

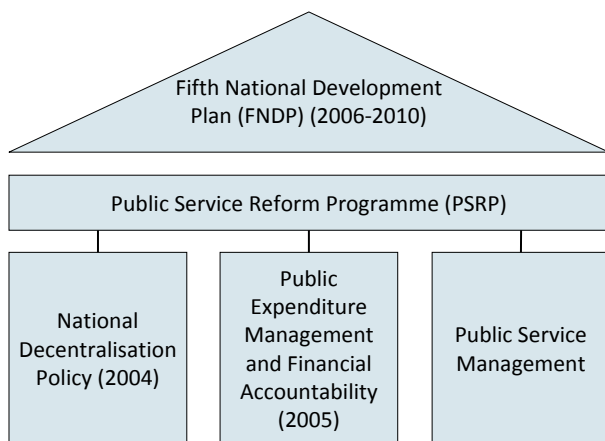
# Zambia Capacity Development Decentralisation

## Facts and Figures

### Support to Decentralisation Implementation (SDI) Programme

A decentralised public service is often perceived as being more responsive to community needs and better able to deliver development goals than higher tiers of government. Zambia has acknowledged its need for a more decentralised public service by deciding to devolve more functions to its 72 districts and has begun to take action.

In August 2004, Zambia launched the National Decentralisation Policy (NDP) which aims at decentralising the public service. The National Decentralisation Policy is one of the three pillars of the Public Service Reform Programme and its goal is to strengthen and empower district-level local authorities with a significantly increased number of public service functions and new administrative and financial responsibilities. This is in line with the Fifth National Development Plan which focuses on poverty reduction. It emphasises repeatedly that its goals can only be achieved in a more decentralised government system. Therefore local authorities have become the focal point for delivering public services and promoting infrastructural development.



Policy framework

The “Support to Decentralisation Implementation Programme” (SDI) is a joint programme of the German

Development Cooperation and the Government of the Republic of Zambia. It provides assistance to institutions of the Zambian government and other organisations at national and sub-national level to successfully implement the National Decentralisation Policy. Key partners are the Ministry of Local Government and Housing (MLGH), the Ministry of Finance and National Planning (MFNP), the Local Government Association of Zambia (LGAZ), and the three focal councils of Mazabuka, Sinazongwe, and Kalomo in Southern Province.

Within SDI the German Technical Cooperation (GTZ) cooperates with the German Development Service (DED). A close cooperation with KfW Entwicklungsbank (KfW) is also foreseen. The programme is commissioned by the German Federal Ministry for Economic Cooperation and Development and pursues two major objectives:

- The framework conditions for the implementation of the National Decentralisation Policy have improved. Emphasis is laid on strengthened overall capacities of partner institutions.
- The financial situation of councils is improved through increased fiscal transfers from national to sub-national level and enhanced own revenues.

#### Major impacts

The SDI programme has provided support to key reform processes for the implementation of the National Decentralisation Policy. It has laid the foundation for country-wide capacity building for local authorities through up-scaling of sub-national experiences. The major impacts are:

The awareness of the National Decentralisation Policy and of the importance of a strong local government system has improved among key stakeholders

- The public perception and discussions regarding the implementation of the National Decentralisation Policy have increased.

- The Zambian Government has prepared steps to implement the National Decentralisation policy and is explicitly considering best practices from the sub-national level and international experiences.
- Important civil society organisations support the National Decentralisation Policy and lobby for its speedy implementation.
- Council officials, key administrative personnel, and media representatives are much more aware of the NDP and its implications.

#### The financial capacity of local authorities to improve service delivery is strengthened

- Councils in Southern Province devote a greater share of their budget to service delivery and corresponding activity plans have been completed. This ensures that services are delivered in a more efficient and effective manner.
- Intergovernmental fiscal transfers (though still low by international standards) have increased and are based on a transparent, rules-based system.
- The framework for own revenue base of councils has been strengthened through the application of a revenue enhancement policy in the three focal councils. This includes among others user fee guidelines and the use of an integrated financial management software. It will be further enhanced through the planned property tax reform which is also supported by the programme.
- Councils are better prepared for the requirements arising from a decentralised public administration as the planning and budgeting process has been made more effective and efficient.

#### Tested tools and concepts for the successful implementation of the Decentralisation Policy are available

- Manuals for Medium Term Expenditure Frameworks (MTEF), Activity Based Budgets (ABB), Financial Management and Auditing were developed and disseminated countrywide.
- Guidelines for councils to draft strategies on Stakeholder Participation and Communication, Human Resource Development and Service Charters have been developed and tested in focal councils.
- A concept for Integrated Solid Waste Management has been developed and is being implemented in Mazabuka Municipal Council.
- The Provincial Centre for Geographic Information Services has been capacitated to provide relevant and high-quality information to councils.
- Guidelines for introducing a gender policy and a HIV and AIDS workplace policy have been drafted and introduced.

#### Main activities and results

Capacity development is at the core of all of SDI's activities. This involves identifying development problems, designing solutions and successfully testing and implementing these. The stakeholders combine and coordinate political will, interests, knowledge, values and financial resources in order to achieve their own development goals. In the current phase of the implementation of the decentralisation policy, the support is concentrated on the areas of human resource development, the

regulatory and legal framework, sensitisation and dissemination, as well as on organisational development and the institutional framework.



Building and maintaining markets is a service provided by councils

#### Support to key institutions on national level

Decentralisation affects almost all sectors within government. Therefore there is a strong need to harmonise all decentralisation related reforms and activities. This is the task of the Decentralisation Secretariat which is part of the MLGH. Within the SDI programme the Decentralisation Secretariat is supported in implementing its agenda through advisory services, capacity development, and limited financial assistance.

Amongst recent support was direct advice and international exposure of relevant staff of key partner institutions to best practices in the areas of decentralisation implementation, intergovernmental relations (mainly related to fiscal and planning issues), property tax systems, local authority management, and mainstreaming of cross-cutting issues.

In addition SDI cooperates with the Local Government Association of Zambia (LGAZ) in its efforts to lobby for decentralisation and a strengthened local government system. Apart from providing advisory services and financial assistance, SDI has partnered with the association to make information and best practices related to council management available to all 72 local authorities in Zambia.

#### Sensitisation

The decentralisation process affects both government and citizens alike. Therefore the Decentralisation Secretariat has been conducting a series of sensitisation measures (workshops, seminars, media campaigns) with key stakeholders of both central and local government. In addition policy dialogues have been held with civil society organisations and community radio stations and public discussion forums were conducted for members of the public.

The Local Government Association of Zambia has been supported in conducting sensitisation activities on the relevance of the National Decentralisation Policy and a strong local government system. These included events with civil society organisations and traditional leaders.

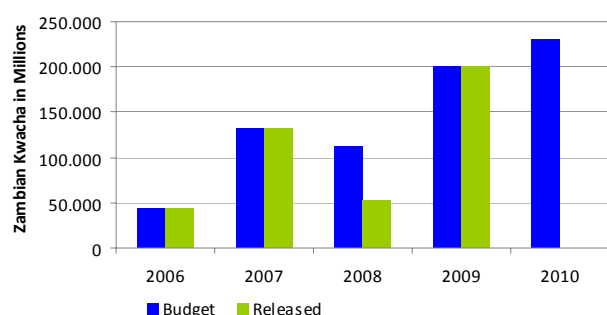
#### Fiscal decentralisation

Central government transfers to local government in Zambia are still very low. The actual intergovernmental fiscal transfers as a percentage of total central govern-

ment expenditure remained below one percent between 2002 and 2006.

If councils are to take over more functions of government, these new responsibilities need to be matched by sufficient financial resources. Hence intergovernmental fiscal relations need to be reengineered towards a transparent and equitable (rules-based) system of sufficient fiscal transfers.

The SDI programme provides advisory services to the Budget Office on fiscal decentralisation and jointly developed with the Ministry of Finance and National Planning (MFNP) a concept paper on reforming intergovernmental fiscal relations. Through facilitating the discussion process and providing advisory services to key departments, a criteria-based formula for grants was included in the 2010 budget. A small but significant increase of fiscal transfers to districts has occurred and is an important first step towards a transparent and rules-based intergovernmental fiscal transfer system.



#### Grants allocated to councils

#### Service delivery

The three focal councils in Southern Province are in the process of reorienting their core activities on public service delivery. To this end, guidelines for the development of minimum service standards and service charters have been developed. Through service charters, councils communicate to citizens in an easy-to-understand manner what services they can expect of which quality. This approach not only increases transparency and accountability, it also sets the framework for councils to create a realistic, fact-based budget. Currently the focal councils have completed service charters on topics such as licensing and markets.

A Solid Waste Management System is under development in Mazabuka Municipal Council. It is based on the adoption of a waste management concept by the council. So far a waste management unit has been put in place, a location for the landfill has been secured and an awareness campaign is being implemented. Additional to these efforts, a service charter for solid waste management has been developed. The positive initial experience has led national ministries to release funds for the further development and replication of the project in other districts.

#### Management Tools for Local Authorities

Several management tools for local authorities to improve their performance have been developed. Guidelines for Stakeholder Participation and Communication have helped councils to formulate strategies for improving stakeholder interaction. These guidelines capacitate councils to identify the needs of their clients for targeted

service delivery and increase their accountability to stakeholders. These strategies have for instance been applied in the development of the fore-mentioned service charters. Further, the focal councils have been trained to use facilitation skills to effectively apply their stakeholder participation strategies.

In addition guidelines were developed for Human Resource Development Strategies. The strategies enable councils to optimise the capacities of their staff. They assist councils to identify how to further develop their skills to match the needs that arise during the reorientation of councils to service delivery.

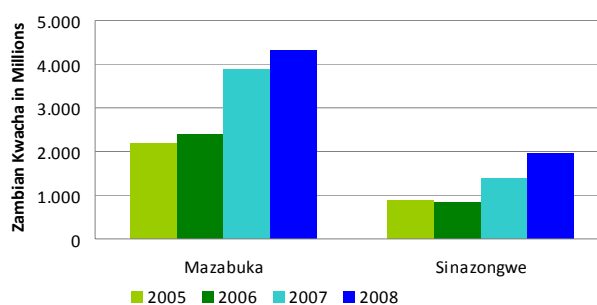
Capacity development is also supported in local authority planning through various activities. For instance Mazabuka Municipal Council completed an Integrated Development Plan. The Provincial Centre for Geographic Information Services of Southern Province provides reliable geographic information to councils for fact-based decision-making.

To improve their efficiency, local authorities in Southern Province now increasingly apply modern information technology (IT). This not only includes upgrading the existing IT systems but also hands-on training to enhance capacity to adequately apply computerised procedures.

#### Strengthening Local Government Own Revenue

Apart from improving the intergovernmental fiscal system, councils aim to improve their insufficient financial situation by approaches that lie within their own means. For this purpose guidelines for the enhancement of their own revenues have been developed. These guidelines deal with aspects such as the management of accounts; billing of residents; or expenditure and revenue management. It will also enable councils to make fact-based projections of own revenues for their budgeting processes. To implement the guidelines in an efficient manner, revenue planning and management software has been integrated with billing and debt control programmes in order to provide an integrated software solution for councils.

Furthermore, guidelines on user fees and charges were drafted which allow councils to establish the costs for the services they provide. The development of a uniform chart of accounts for national and sub-national government contributes to the harmonisation of the public accounting system in the country.



#### Own revenues of focal councils

A reform of the property rates and land rent system is under development. The reform is of significant relevance as property rates are potentially one of the major sources of own revenue for councils. However, the po-

tential is not utilised as the current system is inefficient and ineffective. It is one of the key activities of SDI to provide advisory services in order to establish an adequate legal framework for councils to enhance their own revenue.

#### Finance Management and Budget Management

Manuals for local authorities have been completed in the areas of Medium Term Expenditure Framework and Activity Based Budgeting, financial management and auditing. These were developed with the close involvement of the councils in Southern Province and consequently adopted and launched countrywide by MLGH in 2008. To enhance the impact of the manuals the roll-out of the latter two manuals was accompanied by nationwide training of relevant council staff and their content has been integrated in the curriculum of the Chalimbana Local Government Training Institute.

Further, a Planning and Budgeting Act is under development to, among other things, facilitate wider participation by citizen, greater transparency and accountability.

#### Mainstreaming Cross-cutting Issues

As cross-cutting issues, gender equality, HIV and AIDS and environment are integral to SDI cooperation. One of the goals of the programme is to ensure that these cross-cutting issues are mainstreamed through all relevant MLGH and Local Authorities' policies.



President, officials, and delegates of the Local Government Association at the Annual General Meeting 2009 in Livingstone

SDI began with a training course for its staff in gender mainstreaming. The programme then conducted a Situation Analysis of Gender in District Planning. This led to a training course in Gender in District Development Planning for Councils and Provincial Administration. From this arose a methodology for councils to each develop strategies to implement the national Gender Policy. A District Strategy for Gender Equality has been developed as a result of this process.

Mazabuka Municipal Council is now in the position to develop an HIV and AIDS and Other Life Threatening Diseases Policy as well as a HIV and AIDS Service Providers Directory. A situation analysis of HIV and AIDS District Council interventions in Sinazongwe and Kalomo districts was conducted. Additionally, SDI has supported HIV and AIDS workplace programmes in eight districts with training, the development of action plans and other measures.

Through training of council staff, sensitisation, and dissemination of relevant information, councils have begun to mainstream their activities in the area of environmental management.

#### Coordination and Support of the Decentralisation Sector

The focal area coordination of the German development agencies working in the decentralisation sub-sector lies with GTZ. It is mandated to ensure the constant communication and harmonisation of the various other organisations such as DED, KfW, and InWent. Within the international donor community GTZ represents the German development cooperation as part of the lead troika of the decentralisation sub-sector on a technical level. Together with Japan and the World Bank, it ensures that the cooperating partners working in the sector harmonise their efforts and thereby increase efficiency, following the agreements of the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action.

#### Way forward

Despite the numerous positive results that have been achieved so far, there still lies a number of challenges ahead in the decentralisation process.

For the successful implementation of the NDP, it is essential to further improve the framework conditions for decentralisation. This includes a comprehensive capacity development programme for local governments and the national institutions and this has to be accompanied by increasing intergovernmental fiscal transfers and enhanced local revenues. SDI will continue its support to relevant institutions within the Zambian Government to address these challenges.

An important basis for the Capacity Building efforts for all 72 councils in Zambia is to be the results that have been achieved at sub national level within SDI's focal councils. Once these experiences are consolidated and documented they will be made available to national level institutions in order to define a country-wide roll-out and replication of sub-national level concepts. The Ministry of Local Government and Housing has already started to plan the up-scaling process. It will consider the experiences made in Southern Province and is discussing with other Cooperating Partners.

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Factsheet 1

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