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MID-TERM REVIEW OF COUNTRY AND REGIONAL PROGRAMMES

Mid-term review of the fourth country programme to Zambia

Report of the Administrator

SUMMARY

The present report is submitted in accordance with Governing Council decision 89/11 of 23 February 1989, requesting the Administrator to report on a representative selection of mid-term reviews of country programmes.

INTRODUCTION

1. The mid-term review meeting on the Zambian fourth country programme, which took place on 20-21 June 1989 in the Ministry of Finance and the National Commission for Development Planning, was chaired by the Minister of State for the National Commission for Development Planning and was attended by officials from recipient ministries and institutions, heads of executing agencies based in Zambia, representatives of specialized and other agencies (the International Labour Organisation (ILO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the International Civil Aviation Organization (ICAO), the International Trade Centre (ITC), the World Meteorological Organization (WMO), the United Nations Industrial Development Organization (UNIDO), the Food and Agriculture Organization of the United Nations (FAO), the Economic Commission for Africa (ECA), the United Nations Children's Fund (UNICEF), the Department of Technical Co-operation for Development (DTCD) of the United Nations Secretariat, the senior area officer for Zambia, representing the Regional Bureau for Africa of the United Nations Development Programme (UNDP), the UNDP Resident Representative and the staff of the UNDP field office in Zambia.

2. Major issues discussed in the meeting included an assessment of the consistency of the fourth country programme with the objectives, strategies and priorities of the country as specified in the fourth National Development Plan; identification of major problems and constraints in project implementation; examination of the quality and timeliness of delivery of project inputs, and programme implementation in general; identification of issues pertaining to sustainability of the projects by the Government; and finally, recommendations made on future priorities and strategies.

3. The meeting acknowledged that the UNDP programme, as currently structured, focused directly on the priority areas of the fourth National Development Plan, namely, agriculture, economic management, human resources development and export diversification. The meeting then decided to review individual components of the programme as a prelude to an overall assessment.

I. FINANCIAL DATA

4. The country programme with an indicative planning figure (IPF) of \$18,021 million was approved by the Governing Council at its thirty-fifth session, held in New York in June 1987. The programme concentrated on three priority areas selected by the Government, namely, agricultural development (30.9 per cent); economic planning and management (24 per cent) and manpower development and employment promotion (28.7 per cent). Resource distribution was as follows: \$3.3 million for ongoing projects, \$10.9 million for new projects; and \$1.2 million for programme reserve; \$2.6 million was kept as unprogrammed reserve. The actual resources taken into account for programming are to be found in annex I.

5. Supplementary allocations of \$2.3 million in June 1988 gave Zambia a total IPF of \$20.3 million, which enabled UNDP to respond to the emerging needs and current priorities of the Government. A pipeline of projects was developed which was designed to be in harmony with the policies and strategies of Zambia's new economic recovery programme (1987), while remaining within the priorities of the country programme. Financial data as at the mid-term review are given in annex I.

II. PROGRAMME/PROJECT DATA

6. The fourth country programme as it is currently structured has the following areas of concentration:

- A. Agriculture development;
- B. Economic planning and management, with emphasis on export diversification;
- C. Manpower development and employment promotion;
- D. Other projects/special concerns.

7. The underlying purpose of the three selected sectors mentioned above is the development of human resources for the attainment of self-reliance. The human resources development of each project is therefore heavily emphasized and a total of 15 per cent of committed resources is allocated to training. Export diversification is a relatively new field for UNDP assistance in Zambia and is a direct response to the objectives and priorities of the fourth National Development Plan. Annex II gives a picture of the distribution of resources by objectives.

A. Agriculture development

8. UNDP assistance is concentrated on the objective of attaining food self-sufficiency. Of the three projects which it is planned to implement within the framework of the country programme, two - ZAM/86/003 - Maize Research and Extension Services, and ZAM/86/004 - Post-Harvest Losses - are ongoing. The former has been expanded to include food legumes, bringing about an increase of \$1 million in the project budget originally planned.

9. Some of the components of the proposed project for an early warning system and a census of agriculture have been incorporated in project ZAM/87/002 - Strengthening Agrometeorology, executed by WMO. A new project, ZAM/88/011 - Kafue/Kariba Irrigation, has been approved, and approval of two other new projects, ZAM/88/021 - Agricultural Services in the Southern Province, and ZAM/89/002 - Enhancement of Irrigation Capacity, are under active consideration.

B. Economic planning and management

10. When the fourth country programme was conceived, the Government had just completed the first phase of an adjustment process designed to establish a policy environment conducive to economic growth and diversification. Institutional relevance and capacity, and human resources availability and ability, were

therefore identified as crucial elements for making this policy environmentally productive. These considerations led the Government and UNDP to agree on the implementation of two new projects and consideration of five ongoing projects aimed at organizational and human resources development in different areas of planning and development. These were:

ZAM/85/007 - Assistance to the Investment Policy and Research Department of the National Commission for Development Planning

ZAM/85/004 - Assistance to INDECO Project Evaluation Unit

ZAM/88/008 - Export Diversification and Promotion

ZAM/85/001 - Assistance to the National Commission for Development Planning

ZAM/86/001 - Assistance to the Government in carrying out National Technical Co-operation Assessment and Programme

ZAM/85/012 - Establishment of an Industrial Planning Unit in the Ministry of Commerce and Industry

ZAM/86/009 - Assistance in Development Planning to the Transport Planning Unit in the Ministry of Power, Transport and Communications.

11. The above projects are all operational with the exception of ZAM/85/012, for which the main phase is under approval. These and the additional projects that fall within the sector of economic planning and management and export promotion and diversification are listed in annex III. Four of them, ZAM/88/004 - Export Diversification and Promotion, ZAM/88/003 - Assistance to the Export and Import Bank, ZAM/87/003 - Foreign Exchange Management, and ZAM/88/034 - International Trade Development, are directly related to export promotion and diversification.

C. Manpower development and employment promotion

12. In the country programme itself this sector included one ongoing and five new projects. Of the new projects, two have been merged with ZAM/86/007 - Upgrading Science Teaching and Local Production of Science Equipment. The projects ZAM/82/018 - Promotion of Self-Employment and Employment of School Leavers - and ZAM/86/011 - Strengthening Manpower Planning and Research at the National Commission for Development Planning - are being successfully implemented.

13. Other ongoing projects which fall within this sector are: ZAM/85/010 - Youth and the Domestic Development Service, ZAM/86/002 - Workers' Participation in Management Pilot Scheme, ZAM/88/024 - Integrated Women's Programme in Kasama, as well as the two recently approved projects, ZAM/88/033 - Establishment of a Hotel and Tourism Training Center, and ZAM/89/003 - Assistance to the Copperbelt University.

D. Other projects

14. A number of projects which do not exactly fall within the sectoral priorities for the fourth country programme have been approved and are operational. Some of these were approved as a direct result of common concerns shared by the Government and UNDP, such as women in development (WID) and non-governmental organizations (NGOs). This is the case, for example, of project ZAM/86/013 - Integration of Women in Water Supply and Sanitation Activity within the framework of the International Decade for Water Supply and Sanitation Development, and project ZAM/87/008 - Development of WID Projects, which contributed to the preparation of a special chapter on women in development for the fourth National Development Plan and project ZAM/87/005 - Upgrading of NGOs in project execution.
15. Other projects were approved upon specific request from the Government in order to alleviate some of the hardships associated with the economic restructuring programme. ZAM/88/007 - Low Income Housing - has been approved to promote the use of local and low-cost materials in housing construction, and project ZAM/88/014 - Assistance to the University Teaching Hospital - has also been approved to contribute to the improvement of that hospital's capacity to deliver better health services through the computerization of the filing system for hospital patient records and through the provision of medical personnel (United Nations Volunteers) and additional equipment.
16. Two other projects were approved to support the development of the country's industrial base: project ZAM/88/027 - Diversification and Expansion of Pharmaceuticals Manufacturing, and ZAM/88/025 - Preparatory Assistance for the establishment of a Pilot Spongy Iron Plant.
17. Finally two other projects were approved to complement capital inputs envisaged to be provided by other donors. These are: ICAO-executed project ZAM/87/006 - Assistance to Civil Aviation - which is progressing very satisfactorily; and UNESCO-executed project ZAM/88/019 - Radio and TV Development - for which the feasibility study has been completed. The final report should appear shortly. A complete list of projects is given in annex III.
18. The performance of the country programme is premised on two crucial factors, i.e., (a) the absorptive capacity of the Government to deal with overall official development assistance, including that provided by UNDP, i.e., IPF, regional programmes/projects, multi-bi arrangements, etc.; and (b) the United Nations executing agencies' own capacity to deliver project inputs in a timely manner and to provide quality services to the recipients, the institutions and departments of the Government.
19. In Zambia's case the implementation of most of the projects has just started this year, 1989, i.e., with most of the chief technical advisors and project personnel arriving in the country from November/December 1988 onwards.
20. However, in spite of the late start of some of the projects, both UNDP and the Government are satisfied that the programme is on stream, and concerted efforts should now be made by the Government, UNDP and the executing agencies to deal with the constraints which are hindering the successful implementation of the projects.

III. PROGRAMME ANALYSIS

21. Any analysis of the objectives and performance of the fourth country programme in Zambia after two and a half years of implementation should be closely linked to the developments in the economy itself, starting from May 1987, when the Government suspended implementation of the International Monetary Fund/World Bank restructuring programme and introduced its own new economic recovery programme with the theme "Growth from own resources". This programme took concrete shape in the interim National Development Plan (July 1987-December 1988), launched in August 1987.

22. The objectives and strategies of the fourth country programme were therefore reviewed by UNDP in consultation with the Government, in order to ensure that the programme remained consistent with the interim National Development Plan framework, which placed emphasis on agricultural development, economic planning and manpower development and employment promotion.

23. At the end of the interim Plan period, i.e., December 1988, and with the subsequent introduction of the fourth National Development Plan (1989-1994), the fourth country programme was again reviewed with the Government to ensure that its objectives remained aligned to the priorities and special concerns which have appeared in the National Development Plan for the first time, i.e., women in development, non-governmental organizations (NGOs) and private sector development, with the assistance of UNDP.

24. One of the issues highlighted in the meeting was the problem of counterpart support from the Government, especially counterpart personnel and recurrent costs/funding. This is particularly relevant when one takes into account the fact that the conceptual framework of the fourth country programme is the development of human resources for the attainment of self-reliance. The programme has therefore concentrated on the development of skills, the transfer of technology, and training. The problem arises when:

(a) There are no counterpart personnel to take over from the experts who can continue to implement the projects at the end of the external funding period and when the experts' contracts expire;

(b) Counterparts are trained under the auspices of the projects, and the Government is unable to retain them after completion of their training because of the uncompetitive conditions of service;

(c) No recurrent costs, which are supposed to be the Government's contribution to the project expenditures, are budgeted for in the Government's annual budget prepared at the Ministry of Finance.

25. The reality of this situation and the fact that it does not facilitate institution-building was extensively discussed in the meeting and recognition of the need for direct government support as an interim measure was recommended, taking into account the fact that the Zambian Public Service is under severe constraints in terms of high-calibre manpower and that there is a continuous drain

of most of the skilled civil servants to the private sector, where remuneration is considerably higher.

26. The geographical location of Zambia has led to delays in the delivery of project inputs due to transportation difficulties between Dar-es-Salaam and Lusaka. Most of the equipment tends to be stored in the port of Dar-es-Salaam for months. In a number of projects, it has been observed that the necessary equipment arrived long after the expert was fielded, thereby affecting the overall activities of the project.

27. Since this is a recurrent national problem/phenomenon and is not peculiar to UNDP-supported projects alone, the meeting recognized the need for executing agencies to budget properly in terms of timing and financial implications, i.e., to order equipment well in advance and also to budget for air-freighting as much of the project equipment as possible.

28. Executing agencies' capacity to deliver has varied, particularly in reference to preparation of project documents. Another problem is the delays in the recruitment of experts for the projects by executing agencies in spite of the fact that the Government in Zambia clears experts/consultants fairly quickly. The two major difficulties in the recruitment of experts in Zambia are the "hardship" situation and the relatively low level of salary in the United Nations relative to the high cost of living in Zambia.

IV. CONCLUSIONS AND RECOMMENDATIONS OF THE MID-TERM REVIEW

29. In view of the particular economic situation of the country, and specifically the Government's policy not to expand the civil service, and in view of the fact that the constraints related to lack of counterpart staff in government employment was likely to continue for some years to come, it was agreed that in the short term, national professionals should be recruited initially for projects so as to permit them to understudy the international experts; these national professionals should eventually be reabsorbed or phased back into government work when such projects are terminated.

30. Regarding the Government's inability to provide counterpart funds for recurrent costs, it was agreed that in the future the recipient institutions/departments and ministries would ensure that they include the envisaged financial counterpart requirements in their budgetary submissions to the Ministry of Finance prior to the signing of the project documents.

31. The Government was also requested to redouble its efforts to meet the counterpart requirements of individual projects and to provide the necessary budgetary allocations specified in project documents.

32. Executing agencies were encouraged to take the land-locked position of Zambia seriously into account and to reflect it in their work plans, delivery dates and arrangements for the procurement of equipment, which should be set well in advance and if possible as soon as a project is approved and signed.

33. Joint reviews were advocated, particularly at the sectoral level of projects, in order to ensure complementary action and to take into account interrelationships between projects belonging to the same sector, especially if they are executed by the same agency.

34. It was also recommended that periodic programme reviews should be held jointly between the joint consultative group on policy organizations in future, especially since their activities at country level are complementary.

35. The meeting felt that the integration of women in development projects and programmes should be of concern to every United Nations agency and should be a prominent feature on their agendas. In this regard, reference was made to UNDP's co-operation in the drafting of the women in development chapter of the fourth National Development Plan.

36. With respect to the utilization of national NGOs the meeting recommended that efforts should be made to identify grassroots NGOs, especially those located outside Lusaka, through which assistance can be channelled particularly to the rural communities. In this respect agencies should consider technical assistance to the NGOs themselves to increase their capacity to perform their tasks.

37. The meeting encouraged the Government to assume a greater role as executing agency for some of the UNDP-funded projects. It was further recommended that mechanisms should be sought to enhance the Government's capacity to execute UNDP-funded projects.

38. Recognizing the need to build solid pipeline projects for the rest of the current cycle and for the fifth cycle, the Government and the executing agencies were urged to continue submitting pipeline projects to UNDP for consideration, to be funded as and when additional funds became available.

39. The meeting recommended that, in the light of the above, UNDP should promptly approve the following important projects:

ZAM/88/015 - Support to 1990 Population and Housing Census

ZAM/88/021 - Strengthening Technical Support for the Agricultural Extensions Service of the Department of Agriculture, Southern Province

ZAM/89/007 - Industrial Planning Unit

ZAM/88/017 - Manpower Planning and Information in the Civil Service

ZAM/88/005 - Prevention and Control of AIDS in Zambia

ZAM/88/032 - Deforestation and Development of Forest Industries

ZAM/89/002 - Enhancement of Irrigation Capacity. *

40. It was further recommended that UNDP should make budgetary provision to extend Project ZAM/85/007 - Assistance to the Investment Policy and Research Department of the National Commission for Development Planning - and increase the consultancy component of project ZAM/85/001 - Strengthening the National Commission for Development Planning in Data Collection and Analysis - in order to provide high-level consultancy services to the Government on matters relating to the implementation of its economic recovery programme.

Annex I

FINANCIAL DATA

Millions of dollars

I.	ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING	
	<u>Total resources taken into account for programming at time of approval of country programme</u>	18.0
	<u>Resources taken into account for programming at time of mid-term review</u>	20.3
	IPF allocations	20.3
	Programme cost-sharing	-
	Government project cost-sharing	-
	Third-party cost-sharing	-
	Other sources	-
	<u>Net change in resources (increase)</u>	2.3
II.	USE OF RESOURCES	
	IPF	<u>20.309</u>
	IPF funds committed to projects during period under review (1987-1991)	<u>19.925</u>
	Uncommitted IPF balances	.384
	Expenditures against approved projects during period under review (1987-1988)	5.030
	Unexpended balance of funds committed to projects	<u>14.895</u>
		19.925

Annex II

DISTRIBUTION OF RESOURCES BY OBJECTIVES

Country programme objectives	Allocations in country programmes	Allocations at mid-term review	Actual expenditure at mid-term <u>a/</u>	Revised allocation as a result of mid-term review <u>b/</u>
(Millions of dollars and percentages)				
1. Agriculture	5.6 (30.9%)	5.2 (26%)	1.6 (32%)	5.4 (26%)
2. Support to planning and management	4.3 (24.0%)	7.2 (36%)	1.7 (34%)	7.4 (37%)
3. Manpower development and employment promotion	5.2 (28.7%)	5.0 (25%)	1.2 (24%)	4.9 (24%)
4. Other sectors	.3 (1.9%)	2.5 (13%)	0.5 (10%)	2.6 (13%)
5. Unprogrammed reserve	2.6 (14.5%)			
Total	18.0 (100%)	19.9 (100%)	5.0 (100%)	20.3 (100%)

a/ As at 31 December 1988.

b/ As at 1 September 1989.

Annex III

LIST OF APPROVED PROJECTS

Agriculture development

- ZAM/86/003 Maize Research and Extension Services
ZAM/86/004 Post-Harvest Losses
ZAM/88/011 Kafue/Kariba Irrigation
ZAM/88/021 Agrometeorology

Economic Planning and Management

- ZAM/85/007 Assistance to the Investment Policy and Research Department of the
National Commission for Development Planning
ZAM/85/004 Assistance to the INDECO Project Evaluation Unit
ZAM/88/008 Export Diversification and Promotion
ZAM/85/001 Assistance to the National Commission for Development Planning
ZAM/86/001 Assistance to the Government of Zambia in carrying out National
Technical Co-operation Assessment and Programme (from third country
programme)
ZAM/85/012 Establishment of an Industrial Planning Unit in the Ministry of
Commerce and Industry
ZAM/86/009 Assistance in Development Planning to the Transport Planning Unit in
the Ministry of Power, Transport and Communication
ZAM/85/009 Registration and Control of External Debt
ZAM/87/003 Assistance to the Bank of Zambia in Foreign Exchange Management
ZAM/87/009 Strengthening of Hydrological Services
ZAM/88/003 Assistance to the Export and Import Bank
ZAM/88/006 Energy Conservation and Management
ZAM/88/009 Zambia Bureau of Standards
ZAM/88/010 Assistance of the Economic and Finance Division of Cabinet Office
ZAM/88/026 Investment Promotion Tour
ZAM/88/028 Zambia Industrial and Mining Corporation Technology Audit
ZAM/88/029 Assistance to Prices and Incomes Commission
ZAM/88/004 Export Diversification and Promotion
ZAM/88/034 International Trade Development

Manpower Development and Employment Promotion

ZAM/82/018 Assistance to Small Industries Development Organization
ZAM/86/007 Upgrading Science Teaching and Local Production of Science Equipment
ZAM/86/006 Promotion of Self-Employment and Employment of School Leavers
ZAM/86/010 Support to Development of Small Industries
ZAM/86/011 Manpower Planning at National Commission for Development Planning
ZAM/85/010 Youth and the Domestic Development Services
ZAM/86/002 Workers' Participation in Management Pilot Scheme
ZAM/88/024 Integrated Women's Programme in Kasama
ZAM/88/033 Establishment of a Hotel and Tourism Training Centre
ZAM/89/003 Assistance to the Copperbelt University

Others/Special concerns

ZAM/86/013 Integration of Women in Water Supply and Sanitation Activity
ZAM/87/007 Support to the Development of Women in Development Projects
ZAM/88/007 Low Income Housing
ZAM/88/014 Assistance to the University Teaching Hospital
ZAM/88/027 Diversification and Expansion of Pharmaceuticals Manufacturing
ZAM/88/019 Radio and TV Development
ZAM/87/006 Assistance to Civil Aviation
ZAM/88/025 Sponge and Iron Plant
ZAM/87/005 Upgrading of NGOs in Project Execution

