Republic of Zambia

Decentralization Implementation Plan
2009 - 2013

Ministry of Local Government and Housing
Decentralization Secretariat

Lusaka

December 2009
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<tr>
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<td>Area Development Committees</td>
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<td>ASIP</td>
<td>Agricultural Sector Investment Programme</td>
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<td>CBOs</td>
<td>Community Based Organisations</td>
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<td>CHB</td>
<td>Central Health Board</td>
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<td>CO</td>
<td>Cabinet Office</td>
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<td>CSO</td>
<td>Central Statistics Office</td>
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<td>DCI</td>
<td>Development Ireland Aid Cooperation</td>
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<td>DDCC</td>
<td>District Development Coordinating Committee</td>
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<td>DHRD</td>
<td>Department of Human Resource Development</td>
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<td>DLGA</td>
<td>Department of Local Government Administration</td>
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<td>DPIC</td>
<td>Decentralisation Policy Implementation Committee</td>
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<td>Decentralisation Implementation Plan</td>
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<td>DS</td>
<td>Decentralisation Secretariat</td>
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<td>ECZ</td>
<td>Electoral Commission of Zambia</td>
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<td>ETC</td>
<td>Economic and Technical Cooperation</td>
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<td>GTZ</td>
<td>German Technical Cooperation</td>
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<td>HOC</td>
<td>House of Chiefs</td>
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<td>HRC</td>
<td>Human Rights Commission</td>
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<td>IFMIS</td>
<td>Integrated Financial Management Information System</td>
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<td>ISP</td>
<td>Infrastructure Service Provision</td>
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<td>ISTC</td>
<td>In-Service Training Centre</td>
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<td>LAS</td>
<td>Local Authorities</td>
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<td>LGAZ</td>
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<td>LOGOSP</td>
<td>Local Government Support Programme</td>
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<tr>
<td>MACO</td>
<td>Ministry of agriculture and Cooperatives</td>
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<td>METNR</td>
<td>Ministry of Environment Tourism and Natural Resources</td>
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<tr>
<td>MDD</td>
<td>Management Development Division</td>
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<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
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<td>MLGH</td>
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<td>Ministry of Labour and Social Services</td>
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<td>MIS</td>
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<td>MoE</td>
<td>Ministry of Education</td>
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<td>MoFNP</td>
<td>Ministry of Finance and National Planning</td>
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<td>MoJ</td>
<td>Ministry of Justice</td>
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<tr>
<td>MTEF</td>
<td>Mid-Term Expenditure Framework</td>
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<td>MST</td>
<td>Ministry of Science and Technology</td>
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<td>NCBP GG</td>
<td>National Capacity Building Programme for Good Governance</td>
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<td>NIPA</td>
<td>National Institute of Public Administration</td>
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<tr>
<td>OAG</td>
<td>Office of the Attorney General</td>
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<tr>
<td>PAC</td>
<td>Policy Analysis and Coordination Division</td>
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<td>PDCC</td>
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<td>PEMFA</td>
<td>Public Expenditure Management and Financial Accountability</td>
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<td>PSC</td>
<td>Public Service Commission</td>
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<td>PRSP</td>
<td>Poverty Reduction Strategy Paper</td>
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<td>PSRP</td>
<td>Public Sector Reform Programme</td>
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<td>TNDP</td>
<td>Transitional National Development Plan</td>
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<td>TWG</td>
<td>Technical Working Group</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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<tr>
<td>ZAMSIF</td>
<td>Zambia Social Investment Fund</td>
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<td>ZANIS</td>
<td>Zambia News and Information Services</td>
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1. Introduction

1.1 Rationale for Decentralisation
During the period immediately following Independence i.e., in the 1960s and 1970s, the Government’s provision of public services through both District Administration and Councils registered marked improvement. This was a reflection of the buoyancy of the economy at the time and the general efficiency of the delivery system during this period. Since the 1980s, however, considerable decline has been evident in services delivery by both the Central Government and Councils. To improve service provision and as the primary basis for the development of the Decentralisation Policy, there is recognised need to address the challenges being faced by communities in both urban and rural areas in the area of infrastructure and services provision, generally, and in terms of how decisions are made, in particular. In this respect, decentralisation has generally been associated with the following benefits:

a) the reduction in power, size and cost of central government;
b) improved efficiency in decision-making;
c) better co-ordination of development activities at the local level;
d) greater equity and effectiveness in the allocation of resources;
e) better responsiveness from government to the needs of marginalised groups;
f) enhanced participation in development;
g) improved transparency and accountability; and
h) more effective mobilization of resources.

In the light of the above, the most fundamental rationale for decentralisation in Zambia lies in its opportunity to bring the government closer to the people by providing citizens with greater control over the decision making process and allowing their direct participation in public service delivery.

1.2 The Genesis of current Decentralisation Effort in Zambia
It is worth observing when addressing the challenges of decentralisation today, that there are several hierarchical layers in the government system in Zambia, namely, Central Government; Provincial and District Administrations and Councils. The Central Government at the top primarily consists of government ministries and their agencies. The Provincial and District Administrations are technically, administrative wings of the Central Government. The Provincial Administration presently consists of a Provincial Minister (who is equivalent to a deputy Cabinet Minister) and a provincial Permanent Secretary supported by a Secretariat and various Line Ministries. In 1995, a framework was introduced through Cabinet Circular No 1 of 1995 to facilitate planning and co-ordination of development at this level through the Provincial Development Co-ordination Committee (PDCC). At District level, the performance of public functions is split between the District Administration and a democratically elected Council. Cabinet Circular No 1 of 1995 provides for coordination at this level through the District Development Co-ordination Committee (DDCC). All Councils operate under the Local Government Act of 1991 as amended. Councils are charged through this Act with the responsibility of delivering a broad range of services including Housing, Urban Land Development services, Water and Sanitation as well as Urban and Feeder Road development and maintenance. Up until 1972, Councils had no difficulties in fulfilling their obligations largely due to their stable financial base at the time. Since 1973, however, there has been a continued decline in the capacity of Councils to provide services, a situation which has worsened dramatically in the recent past. Factors responsible for this decline are both external and internal to the Local Government system. Critical among these is the role played by the Central Government in the regulatory framework within which Councils operate and the poor management and accountability that characterises most Councils.
During the 1990s, Government took various measures to address the shortcomings of the Local Government System. The measures taken included an elaboration of the country’s Governance regime, the introduction of a Public Service Reform Programme (PSRP) as well as the passing various amendments to the Local Government Act and related legislation to strengthen the capacities and standing of Councils. Towards the end of the 1990s however, Government recognised that in spite of the foregoing measures, little positive change was being registered particularly with respect to improvements in service provision while the PDCCs and DDCCs had generally remained ineffective. In overall terms, it was recognised that efforts made by Government which amounted largely to a deconcentration of central government responsibilities, authority and some resources to local levels did not go far enough to address the problems of service delivery. On one hand, Government administrative units in the Districts remained poorly accountable and responsive to the needs of local populations while on the other hand, Councils’ fiscal difficulties worsened. This was the result of among other reasons, declining Government support and on their part, poor record management and inadequate revenue collection systems by Councils as evidenced by the build up of aggregate non-collected revenue.

It is against the above background that Government adopted the Decentralisation Policy on 18 November 2002. The Policy was subsequently launched by the President on 20 August 2004. While this singular Government decision is important, it ought to be appreciated in the context of a series of other initiatives that preceded it and which were also aimed at addressing the shortcomings of the Public Service particularly those at the local level. The Decentralization Policy forms an integral element of the Government’s national development strategy as expressed in the Public Service Reform Programme (PSRP) that was launched on 3 November, 1993.

The current decentralisation initiative is primarily derived from the PSRP in which it is one of the three components comprising the Programme. The goal of the PSRP is “to improve the quality, delivery, efficiency and cost effectiveness of public services.” The specific objectives of the PSRP are as follows:

a) To democratise decision-making through a wider use of the consultative process;
b) To improve Government capacity to analyse and implement national policies and perform its appropriate functions;
c) To effectively manage public expenditure to meet fiscal stabilisation objectives; and;d) To make the Public Service more efficient and responsive to the needs of the country’s population.

The PSRP comprises three components as follows:

Component One: Public Service Management (PSM): This component aims at putting in place a realistic strategic operational and optimal organisational framework for managing Zambia’s Public Service. The objective is to attain a lean, less costly, but more efficient Public Service. Cabinet Office, through the Management Development Division (MDD), has facilitated the restructuring of most strategic Ministries such as Education, Agriculture and Cooperatives, Local Government and Housing as well as Works and Supply. The restructuring exercise has also been extended to district and provincial administrations as well as Councils. Moreover, MDD has facilitated the development of generic strategic plans and organisation structures for Provincial Administration, District Administration as well as Local Authorities.

Component Two: Public Expenditure Management and Financial Accountability (PEMFA): This component aims at developing a roll-out of an integrated Financial Management System (IFMIS), development of a macroeconomic budget model, improved budget presentations, better cash release system, improved debt management strategy and systems, strengthening of internal and external audit functions and parliamentary committee as well as the reform of the public
procurement system. The overall objective of the component is to roll out far reaching public expenditure reforms aimed at improving the way in which finances in the public service sector are managed and the income generated from taxation is utilised so that benefits can accrue to all citizens.

Component Three: Decentralization and Strengthening Local Government: This component aims at decentralising a selection of functions, authority and control of resource allocation and utilisation from Central Government to democratically elected Councils. The objective is to make the local government system more efficient and responsive to local demands.

Beside the PSRP, Government’s commitment to decentralisation has been reaffirmed through several related programmes. These include the National Capacity Building Programme for Good Governance that was launched in 2000; the Poverty Reduction Strategy Paper (2002-2004); the Transitional National Development Plan (2002-2005); and the current Fifth National Development Plan (2006-2010). The National Capacity Building Programme for Good Governance recognises the need for effective decentralization that allows for community participation in local decision-making and which ensures efficient and quality service delivery. The Poverty Reduction Strategy Paper (PRSP), in turn, recognised the importance of decentralisation for people’s empowerment, in general, and poverty reduction, in particular. Similarly, the Transitional National Development Plan (TNDP) stressed the need for decentralised governance in both the political and economic areas.

Within the provisions of the Fifth National Development Plan that runs over the 2006-2010 periods and coinciding with DIP, the Government continues to strengthen the process of developing an integrated national development planning and budgeting system that emphasizes the “bottom up” approach. The planning and budgeting process developed and adopted within the Medium Term Expenditure Framework (MTEF) also stresses the value of fiscal decentralisation. Government is currently working towards an effective budget preparation process that would secure realism and internal consistency of the budget in the context of both MTEF and activity-based budgeting. Through MTEF, Government seeks to ensure that it does not structurally over-commit the budget to programmes for which the requisite resources are not assured. The Ministry of Finance and National Planning (MFNP) has already initiated training of district-level professional cadres in the planning and MTEF processes. In this respect, the Ministry has developed the District Planning and Budgeting Manual meant to guide the planning and budgeting process at this level.

1.3 Outline of the Implementation Plan

Following this introductory chapter, Chapter 2 presents the main elements of the Decentralisation Policy that is being operationalised by this document. Chapter 3 presents the Decentralisation Implementation Plan’s nine main components. This is followed by Chapter 4 that sets out the main strategies for the Implementation Plan with clearly stipulated milestones. Chapter 5, in turn, presents the institutional framework for the implementation of the Decentralisation Policy, focusing on national and local-level structures and institutions. Lastly, Chapter 6 outlines the potential challenges, risks and opportunities in the implementation of the Decentralisation Policy. Appendix 1 gives matrices on the implementation of the nine components of the Decentralisation Implementation Plan.
2. Main Elements of Decentralisation Policy of Zambia

2.1 The Government Vision and Objectives for Decentralisation
The vision of Government for decentralisation is

‘to achieve a fully decentralised and democratically elected system of governance characterised by open, predictable and transparent policy making and implementation processes, effective community participation in decision-making, development and administration of their local affairs while maintaining sufficient linkages between the centre and the periphery.’

In order to achieve the vision above, Government will pursue the following Policy Objectives:

a) empower local communities by devolving decision-making authority, functions and resources from the centre to the lowest level with matching financial resources in order to improve efficiency and effectiveness in the delivery of services;
b) design and implement mechanisms to ensure a “bottom-up” flow of integrated development planning and budgeting from the District to the Central Government;
c) enhance political and administrative authority in order to effectively and efficiently deliver services to the lowest level;
d) promote accountability and transparency in the management and utilization of resources;
e) develop the capacity of Councils and communities in development planning, financing, coordinating and managing the delivery of services in their areas;
f) build capacity for development and maintenance of infrastructure at local level;
g) introduce an integrated budget for district development and management; and
h) provide a legal and institutional framework to promote autonomy in decision-making at local level.

2.2 What Decentralisation Implies
The Decentralisation Policy advocates devolution as the guiding governance principle. Under this system of governance, the district is the focus of development and service delivery. Accordingly, the Policy provides for the strengthening of local government through the re-activation of mandates at this level as well as the transfer of additional responsibilities. The practical effect of the implementation of the Decentralisation Policy in Zambia is to clarify/redefine the principal mandates in the delivery chain of public services and re-assign them with matching resources to different levels of Government, focusing on the improvement of overall delivery. Set within the context of a unitary state, the implementation of the Decentralisation Policy implies a new operational relationship between Central and Local Government. Central Government’s principal role will continue to be that of the execution of its constitutional leadership functions over the entire national territory as well as at all the hierarchical levels of the public service. In this respect, Central Government will retain the responsibility for overall policy-making and regulatory functions such as setting quality standards; ensuring nation-wide development coordination; mobilizing the required developmental resources; and supporting the building of capacities for implementing institutions, including those at the district and sub-district levels. It will also retain exclusive responsibility for strategic functions such as Foreign Affairs and Defence and Security. With regard to project implementation, Central Government will retain the responsibility for projects of national and international significance such as trunk roads and bridges linking provinces and also those linking neighbouring countries.
Provincial Administration will continue to serve as the primary extension of Central Government at regional level. It will mainly be concerned with activities dealing with coordination, monitoring and ensuring compliance with Government policies by district-level institutions. Provincial Administration will also be responsible for implementation of projects that cut across districts within a province.

At district level, elected Councils will take on board the functions to be devolved, in addition to their mandates as stipulated in the Local Government Act Chapter 281 of the Laws of Zambia. In view of the fact that services provided at this level primarily determine the quality of citizens’ lives as enshrined in such instruments as the Millennium Development Goals (MDGs), the district will become the focus of development activities and service delivery. The most practical effects of the Policy are, therefore, directed at this level. Political reforms targeted at this level will increase the mandates of Councils and provide for enhanced participation of citizens in local developmental affairs. Administrative reforms shall be instituted to rationalise the use of financial and human resources that are available at this level. In particular, administrative reforms that focus on the provision of direct financial support to the districts shall be effected so as to enhance the performance and accountability of this critical level in the service delivery chain. Financial resources will be transferred directly from the Ministry of Finance and National Planning to the Councils to support their service delivery plans. In addition, Councils will continue to raise their own revenues from local sources.

Area Development Committees (ADCs) shall be introduced as formal multi-functional developmental institutions that shall be run by citizens at the ward level. ADCs are intended to facilitate local-level dialogue on developmental matters and are primarily intended to facilitate practical involvement of people in project formulation and implementation. They will also support Councils through the generation of timely, reliable and accurate data for service delivery planning. In addition, ADCs shall monitor the performance of councils and provide a mechanism for holding councils accountable to the people in the execution of agreed annual investment plans. In this regard, ADCs’ mandates shall include the preparation and approval of integrated ward development plans and budgets before they are transmitted to the district level, where they will form a key input into the district planning and budget processes.

Equally as important, in the decentralized system of governance, the citizenry, through their organised local government, will assume greater responsibilities in the governance process aimed at poverty reduction. Local communities, through their elected councillors, will be facilitated to participate effectively in the planning and resource allocation processes, in addition to playing a strategic role in monitoring the performance of their councils as a way of enhancing transparency and accountability at the local level. The essence of the Decentralisation Policy is, therefore, to bring Government close to the people and provide them with the opportunity to influence its operations.

2.3 Phases in the Implementation of Decentralisation Policy

The implementation of the National Decentralisation Policy covers a period of 10 years from the date of its adoption. Government has divided the 10 years period into three phases as follows:

**Phase One: November 2002 to December 2005**

This Phase was largely preparatory and activities included the approval of the National Decentralisation Policy in November, 2002 and its official launch on 20 August 2004 and the approval of the Interim Decentralization Policy Implementation Plan on 11th November 2004. The Decentralisation Secretariat was also established during this period. The preparation of the comprehensive Decentralization Policy Implementation Plan was also initiated during this phase.

**Phase Two, January 2006 to December 2008**
This period focused on the finalisation of the Decentralisation Policy Implementation Plan and the beginning of the implementation phase of the Policy’s components such as the development of new organisational structures for all Councils.

*Phase Three, 2009 to 2013*

This shall be the principal implementation Phase during which most elements of the Policy will be undertaken. The phase will include strengthening of institutions of decentralisation at all levels.
3. Main Components of the Decentralisation Implementation Plan

3.1 Aim of the Decentralisation Implementation Plan
In broad terms, the purpose of the Decentralisation Implementation Plan (DIP) is to provide a roadmap that will guide the efforts of all stakeholders through the articulation of their roles in the implementation of the Decentralization Policy. Specifically, this entails the following:

a) to clearly articulate components of the DIP;
b) to define the steps, prioritisation, and sequence of the components/activities;
c) to provide a guide for the preparation of detailed annual work plans for each component;
d) to provide the background and rationale for the proposed interventions, their timing and duration;
e) to indicate linkages between the major activities;
f) to estimate the DIP resource requirement for its effective implementation;
g) to outline the institutional framework for implementing the Policy and how the implementation process and inputs from the various stakeholders will be coordinated, monitored and evaluated; and
h) to indicate the financing mechanisms for the Plan.

3.2 The Components of the Plan
The key components of DIP have been derived from an assessment of the objectives and aim of the National Decentralization Policy, the Presidential Speech to Launch the Policy, the Committee of Permanent Secretaries' Report on the creation of a Decentralization Secretariat, and the experiences from Zambia’s previous initiatives at decentralisation as well as those of other countries in the region that have implemented decentralization policies. The Plan presents the rationale, objectives, strategies, expected outputs, and activities for the following nine components:

1. Sensitisation and Civic Education
2. Legal and regulatory Reforms
3. Institutional and Human Resource Capacity Building
4. Local Development Planning and Budgeting
5. Financial Management and Accounting
6. Fiscal Decentralisation and Revenue Mobilisation
7. Sector Devolution
8. Infrastructure Development and Services Provision
9. Monitoring and Evaluation

With the exception of Component 7 (Sector Devolution) and its immediate supportive elements in components 2 and 6 (Legal and Regulatory Reforms/Fiscal Decentralisation respectively) which comprise the core of the decentralisation implementation process, the rest of the components comprise activities which are provided for and are ongoing through regular mandates of different implementing agencies. Details of each component are as follows;

3.2.1 Sensitisation and Civic Education
3.2.1.1 Rationale
Considering the time it has taken since the approval of the Decentralisation policy in 2002 and given the complexity of the changes that have to be effected, the Government recognises the need to sensitise all the stakeholders on the Policy in terms of its contents and implications on how the country will be governed.
It is equally important to sensitise people on how the mode of service delivery has been altered by the Policy of Decentralisation, particularly the roles and responsibilities of the different stakeholders. In this regard, the Government maintains that the sharing of this information is vital for the success of the Policy. Sensitisation, civic education and the consolidation of a democratic culture are considered important to the extent that they create awareness and understanding among stakeholders to enable them play their roles more effectively.

3.2.1.2 Objective
The main objective of the component on Sensitisation and Civic Education is to increase stakeholders’ awareness, knowledge, understanding, participation and ownership of the decentralization processes in order to achieve smooth and effective implementation of the Policy.

3.2.1.3 Outputs
The following are the expected outputs of the Sensitisation and Civic Education component:
   a) Functional Communications Strategy.
   b) Enhanced awareness about the Decentralization Policy and processes within Government, among co-operating partners, and among all key stakeholders.
   c) Effective participation in decision-making and development process by communities and Council officials.

3.2.1.4 Strategy
   a) Conducting nation-wide sensitisation on Decentralisation Policy and DIP
   b) Production and dissemination of materials on decentralisation
   c) Facilitation of the mounting of civic education programmes

3.2.1.5 Activities
Sensitisation and Civic Education
   1.1 Develop a communication strategy for sensitisation;
   1.2 Conduct decentralization sensitisation workshops at the national, provincial, district and sub district levels;
   1.3 Prepare civic education materials;
   1.4 Prepare and disseminate decentralization materials;
   1.5 Sensitise citizens on gender issues, HIV and AIDS and the environment.
   1.6 Conduct civic education programmes, focusing on the training of district and sub-district level personnel and local communities
   1.7 Train district and sub-district personnel and local communities in human rights, elements of a democratic culture and power sharing in a unitary state.

3.2.2 Legal and Regulatory Framework
3.2.2.1 Rationale
The decentralisation Policy’s objective (h) aims to provide a legal and institutional framework to promote autonomy in decision-making at the local level. The current policies and pieces of legislation governing the operations of the public service, in general, and sector Ministries/departments, in particular, were developed without devolution but with deconcentration in mind. Some of them are at variance with the requirements of devolution as enshrined in the Decentralization Policy. The aim of this component is, therefore, to create an enabling legal environment for the implementation of the Decentralization Policy in Zambia. The policies and sectoral laws conflicting with the Decentralization policy must be identified and reformed accordingly to achieve a supportive legal framework for decentralization.
3.2.2.2 **Objective**
The main objective of the component on Legal and Regulatory Framework is to develop a comprehensive legal and regulatory framework that facilitates the implementation of the Decentralization Policy.

3.2.2.3 **Outputs**
   a) A comprehensive legal and regulatory framework that facilitates the implementation of the Decentralization Policy.
   b) An effective decentralised management system.

3.2.2.4 **Strategies**
Assessment of legal and regulatory framework for its compatibility with the decentralisation policy

3.2.2.5 **Activities**
*Legal and Regulatory Reforms*
   2.1 Review existing laws, government policies, procedures and regulations to make them compatible with Decentralization Policy.
   2.2 Draft bills on reviewed legislation to achieve compatibility with the Policy and facilitate enactment of legislation.

3.2.3 **Institutional and Human Resource Capacity Development**

3.2.3.1 **Rationale**
Objective (c) of the Decentralisation Policy aims to *enhance local political and administrative authority in order to effectively and efficiently deliver services*. The need to enhance institutional capacity for the implementation of the Decentralisation Policy is relevant at all levels of Government. On the human resource front, the Decentralization Policy Document demonstrates the challenges facing human resources development and management, acknowledging the need for capacity enhancement for personnel managing the key institutions responsible for implementing the decentralization process. These key institutions include the Decentralization Secretariat, Government Ministries and Departments, Provincial Administration, Councils, and Area/Ward/Village Development Committees. Management capacity in some of these institutions, especially at the provincial, district and sub-district levels is particularly weak, suggesting the need for retooling staff at these levels in light of their new functions, focussing on policy formulation, service regulation, coordinating, training etc. Councils still remain characterized by weak capacity in integrated planning and budgeting, strategic planning and performance management. Similarly, weak revenue collection mechanisms and limited internal auditing capacity combine to pose a major institutional and human resource capacity challenges as the country prepares for implementing the Decentralisation Policy. However, despite the weak capacities in Councils, some sector ministries such as Agriculture and Cooperatives, Education, and Health have developed levels of competencies as a result of restructuring. Through sector devolution, Government intends to rationalise the utilisation of such capacities by transferring them into unified management structures under Councils.

In the light of the above, the Component of Institutional and Human Resource Capacity Development aims at:
   a) developing appropriate organizational structures and the establishment and installation of management information systems, providing the necessary equipment especially to the Councils, and defining the roles of different institutions in the implementation of the Policy; and
   b) developing a holistic approach to human resource capacity building in all the key institutions that shall be involved in the implementation of the Decentralization Policy.
3.2.3.2 Objectives
The main objectives of the component on Institutional and Human Resource Development are as follows:

a) To create and strengthen institutional capacities to implement, manage and support decentralized governance, development and service delivery.
b) To develop the management and technical capacities of the human resources of the key institutions that are responsible for implementing the decentralization process so that they can effectively perform their roles.
c) To enhance the role of traditional authority through better definition and clarification of its relationship with other institutions in the implementation of the Decentralization Policy.

3.2.3.3 Outputs

a) Strengthened national human resource capacities.
b) Enhanced institutional capacities and systems.
c) Appropriate organizational and management structures and systems at all levels of government for local governance, service delivery and development.
d) Strengthened training institutions and other relevant bodies that provide capacity building services relevant to decentralization.
e) Better defined roles and responsibilities of service institutions.
f) Strengthened institutional structures that are supportive of the decentralisation policy.

3.2.3.4 Strategy
Development of the requisite institutional and human resource capacities for effective delivery of services.

3.2.3.5 Activities
3.1 Review the operations, composition and relationships of ADCs, DDCCs, PDCCs and NDCC vis-à-vis Decentralization Policy.
3.1.1 Define the coordination and reporting systems between the central, provincial, district, and sub-district levels.
3.3 Review the functional managerial requirements of the Districts i.e., District Commissioners’ role in relation to the devolved local government system.
3.4 Develop an appropriate organizational/management structures and systems for Councils.
3.5 Establish Area Development Committees in every Ward and develop suitable organisational framework at lower levels.
3.6 Determine the information requirements for planning at the district, provincial level.
3.7 Procure information management hardware and software for MIS at provincial and district level.
3.8 Link district MIS with Provincial and National MIS.
3.9 Undertake systems development.
3.10 Develop a comprehensive Pay Policy for Local Government.
3.11 Strengthen learning/training institutions to enable them to build DIP capacity requirements.
3.12 Define the role of traditional authority in DIP.
3.13 Redefine the role of the Local Government Service Commission.
3.15 Strengthen the management and coordinating capacity of ministries and provincial administration through restructuring and training.
3.16 Strengthen the Decentralisation Secretariat and other implementing agencies to effectively spearhead the implementation of Decentralisation Policy.
3.17 Train District and Provincial MIS personnel in collecting, analysing,
processing, entering data and use of the data for decision-making.

3.18 Conduct a comprehensive assessment of human resource capacity needs for Central Government, Provincial Administration, Councils, and sub-district structures in line with the Decentralisation Policy.

3.19 Develop and implement a human resource Capacity Building Programme for local government.

3.20 Develop a Human Resources Management Policy that enables staff to move from central government to local government and vice-versa without loss of benefits.

3.21 Develop a comprehensive Public Service Training Policy reflecting decentralisation concerns.

3.2.4 Local Development Planning and Budgeting

3.2.4.1 Rationale
Decentralization Policy objective (b) aims to design and implement a mechanism to ensure a “bottom up” flow of integrated development planning and budgeting from the District to the Central Government. Objective (e) of the Policy also aims to develop the capacity of local authorities and communities in development planning, financing, coordinating and managing the delivery of services in their areas. Objective (g) aims to introduce an integrated budget for district development and management. The three Policy objectives emphasize the need for a bottom up planning process; the need to link planning and budgeting within the context of district strategic plans; the need for community input in the planning process; and the central position of the district in the service delivery and development process. The effective implementation of the Policy calls for a solid local development planning and budgeting system with linkages from sub-district units to district, provincial, and national levels.

3.2.4.2 Objective
The main objectives of the component on Local Government Planning and Budgeting is to develop and implement a new integrated planning and budgeting system that is supportive of the National Decentralization Policy.

3.2.4.3 Outputs
a) An integrated local development planning and budgeting system
b) Strengthened District Planning Units
c) Operational participatory approaches to planning and budgeting
d) Existence of District Socio-economic Profiles and Strategic Development Plans
e) Functional computerized data base system at the district level

3.2.4.4 Strategy
Capacity building for integrated planning and budgeting

3.2.4.5 Activities
An integrated local development planning and budgeting system
4.1 Review and update existing planning and budgeting manuals planning and budgeting procedures that conform to the DP.
4.2 Synchronize sub district, district and national planning and budgeting cycles.
4.3 Introduce participatory planning and budgeting for development activities at the district and sub-district level.
4.4 Train Area Development Committees members in development planning and decision making.
4.5 Review the current district strategic plans to incorporate planning concerns at sub-district level.
4.6 Integrate physical planning and socio-economic planning approaches in Strategic Plans for Districts and Provinces

3.2.5 Financial Management and Accounting

3.2.5.1 Rationale

Objective (d) of the Decentralization Policy is intended to promote accountability and transparency in the management and utilization of resources. The Policy stresses the need to ensure that putting in place of an effective financial management and accounting systems that promote accountability and transparency is an important component of this Implementation Plan.

3.2.5.2 Objective

The main objectives of the component on Financial Management and Accounting is to promote accountability and transparency in the management and utilization of public resources.

3.2.5.3 Strategies

Development of financial management and accounting/oversight capacities for decentralised functions

3.2.5.4 Outputs

a) A computerized financial management and accounting system for Councils
b) Strengthened District Tender Committees
c) Reliable Internal Audit Guidelines and mentoring for Councils by Provincial Local Government Officers (PLGOs)
d) Transfer external Audit Office from MLGH to OAG.
e) Office of the Auditor General (OAG) strengthened in auditing accounts of Councils
f) Strengthened capacity of the finance departments of Councils

3.2.5.5 Activities

Computerized financial management and accounting system

5.1 Strengthen the current district financial management and accounting information system and practices.
5.2 Install financial management and accounting systems/procedures for councils to enhance accountability and transparency.
5.3 Strengthen the capacity of finance departments of councils through rationalisation and recruitment of qualified personnel and training.
5.4 Update operational guidelines for district tender committees and orient district tender committee members in the use of guidelines.
5.5 Update Internal Audit Guidelines for use by Councils.
5.6 Strengthen Internal Audit Units in Councils
5.7 Strengthen the role of PLGOs in supporting the operations of Councils through advisory backstopping.
5.8 Strengthen the OAG to enable it to better manage the volume of audit work coming from Councils.
5.9 Strengthen the oversight capacity of communities through ADCs and local stakeholders through the development of community participatory approaches.

3.2.6 Fiscal Decentralization and Revenue Mobilization

3.2.6.1 Rationale

The major fiscal decentralisation challenges include the limited financial resources at the disposal of the government, coupled with significant imbalances in tax assignments between central and local government. In the short run, a financing mechanism for transferring resources from central Government
and cooperating partners to Councils has to be worked out. Similarly, the ability of Councils to mobilize local revenues should be strengthened.

3.2.6.2 Objective
The main objectives of the component on Fiscal Decentralisation and Revenue Collection is to establish and operationalize a comprehensive local government financing system and enhance the capacity of Councils to effectively mobilize the required resources for effective service delivery.

3.2.6.3 Outputs
a) Functional inter-governmental fiscal transfer formulae
b) Enhanced revenue collection capacity of Councils.
c) Strengthened resource mobilisation capacity from internal and external sources
d) Enabling legislation for resource mobilisation and management

3.2.6.4 Strategies
a) Work towards the financial empowerment of Councils through fair and equitable sharing of public resources for effective service delivery
b) Enhance internal capacities of Councils to raise and manage own resources

3.2.6.5 Activities
Development of an Intergovernmental Fiscal Framework by a specifically instituted Team (reporting to the Decentralisation Secretariat) that shall address local government finance and fiscal issues, focusing on the following:
6.1 Review current government sources of revenue and transfers and recommend potential sources of revenue for Councils.
6.2 Recommend measures to redress the imbalance in tax assignments between central and local government.
6.3 Establish formula for revenue sharing and commence transfer of grants directly to Councils.
6.4 Establish a special Equalization Fund.
6.5 Establish a system for regular reviews of, and recommendations on, periodic revisions of the level of personal levy and other charges.
6.6 Strengthen the enforcement of legislation to ensure adherence to timely release of funds to Councils by MFNP.
6.7 Establish consensus within Central Government and clear all outstanding debt of Councils to restore public confidence
6.8 Develop and apply effective revenue collection mechanisms for use by district councils.
6.9 Enhance the human resource capacity in district councils in revenue collection.
6.10 Transfer Local government Finance and Audit Section from MLGH to Auditor General’s Office.

3.2.7 Sector Devolution
3.2.7.1 Rationale
Objective (a) of the Decentralization Policy aims to empower local communities by devolving decision-making authority, functions and resources from the Centre to the lowest levels with matching resources in order to improve efficiency and effectiveness in the delivery of services. This objective provides the justification for a sector devolution component in the Implementation Plan. Zambia has opted for devolution as its preferred form of effective service delivery at the local level while at the same time maintaining sufficient linkages between the centre and the periphery. This means that devolution is not an alternative to centralization. The two approaches will complement each other in promoting development and service delivery. The National Decentralization Policy stipulates the functions to be performed at the
central government level, at provincial administration level, at district council level, and at the sub-district level.

3.2.7.2 Objective
The main objective of the component on Sector Devolution is to achieve timely and effective devolution of designated functions from sector Ministries to Councils for effective service delivery.

3.2.7.3 Outputs
   a) Guidelines on sector devolution
   a) Devolution Plans for Sectors
   b) Effective decentralised system of governance at all levels.

3.2.7.4 Strategies
Work towards the right-sizing of the central government and the empowerment of Councils through effective devolution of power and responsibilities from central ministries.

3.2.7.5 Activities
7.1 Prepare guidelines for use by Ministries in developing their sector devolution plans.
7.2 Develop sector devolution master plan.
7.3 Classify sector ministries into phases for devolution
7.4 Conduct orientation workshops on sector devolution for Ministries.
7.5 Establish Technical Working Groups (TWGs) and Sector Task Forces within each Ministry to spearhead the devolution process
7.6 Establish Sector Devolution Task Forces for each Council to steer the process at the district level and to act as a focal point for discussions with sector Ministries.
7.7 Facilitate consultations between Ministries, Councils, trade unions and other stakeholders to ensure that their respective concerns on both sides are factored into Sector Devolution Plans.
7.8 Conduct workshops/meetings to assess progress on sector devolution.
7.9 Rationalise staff establishments in both Central Government and Local Authorities.

3.2.8 Infrastructure Development and Services Provision
3.2.8.1 Rationale
Objective (f) of the Decentralization Policy Document aims to build capacity for development and maintenance of infrastructure at local level. The management of infrastructure service provision (ISP) has over the years been largely confined to the central government at the exclusion of other important actors such as Councils, the private sector and communities. Consequently, the socio-economic infrastructure such as water supply, solid waste disposal systems, roads, street lighting, and health and educational facilities are poorly developed. This component focuses on the development of policy guidelines and capacity building for infrastructure development and management for effective service delivery. It also focuses on the facilitation of the attainment of basic infrastructural requirements for the effective discharge of devolved functions by all districts, particularly the newly created ones.

3.2.8.2 Objective
The main objective of the component on ISP is to develop a supportive policy and institutional framework in order to improve the quality of devolved services.

3.2.8.3 Outputs
   a) A comprehensive policy for the development, provision and management of infrastructure services
   b) Improved national capacity for infrastructure service provision
   c) Improved physical capacity by districts to discharge devolved functions.
3.2.8.4 Strategy
a) Work towards the development of an enabling policy environment for effective infrastructure service provision.

b) Strengthen national capacity for effective infrastructure services provision.

3.2.8.5 Activities

**Infrastructure Policy and Capacity Building**

8.1 Development of a comprehensive policy on ISP and its management.

8.2 Facilitation of rapid assessments at the local levels by Councils on infrastructure requirements and resource needs.

8.3 Development and Financing of Accelerated District Infrastructure Development Programme (LDP) to support implementation of decentralised service provision.

8.4 Targeted training for the enhancement of ISP capacity building at all levels of government.

3.2.9 Monitoring and Evaluation

3.2.9.1 Rationale

The inclusion of the Monitoring and Evaluation component into the Plan arises from the fact that there is need for stakeholders to know progress made, constraints/challenges faced, and proposed solutions in the implementation of the Decentralization Policy. The Decentralization Secretariat will, therefore, develop a Decentralization Monitoring and Evaluation System. The M & E System will enable the Public, Government and its Development Partners to find out whether the Policy is being implemented as planned, any changes experienced, problems encountered and possible solutions, and adjust according to the realities on the ground vis-à-vis Policy objectives. The aim is to provide regular, verifiable and reliable information in such areas as financial management and accounting, overall operations of Councils, and impact assessment. There is also recognised need to align the M&E System to the existing monitoring and evaluation systems used by the relevant arms of Government such as Parliament, Cabinet Office, the Ministry of Finance and National Planning (particularly the office of the Accountant General), Central Statistical Office and Office of the Auditor General. In addition, the development of an effective reporting mechanism that secures effective transmission of information among the various stakeholders at different levels is also considered important.

3.2.9.2 Objectives

The main objective of the component on Monitoring and Evaluation is to develop and institutionalise an appropriate monitoring and evaluation system that will facilitate effective surveillance over the implementation of the National Decentralization Policy.

3.2.9.3 Outputs

a) An effective national results-based Monitoring and Evaluation System.

b) Functional and effective Monitoring and Evaluation Units at all levels

c) A well conceived review/evaluation mechanism and processes for Decentralisation activities

3.2.9.4 Strategy

a) Work towards the design and implementation of an effective monitoring and evaluation system for effective implementation of the Decentralisation Policy.

b) Work towards strengthening the oversight role of communities and other stakeholders through their effective participation in M&E of decentralisation functions.

3.2.9.5 Activities

**Effective National Results-based Monitoring, Evaluation and Reporting System.**
9.1 Review the current national monitoring and evaluation framework in light of the Decentralisation Policy;
9.2 Design and institutionalise an effective National Results-based monitoring and evaluation framework that captures Decentralisation Policy issues;
9.3 Develop Monitoring and Evaluation Training Manuals for the application of the M & E system and for use by various levels of policy implementation.
9.4 Promote local community participation in monitoring and evaluation of development activities at the district and sub-district levels.
9.5 Establish Provincial Assessment Teams (PATS) in all Provinces.
9.6 Facilitate annual reviews of implementation programme.

3.2.10 Programme Management and Coordination

3.2.10.1 Rationale
The Decentralization Implementation Plan (DIP) puts the Decentralization Secretariat (DS) at the centre of all institutions in the implementation of the Decentralization Policy where it is supposed to define and coordinate the implementation process. In order to achieve this task, the Secretariat needs an appropriate institutional location from which to discharge its functions. Equally important, the Secretariat also needs to attract and retain qualified and competent staff as well as have access to adequate resources to meet operational costs most of which are not likely to be adequately budgeted for by different implementing institutions especially Districts and Provinces. This component is therefore essential to facilitate building the required staff and operational/resource capacity required to implement the Decentralization Policy.

3.2.10.2 Objective
The main objective of this component is to improve the delivery capacities of the Decentralisation Secretariat through the development of a supportive work and operational environment.

3.2.10.3 Strategies
Development of an enabling operational environment for the DS

3.2.10.4 Outputs
   a) An effective DS capable of attracting and retaining competent personnel for the task of driving and managing the decentralisation process.
   c) Improved programme delivery in all areas of decentralisation implementation.

3.2.10.5 Activities
10.1 Support operational and staff costs (TA) of the Decentralisation Secretariat
10.2 Undertake a Baseline Survey to determine existing operational capacities at various levels of Government.
4. Main Strategies for Implementing Decentralisation Plan

4.1 Background
The implementation of decentralization is not new to the public sector in Zambia. Ministries such as Agriculture and Cooperatives, Education, and Health have embarked upon sector-wide approaches (SWAPs) aimed at improving the quality of service delivery to local communities in the districts. In addition, a number of donors have complemented Government effort by working towards service delivery at the local level through the building of capacities of district councils. Donor-supported projects have included Local Government Support Programme (LOGOSP) (1985/86 to 1993) with support from DFID; Decentralized Rural Development in Southern Province with support from GTZ; District Development Planning/Feeder Roads Project with assistance from UNDP/UNCDF (1996 – 2002); Central Province Development Project (1985/86 to 1993) with ODA support; and Zambia Social Investment Fund (ZAMSIF) (2000 – 2005) with support from, inter-alia, the World Bank. All these project/programmes generated lessons and best practice that were taken into account during the preparation of the Decentralisation Policy. It is Government intention to apply the accumulated wealth of experiences from the interventions above in the implementation of the Decentralisation Policy.

4.2 Approaches to Policy Implementation
Government has considered three approaches to implementing the Decentralization Policy. These are presented below.

4.2.1 Pilot Approach
Under this approach, devolution is applied selectively both geographically (in terms of the number of districts or provinces to be covered) and thematically (with respect to the functions to be devolved). This approach has the advantage of minimizing risks and acquiring lessons for replication to the rest of the other districts/provinces. However, it may be politically unacceptable to exclude any districts from the decentralization process.

4.2.2 Nation-wide Approach
Under this approach, devolution is implemented uniformly throughout the 72 districts. This approach applies to all the districts targeting the realisation of agreed minimum level of service delivery. Whereas the approach poses substantial risk in the event of failure, its strength lays in the fact that it meets the requirements of political fairness.

4.2.3 Capacity Ladder Approach
Under this approach, the physical implementation of devolution is applied on the basis of each districts’ assessed attainment of the required capacity to perform devolved functions according to its graded status (city, municipality or district council). Having reached such a capacity, districts would practically assume devolved functions. Districts with demonstrable capacity will assume responsibility for devolved functions and resources. Districts which increasingly make both qualitative and quantitative improvements will gain the opportunity to have their status upgraded e.g., from District to Municipal level. On the other hand, districts which perform poorly will be required to put in place measures as prescribed in Section 62(3)(b) of the Local Government Act Cap 281 of the Laws of Zambia to facilitate performance of their functions. In the meantime, additional measures to build their capacities would be operationalised. This approach acts as an incentive to the stronger districts and also as a motivating factor to the weaker ones to build their capacities and assume more responsibilities. Overall, it contributes to mitigate the potential risk of weakening the delivery of services especially in the initial years of devolution.
4.3 Government’s Preferred Approach
Government has adopted the Nation-wide Approach combined with the Capacity Ladder approach in the implementation of the Decentralisation Policy. Under this approach, sector Ministries will play a leading role in the devolution of their identified functions in consultation/collaboration with the Decentralization Secretariat.

4.4 Funding Modalities
Government will pursue a multi-pronged approach to mobilise financial resources for the implementation of DIP as presented below.

4.4.1 Central Government Funding
Through various means, Government will mobilise funds that will be transferred to Councils through a fiscal transfer formula to be developed by the Decentralization Secretariat. The greater part of the finances for decentralization will accrue from a realignment of existing central government funds disbursed to ministries to support their service delivery activities. Various fiscal transfer formulae will be developed covering different sectors such as health, education, agriculture, water, and roads to suit the implementation requirements of these sectors. The funds will be disbursed from the Ministry of Finance and National Planning directly to Councils.

4.4.2 Councils’ Own Revenue
Councils shall generate their own revenue through the services that they provide. As much as possible, cost-recovery rates/charges shall be levied.

4.4.3 Private Sector
The private sector shall be encouraged to participate fully in infrastructure development and services delivery. Different forms of Private-Public Partnership (PPP) arrangements shall be explored to ensure that the private sector contribute to the generation of the required resources.

4.4.4 Community-cum-User Provision
As much as possible and in the spirit of partnership, collaborative arrangements shall be worked out by respective Councils to enable served communities to contribute towards the provision of services. The involvement of communities in services delivery is particularly relevant in the delivery services that are highly localised and which use relatively small-scale infrastructure. Government believes that this option offers good promise in meeting the social services demands of those in unplanned settlements in the provision of such services as communal boreholes supplying ground water; local drainage and sanitation systems; and solid waste disposal. To secure the effectiveness of this option, Government shall ensure that stakeholders are directly involved at all the decision making levels of preparation/planning, implementation and monitoring and evaluation. This means that participation mechanisms shall have to be well defined and individual roles and responsibilities clearly specified. Similarly, as part of the capacity building component of DIP, training opportunities for user groups and their intermediaries shall be made available, mainly with the help of locally-based NGOs and/or donor agencies that operate at the local level. Moreover, technical advice shall be made readily available regarding low-cost and environment-friendly local technological options.

4.4.5 Donors and NGOs
External support from cooperating partners shall be solicited and any regulatory and/or legislative inhibitions that may constrain Councils to directly enlist for such assistance shall be reviewed accordingly. A Decentralization Trust Fund shall be established into which cooperating partners can put their financial contributions to support DIP. There is, nevertheless, recognition that a number of measures ought to be pursued to secure a more effective involvement of external partners at this level. In particular,
there is need to ensure that donors that support DIP would operate within the institutional framework and prioritised components that are set by Government.

4.5 Milestones in Policy Implementation
Success in the implementation of the Decentralisation Policy from 2009 onwards shall be based on the attainment of a set of milestones as presented below.

4.5.1 Milestones for 2009
During 2009, DIP will work towards the attainment of the following milestones:

a) Completed general sensitisation of all the identified key stakeholders to an extent that demonstrably allows their effective participation in the commencement of the implementation process;

b) Existence of a functional financing mechanism to guide the transfer of funds from the Ministry of Finance and National Planning (as well as from cooperating partners) to Councils. This would entail the presence of guidelines for financial management and accountability that are aligned to Government mechanisms such as MTEF, PEMFA, IFMIS, etc.

c) Completed Sector devolution plans with clearly identified devolved functions for the different levels of Government.

d) Commencement of the review of existing legislation and financial management and accounting systems, regulations, procedures, and guidelines.

e) An Institutional Development Plan that focuses on adapting the appropriate organizational structures of Councils.

f) Established Devolution Task Forces in the three levels of government.

g) Functional structures for community participation in decision-making and planning process.

h) Existence of guidelines for integrated planning and budgeting for use by councils in line with the MTEF and ABB.

i) Well developed and operational institutional arrangements for human resource management.

j) Operational Monitoring and Evaluation System intended to measure progress made in the implementation of the Policy.

4.5.2 Milestones for 2010
During 2010 DIP will work towards the following milestones:

a) Commencement of sector devolution in all ministries.

b) Sensitisation extended to specific issues arising from the implementation process.

c) District Integrated Budgets prepared (with assistance from devolving Ministries).

d) Implementation of capacity building activities commenced.

4.5.3 Milestones for 2011 to 2013

a) Consolidation of programmes on sensitisation, civic education and democratic culture, including the continuation of training of district and sub-district level personnel and local communities in local participation and decision making, human rights, elements of democratic culture and power sharing.

b) Consolidation of the legal and regulatory framework in the context of sector devolution.

c) Continuation of the process of rationalisation of staff between Councils and Central Government.

d) Continuation of the institutional and human resource development programme, focusing on the strengthening of the management and technical co-ordinating
capacities of both provincial administration and councils through training, study tours, and attachments;

e) Installation and operationalisation of MIS and requisite equipment for local government.

f) Continuation of the programme on the strengthening of district planning units through the recruitment and training of personnel.

g) Continuation of capacity strengthening processes in the fields of revenue generation, including district-level revenue deepening and broadening.

h) Continuation of transfer of functions and rationalisation of staff as well as separation of staff from the Central government to Councils.

i) Continuation of the promotion of community participation in monitoring and evaluation of development activities at the District and sub-district levels.

4.5.4 Inter-component Relationships.

In view of the fact that a significant proportion of decentralisation related activities cited prior commenced under other initiatives of Government before the finalisation of the DIP, it follows that the arrangement of the DIP components relating to these activities reflect the degrees of attainment of the respective activities. The components area also arrayed according to the primary objective of commencing devolution by 2010. Accordingly, nearly all components commence at the inception of the DIP period. Nonetheless, the components are also rolled out according to the order in which their outcomes and inputs are related. For instance, the component on Sensitisation underpins the whole reform by provision of awareness to all stakeholders without which little progress can be made on any other component. The component must however be progressively defined by the outputs of other components as they begin yielding outputs and thus continues through the implementation period. Details on the relationships are established in the matrix at the annex.
5. Institutional Framework for Implementation of Decentralisation Policy

The effective implementation of the Decentralisation Plan is dependant, to a large extent, on the appropriateness of the structures at the different levels of the government system and how they are harmonised. These are presented below.

5.1 National Level
5.1.1 Cabinet Office, Ministry of Justice and Parliament
Cabinet Office, as the highest office that manages the Public Service, will be responsible for ensuring that all the Ministries comply with planned implementation activities. It will monitor the general progress in the Ministries regarding sector devolution. In the context of this responsibility, the Management Development Division in the Cabinet Office will lead the organizational restructuring and strategic planning which is part of the Institutional Development component of DIP. To complement Cabinet Office, the Ministry of Justice will be the lead institution for the review and reform of the legal framework for decentralisation. Parliament, in turn, shall enact the required legislation.

5.1.2 Decentralisation Policy Implementation Committee
The Decentralisation Policy Implementation Committee (DPIC) shall be the highest body within the Government system that shall serve as the steering body in charge of the implementation of the Decentralisation Policy. Chaired by the Secretary to the Cabinet, it shall consist of carefully selected high-level officials, mainly at the Permanent Secretary level. In its steering function, the Committee will discuss technical issues in the implementation of the Decentralisation Policy and provide guidance to all implementing agencies. The Decentralisation Secretariat shall provide logistical and secretarial support to DPIC. DPIC will ensure that the implementation of the Decentralisation Policy is effectively coordinated with and integrated into the rest of the Public Service Reform Programme.

5.1.3 Ministry of Local Government and Housing
The Ministry of Local Government and Housing (MLGH) is the main arm of the Government that shall oversee the implementation of the Decentralisation Policy and would house the Decentralisation Secretariat. The Ministry’s Permanent Secretary would facilitate the Decentralisation Policy implementation process, backed by the advisory process of the Local Government and Decentralisation Sector Advisory Group (SAG) and the Decentralisation Secretariat. In this regard, MLGH shall operate at all the three levels of government, namely, at the central, provincial, and district levels.

5.1.4 Decentralisation Secretariat
The Decentralization Secretariat was established in 2003 to spearhead, plan, coordinate, facilitate, and monitor the implementation of the Decentralization Policy. Presently, the Secretariat, a civil service unit headed by a Director, is answerable directly to the Permanent Secretary of the Ministry. The Secretariat has a collaborative and consultative relationship with Government Ministries/Departments, Provincial Administration, and District Councils based on its prescribed functions. It is envisaged that the Secretariat will be phased out when the requisite capacities are built at all levels of Government. The roles and functions of the Decentralization Secretariat as follows:
   a) servicing the Decentralisation Policy Implementation Committee (DPIC) in the implementation of the Policy;
   b) developing a comprehensive implementation plan and strategy in support of the Decentralization Policy;
   c) initiating studies on specific aspects of decentralization, sub-national planning and financial management in support of Decentralization Policy implementation;
d) developing and coordinating an extensive information, education and communication program which raises awareness about decentralization;

e) supporting sector/ministry decentralization units in the development and implementation of sector specific Decentralization Plans;

f) facilitating the establishment and installation of sub-national planning systems in all districts;

g) facilitating the establishment of financial and management institutions and structures at the District level which support local governance and decentralized development;

h) supporting capacity building initiatives in the implementation of the Decentralization Policy with regard to district management, planning and financial systems;

i) monitoring and evaluating the implementation of the Decentralization Policy; and

j) Performing any other duties as required by the DPIC.

**Figure 1** presents the institutional location of the Secretariat. The Government recognises that the task of implementing the Decentralisation Policy requires to be supported by a clearly defined institutional framework that would effectively facilitate greater interface between and among the various actors. DIP also needs to be supported by a strong Decentralisation Secretariat that, while housed in the Ministry of Local Government and Housing, would still require a an appropriate degree of latitude to manage its mandated strategic and day-today functions. Government also recognises that the additional load on the Ministry of Local Government and Housing during the operationalisation of the nine components of DIP calls for a well-focused review of the Ministry’s organisational structure and institutional strengths so as to put it in good stead for the mammoth task of implementing the Decentralisation Policy. In this regard, consideration of having a Permanent Secretary dedicated to the task of decentralisation policy implementation shall be explored alongside the re-examination of the best model within which the Decentralisation Secretariat could best discharge its mandated responsibilities.

5.1.5 Sector Ministries

In implementing the planned activities, the Decentralisation Policy Implementation Committee will assign Government Ministries, Departments and Divisions specific responsibilities. Different Ministries and Departments, in consultation/collaboration with the Decentralization Secretariat, will take active parts in either or both of two key roles i.e., implementing those activities that fall within their official mandates and/or devolving or, deconcentrating their functions to Councils or Provinces respectively. In order to facilitate the discharge of their mandates, devolving Ministries will form Ministerial Devolution Task Forces to articulate the functions to be devolved as well as to prepare and manage the Ministries devolution Plan.

5.1.6 Technical Working Groups

It is the Government’s position that when an activity in the DIP falls within the mandate of a given Ministry, the activity should be implemented by the Ministry. Notwithstanding this arrangement, it is recognised in view of the close interrelationships between various activities that fall under different Ministries, that successful implementation of the DIP will call for a coordinating mechanism at the operational level to ensure the realisation of the planned activities. In this regard, the Decentralisation Secretariat shall facilitate the establishment of Technical Working Groups (TWGs) to collectively superintend over the business of each component of the DIP. The membership of each TWG shall be drawn from the relevant implementing Ministries, institutions that are direct beneficiaries of the outputs of the DIP component as well as experts in the respective fields from both the public and private sector. Each TWG shall be chaired individually or jointly, by Ministries with principal mandates in the component e.g., Ministry of Justice shall chair the Legal Reforms TWG while Ministry of Finance and National Planning shall chair the Fiscal Decentralisation TWG. The Decentralisation Secretariat shall provide secretarial services to the TWGs. It is envisaged through this arrangement that the Decentralisation Secretariat shall serve to actively connect the policy planning process at Cabinet Office
and the implementation processes in the Ministries. The main mandates of TWGs shall include the following:

a) Facilitate the preparation of Annual Action Plans for specific components;
b) Develop and agree the strategies for undertaking the tasks under their respective components;
c) Provide a platform for sharing information resources in the implementation of the component area; and
d) Generate information from monitoring the implementation of the agreed Annual Action Plans.

The following are indicative of the TWGs that shall be formed:

a) **Sector Devolution Technical Working Group** that shall discuss and agree on a course of action on all matters pertaining to sector devolution.
b) **Legal Framework Technical Working Group** that would discuss existing legislation and regulatory frameworks with the aim of making these instruments facilitate the implementation of the Decentralization Policy.
c) **Financing Decentralization Technical Working Group** shall deal with issues of fiscal decentralization; sharing of revenues between central and local governments; and management and accounting for finances transferred to local authorities.
d) **Local Development Planning and Budgeting Technical Working Group** that will deal with local level planning systems, community participation in the planning process, and integrated planning and budgeting.
e) **Institutional Development and Capacity Building Technical Working Group** that shall deal with issues of organizational restructuring; strengthening of institutions; and human resources capacity building.
f) **Monitoring and Evaluation Technical Working Group** that shall deal with all matters pertaining to the effective monitoring and evaluation of the decentralization process.
Figure 1: Institutional Location of the Decentralisation Secretariat
5.2 Provincial Level
The key institution at the provincial level is the Office of the Permanent Secretary. Through the PDCC, this Office will be responsible for the following functions:
   a) Share information resources with districts and the national level on the state of policy implementation;
   b) Oversee the implementation of the policy throughout the Province;
   c) Preparing provincial progress reports on policy implementation programmes;
   d) Coordinating and overseeing the implementation of capacity building programs in their respective provinces in collaboration with the Decentralization Secretariat.

5.3 District level
The district shall be the focus of development and service delivery. The implementation of the Decentralization Policy at the district level will involve the following institutions:

5.3.1 Councils
Council is the legal body at the district level mandated to provide services and promote development in the district, as well as to make by-laws for the district. Through DDCC, the Council will spearhead the implementation of the DIP at the district level.

The district will be involved in undertaking developmental activities in such areas as health, water and sanitation, education, housing, roads, environment, agricultural extension work for food security, etc.

5.3.2 District Development Coordinating Committees
The DDCC will continue to provide a coordinating forum for the district. It will facilitate the practical implementation of decentralization and make recommendations to Councils for necessary action.

5.4 Sub-District Level
The following actors shall be involved in the implementation of the Decentralization Policy at the sub-district level.

5.4.1 Area Development Committees (ADCs)
ADCs will be established in all districts. Their role will involve resource mobilization, revenue collection, community sensitisation, and prioritisation of projects for inclusion into the district strategic development plans. They will also play a key role in the monitoring and evaluation of implementation activities.

5.4.2 Civil Society Organisations
Civil society organisations include NGOs, community-based organisations (CBO), Faith-based organisations (FBOs), etc. Their role in the implementation of the DIP shall be varied and will depend on their individual competencies and interests. Generally, they shall be important partners in service delivery as well as in the promotion of local development, through, inter alia, local-level training; community mobilization, information dissemination; and the promotion of income-generating activities within the wider ADC framework.

5.4.3 Traditional Authority
Traditional authority (chiefs and their royal establishments) will play an important role in community mobilization and policy/information dissemination by virtue of the fact that they are custodians of various resources such as land and that they command accepted loyalty and compliance from their subjects.
5.4.4 Private Sector
The private sector shall be involved in service delivery either directly or through a combination of partnerships and modalities.

5.45 Communities
The communities are the ultimate beneficiaries of decentralised local governance. Community participation is important at the local level in terms of decision making, identification, planning, implementing, monitoring and evaluation of local projects. The extent to which communities will be facilitated to effectively demand accountable governance will be the extent to which the implementation of the Decentralisation Policy succeeds. Participatory mechanisms will therefore be defined to allow for enhanced community participation in the Decentralisation process.
6. Decentralisation Policy Implementation: Challenges, Risks and Opportunities

There are numerous challenges and risks to implementing Decentralization in Zambia that Government will have to overcome. There are also opportunities that Government can take advantage of in the implementation process.

6.1 Challenges and Risks
The challenges facing the Government of the Republic of Zambia in the implementation of the Decentralization Policy include the following.

a) to make the key stakeholders and actors understand the content and meaning of the Policy, how it will change the way Zambia is governed, and their role in the implementation of the Policy;
b) to overcome resistance to the Decentralization Policy reform as to any change process;
c) to sustain political commitment to decentralization;
d) to enhance acceptance of the changes to be made in some of the existing legislation and administrative orders to enable smooth implementation of the Policy;
e) to effectively coordinate the efforts of all the actors in the implementation of the Policy to ensure harmony and minimize conflict and duplication.
f) to mobilize adequate technical and financial resources for the implementation of the decentralization policy;
g) to guarantee sustainable financing of district mandates from both local and central government sources;
h) to sustain continuous capacity building for all stakeholders to implement the Policy;
i) to build the confidence of the public in the public service, and local government in particular, for improved service delivery in implementing the Policy;
j) to enforce compliance with government procedures in general and especially relating to decentralization in particular; and
k) to ensure that cross cutting issues including gender, environment, HIV/AIDS and human rights issues are mainstreamed into the decentralization implementation process.
l) The principal risk to implementing decentralization in Zambia is possible change in Government policy.

6.2 Opportunities
Despite the above challenges and risks that Government has to contend with in the implementation of the DIP, there are also opportunities that Government can take advantage of for effective implementation of the Plan. These opportunities include:

a) Strong political will of the government
b) The existence major reforms at the macro level that are supportive of the ideals and principles of decentralisation (e.g. FNDP, PEMFA, the Constitutional Review process, MTEF, etc.)
c) The existence of a supportive trade union movement that is committed to positive dialogue;
d) The strong desire by local communities to be part of the decision making process;
e) Willingness on the part of Councils to take on the devolved functions in addition to their existing mandated functions;
f) The lessons generated from ministerial experiences in implementing decentralization in the context of deconcentration that can be applied to current implementation process;
g) The rich experiences on decentralisation from other countries in the region that Zambia can benefit from;
h) The availability of management development and public administration training institutions in the country and abroad that can be engaged in capacity building for decentralization;
i) The goodwill of cooperating partners to support the decentralisation process; and
j) The existence of the Local Government Association of Zambia which has proven capacity in systematically supporting decentralisation process.

6.3 Essential Factors in the Implementation of the Policy

The successful implementation of a decentralisation programme is dependent on a number of factors that include the following:

**Sustained Political Will:** Decentralization is basically a political process that involves changes in power relationships between central and local levels of government. It also involves changes in responsibility for various elements of the development process and therefore, invokes changes in resource allocation and control. Successful implementation of Decentralisation is therefore, much dependent on political will of both Central and Local Governments and willingness on the part of the citizens to embrace the devolved powers, responsibilities and resources. The process needs to be allowed time to be embraced and to mature since constant changes in the political framework can hinder the effective implementation of decentralization. Effective implementation of decentralization also calls for political stability.

**Financial Sustainability:** Decentralization is a costly process that requires an assurance of sustained financing. Without such assurance, commencing such a long term reform becomes risky. It is therefore imperative that Government and cooperating partners declare their long-term financial commitment to decentralization.

**Broad Participation:** The success of a decentralisation initiative is largely dependant on the extent to which citizens participate in its operationalisation. Support for decentralisation must be deliberately and carefully mobilised among all critical actors, especially local communities, civil society based organizations, traditional authorities, political leaders, civil service bureaucrats, and the private sector.

**Flexibility:** There is need to adopt a flexible approach in the implementation of a decentralization policy to allow for learning, exploitation of new opportunities, overcome challenges and accommodate new ideas during implementation. Flexibility must however be adopted within a clearly articulated vision to avoid loss of direction in such a complex reform.

**Inter-governmental Relationships:** Effective implementation of the Decentralization Policy requires clear definition of roles and relationships of the institutions involved to avoid duplication and conflict. Although the functions of the three levels of Government (Central Government, Provincial Administration, and Local Government) are spelt out in the Decentralization Policy, there is need to collaborate and complement each other in the implementation process through clearly articulated and accepted principles and mechanisms (such as DDCCs, PDCCs, and NDCC) that advocate constructive and mutually beneficial relations between the different implementing agencies of decentralisation. The Decentralization Secretariat will collaborate and consult with Ministries, Provincial Administration, and Councils in the development of such principles and mechanisms.
**IMPLEMENTATION MATRIX FOR DECENTRALISATION PLAN COMPONENTS**

**Component 1: Sensitisation and Civic Education**

*Objective*
To increase awareness, knowledge, understanding, participation and ownership of Decentralization Policy and process by all stakeholders in order to achieve smooth implementation of the Policy

*Outputs*
1. Communications Strategy Developed.
2. All levels of Government, Parliament, the public, co-operating partners, and other key stakeholders aware of the Decentralization Policy and Process.
3. Communities and Council officials empowered to participate in decision-making and development process.

*Strategies*
1. Conducting of nation-wide sensitisation on Decentralisation Policy and DIP
2. Production and dissemination of materials on decentralisation
3. Facilitating the mounting of civic education programmes

<table>
<thead>
<tr>
<th>ACTIVITIES</th>
<th>ESTIMATED TOTAL COSTS (US $)</th>
<th>OPERATIONAL TIME FRAME(2009-2013)</th>
<th>INSTITUTION / IMPLEMENTING AGENCY</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Develop a communication strategy for sensitisation</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>1.2 Conduct decentralization sensitisation workshops at the national, provincial, district and sub-district levels</td>
<td>2,000,000</td>
<td></td>
<td>Decentralisation Secretariat</td>
</tr>
<tr>
<td>1.3 Prepare civic education materials</td>
<td>100,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.4 Prepare and disseminate decentralization sensitisation materials.</td>
<td>1,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.5 Sensitise citizens on gender issues, HIV and AIDS and the environment.</td>
<td>2,000,000</td>
<td></td>
<td>DS/GIDD/NGOs</td>
</tr>
<tr>
<td>1.6 Conduct civic education programmes, including training district and sub-district level personnel and the local communities</td>
<td>500,000</td>
<td></td>
<td>DS/HRC/ZIS/NGOs/MOE/DLGA</td>
</tr>
<tr>
<td>1.7 Train district and sub-district personnel and local communities in human rights, elements of a democratic culture and power sharing in a unitary state.</td>
<td>500,000</td>
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</tbody>
</table>

**COMPONENT TOTAL** 6,100,000
Component 2: Legal and Regulatory Framework

**Objective**

To develop a comprehensive legal and regulatory framework that facilitates the implementation of the Decentralization Policy

**Outputs**

1. A comprehensive legal and regulatory framework that facilitates the implementation of the Decentralization Policy.
2. Enhanced decentralised management systems through legislation and regulatory reforms.

**Strategy**

Assessment of legal and regulatory framework for its compatibility with the decentralisation policy

<table>
<thead>
<tr>
<th>ACTIVITIES</th>
<th>ESTIMATED TOTAL COSTS (US $)</th>
<th>OPERATIONAL TIME FRAME (2009-2013)</th>
<th>INSTITUTION / IMPLEMENTING AGENCY</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 Review existing laws, government policies, procedures and regulations to make them compatible with Decentralization Policy.</td>
<td>1,500,000</td>
<td>2009 2010 2011 2012 2013</td>
<td>DS/Devolving Ministries/ MOJ/ Parliament/LGAZ</td>
</tr>
<tr>
<td>2.2 Draft Bills on reviewed legislation to achieve compatibility with the Policy and facilitate enactment of legislation.</td>
<td>1,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>COMPONENT TOTAL</strong></td>
<td><strong>2,500,000</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Component 3: Institutional and Human Resource Capacity Development**

**Objectives**
1. To create and strengthen institutional capacities to implement, manage and support decentralized governance, development and service delivery.
2. To develop the management and technical capacities of the human resources of the key institutions responsible for implementing the decentralization process so that they can effectively perform their roles.
3. Define the role of traditional authority and its relationship with other institutions in the implementation of the Decentralization Policy.

**Outputs**
1. Appropriate organizational/institutional and management structures and systems developed at all levels of government for local governance, service delivery and development.
2. Strengthened training institutions and other relevant bodies that provide capacity building services relevant to decentralisation.
3. Roles of service commissions and traditional authorities reviewed and redefined.
4. Comprehensive human resources capacity building program for decentralization in place.

**Strategy**
Assessment of institutional and human resources capacities for their adequacy in the implementation of the Decentralisation Policy

<table>
<thead>
<tr>
<th>ACTIVITIES</th>
<th>ESTIMATED TOTAL COSTS (US $)</th>
<th>OPERATIONAL TIME FRAME (2009-2013)</th>
<th>INSTITUTION / IMPLEMENTING AGENCY</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 Review the operations, composition and relationships of ADCCs, DDCCs, PDCCs and NDCC vis-à-vis Decentralisation Policy</td>
<td>100,000</td>
<td>2009 2010 2011 2012 2013</td>
<td>DS/MDD/MLGH/MF NP</td>
</tr>
<tr>
<td>3.2 Define the coordination and reporting systems between the central, provincial, district, and sub-district levels.</td>
<td>50,000</td>
<td>2009 2010 2011 2012 2013</td>
<td>DS/MLGH/LGAZ/MD</td>
</tr>
<tr>
<td>3.3 Review the functional managerial requirements of the Districts i.e., District Commissioners' role in relation to the devolved local government system</td>
<td>N/a</td>
<td>2009 2010 2011 2012 2013</td>
<td>DS/MDD/MLGH</td>
</tr>
<tr>
<td>3.4 Develop appropriate organizational /management structures and systems for Councils</td>
<td>Ref PSM</td>
<td>2009 2010 2011 2012 2013</td>
<td>DS/MDD/LGAZ/MLG</td>
</tr>
<tr>
<td>3.5. Establish Area Development Committees in every Ward and develop suitable organizational framework at lower levels</td>
<td>2,000,000</td>
<td>2009 2010 2011 2012 2013</td>
<td>DS/MLGH/LGAZ/Councils</td>
</tr>
<tr>
<td>3.6 Determine the information requirements for planning at the district, provincial</td>
<td>100,000</td>
<td>2009 2010 2011 2012 2013</td>
<td></td>
</tr>
<tr>
<td>3.7 Procure information management hardware and software for MIS at provincial and district levels</td>
<td>Ref PEMFA</td>
<td>2009 2010 2011 2012 2013</td>
<td></td>
</tr>
<tr>
<td>3.8 Link district MIS with provincial and National MIS</td>
<td>Ref PEMFA</td>
<td>2009 2010 2011 2012 2013</td>
<td></td>
</tr>
<tr>
<td>3.9 Undertake systems development</td>
<td>Ref PEMFA</td>
<td>2009 2010 2011 2012 2013</td>
<td></td>
</tr>
<tr>
<td>3.10 Develop a comprehensive Pay Policy for Local Government.</td>
<td>100,000</td>
<td>2009 2010 2011 2012 2013</td>
<td>DS/MLGH/PSMD/DD/DHRD/PAC/LGA Z/Trade unions/MLSS</td>
</tr>
<tr>
<td>3.11</td>
<td>Strengthen learning/training institutions to enable them to build DIP capacity requirements</td>
<td>2,000,000</td>
<td>DS/MLGH/MoE/MD/DHRD/MST</td>
</tr>
<tr>
<td>3.12</td>
<td>Define the role of traditional authority in DIP</td>
<td>N/a</td>
<td>DS/MLGH/HOC/CO</td>
</tr>
<tr>
<td>3.13</td>
<td>redefine the roles of the Service Commissions in personnel matters</td>
<td>Ref PSM</td>
<td>DS/CO/MLGH/LGAZ/Trade unions/MOJ/MLSS/Service Commissions</td>
</tr>
<tr>
<td>3.14</td>
<td>Reinstatement of the Local Government Service Commission.</td>
<td>50,000</td>
<td>DS/CO/MLGH/LGAZ/Trade Unions/MLSS/Service Commissions</td>
</tr>
<tr>
<td>3.15</td>
<td>Strengthen the management and coordinating capacity of Ministries and Provincial Administration through restructuring and training.</td>
<td>2,000,000</td>
<td>DS/MDD/Ministries/Prov. Admin.</td>
</tr>
<tr>
<td>3.16</td>
<td>Strengthen the Decentralization Secretariat and other implementing agencies to effectively spearhead the implementation of Decentralization Policy.</td>
<td>As in Component 10</td>
<td>DS/MLGH/CO</td>
</tr>
<tr>
<td>3.17</td>
<td>Train district and provincial MIS personnel in collecting, analysing, processing, entering data and use of the data for decision making</td>
<td>3,500,000</td>
<td>DS/MLGH/CO/Ministries/Prov. Admin/Councils</td>
</tr>
<tr>
<td>3.18</td>
<td>Conduct a comprehensive assessment of human resource capacity needs for Central Government, Provincial Administration, Councils, and sub-district structures in line with the Decentralisation Policy.</td>
<td>200,000</td>
<td>DS/MLGH/CO/Ministries/Prov. Admin/Councils</td>
</tr>
<tr>
<td>3.19</td>
<td>Develop and implement a human resource Capacity Building Programme for local government</td>
<td>100,000</td>
<td>DS/PSC/PSMD/MLGH/LGAZ/TRADUNIONS/MLSS</td>
</tr>
<tr>
<td>3.20</td>
<td>Develop a Human Resources Management Policy that enables staff to move from central government to local government and vice-versa without loss of benefits.</td>
<td>100,000</td>
<td>DS/PSC/PSMD/MDD/DHRD/MLGH</td>
</tr>
<tr>
<td>3.21</td>
<td>Develop a comprehensive Public Service Training Policy reflecting decentralisation concerns.</td>
<td>Ref PSM</td>
<td>DS/MLGH</td>
</tr>
</tbody>
</table>

**COMPONENT TOTAL** 10,500,000
## Component 4: Local Development Planning and Budgeting

**Objective**

To develop and implement a new integrated planning and budgeting system that is supportive of the National Decentralization Policy.

**Outputs**

1. An integrated and participatory local development planning and budgeting system
2. Strengthened District Planning Units
3. Operational participatory approaches to planning and budgeting
4. Existence of District Socio-economic Profiles and Strategic Development Plans
5. Functional computerized data base system developed and installed at the district level.

**Strategy**

Undertake capacity building for integrated planning and management system

<table>
<thead>
<tr>
<th>ACTIVITIES</th>
<th>ESTIMATED TOTAL COSTS (US $)</th>
<th>OPERATIONAL TIME FRAME (2009-2013)</th>
<th>INSTITUTION / IMPLEMENTING AGENCY</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1 Review and update existing planning and budgeting manuals planning and budgeting procedures that conform to the DP</td>
<td>50,000</td>
<td></td>
<td>DS/MFNP/MLGH</td>
</tr>
<tr>
<td>4.2 Synchronize sub district, district and national planning and budgeting cycles.</td>
<td>50,000</td>
<td></td>
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</tr>
<tr>
<td>4.3 Introduce participatory planning and budgeting for development activities at the district and sub-district level</td>
<td>50,000</td>
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<tr>
<td>4.4 Train Area Development Committees members in development planning and decision-making.</td>
<td>200,000</td>
<td></td>
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</tr>
<tr>
<td>4.5 Review the current district strategic plans to incorporate planning concerns at sub-district level.</td>
<td>50,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.6 Integrate physical and socio-economic planning approaches in Strategic Plans of Districts and Provinces.</td>
<td>50,000</td>
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</tbody>
</table>

**COMPONENT TOTAL** 450,000
# Component 5: Financial Management and Accounting

**Objective**

To promote accountability and transparency in the management and utilization of resources.

**Outputs**

1. A computerized financial management and accounting system for Councils
2. Strengthened District Tender Committees
3. Strengthened financial regulations and management manual for Councils
4. Reliable Internal Audit Guidelines and mentoring for Councils by Provincial Local Government Officers
5. Office of the Auditor General strengthened in auditing accounts of Councils
6. Enhanced capacity of the finance departments of Councils
7. Enhanced oversight of communities over local development

**Strategies**

Development of the financial management and accounting/oversight capacities for decentralised functions

<table>
<thead>
<tr>
<th>ACTIVITIES</th>
<th>ESTIMATED TOTAL COSTS (US $)</th>
<th>OPERATIONAL TIME FRAME (2009-2013)</th>
<th>INSTITUTION / IMPLEMENTING AGENCY</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1 Strengthen current district financial management and accounting information system and practices</td>
<td>50,000</td>
<td></td>
<td>DS/MLGH/MFNP/LG AZ/AGO/ZICA</td>
</tr>
<tr>
<td>5.2 Install financial management and accounting systems/ procedures for Councils to enhance accountability and transparency</td>
<td>500,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.3 Strengthen the capacity of finance departments of Councils through rationalization and recruitment of qualified personnel and training</td>
<td>100,000</td>
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</tr>
<tr>
<td>5.4 Update operational guidelines for district tender committees and orient district tender committee members in the use of guidelines</td>
<td>120,000</td>
<td></td>
<td>DS/MLGH/MFNP/ZPPA</td>
</tr>
<tr>
<td>5.5 Update Internal Audit Guidelines for use by Councils</td>
<td>20,000</td>
<td></td>
<td>DS/MLGH/OAG</td>
</tr>
<tr>
<td>5.6 Strengthen Internal Audit Units in Councils</td>
<td>200,000</td>
<td></td>
<td>DS/MLGH/NGOs/CO UNCI LS</td>
</tr>
<tr>
<td>5.7 Strengthen the role of PLGOs in supporting the operations of Councils through advisory backstopping</td>
<td>100,000</td>
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<tr>
<td>5.8 Strengthen the OAG to enable it to better manage the volume of audit work coming from Councils</td>
<td>100,000</td>
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<tr>
<td>5.9 Strengthen the oversight capacity of communities through ADCs and local stakeholders through community participatory approaches</td>
<td>100,000</td>
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</table>

**COMPONENT TOTAL**

1,410,000
Component 6: Fiscal Decentralisation and Revenue Mobilisation

Objective
To establish and operationalise a comprehensive local government financing system and at the same time enhance the capacity of Councils to mobilize resources and to enlarge their economic base for effective service delivery.

Outputs
1. Operational inter-governmental fiscal transfer formulae
2. Enhanced Revenue collection capacity of Councils
3. Strengthened capacity for resource mobilization for decentralisation from internal and external sources
4. Supportive legislation supporting timely release of funds from Central Government to Councils

Strategies
1. Work towards the financial empowerment of Councils through fair and equitable sharing of public resources for effective service delivery
2. Enhance internal capacities of Councils to raise and manage own resources

<table>
<thead>
<tr>
<th>ACTIVITIES</th>
<th>ESTIMATED TOTAL COSTS (US $)</th>
<th>OPERATIONAL TIME FRAME (2009-2013)</th>
<th>INSTITUTION / IMPLEMENTING AGENCY</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1 Review current government sources of revenue and transfers and recommend potential sources of revenue for Councils</td>
<td>60,000</td>
<td>60,000</td>
<td>DS/MFNP/MLGH/EAZ/ZICA/LGAZ</td>
</tr>
<tr>
<td>6.2 Recommend measures to redress the imbalance in tax assignments between central and local government</td>
<td>60,000</td>
<td>60,000</td>
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</tr>
<tr>
<td>6.3 Establish formula for revenue sharing and commence transfer of grants directly to Councils</td>
<td>30,000</td>
<td>30,000</td>
<td></td>
</tr>
<tr>
<td>6.4 Establish a special Equalization Fund</td>
<td>20,000</td>
<td>20,000</td>
<td></td>
</tr>
<tr>
<td>6.5 Establish a system for regular reviews of, and recommendations on, periodic revisions of the level of personal levy and other charges</td>
<td>60,000</td>
<td>60,000</td>
<td>DS/MFNP/MLGH/MOJ</td>
</tr>
<tr>
<td>6.6 Strengthen the enforcement of legislation to ensure adherence to timely release of funds to Councils by MFNP</td>
<td>60,000</td>
<td>60,000</td>
<td></td>
</tr>
<tr>
<td>6.7 Establish consensus within Central Government and <strong>clear all outstanding debt of Councils</strong> to restore public confidence</td>
<td>20,000,000</td>
<td>20,000,000</td>
<td>DS/MFNP/MLGH/Councils</td>
</tr>
<tr>
<td>6.8 Develop and apply effective revenue collection mechanisms for use by district councils</td>
<td>20,000</td>
<td>20,000</td>
<td></td>
</tr>
<tr>
<td>6.9 Enhance the human resource capacity in district councils in revenue collection</td>
<td>200,000</td>
<td>200,000</td>
<td></td>
</tr>
<tr>
<td>6.10 Transfer Local Government finance and Audit Section from MLGH to Auditor General’s Office</td>
<td>20,000</td>
<td>20,000</td>
<td></td>
</tr>
</tbody>
</table>

**COMPONENT TOTAL** 20,530,000
## Component 7: Sector Devolution

**Objective**

*To achieve timely and effective devolution of designated functions from sector Ministries to Councils for effective service delivery.*

**Outputs**

1. Guidelines on sector devolution
2. Devolution Plans for Sectors
3. System of Transfer and Rationalisation of staff

**Strategy**

Work towards the right-sizing of the central government and the empowerment of Councils through effective devolution of power and responsibilities from central ministries.

<table>
<thead>
<tr>
<th>ACTIVITIES</th>
<th>ESTIMATED TOTAL COSTS (US $)</th>
<th>OPERATIONAL TIME FRAME (2009-2013)</th>
<th>INSTITUTION IMPLEMENTING AGENCY</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1 Prepare guidelines for use by ministries in developing their sector devolution plans</td>
<td>N/a</td>
<td>2009 2010 2011 2012 2013</td>
<td>DS/ Ministries /MLGH</td>
</tr>
<tr>
<td>7.2 Develop sector devolution master plan</td>
<td>N/a</td>
<td>2009 2010 2011 2012 2013</td>
<td>DS/MLGH/ Ministries</td>
</tr>
<tr>
<td>7.3 Classify sector ministries into phases for devolution</td>
<td>N/a</td>
<td>2009 2010 2011 2012 2013</td>
<td>DS/MLGH/CO</td>
</tr>
<tr>
<td>7.4 Conduct orientation workshops on sector devolution for Ministries.</td>
<td></td>
<td>2009 2010 2011 2012 2013</td>
<td>DS/MLGH/CO</td>
</tr>
<tr>
<td>7.5 Establish Technical Working Groups (TWGs) and Sector Task Forces within each Ministry to spearhead the devolution process</td>
<td></td>
<td>2009 2010 2011 2012 2013</td>
<td>DS/ Ministries /MLGH/CO</td>
</tr>
<tr>
<td>7.6 Establish Sector devolution Task Forces for each Council to steer the process at the district level and to act as a focal point for discussions with sector ministries.</td>
<td>300,000</td>
<td>2009 2010 2011 2012 2013</td>
<td>DS/ Ministries /MLGH/CO/Councils</td>
</tr>
<tr>
<td>7.7 Facilitate consultations between Ministries, Councils, trade unions and other stakeholders to ensure that their respective concerns are factored into Sector Devolution Plans.</td>
<td>300,000</td>
<td>2009 2010 2011 2012 2013</td>
<td>DS/ Ministries /MLGH/CO/COUNCI LS/ Trade Unions</td>
</tr>
<tr>
<td>7.8 Conduct workshops/meetings to assess Ministry and Council progress on sector devolution.</td>
<td>1,000,000</td>
<td>2009 2010 2011 2012 2013</td>
<td>DS/MLGH/ Ministries /CO</td>
</tr>
<tr>
<td>7.9 Rationalise staff establishments in both Central Government and Local Authorities</td>
<td>50,000</td>
<td>2009 2010 2011 2012 2013</td>
<td>DS/MLGH/ Ministries /CO/LGAZ/MLSS/ Trade Unions</td>
</tr>
</tbody>
</table>

**COMPONENT TOTAL**

1,650,000
Component 8: Infrastructure Development and Services Provision

Objective
To improve infrastructure service delivery through the development of a supportive policy and institutional framework.

Outputs
1. A comprehensive policy for the development, provision and management of infrastructure services
2. Improved national capacity for infrastructure service provision
3. Improved physical capacity by districts to discharge devolved functions

Strategies
1. Work towards the development of an enabling policy environment for effective infrastructure service provision.
2. Strengthen national capacity for effective infrastructure services provision.

<table>
<thead>
<tr>
<th>ACTIVITIES</th>
<th>ESTIMATED TOTAL COSTS (US $)</th>
<th>OPERATIONAL TIME FRAME (2009-2013)</th>
<th>INSTITUTION / IMPLEMENTING AGENCY</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.2 Facilitation of rapid assessments at the local levels by Councils on</td>
<td>100,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>infrastructure requirements and resource needs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.3 Development and Financing of Accelerated District Infrastructure</td>
<td>60,000,000</td>
<td>2009: X 2010: X 2011: X 2012: X 2013:</td>
<td></td>
</tr>
<tr>
<td>Development Programme (LDP) to support implementation of decentralised</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>service provision.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.4 Targeted training for the enhancement of ISP capacity building at</td>
<td>800,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>all levels of government</td>
<td></td>
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</tbody>
</table>

**COMPONENT TOTAL** 61,000,000
**Component 9: Monitoring and Evaluation**

**Objectives**
To develop and institutionalise an appropriate monitoring and evaluation system that will facilitate effective surveillance over the implementation of various development projects in line with the National Decentralization Policy

**Outputs**
1. An effective National Results Based Monitoring and Evaluation System
2. Functional Monitoring and Evaluation Units at all levels
3. Improved feedback mechanism

**Strategies**
1. Work towards the design and implementation of an effective monitoring and evaluation system that will take into consideration implementation of the Decentralisation Policy.
2. Work towards strengthening the oversight role of communities and other stakeholders through their effective participation in M&E of development projects

<table>
<thead>
<tr>
<th>ACTIVITIES</th>
<th>ESTIMATED TOTAL COSTS (US $)</th>
<th>OPERATIONAL TIME FRAME (2009-2013)</th>
<th>INSTITUTION / IMPLEMENTING AGENCY</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.1 Review the current National monitoring and evaluation framework in light of the Decentralization Policy.</td>
<td>250,000</td>
<td></td>
<td>DS/MFNP/MLGH/CO/CSO/Sector ministries</td>
</tr>
<tr>
<td>9.2 Design and institutionalise an effective National results-based monitoring and evaluation framework that captures Decentralisation Policy issues</td>
<td>As in 9.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9.3 Develop Monitoring and Evaluation training manuals for the application of the M&amp;E system and for use by various levels of policy implementation.</td>
<td>200,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9.4 Promote local community participation in monitoring and evaluation of development activities at the district and sub-district levels.</td>
<td>300,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9.5 Establish Provincial Assessment Teams (PATs) in all Provinces.</td>
<td>200,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9.6 Facilitate annual reviews of implementation programme</td>
<td>200,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>9.7 COMPONENT TOTAL</strong></td>
<td><strong>1,400,000</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Component 10: Programme Management and Coordination

**Objective**
To enhance the Decentralisation Secretariat implementation capacity through the development of a supportive work and operational environment.

**Outputs**
1. An effective decentralisation Secretariat capable of attracting and retaining competent personnel for the task of driving and managing the decentralisation process
2. Improved programme delivery in all areas of decentralisation implementation
3. Create an enabling operational environment at the DS to attract and retain appropriate personnel.

**Strategies**
3. Create an enabling operational environment at the DS to attract and retain appropriate personnel.

<table>
<thead>
<tr>
<th>ACTIVITIES</th>
<th>ESTIMATED TOTAL COSTS (US $)</th>
<th>OPERATIONAL TIME FRAME (2009-2013)</th>
<th>INSTITUTION / IMPLEMENTING AGENCY</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.1</td>
<td>Support operational and staff costs (TA) of the Decentralisation Secretariat</td>
<td>3,000,000</td>
<td></td>
</tr>
<tr>
<td>10.2</td>
<td>Undertake a Baseline Survey to determine existing situations at various levels of Government</td>
<td>200,000</td>
<td></td>
</tr>
<tr>
<td>COMPONENT TOTAL</td>
<td></td>
<td>3,200,000</td>
<td></td>
</tr>
<tr>
<td>GRAND TOTAL</td>
<td></td>
<td>$100,140,000</td>
<td></td>
</tr>
</tbody>
</table>