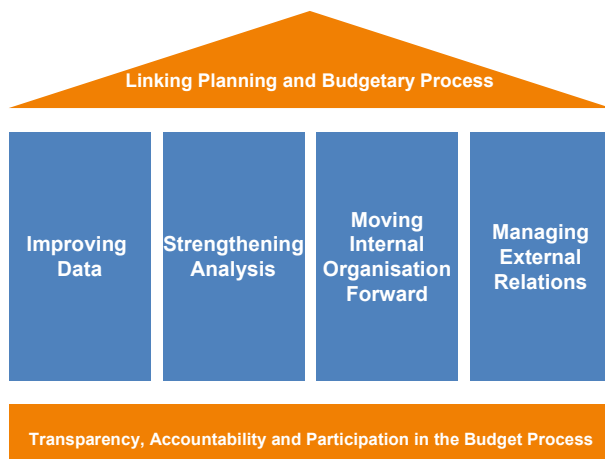


The Macro Project in Zambia

An Introduction: Key Facts and Figures

The GTZ Macro project is an intervention that promotes the implementation of Zambia's Poverty Reduction Strategy (PRS). Specifically, the project supports the Ministry of Finance and National Planning (MoFNP) in linking the budget and planning process. This entails assistance to a number of departments in the MoFNP (Monitoring and Evaluation, Central Statistical Office (CSO), Planning, Economic Management and Development and the Budget Office) to improve data, strengthen analysis, enhance internal organisation and manage external relations.



Areas of intervention of the Macro project

In implementation since 2006, the project works very closely with the structures of the partner organisation (MoFNP). This is a valuable comparative advantage that facilitates the sharing of information, perspectives and experiences between the ministry, GTZ, German Development Cooperation and other Cooperating Partners (CPs). This is particularly relevant for matters related to monitoring and evaluation, financial management, statistics, Poverty Reduction Budget Support (PRBS) and developing further the links between the plan and budget.

Major impacts

A recent survey on monitoring the Paris Declaration reports significant improvements for Zambia in the key dimensions of **ownership** and **managing for development results**. More precisely, Zambia's ability to have an **Operational Development Strategy** has improved from a 'C' grade in 2005 to a 'B' grade in 2007, whereas the country capacity to develop a **Results Based Monitoring Framework** improved from a 'D' grade in 2005 to a 'C' rating in 2007 (Source: 2008 OECD **Survey on Monitoring the Paris Declaration: making aid more effective by 2010**).

Operational development policy in place

Today, the Government of Zambia is able to exercise effective leadership over its development policies and strategies. The Fifth National Development Plan (FNDP) sets out a medium-term development strategy, placing special emphasis on achieving results and developing mechanisms for monitoring and evaluation. The FNDP also introduces a medium-term expenditure framework (MTEF), a valuable resource that strengthens national ownership by managing budget resources and channeling CPs assistance into sector priorities. The country is now in the process of developing the sixth NDP, incorporating the lessons learned from the FNDP.

Result-based monitoring framework improved

The Fifth National Development Plan (FNDP) focuses on agreed targets and emphasizes monitoring outcomes and impacts. Each sector identifies a series of Key Performance Indicators (KPIs), which they will be responsible for achieving.

Moreover, Zambia now has in place a Performance Assessment Framework (PAF), developed for the budget support group, which is providing a valuable opportunity to refine and discuss the KPIs. Within this framework, Sector Advisory Group (SAGs) - comprising

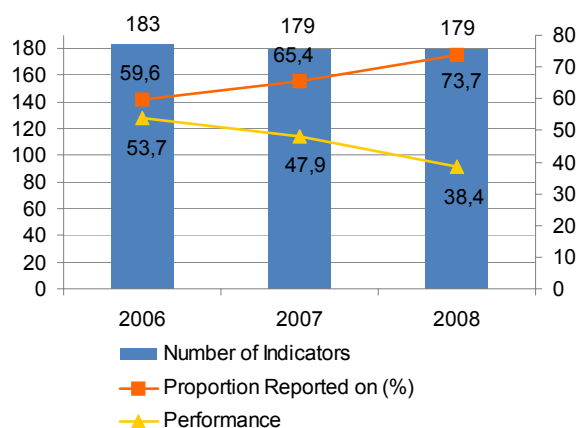
representatives from government, civil society and other stakeholders - are playing an increasingly active role in monitoring and reviewing progress toward FNDP targets. They also provide an important forum for discussion on budget allocations and policy changes at a sectoral level.

Main activities and results

1. Support demand for evidence-based decision making

As part of the FNDP monitoring and evaluation (M&E) process, the project supports the establishment of a system for reporting on performance on an annual basis in any given sector. Focus has also been on improving the quality of reporting and statistics [Figure below]. This

Reporting on key performance indicators in FNDP APRs, 2006-2008



The FNDP Annual Progress Reports (APRs) provide an overview of how well the Government and its partners are progressing against the targets set in the FNDP. Over the years, the assessment has been hampered by the presence of data gaps in several sectors. For instance, in the 2006 report out of a total of 183 Key Performance Indicators (KPIs), 40 % had no data available for measuring performance. However, the figure above shows that performance has improved over the last three years, as the number of KPIs for which data are available has substantially increased. In 2006, 59.6 % of KPIs had data available. In 2007, the proportion has increased up to 62.9 %. This positive trend has been confirmed in the 2008 APR which shows a significant 15 % increase in data availability (74.9 % indicators reported on). Data quality, however, remains a major cause of concern, suggesting that future capacity building efforts will have to include mechanisms to strengthen Management Information Systems (MISs) at sector level. Another area of concern refers to the overall performance in the implementation of the FNDP: over the years, performance has slowed down – 38.4 percent of targets were met in 2008, down from 53.7 percent in 2006. However, it is important to bear in mind that for the vast majority of indicators, the targets were set at a higher level in 2008 than in previous years. This may suggest the need to re-evaluate indicators and targets that are meaningful and realistic for monitoring progress.

is achieved through the FNDP Annual Progress Reports (APRs), Mid Term Review, quarterly Newsletters produced by the MoFNP, and the assessment based on the Performance Assessment Framework (PAF) for budget support. This all contributes to the creation of an environment whereby **managing for development results** is increasingly being promoted and integrated within the budget process.

2. Improve environment for budget support

In line with the aspiration of the Paris Declaration, Zambia's preferred mode of aid delivery is General Budget Support. A number of Cooperating Partners (CPs) have indicated their willingness to provide funds in this manner, and a Performance Assessment Framework (PAF) has been developed since 2007 for assessing performance. In this context, the project provides support to the MoFNP to ensure that the PAF indicators used in external monitoring are brought more into line with the National Development Plan and the KPIs used for domestic monitoring. This has led to a situation whereby nine CPs are providing \$180 million in Poverty Reduction Budget Support (in 2008).

3. Improve donors' co-ordination

A Donor Group on National Development Plan Monitoring and Statistics has been operational in Zambia since 2006. This group consists of CPs interested in working on issues of monitoring and evaluation as well as support to statistical capacity building. In addition to being the co-chair of the group, the project acts as a bridge between the Group and the MoFNP. The project plays a leading role in facilitating group activities and co-ordinating joint responses to partner's requests. This all contributes to enhanced aid harmonization and improved alignment with national priorities.

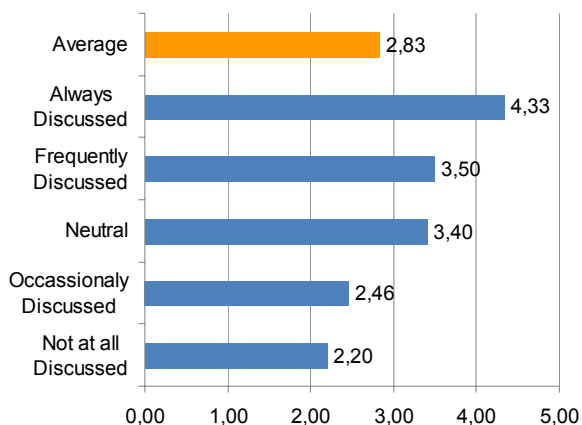
4. Enhance space for participation in planning

The project creates the background framework conditions for achieving responsible use of public resources by strengthening the functions of Sector Advisory Groups (SAGs) – an instrument that facilitates a participatory planning process by engaging stakeholders from Government, Civil Society and the Cooperating Partners. According to the 2009 SAGs assessment report, performance has so far been mixed: while general participation and membership is improving, further efforts are required to enhance the quality of participation and discussions held [see figure next page]. To this end, the project is developing initiatives to improve the management of the SAGs at MoFNP, enabling the latter to better co-ordinate SAGs activities and improve discussions on budget issues.



Participants at the Poverty and Social Impact Analysis training session organised by the project in conjunction with MoFNP

Assessing SAGs performance, 2009



To assess the Sector Advisory Group's (SAGs) performance, a questionnaire has been administered to members of the groups in March 2009. One of the most important recommendations that emerge from the report is the need to improve the frequency of SAGs meetings, as a way to increase participants' satisfaction. Moreover, clear evidence suggests a large increase in the level of satisfaction if the quality of discussions improved. As shown in figure above, the general satisfaction with the SAGs that 'always discuss the budget' is reported at a level of 4.33 (on a scale of one to five); whereas those who only occasionally discuss the budget receive a satisfaction score of 2.46 and those that never discuss it a score of 2.20. Similar findings are revealed for improvements in the quality of discussions on issues of monitoring, gender, and performance against the KPIs.

5. Raise the profile of cross-cutting issues

The FNDP recognizes several cross-cutting issues (Governance, HIV/Aids, Environment, Gender and Food & Nutrition) as crucial determinants for growth and poverty alleviation. The project supports efforts to integrate these issues into planning processes by organizing workshops and financing technical consultancies (as needed and when requested from its partners). For example, the 'Governance Monitoring and Statistics' training organized in 2008 in collaboration with the Governance Secretariat has led to the design of the first 'State of Governance Survey' for Zambia. The survey has been undertaken in 2009, and the official report is forthcoming. Furthermore, the project has designed and delivered a study on the availability of gender-disaggregated data in Zambia, as well as on the quality of child statistics (2008, in collaboration with UNICEF).

6. Improve organisational infrastructure and functioning

To upgrade the daily work environment and functioning of partner institutions, the project has supported building renovations and provides IT assistance and equipment in terms of internet provision, anti-virus software and online data archiving systems. To date, 35 computers have been delivered to the MoFNP, and several anti-virus packages have been installed at the Ministry as well as at CSO to ensure the protection of sensitive data.

Furthermore, to enhance CSO capacity to document and disseminate data, IT assistance is also given through designing and setting up a web-based National Data Archive (in partnership with Paris21 and the University of Cape Town).



7. Hands-on technical advisory work

The project provides day-to-day technical assistance to MoFNP as well as to CSO. One technical advisor is based directly in the Ministry and works on various projects to strengthen the Planning and Economic Management Division and its analysis functions, while also providing mentoring to staff. Another technical advisor provides support to CSO for the implementation of Zambia's National Strategy for the Development of Statistics (NSDS). Within the NSDS framework, the advisor works with CSO staff on several initiatives, including improving data archiving, documentation and dissemination (in partnership with PARIS21/OECD), reviewing Living Conditions Monitoring Survey poverty data quality and methodology (in partnership with DFID and UNDP), as well as coordinating consultancies and workshops.

8. Individual trainings

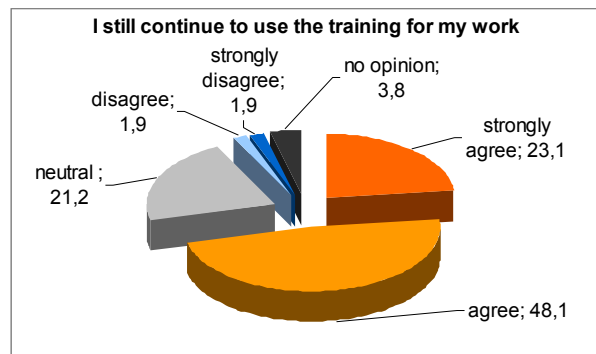
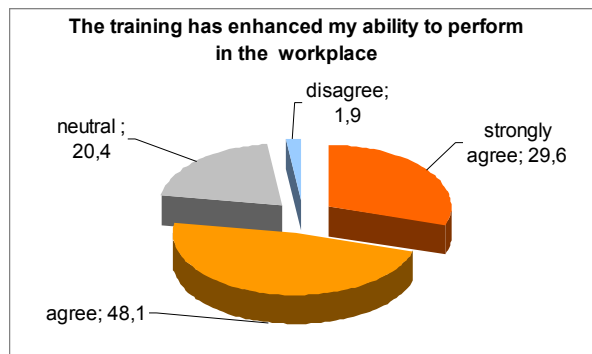
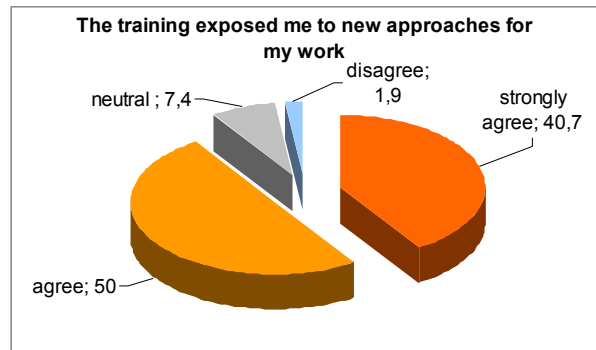
Trainings outside Zambia focus on areas identified as most in need of support, including Information Technology, Planning, Monitoring and Evaluation and Economic Policy and Management. To date, 25 individuals received support for various short- and long-term trainings abroad, either inside (12) or outside (13) the Africa region. Moreover, 270 individuals have participated in a variety of in-country training initiatives, including 'Poverty and Social Impact Analysis' (2008), 'Governance Monitoring and Statistics' (2008) and 'Managing for Development Results' (2009). In line with the principles of the Paris Declaration, these trainings are often carried out in partnership with the Zambia government, civil society organisations as well as other CPs (for example: World Bank, InWent, Paris21). Throughout 2010 the project will run a series of training courses in conjunction with the University of Göttingen on poverty analysis, basic econometrics, benefit incidence and gender analysis.



Feedback session during the Managing for Development Results joint learning event held in Lusaka in 2009.

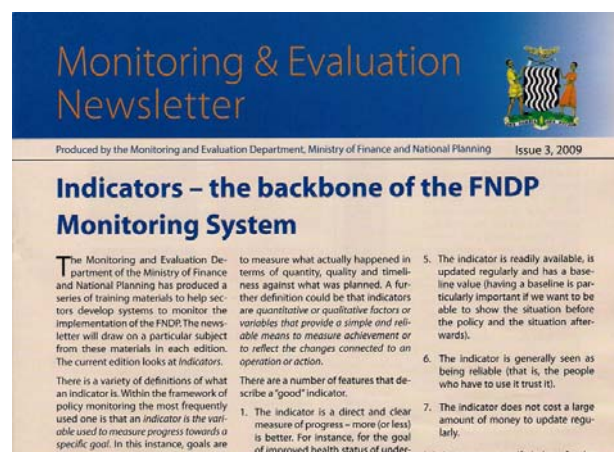
Evaluation of the trainings supported by the Macro project

To gather feedback from participants in various trainings, a follow-up study has been carried out in June 2009. Overall, 90 percent of respondents either agreed or strongly agreed that **the training was useful for their work**, while 78 percent agreed or strongly agree that **the training enhanced their ability to perform in the workplace**. Moreover, 69 percent of respondents either agreed or strongly agreed that **they still use the training for their work** and 96 percent agreed or strong agreed that **the training was useful for my work**.



The project is designed to run until 2012, covering the formulation of the Sixth National Development Plan (SNDP). The objective of this phase is that **the MoFNP manages the process of planning, implementation and monitoring of the budget in a responsible, participatory and transparent manner**. To support this attention will be placed on improving data, through working closely with the CSO on improving the quality or data generated from the LCMS, improving the training materials on M and E for the SNDP, and working with the MoFNP on developing the macro-economic indicators database. Once this data is generated the project will also assist the MoFNP in analysing it, through strengthening linkages to academic institutions and getting the Research and Development Programme up and running.

Throughout 2010 the project will also focus on assisting the MoFNP improve its internal and external communications systems, to ensure that a comprehensive Sixth NDP can be produced.



The project has supported the Monitoring and Evaluation Department of the MoFNP to produce a regular newsletter highlighting key issues around the subject in the Zambian Context. Copies can be downloaded from www.mofnp.gov.zm

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Factsheet 1

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