </ul>	
<p>ii. <u>Increased</u> alignment of aid with partner countries' priorities, systems and procedures, help to strengthen capacities</p>	<ul style="list-style-type: none"> <li>Overall support based on partner NDS, specific related priorities of sectoral ministries and NDS/ sector progress reviews</li> </ul>	<p><b>MS Ind 3</b>  <i>Shifts in key donor country strategies / programmes / expenditure reflect changes in government priorities (e.g. new NDS and in progress reviews) and/or related financing gaps identified by the government</i></p>	A, C,	<ul style="list-style-type: none"> <li>Substantial</li> <li>Some</li> <li>Little</li> <li>None</li> <li>Regression</li> </ul>	

PD expected outcomes	Progress markers	Potential indicators of change / milestones	Methods / Forms of Analysis	Judgement on progress, especially since 2005	Key reasons & explanation
	<ul style="list-style-type: none"> <li>Increased use by donors/agencies (and all vertical funds<sup>15</sup>) of country systems and procedures</li> </ul>	<p><i>Diagnostic reviews on country systems / reforms undertaken</i></p> <p><i>Rationale provided for non or limited use</i></p> <p><i>MS Ind 6</i></p> <p><i>MS Ind 5a</i></p> <p><i>MS Ind 5b</i></p>	A, C	<ul style="list-style-type: none"> <li><i>Substantial</i></li> <li><i>Some</i></li> <li><i>Little</i></li> <li><i>None</i></li> <li><i>Regression</i></li> </ul>	
	<ul style="list-style-type: none"> <li>A single framework and/or manageable set of indicators drawn from NDS and progress reviews from which donors derive their conditions</li> </ul>	<p><i>Single framework for conditions(NDS linkages) exists</i></p> <p><i>Conditions developed transparently and in consultation with other donors / government</i></p> <p><i>Joint indicator / conditions frameworks including disaggregated data</i></p>	A, C	<ul style="list-style-type: none"> <li><i>Substantial</i></li> <li><i>Some</i></li> <li><i>Little</i></li> <li><i>None</i></li> <li><i>Regression</i></li> </ul>	
	<ul style="list-style-type: none"> <li>Increased support to capacity-building of country systems</li> </ul>	<p><i>MS Ind 4</i></p> <p><i>Explicit objectives / strategies for capacity strengthening of partner systems within donor strategies and programmes</i></p> <p><i>Volume / proportion of support to capacity-building of partner systems</i></p>	A, C	<ul style="list-style-type: none"> <li><i>Substantial</i></li> <li><i>Some</i></li> <li><i>Little</i></li> <li><i>None</i></li> <li><i>Regression</i></li> </ul>	

<sup>15</sup> See Glossary (Extranet) for a listing of vertical funds.



PD expected outcomes	Progress markers	Potential indicators of change / milestones	Methods / Forms of Analysis	Judgement on progress, especially since 2005	Key reasons & explanation
<p>iii. <u>Defined</u> measures and standards of performance and accountability of partner country systems in public financial management, procurement, fiduciary standards and environmental assessments, in line with broadly accepted good practices and their quick and widespread application</p>	<ul style="list-style-type: none"> <li>Strengthened financial management capacity</li> </ul>	<p><i><b>MS Ind 2</b></i></p> <p><i>Number of harmonised diagnostic reviews / performance assessment frameworks for PFM</i></p> <p><i>Proportion of diagnostic reviews followed up.</i></p> <p><i>Number and value of (joint) programmes addressing PFM / fiduciary reforms</i></p> <p><i>Use of sex-disaggregated data and analysis in public financial management systems, e.g. gender audits, gender budget analysis</i></p> <p><i>Use of tools such as gender audits, gender budget analysis to improve knowledge around PFM</i></p> <p><i>Thematic group on PFM, procurement, and fiduciary standards set up</i></p> <p><i>Number of audits of major development programmes accepted (without question) by Auditor General.</i></p>	<p>A, C</p>	<ul style="list-style-type: none"> <li><i>Substantial</i></li> <li><i>Some</i></li> <li><i>Little</i></li> <li><i>None</i></li> <li><i>Regression</i></li> </ul>	

PD expected outcomes	Progress markers	Potential indicators of change / milestones	Methods / of Analysis	Judgement on progress, especially since 2005	Key reasons & explanation
	<ul style="list-style-type: none"> <li>Strengthened national procurement systems</li> </ul>	<p><i>Number of harmonised diagnostic reviews / performance assessment frameworks for procurement</i></p> <p><i>Number and value of (joint) programmes &amp; value addressing procurement reforms</i></p> <p><i>Number of procurement processes where local / regional firms allowed to compete</i></p> <p><i>Value of [% of total ODA] procurement under International Competitive Bidding / value of direct procurement</i></p> <p><i>Thematic group on procurement, standards set up?</i></p>	A, C	<ul style="list-style-type: none"> <li>Substantial</li> <li>Some</li> <li>Little</li> <li>None</li> <li>Regression</li> </ul>	
	<ul style="list-style-type: none"> <li>Increased use of mutually agreed fiduciary standards</li> </ul>	<p><i>Number of processes using internationally agreed standards or accepted best practices such as OECD-World Bank diagnostic tools and others</i></p> <p><i>Instances of International community agreeing on a common standard</i></p> <p><i>Number of audits of Government programmes approved by Auditor General</i></p>	A, C	<ul style="list-style-type: none"> <li>Substantial</li> <li>Some</li> <li>Little</li> <li>None</li> <li>Regression</li> </ul>	

PD expected outcomes	Progress markers	Potential indicators of change / milestones	Methods / Forms of Analysis	Judgement on progress, especially since 2005	Key reasons & explanation
	<ul style="list-style-type: none"> <li>Increased use of mutually agreed processes to carry out diagnostics, develop fiduciary reforms and monitor implementation</li> </ul>	<i>Thematic group on fiduciary standards set up?</i>	C	<ul style="list-style-type: none"> <li>Substantial</li> <li>Some</li> <li>Little</li> <li>None</li> <li>Regression</li> </ul>	
<b>B Building more inclusive and effective partnerships for development</b>					
iv. <u>Less</u> duplication of efforts and rationalised, more cost-effective donor activities	<ul style="list-style-type: none"> <li>Increased use of donor comparative advantage (relative strengths / complementarity) led by government</li> </ul>	<p><i>Clear views/ strategy by Government on donors comparative advantage and how to achieve increased donor complementarity</i></p> <p><i>Evidence of reprogrammed aid according to statement of relative strengths</i></p>	A, C, D	<ul style="list-style-type: none"> <li>Substantial</li> <li>Some</li> <li>Little</li> <li>None</li> <li>Regression</li> </ul>	
	<ul style="list-style-type: none"> <li>Increased 'division of labour'<sup>16</sup> at country / sector level</li> </ul>	<p><i>Mapping process conducted / maintained</i></p> <p><i>Number and type/theme of formal Division of Labour arrangements</i></p> <p><i>Reprogrammed aid according to Division of Labour agreements / arrangements</i></p> <p><i>Co-operative / joint work between agencies within e.g. project modalities</i></p>	A, C	<ul style="list-style-type: none"> <li>Substantial</li> <li>Some</li> <li>Little</li> <li>None</li> <li>Regression</li> </ul>	
	<ul style="list-style-type: none"> <li>Increased delegation to lead donors for the execution of programmes, activities and tasks</li> </ul>	<p><i>Increased use of donor lead arrangements [e.g. 'silent partnerships'<sup>17</sup>]</i></p>	C	<ul style="list-style-type: none"> <li>Substantial</li> <li>Some</li> <li>Little</li> <li>None</li> <li>Regression</li> </ul>	

<sup>16</sup> See Glossary (Extranet) for definition.

<sup>17</sup> See Glossary (Extranet) for definition.

<ul style="list-style-type: none"> <li>• Reduced fragmentation, overall</li> </ul>	<p>% (Proportion) of donors to total volume of aid (i.e. 80% of aid provided by 20% of the number of active donors/ agencies)</p>	A, B	<ul style="list-style-type: none"> <li>• Substantial</li> <li>• Some</li> <li>• Little</li> <li>• None</li> <li>• Regression</li> </ul>		
	<ul style="list-style-type: none"> <li>• Reduced fragmentation within sectors</li> </ul>	<p>Number of programmes/ projects, transactions, contracts and funding arrangements compared to the total aid volume within a sector</p>	A, B	<ul style="list-style-type: none"> <li>• Substantial</li> <li>• Some</li> <li>• Little</li> <li>• None</li> <li>• Regression</li> </ul>	
	<ul style="list-style-type: none"> <li>• Increased untying of aid<sup>18</sup></li> </ul>	<p><b>MS Ind 8</b> See also issues raised in Untying of Aid Report (2009)</p>	A	<ul style="list-style-type: none"> <li>• Substantial</li> <li>• Some</li> <li>• Little</li> <li>• None</li> <li>• Regression</li> </ul>	
<p>v. <u>Reformed</u> and <u>simplified</u> donor policies and procedures, more collaborative behaviour</p>	<ul style="list-style-type: none"> <li>• Evidence of reforms and simplifications by individual donors in their own operations</li> </ul>	<p><b>MS Ind 10</b></p>	A, C	<ul style="list-style-type: none"> <li>• Substantial</li> <li>• Some</li> <li>• Little</li> <li>• None</li> <li>• Regression</li> </ul>	
	<ul style="list-style-type: none"> <li>• Common or harmonised arrangements amongst donors at country level [for planning, funding (e.g. joint financial arrangements), disbursement, monitoring, evaluating &amp; reporting to govt on donor activities &amp; aid flows]</li> </ul>	<p>Joint Assistance Strategies / plans (national and sector level) Joint thematic strategies on cross-cutting issues, e.g. gender, exclusion, climate and environment Use of common procedures for pledged funds Shared conditions for tranche funding Joint monitoring / evaluation / reporting processes <b>MS Ind 9</b></p>	A, C, D	<ul style="list-style-type: none"> <li>• Substantial</li> <li>• Some</li> <li>• Little</li> <li>• None</li> <li>• Regression</li> </ul>	

<sup>18</sup> See Glossary (Extranet) for definition of untying.

	<ul style="list-style-type: none"> <li>Strengthened incentives for harmonisation, alignment and results orientation</li> </ul>	<p><i>Extent to which action plans (Partner Governments, Donors/ Agencies) developed and implemented e.g. as part of the 2003 Rome High Level Forum</i></p> <p><i>Joint accountability frameworks featuring changed incentives, e.g. (joint) annual programme performance reviews</i></p> <p><i>Supportive incentives in donor agency performance management frameworks</i></p>	A, D	<ul style="list-style-type: none"> <li>Substantial</li> <li>Some</li> <li>Little</li> <li>None</li> <li>Regression</li> </ul>	
vi. <u>More</u> predictable and multi-year commitments on aid flows to committed partner countries. [Has the nature of conditionalities been changed to support ownership in line with the AAA commitment (para. 25)]	<ul style="list-style-type: none"> <li>Increase in proportion of aid being committed through multi-year frameworks</li> </ul>	<p><i>Number of donors setting out indicative commitments within multi-year frameworks and delivering these</i></p> <p><i>Proportion in terms of (total volume and the number of) donors/ agencies providing indicative aid commitments 2010-2015; based on 3 year commitment, on 5 year commitment.</i></p>	A, B, C, E	<ul style="list-style-type: none"> <li>Substantial</li> <li>Some</li> <li>Little</li> <li>None</li> <li>Regression</li> </ul>	
	<ul style="list-style-type: none"> <li>More timely and predictable aid disbursements</li> </ul>	<p><i>Number / proportion of donors with clearly set out agreed disbursement schedules with government</i></p> <p><b>MS Ind 7</b></p> <p><i>Share / type of aid disbursed according to schedule</i></p> <p><i>Proportion of Government expenditure in line with budget.</i></p>	A, B, C, E	<ul style="list-style-type: none"> <li>Substantial</li> <li>Some</li> <li>Little</li> <li>None</li> <li>Regression</li> </ul>	
	<ul style="list-style-type: none"> <li>Limited set of mutually agreed conditions jointly agreed, made public and jointly assessed</li> </ul>	<p><i>Number of mutually agreed conditions made public</i></p> <p><i>Number of joint assessments</i></p>	A	<ul style="list-style-type: none"> <li>Substantial</li> <li>Some</li> <li>Little</li> <li>None</li> <li>Regression</li> </ul>	

vii. <u>Sufficient</u> delegation of authority to donors' field staff, and adequate attention to incentives for effective partnerships between donors and partner countries	<ul style="list-style-type: none"> <li>Increased levels of delegation to country offices</li> </ul>	<p><i>Levels of decision-making authority (financial approvals, reallocating resources) of donor country offices</i></p> <p><i>Number of technical staff within country offices proportionate to donor/agency commitment.</i></p> <p><i>Number of technical staff with gender expertise working within country Field Offices</i></p>	A, C, D, E	<ul style="list-style-type: none"> <li>Substantial</li> <li>Some</li> <li>Little</li> <li>None</li> <li>Regression</li> </ul>	
	<ul style="list-style-type: none"> <li>Increased capacity of staff in country offices to manage increased levels of delegation</li> </ul>	<p><i>Frequency of staff rotation</i></p>	C, E	<ul style="list-style-type: none"> <li>Substantial</li> <li>Some</li> <li>Little</li> <li>None</li> <li>Regression</li> </ul>	
	<ul style="list-style-type: none"> <li>Incentives for changed behaviour in line with aid effectiveness principles</li> </ul>	<p><i>Donor performance frameworks (institutional and staff) for development effectiveness including references to aid effectiveness principles</i></p>	A, C, D	<ul style="list-style-type: none"> <li>Substantial</li> <li>Some</li> <li>Little</li> <li>None</li> <li>Regression</li> </ul>	
viii. <u>Sufficient</u> integration of global programmes and initiatives into partner countries' broader development agendas	<ul style="list-style-type: none"> <li>Global programmes work to strengthen country policy environment / institutions</li> </ul>	<p><i>Global programmes<sup>19</sup> country implementation strategies based on NDS</i></p> <p><i>National planning / monitoring frameworks incorporating global programmes</i></p>	A, C	<ul style="list-style-type: none"> <li>Substantial</li> <li>Some</li> <li>Little</li> <li>None</li> <li>Regression</li> </ul>	

<sup>19</sup> See Glossary (Extranet) for typology/ listing.

ix. <u>Stronger</u> partner countries' capacities to plan, manage and implement results-driven national strategies	<ul style="list-style-type: none"> <li>Results-oriented reporting and assessment frameworks for assessing the impact of development policies/strategies.</li> </ul>	<p><i>MS Ind 11</i></p> <p><i>MS Ind 4</i></p> <p><i>Number of government plans /programmes / policies which set out clear linkages between expenditure and results over the medium term</i></p> <p><i>Frameworks including manageable number of disaggregated indicators / for which data sources are available</i></p> <p><i>Availability within Government of regularised socio-economic data sets</i></p> <p><i>Use of disaggregated data (gender, excluded group) within results and assessment frameworks</i></p>	A, B, C, D	<ul style="list-style-type: none"> <li><i>Substantial</i></li> <li><i>Some</i></li> <li><i>Little</i></li> <li><i>None</i></li> <li><i>Regression</i></li> </ul>	
	<ul style="list-style-type: none"> <li>Donor programming and resources increasingly linked to national level/ sector level development results</li> </ul>	<p><i>Proportion of donor country plans which specify links between expenditure and results</i></p> <p><i>Proportion of donor results frameworks which reflect national results areas (including cross-cutting issues e.g. gender, exclusion, climate change, environment)</i></p>	A, C, D, E	<ul style="list-style-type: none"> <li><i>Substantial</i></li> <li><i>Some</i></li> <li><i>Little</i></li> <li><i>None</i></li> <li><i>Regression</i></li> </ul>	

	<ul style="list-style-type: none"> <li>Increased joint support (analytic and financial) to capacity development for results</li> </ul>	<p><i>Explicit objectives / strategies for capacity strengthening within the NDS</i></p> <p><i>Explicit objectives / strategies for capacity strengthening within donor support programmes</i></p> <p><i>Joint initiatives for capacity development</i></p> <p><i>Number of country capacity analyses undertaken / strategies developed</i></p> <p><i>Volume / proportion of support to capacity-building objectives</i></p>	A, B, C, D	<ul style="list-style-type: none"> <li>Substantial</li> <li>Some</li> <li>Little</li> <li>None</li> <li>Regression</li> </ul>	
<p><b>C Delivering and accounting for development results</b></p>					
<p>x. <u>Enhanced</u> respective accountability of countries and donors to citizens and parliaments</p>	<ul style="list-style-type: none"> <li>Strengthened parliamentary role in NDS / budgets</li> </ul>	<p><i>Regular reviews by parliament of development policies, strategies, budgets and performance</i></p> <p><i>National Audit reports on use of aid</i></p>	A, C, D	<ul style="list-style-type: none"> <li>Substantial</li> <li>Some</li> <li>Little</li> <li>None</li> <li>Regression</li> </ul>	
	<ul style="list-style-type: none"> <li>Timely, transparent and comprehensive information on aid flows publicly available (donors)</li> </ul>	<p><i>Publicly available donor annual reports on aid flows</i></p>	C, A	<ul style="list-style-type: none"> <li>Substantial</li> <li>Some</li> <li>Little</li> <li>None</li> <li>Regression</li> </ul>	



<p>10b) Progress towards commitments in the Accra Agenda for Action (para. 24) on transparency and accountability for development results</p>	<ul style="list-style-type: none"> <li>Increasing accountability and transparency to the public for development results</li> </ul>	<p><b>MS Ind 12</b></p> <p>Number of mutual assessments of ((i) General Budget Support, (ii) Sector support (iii) other programs) conducted based on country results reporting and information systems</p> <p>Proportion of large Government (donor supported) programmes for which mutual assessments of an accepted quality have been completed</p> <p>Number of mutual assessments which address gender and exclusion issues</p>	<p>A, C, D</p>	<ul style="list-style-type: none"> <li>Substantial</li> <li>Some</li> <li>Little</li> <li>None</li> <li>Regression</li> </ul>	
	<ul style="list-style-type: none"> <li>Supporting the strengthening of the existing international accountability mechanisms</li> </ul>	<p>Number of joint reviews of existing international accountability mechanisms e.g. number of peer reviews conducted and published</p>	<p>A</p>	<ul style="list-style-type: none"> <li>Substantial</li> <li>Some</li> <li>Little</li> <li>None</li> <li>Regression</li> </ul>	
<p>xi. Less corruption and more transparency, strengthening public support and supporting effective resource mobilisation and allocation</p>	<ul style="list-style-type: none"> <li>Greater transparency in public financial management</li> </ul>	<p>Records of disclosure on both sides of aid disbursements, revenues, budgets, expenditures, procurement and audits</p> <p>Internal and external audits reporting progress on financial management</p>	<p>A, C</p>	<ul style="list-style-type: none"> <li>Substantial</li> <li>Some</li> <li>Little</li> <li>None</li> <li>Regression</li> </ul>	

	<ul style="list-style-type: none"> <li>• Increased measures to address corruption</li> </ul>	<p><i>Strategies and institutional mechanisms to tackle corruption on both sides</i></p> <p><i>Number of investigations undertaken / concluded on both sides</i></p> <p><i>Improved systems of investigation, legal redress, accountability and transparency in the use of public funds in partner countries.</i></p> <p><i>Increased steps by donors/ agencies to combat corruption by individuals or corporations and to track, freeze and recover illegally acquired assets from donor/ agency funded programmes/ projects.</i></p>	<p>A, C</p>	<ul style="list-style-type: none"> <li>• Substantial</li> <li>• Some</li> <li>• Little</li> <li>• None</li> <li>• Regression</li> </ul>	
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<i>Conclusions on the effects of Paris Declaration implementation:</i>	
<p>A. Report against 3 dimensions of aid effectiveness covered by Core Question 2:</p> <ul style="list-style-type: none"> <li>• <i>Improvements in the efficiency of aid delivery</i> <ul style="list-style-type: none"> <li>iv. <u>Less</u> duplication of efforts and rationalised, more cost-effective donor activities</li> <li>v. <u>Reformed</u> and <u>simplified</u> donor policies and procedures, more collaborative behaviour [extent to which donor/ agency operations in-country are ‘fit for purpose’ in line with honouring the commitments of the Paris Declaration and Accra Agenda for Action]</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <i>Substantial</i></li> <li>• <i>Some</i></li> <li>• <i>Little</i></li> <li>• <i>None</i></li> <li>• <i>Regression</i></li> </ul>
<ul style="list-style-type: none"> <li>• <i>Improvements in the management and use of aid; extent of change, contributing factors (why?) and validity</i> <ul style="list-style-type: none"> <li>ii. <u>Increased</u> alignment of aid with partner countries’ priorities, systems and procedures, help to strengthen capacities</li> <li>viii. <u>Sufficient</u> integration of global programmes and initiatives into partner countries’ broader development agendas</li> <li>i. <u>Stronger</u> national strategies and operational frameworks</li> <li>ix. <u>Stronger</u> partner countries’ capacities to plan, manage and implement results-driven national strategies</li> <li>xi. <u>Less</u> corruption and <u>more</u> transparency, strengthening public support and supporting effective resource mobilisation and allocation</li> <li>iii. <u>Defined</u> measures and standards of performance and accountability of partner country systems in public financial management, procurement, fiduciary standards and environmental assessments, in line with broadly accepted good practices and their quick and widespread application</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <i>Substantial</i></li> <li>• <i>Some</i></li> <li>• <i>Little</i></li> <li>• <i>None</i></li> <li>• <i>Regression</i></li> </ul>
<ul style="list-style-type: none"> <li>• <i>Better (more inclusive and effective) partnerships</i> <ul style="list-style-type: none"> <li>x. <u>Enhanced</u> respective accountability of countries and donors to citizens and parliaments</li> <li>vi. <u>More</u> predictable and multi-year commitments on aid flows to committed partner countries. [Has the nature of conditionalities been changed to support ownership in line with the AAA commitment (para. 25)]</li> <li>vii. <u>Sufficient</u> delegation of authority to donors’ field staff, and adequate attention to incentives for effective partnerships between donors and partner countries</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <i>Substantial</i></li> <li>• <i>Some</i></li> <li>• <i>Little</i></li> <li>• <i>None</i></li> <li>• <i>Regression</i></li> </ul>
<p>B. Is there evidence of the Accra Agenda for Action triggering an acceleration of the aid effectiveness agenda in respect to progress on; (A) Country ownership over development, (B) Building of more inclusive and effective partnerships for development, and (C) delivering and accounting for development results.</p>	
<p>C. Have there been unintended consequences of the Paris Declaration for aid effectiveness (e.g. unintended impacts on particular groups including women and girls, new transaction costs due to additional meetings, reports etc)?</p>	

D. Are there possible alternative ways of achieving more effective aid, e.g. in the experience with non-PD donors?	
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**Core Q3. “Has the implementation of Paris Declaration strengthened the contribution of aid to sustainable development results? How?” (Development outcomes)**

Note: Not a linear results chain – mapping [in 3a, 3b, 3c] the plausible contribution of the PD towards development results. Basis for establishing the extent to which there is evidence of PD implementation having accelerated progress towards development outcomes?

**SECTOR LEVEL VIEW**

3a) Were results in specific sectors enhanced through the application of the PD principles?” [minimum of the ‘Health sector’ as a case study and option of case study coverage of an additional 1-2 specified other sectors] [Further Guidance to follow]					
Intended development results (specify)	Interim development results	Contribution of aid (finance/ other) to the sector	Effects of PD on the aid relationship	Overall aggregate judgement	Key reasons & explanations
Effective, efficient and sustainable progress towards sector long term development goals	<p>Good progress against sector programmes, strategies, policies and related targets</p> <ul style="list-style-type: none"> <li>• Evidence of progress towards policy goals?</li> <li>• Sector plans implemented as intended?</li> <li>• Sector strategies on track?</li> <li>• Progress reviews indicate that delivery on-track to meet targets?</li> </ul> <p>Sector governance improved / Institutional mechanisms operating effectively</p>	<p>Overall scale of committed aid within the sector, predictability and disbursement.</p> <p>Active and productive policy dialogue in the sector?</p> <p>Alignment of aid with sector programmes, strategies, policies and related targets</p> <p>Sector strategies and plans jointly financed (government and donor) to meet agreed national targets</p> <p>Barriers to achievement jointly recognised and strategies in place to address them. e.g. joint sector platforms, joint assessment frameworks, strategies and reviews</p>	<p>[See note on “Guidance to sector study” – Annex C for detailed set of progress markers/ indicators to work through in this column, covering;</p> <ul style="list-style-type: none"> <li>• Efficiency in aid delivery</li> <li>• Management and use of aid in the sector</li> <li>• Partnerships</li> </ul>		

Second Phase Evaluation of the Implementation of the Paris Declaration in Zambia

Intended development results (specify)	Interim development results	Contribution of aid (finance/ other) to the sector	Effects of PD on the aid relationship	Overall aggregate judgement	Key reasons & explanations
<p>Judgement on progress, especially since 2005</p> <ul style="list-style-type: none"> <li>• <i>Substantial</i></li> <li>• <i>Some</i></li> <li>• <i>Little</i></li> <li>• <i>None</i></li> <li>• <i>Regression</i></li> </ul>	<p>Judgement on progress, especially since 2005</p> <ul style="list-style-type: none"> <li>• <i>Substantial</i></li> <li>• <i>Some</i></li> <li>• <i>Little</i></li> <li>• <i>None</i></li> <li>• <i>Regression</i></li> </ul>	<p>Judgement on progress, especially since 2005</p> <ul style="list-style-type: none"> <li>• <i>Substantial</i></li> <li>• <i>Some</i></li> <li>• <i>Little</i></li> <li>• <i>None</i></li> <li>• <i>Regression</i></li> </ul>	<p>Judgement on progress, especially since 2005</p> <ul style="list-style-type: none"> <li>• <i>Substantial</i></li> <li>• <i>Some</i></li> <li>• <i>Little</i></li> <li>• <i>None</i></li> <li>• <i>Regression</i></li> </ul>	<p><i>Has there been an acceleration (in the period 2005-2010 compared to 2000-2004) in progress towards development outcomes in the sector</i></p> <ul style="list-style-type: none"> <li>• <i>Substantial</i></li> <li>• <i>Some</i></li> <li>• <i>Little</i></li> <li>• <i>None</i></li> <li>• <i>Regression</i></li> </ul> <p><i>Has the contribution of PD implementation to any acceleration been</i></p> <ul style="list-style-type: none"> <li>• <i>Substantial</i></li> <li>• <i>Some</i></li> <li>• <i>Little</i></li> <li>• <i>None</i></li> <li>• <i>Not relevant</i></li> </ul>	

MACRO LEVEL VIEW

3b) Did the implementation of the PD help countries to improve the prioritisation of the needs [beyond income poverty] of the poorest people, including women and girls?"					
Intended development results (specify)	Interim development results	Contribution of aid (finance/ other) to the sector	Effects of PD on the aid relationship	Overall aggregate judgement	Key reasons & explanations
Greater prioritisation of the needs of the poorest including women and girls	<p>Increased generation and use of disaggregated data and analysis around poor and excluded groups, including women and girls?</p> <ul style="list-style-type: none"> <li>• Extreme poverty, gender and exclusion-focused analyses conducted?</li> </ul> <p>Increased recognition of extreme poverty, exclusion and gender issues within development policy and planning?</p> <ul style="list-style-type: none"> <li>• Sector and national strategies reflecting data disaggregation by region, sex, excluded group etc?</li> <li>• Policy / strategy / programmatic &amp; and sector responses?</li> </ul> <p>More effective institutional machinery to comprehensively address extreme poverty, gender and</p>	<p><i>For each of these interim results:</i></p> <p>What has been the scale of aid?</p> <p>The intensity and productivity of policy dialogue?</p> <p>Joint recognition of barriers to achievement jointly recognised and strategies in place to address them, e.g. joint thematic platforms, strategies and reviews?</p>	<p>E.g.</p> <p>Joint statements / dialogue / analysis</p> <p>Joint programmes / activity</p> <p>Joint groups / structures</p> <p>Are there more / wider entry points for productive dialogue and engagement between partner countries and donors?</p> <p>Unintended impacts or effects?</p>		

Second Phase Evaluation of the Implementation of the Paris Declaration in Zambia

Intended development results (specify)	Interim development results	Contribution of aid (finance/ other) to the sector	Effects of PD on the aid relationship	Overall aggregate judgement	Key reasons & explanations
	<p>exclusion issues?</p> <ul style="list-style-type: none"> <li>• Required level of institutional mechanisms in place, staffed and functional?</li> </ul> <p>Increased resource allocations to tackle extreme poverty, gender and exclusion issues?</p> <ul style="list-style-type: none"> <li>• Levels of gender and exclusion-related budgetary allocations and expenditure flows?</li> <li>• Level of pro-poor, gender responsive priorities in national strategies, budgets?</li> </ul>				



Second Phase Evaluation of the Implementation of the Paris Declaration in Zambia

Intended development results (specify)	Interim development results	Contribution of aid (finance/ other) to the sector	Effects of PD on the aid relationship	Overall aggregate judgement	Key reasons & explanations
<p>Judgement on progress, especially since 2005</p> <ul style="list-style-type: none"> <li>• <i>Substantial</i></li> <li>• <i>Some</i></li> <li>• <i>Little</i></li> <li>• <i>None</i></li> <li>• <i>Regression</i></li> </ul>	<p>Judgement on progress, especially since 2005</p> <ul style="list-style-type: none"> <li>• <i>Substantial</i></li> <li>• <i>Some</i></li> <li>• <i>Little</i></li> <li>• <i>None</i></li> <li>• <i>Regression</i></li> </ul>	<p>Judgement on progress, especially since 2005</p> <ul style="list-style-type: none"> <li>• <i>Substantial</i></li> <li>• <i>Some</i></li> <li>• <i>Little</i></li> <li>• <i>None</i></li> <li>• <i>Regression</i></li> </ul>	<p>Judgement on progress, especially since 2005</p> <ul style="list-style-type: none"> <li>• <i>Substantial</i></li> <li>• <i>Some</i></li> <li>• <i>Little</i></li> <li>• <i>None</i></li> <li>• <i>Regression</i></li> </ul>	<p><i>Has there been any improvement in the prioritisation by partner governments of the needs of the poorest people, including women and girls (in the period 2005-2010 compared to 2000-2004).</i></p> <ul style="list-style-type: none"> <li>• <i>Substantial</i></li> <li>• <i>Some</i></li> <li>• <i>Little</i></li> <li>• <i>None</i></li> <li>• <i>Regression</i></li> </ul> <p><i>Has the contribution of PD implementation to any improvement been</i></p> <ul style="list-style-type: none"> <li>• <i>Substantial</i></li> <li>• <i>Some</i></li> <li>• <i>Little</i></li> <li>• <i>None</i></li> <li>• <i>Not relevant</i></li> </ul>	

MACRO LEVEL VIEW

3c) Has PD implementation led to sustainable increases in institutional capacities and social capital <sup>20</sup> at all levels to respond to development challenges? Why, how and where, and what are the effects? [Guidance Note to follow]					
Intended development results (specify)	Interim development results	Contribution of aid (finance/ other) to the sector	Effects of PD on the aid relationship	Overall aggregate judgement	Key reasons & explanations
Increased institutional capacity at all levels	<p>Improved administrative capacities among all development actors, including CSOs?</p> <p>Improved ability to consult with and account to stakeholders?</p> <p>Improved working through partnership and network formation?</p> <p>Evidence of 'learning by doing'?</p> <p>Improved capacity to develop, implement and report upon comprehensive decentralisation plans?</p> <p>Improved capacity to design and implement effective regulation?</p> <p>Improved capacity for policy and strategic monitoring?</p> <p>Improved capacity for evaluation and reporting?</p>	<p><i>For each of these interim results:</i></p> <p>What has been the scale of aid?</p> <p>The intensity and productivity of policy dialogue?</p> <p>Barriers to achievement jointly recognised and strategies in place to address them e.g. joint strategies platforms, and reviews?</p>	<p>Country-led capacity development strategies?</p> <p>Alignment of support to national objectives and strategies for capacity strengthening?</p> <p>Effective use by donors/ agencies of existing capacities within partner countries?</p> <p>Harmonised support for capacity development?</p> <p>Joint identification of need for capacity strengthening to deliver services?</p> <p>Donors strengthen own capacities and skills to be more responsive to country needs?</p> <p>Jointly selected and managed technical co-operation?</p> <p>Use of local and regional resources including South-South co-operation?</p>		

<sup>20</sup> See Glossary (Extranet) for definition.

Second Phase Evaluation of the Implementation of the Paris Declaration in Zambia

Intended development results (specify)	Interim development results	Contribution of aid (finance/ other) to the sector	Effects of PD on the aid relationship	Overall aggregate judgement	Key reasons & explanations
			Promotion of operational changes to make capacity development more effective?  Unintended impacts or effects?		
Increased social capital (i.e. problem-solving networks in society) at all levels	[Guidance to follow]	[Guidance to follow]	[Guidance to follow]		
Judgement on progress, especially since 2005  <ul style="list-style-type: none"> <li>• Substantial</li> <li>• Some</li> <li>• Little</li> <li>• None</li> <li>• Regression</li> </ul>	Judgement on progress, especially since 2005  <ul style="list-style-type: none"> <li>• Substantial</li> <li>• Some</li> <li>• Little</li> <li>• None</li> <li>• Regression</li> </ul>	Judgement on progress, especially since 2005  <ul style="list-style-type: none"> <li>• Substantial</li> <li>• Some</li> <li>• Little</li> <li>• None</li> <li>• Regression</li> </ul>	Judgement on progress, especially since 2005  <ul style="list-style-type: none"> <li>• Substantial</li> <li>• Some</li> <li>• Little</li> <li>• None</li> <li>• Regression</li> </ul>	<p><i>Has there been a sustainable increase in institutional capacities and social capital at all levels to respond to development challenges (in the period 2005-2010 compared to 2000-2004). Has this been</i></p> <ul style="list-style-type: none"> <li>• Substantial</li> <li>• Some</li> <li>• Little</li> <li>• None</li> <li>• Regression</li> </ul> <p><i>Has the contribution of PD implementation to any sustainable increase been</i></p> <ul style="list-style-type: none"> <li>• Substantial</li> <li>• Some</li> <li>• Little</li> <li>• None</li> <li>• Not relevant</li> </ul>	

MACRO LEVEL VIEW

3d) How and why has the mix of aid modalities (including general or sector-specific budget support) evolved and what has been learnt on the development results?					
Intended development results (specify)	Interim development results	Contribution of aid (finance/ other) to the sector	Effects of PD on the aid relationship	Overall aggregate judgement	Key reasons & explanations
Country has a mix of aid modalities – defined as optimum by the partner country and respected by the donors/ agencies - to progress the NDS	<p>Assessments of relative relevance and effectiveness of different modalities for different uses?</p> <p>Assessment of management and absorptive capacity for the defined mix of modalities?</p> <p>Government defines required mix of modalities?</p> <p>Donors commit 66% of aid to programme based approaches where feasible?</p> <p>Donors channel 50% or more of government-to-government aid through country fiduciary systems?</p>	<p>Agreement on optimal mix of modalities?</p> <p>Combined response to desired mix of modalities including programme-based modalities to support common approaches?</p> <p>Relative shares of allocations using agreed modalities?</p>	<p>Joint dialogue in and support for analysis of modalities?</p> <p>Alignment to preferred national mix of modalities?</p> <p>Harmonisation among donors re: mix of modalities?</p> <p>Mutual accountability and progress reviews?</p>		

Second Phase Evaluation of the Implementation of the Paris Declaration in Zambia

Intended development results (specify)	Interim development results	Contribution of aid (finance/ other) to the sector	Effects of PD on the aid relationship	Overall aggregate judgement	Key reasons & explanations
<p>Judgement on progress, especially since 2005</p> <ul style="list-style-type: none"> <li>• <i>Substantial</i></li> <li>• <i>Some</i></li> <li>• <i>Little</i></li> <li>• <i>None</i></li> <li>• <i>Regression</i></li> </ul>	<p>Judgement on progress, especially since 2005</p> <ul style="list-style-type: none"> <li>• <i>Substantial</i></li> <li>• <i>Some</i></li> <li>• <i>Little</i></li> <li>• <i>None</i></li> <li>• <i>Regression</i></li> </ul>	<p>Judgement on progress, especially since 2005</p> <ul style="list-style-type: none"> <li>• <i>Substantial</i></li> <li>• <i>Some</i></li> <li>• <i>Little</i></li> <li>• <i>None</i></li> <li>• <i>Regression</i></li> </ul>	<p>Judgement on progress, especially since 2005</p> <ul style="list-style-type: none"> <li>• <i>Substantial</i></li> <li>• <i>Some</i></li> <li>• <i>Little</i></li> <li>• <i>None</i></li> <li>• <i>Regression</i></li> </ul>	<p><i>To what extent has the mix of aid modalities (in line with PD principles) changed in the period 2005-2010</i></p> <ul style="list-style-type: none"> <li>• <i>Substantial</i></li> <li>• <i>Some</i></li> <li>• <i>Little</i></li> <li>• <i>None</i></li> <li>• <i>Regression</i></li> </ul> <p><i>What has been the contribution of PD implementation to any change?</i></p> <ul style="list-style-type: none"> <li>• <i>Substantial</i></li> <li>• <i>Some</i></li> <li>• <i>Little</i></li> <li>• <i>None</i></li> <li>• <i>Not relevant</i></li> </ul>	

Second Phase Evaluation of the Implementation of the Paris Declaration in Zambia

Intended development results (specify)	Interim development results	Contribution of aid (finance/ other) to the sector	Effects of PD on the aid relationship	Overall aggregate judgement	Key reasons & explanations
<i>Conclusions on the influence of improved aid effectiveness on development outcomes:</i>					
A. Has the PD enhanced ODA's impact on achieving the goals of the national development strategy [and the MDGs]? What factors have facilitated this change?					
B. What (plausible) contribution has the Declaration made in terms of its own statement of <u>intended</u> effects, to:  "Increase the impact of aid in:  1. Reducing poverty 2. Reducing inequality 3. Increasing growth 4. Building capacity 5. Accelerating achievement of MDGs" (Paragraph. 2)					
C. Has the implementation of the PD had <u>unintended</u> consequences for development results, negative or positive?					
D. Is there evidence of different ways to make aid contribute more towards development results?					

**Core Q 4. Framework for Overall Conclusions:**

- i. What has been the relevance of the Paris Declaration and the ways it has been implemented to the challenges of aid effectiveness?
- ii. To what extent has each of the five principles of the Paris Declaration been observed and implemented, and the Accra Agenda priorities reflected? Why? Have there been conflicts or trade-offs between them?
- iii. What has the Paris Declaration achieved for aid effectiveness and development results? How significant are these contributions? How sustainable? Is there evidence of better ways to make aid more effective and contribute more to development results, for women and men and for those who are excluded?
- iv. What effects has the implementation of the Declaration had on the respective burdens of aid management falling on the partner country and its respective donors, relative to the changing volumes and quality of aid and of the aid partnership itself? Are these effects likely to be transitional or long term?
- v. What has been the added value of Paris Declaration-style development cooperation compared with the pre-PD situation, and seen alongside other drivers of development in the country, other sources of development finance and development cooperation partners beyond those so far endorsing the Declaration?
- vi. What are the key messages for a) national stakeholders, and b) donor countries and agencies?
- vii. What are the key implications for aid effectiveness in the future taking account of new challenges and opportunities (e.g. climate change) and new actors and relationships?

## Annex 3: DATA COLLECTION INSTRUMENTS - COUNTRY EVALUATION OF THE PARIS DECLARATION PHASE 2

### GOVERNMENT, PARLIAMENTARIANS AND DEVELOPMENT PARTNERS

#### I. CONTEXT

1. What are the important factors that have affected the relevance and implementation of the Paris Declaration (PD) and its potential effects on aid effectiveness and development results?
  - a. **What do you think are the key characteristics of Zambia that have been most relevant to the implementation of the PD?**
  - b. **Do you think all aid should be subject to PD principles among all sources of development finance and resources? If yes, please elaborate**
  - c. **The PD came into effect in 2005. What do u think have been the trend of aid delivery from 2000 to 2005? (Pre-PD )**
  - d. **Who do you think are the key actors in Zambia and among its development partners that can make major decisions on aid?**
  - e. **What influence do the Paris Declaration and Accra Agenda for Action (AAA) commitments have on these actors, in relation to their other priorities and incentives?**
  - f. **What do you think are the most important national and international events that have affected the implementation of the Paris Declaration and Accra priorities, and how?**
  - g. **To what extent and where have the PD principles been implemented? Why and how?**

#### II. PROCESS AND INTERMEDIATE OUTCOMES

2. To what extent and how has the implementation of the Paris Declaration led to an improvement in the efficiency of aid delivery, the management and use of aid and better partnerships?
  - a. **Country ownership over development**
    - i. **Are national strategies and frameworks stronger now (i.e. after/during the implementation of the PD)?**
    - ii. **Is aid more aligned with Zambia's national priorities (as reflected in the FNNDP and VISION 2030),**
    - iii. **Do you think that the systems and procedures have helped to strengthen national capacities to implement the policies?**
    - iv. **Are measures and standards of performance and accountability of Zambia's systems in public financial management, procurement, fiduciary standards and environmental assessments defined, in line with broadly accepted good practices and their quick and widespread application?**
  - b. **Building more inclusive and effective partnerships for development**
    - v. **Is there less duplication of efforts amongst Development Partner activities?**
    - vi. **Are the Development Partner policies and procedures reformed and simplified, and is their behaviour more efficiently collaborative?**
    - vii. **Do you think aid flows to Zambia are more predictable and are the multi-year commitments firm?**
    - viii. **Do you think the nature of conditionalities have changed to support Zambia's ownership in line with the AAA commitment?**
    - ix. **Is there sufficient delegation of authority to Development Partners' field staff?**



- x. **Is there adequate attention to incentives for effective partnerships between Development Partners and Zambia? If yes, what are these incentives, and how can they be strengthened?**
  - xi. **Is there sufficient integration of global programmes and initiatives into Zambia's broader development agendas?**
- c. **Delivering and accounting for development results**
- xii. **Does Zambia have stronger capacities today to develop and implement results-driven national strategies?**
  - xiii. **Is there enhanced accountability by Zambia and Development Partners to Zambian citizens and Parliament?**
  - xiv. **Is there transparency and accountability for development results, including its detailed points on transparency, mutual assessment reviews, and measures to fight corruption by Zambia and its Development Partners?**
  - xv. **Is there improvement in the level of corruption and transparency, and strengthening of public support for effective resource mobilization and allocation?**
  - xvi. **Have there been unintended consequences of the Paris declaration for aid effectiveness? Is there evidence of better ways to make aid more effective?**

III: DEVELOPMENT OUTCOMES

3. Has the implementation of Paris Declaration strengthened the contribution of aid to sustainable development results? How?
- a. **Were results in specific (especially Health and Agriculture) sectors enhanced through the application of the PD principles?**
  - b. **Did the implementation of the PD help Zambia to improve the prioritization of the needs of the poorest people, including women and girls, and reduce social exclusion?**
  - c. **How and why has the mix of aid modalities (including general or sector-specific budget support) evolved, what effect has the Paris Declaration had on different modalities, and what have been the development results?**
  - d. **Has PD implementation led to sustainable increases in institutional capacities and social capital<sup>21</sup> at all levels to deliver services and to respond to development challenges? Why, how and where, and what are the effects?**
  - e. **Has the implementation of the PD had unintended consequences for development results, negative or positive? Is there evidence of better ways to make aid contribute more to development results?**
  - f. **Has the PD enhanced ODA's impact on achieving the goals of the national development strategy and the MDGs?**

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<sup>21</sup> An increase of NGOs/CBOs could be a proxy to social capital. How many NGOs/CBOs have been registered since and during the PD implementation? How many of these were strong/weak?

## CIVIL SOCIETY ORGANISATIONS, ACADEMIA AND PRIVATE SECTOR

### I. CONTEXT

1. What are the important factors that have affected the relevance and implementation of the Paris Declaration (PD) and its potential effects on aid effectiveness and development results?

**a. Who do you think are the key actors in Zambia and among its development partners, who can take major decisions on aid?**

### II. PROCESS AND INTERMEDIATE OUTCOMES

2. To what extent and how has the implementation of the Paris Declaration led to an improvement in the efficiency of aid delivery, the management and use of aid and better partnerships?

#### **a. Country ownership over development**

**i. Is there evidence that national strategies and frameworks are stronger?**

**ii. Is aid today more aligned with Zambia's priorities, systems and procedures and has aid helped to strengthen national capacities?**

**iii. Are measures and standards of performance and accountability of Zambia's systems in public financial management, procurement, fiduciary standards and environmental assessments defined, in line with broadly accepted good practices and their quick and widespread application?**

#### **b. Building more inclusive and effective partnerships for development**

**i. Is there evidence of less duplication of efforts amongst Development Partner activities?**

**ii. Are the Development Partner policies and procedures reformed and simplified, and is there behaviour more efficient and collaborative?**

**iii. Are the aid flows to Zambia more predictable and are the multi-year commitments firm?**

**iv. Is there sufficient delegation of authority to Development Partners' field staff?**

**v. Is there sufficient integration of global programmes and initiatives into Zambia's broader development agendas?**

#### **c. Delivering and accounting for development results**

**i. Does Zambia have stronger capacities today to develop and implement results-driven national strategies?**

**ii. Is there an enhanced accountability by Zambia and Development Partners to citizens and Parliament?**

**iii. Is there transparency and accountability for development results, including its detailed points on transparency, mutual assessment reviews, and measures to fight corruption by Zambia and its Development Partners?**

**iv. Is there improvement in the level of corruption and transparency, strengthening public support and supporting effective resource mobilization and allocation?**

**d. Are there better ways to make aid more effective?**

### III: DEVELOPMENT OUTCOMES

3. Has the implementation of Paris Declaration strengthened the contribution of aid to sustainable development results? How?

**g. What results are evident in specific (especially Health and Agriculture) sectors over the last ten years since 2000?**

**h. Is there improved prioritization of the needs of the poorest people, including women and girls, and reduce social exclusion?**

- i. How and why has the mix of aid modalities (including general or sector-specific budget support) evolved, and what have been the development results?**
- j. Is there evidence of sustainable increases in institutional capacities and social capital at all levels to deliver services and to respond to development challenges? Why, how and where, and what are the effects?**
- k. What is the progress in achieving the goals of the national development strategy and the MDGs?**

SELF ADMINISTERED SURVEY QUESTIONNAIRE

I. CONTEXT

1. Important factors that have affected the relevance and implementation of the Paris Declaration (PD) and its potential effects on aid effectiveness and development results
  - a. **What are the key characteristics of the Zambia that have been most relevant to the implementation of the PD?**

Key Characteristics	Reason for Relevance

- b. **Which are the key actors, in Zambia and among its development partners, who can take major decisions on aid? What influence do the Paris Declaration and Accra Agenda for Action (AAA) commitments have on these actors, in relation to their other priorities and incentives?**

Key Actors	Influence of PD and AAA

- c. **What are the most important national and international events that have affected the implementation of the Paris Declaration and Accra priorities, and how?**

Important Events	Nature of effect

- d. **To what extent and where have the PD principles been implemented? Why and how?**

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What, if any, were the tensions/tradeoffs between the PD and any such principles?  
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II. PROCESS AND INTERMEDIATE OUTCOMES

2. The effect of the implementation of the Paris Declaration on the efficiency of aid delivery, the management and use of aid and better partnerships.

e. **Country ownership over development**

i. **Are Zambia’s national strategies and frameworks stronger today? If so, why?**

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ii. **Is aid today more aligned with Zambia priorities, systems and procedures, and help to strengthen capacities?**

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iii. **What measures and standards of performance and accountability of Zambia’s systems in public financial management, procurement, fiduciary standards and environmental assessments exist, are in line with broadly accepted good practices and are quick and widely applied?**

System	Measures	Standards of performance	Speed of application
Public Financial Management			
Procurement			
Fiduciary Standards			

*Speed of application: 1 – Slow, 2 – Medium, 3- Quick*

f. **Building more inclusive and effective partnerships for development**

i. **Is there less duplication of efforts and are the Development Partner activities more rationalized and more cost-effective?, Given examples**

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ii. **Have the Development Partner policies and procedures been reformed and simplified, and is the DP behaviour more collaborative?**

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iii. **Are aid flows to Zambia currently more predictable and are multi-year commitments are firm?**

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Has the nature of conditionalities been changed to support Zambia's ownership in line with the AAA commitment?

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**iv. Is there sufficient delegation of authority to Development Partners' field staff, and is adequate attention to incentives for effective partnerships between Development Partners and Zambia? Kindly explain**

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**v. Is there sufficient integration of global programmes and initiatives into Zambia's broader development agendas? If yes, explain how**

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**d. Delivering and accounting for development results**

**i. Does Zambia have stronger capacities today to develop and implement results-driven national strategies? Give examples**

ii. ....  
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**iii. Is there an enhanced accountability by Zambia and Development Partners to citizens and parliaments? Explain**

iv. ....  
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**v. What is the level of transparency and accountability for development results, including its detailed points on transparency, mutual assessment reviews, and measures to fight corruption by Zambia and its Development Partners?**

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**vi. Is there improvement in the level of corruption and transparency, strengthening public support and supporting effective resource mobilization and allocation?**

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**e. Unintended consequences of the Paris declaration for aid effectiveness**

**i. Are there any examples of unintended consequences of the implementation of the PD for aid effectiveness?**

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**ii. What better ways are available to make aid more effective?**

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III: DEVELOPMENT OUTCOMES

3. The role of the implementation of Paris Declaration in strengthening the contribution of aid to sustainable development results.

a. **Have results in specific (especially Health and Agriculture) sectors have been enhanced through the application of the PD principles? Please explain**

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b. **Did the implementation of the PD help Zambia to improve the prioritization of the needs of the poorest people, including women and girls, and reduce social exclusion? How**

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c. **How and why has the mix of aid modalities (including general or sector-specific budget support) evolved, what effect has the Paris Declaration had on different modalities, and what have been the development results?**

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d. **Has PD implementation led to sustainable increases in institutional capacities and social capital at all levels to deliver services and to respond to development challenges? Why, how and where, and what are the effects?**

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e. **Has the implementation of the PD had unintended consequences for development results, negative or positive? Is there evidence of better ways to make aid contribute more to development results?**

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f. **Has the PD enhanced ODA's impact on achieving the goals of the national development strategy and the MDGs?**

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THE END: Thank you for taking time to respond to this questionnaire.

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