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Does aid transparency make for more effective aid? A case study of Lusaka Province

Research Report

by

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List of Acronyms and Abbreviations

CAFOD	Catholic Agency for Overseas Development
CSO	Central Statistical Office
DCF	Development Cooperation Forum
DEB	District Education Board
DHMT	District Health management Team
GRZ	Government of the Republic of Zambia
IATI	International Aid Transparency Initiative
MOE	Ministry of Education Science Vocational Training and Early Education
MOFNP	Ministry of Finance and National Planning
MOH	Ministry of Health
NHC	Neighbourhood Health Committee
ODA	Official Development Assistance
ODI	Overseas Development Institute
OECD	Organisation for Economic Co-operation and Development
UN	United Nations
WB	World Bank
WHO	World Health Organisation

1 Introduction

1.1 Background

The main general hypothesis regarding aid is that it plays a critical role in fostering economic growth and development in the recipient countries. However, several empirical studies do not corroborate this hypothesis. It has been argued that aid has been largely ineffective in bringing about poverty reduction and development in the recipient countries. Some critics have debunked the current model of international aid and even advocated the complete abolition of aid by instead suggesting entrepreneurship as an alternative if Africa is to realise her dream out of poverty (see for instance, Moyo, 2009). A more pragmatic and middle-of-the-road view would be that there are several factors contributing to the ineffectuality of aid in realizing its developmental goals. It would, therefore, be more prudent to address those factors rather than abolish aid altogether, especially when there are still serious resource deficits in many developing countries to address the challenges of accelerated poverty reduction and development. Besides, not <u>all</u> aid has proven to be ineffective <u>everywhere.</u> There are also stories of success that could provide lessons in best practice.

Indeed, if one had to work towards a progressive diminution on the dependence on aid for development, then significantly more resources have to come from domestic sources – such as tax revenues of various kinds and private-public partnerships.

The problem that one encounters with respect to taxation is that although economic growth has been taking place, tax revenues have not been commensurately buoyant as per one's expectations. Additionally, despite this growth, formal employment continues to remain low while the informal sector is rapidly growing. Hence the inability to tax the informal sector continues to strain the same sectors that continue to bear the burden of taxation making the tax system inequitable.

These arguments point to the need to re-look at the whole aid delivery system – particularly within the national level – since development is not only a question of mobilising resources but also about the right channelling of resources. For Zambia, aid continues to be an important source of development financing. Since 2005, net Official Development Assistance (ODA) has averaged 12% of gross national income while net ODA received (% of central government expense) was last reported at 32.92 in 2010 (OECD, 2011; World Bank, 2012). This raises the following pertinent question: how do we make aid more development effective given its critical role as a source of much needed resources?

The Paris Declaration on Aid Effectiveness made in 2005 enumerated five prerequisites which, if met, can make aid deliver effective results. These are: *ownership* by recipient countries by way of providing effective leadership of their national development plans and strategies; *alignment* of donor support to the nationally identified strategies, institutions and procedures; *harmonization* of donor support for collective effectiveness; *managing* of resources and improving decision-making for results; and *mutual accountability* of both donors and partners for development results (OECD DAC, 2005/8).

A common strand that runs through the above five principles is transparency. Thus, both in the Paris Declaration as well as in the subsequent Accra Agenda for Action of 2008, transparency was framed as a cross-cutting tool for improving aid coordination, alignment, predictability and country ownership (OECD DAC, 2005/8). The logical question that, therefore, arises is: does more transparent aid have a greater chance of producing better results? This is the question that will be examined in this research paper using the results of a limited case study in the Zambian context.

On the face of it, the above question may look like a non-issue, like searching for the proverbial black cat which is not there! Can more transparent aid lead to less effective aid? In other words, it intuitively ‘makes sense’ that improving the transparency of aid will improve aid effectiveness. If individuals throughout the aid system can access information on aid, surely they will be better able to participate in the processes that govern it, hold those spending the money to account, and argue for improvements to programmes in the future? The real world, however, has, not infrequently, been known to produce results that are counter-intuitive. This may be the reason why no one has presented even transparent aid as a silver bullet. Nevertheless, transparency has been widely recognised as a necessary, if not sufficient, condition for effective aid.

The second major motivation for undertaking this investigation is that there is also little empirical evidence demonstrating exactly *how* transparency contributes to aid effectiveness, assuming that it does so[1]. Some studies have focused primarily on the potential of aid effectiveness to positively influence the budgetary process[2]. These studies pursue their problems by utilising a macro approach of donor-dependent countries and argue that interventions that lead to an improvement in aid transparency are likely to foster better accountability not only for donor funds but also for the recipient countries' own funds.

The movement for increasing aid transparency has gained significant momentum in recent years, but there are concerns that if an evidence base cannot substantiate its advocacy, political will around the issue will be fragile. This study will address the gaps in the transparency evidence base, adding weight to the campaign where possible, and providing challenge to it where necessary.

1.2 The Zambian context

Zambia has for a long time been a low-income country in Southern Africa, which received approximately USD1 billion a year in development assistance (ODA) between 2004 and 2008[3]. Over half of this amount went to education, health and other social sectors[4]. It seems likely that, despite Zambia's recent elevation to the status of a middle-income country and her traditional donors in Europe and North America having their own economic crises to deal with, aid will continue to flow to Zambia over the coming years. The largest donors to Zambia are the USA, the EC and the United Kingdom.

For Zambia, it has been long established that the significant amount of external inflows in the form of aid have not resulted in commensurate development impact. However, there has been some enthusiasm in terms of ensuring that aid flows reach the intended beneficiaries. This has propelled the debate and consequent consensus that aid effectiveness, is, to a large extent, dependent on the recipient countries' institutions, policies and attitudes. For instance, in 2005, the Government of the Republic of Zambia (GRZ) through the Ministry of Financing and National Planning (MOFNP) published the 'Aid Policy and Strategy' document whose main objective was to "ensure that the country has a clear, systematic, and well-coordinated approach to solicit for, and acquire, utilise,

[1] Unpublished mapping of evidence on transparency, by Action Aid, CAFOD, IATI, Oxfam America and Publish What You Fund, Feb/March 2010.
[2] See for instance, ODI, (2010), Greater aid transparency: crucial for aid effectiveness, Project Briefing No. 35, January
[3] OECD-DAC
[4] http://www.oecd.org/dataoecd/12/59/1883515.gif

manage, report, monitor, and evaluate assistance from development cooperating partners" (GRZ, 2005: 11)[5].

The Zambia Development Assistance Database was launched in 2008 with the intention of providing a range of information on aid including effective management of aid by tracking donor projects, although it currently appears to be inoperative.

Indeed, one can argue that Zambia has domesticated the principles of the Paris Declaration on Aid Effectiveness through the Aid Policy and Strategy (2007) and the Joint Assistance Strategy for Zambia (2007), following the Harmonisation in Practice (2003) and the Wider Harmonisation in Practice (2004). The national progress on the implementation of the Paris Declaration has been monitored and evaluated though the Survey on Monitoring the Paris Declaration of 2006, 2008 and 2011 and the Evaluation of the Implementation of the Paris Declaration Phase 1 and Phase 2.

Ultimately, while noting that progress has been made, it has also been noted that the impact of aid flows on poverty eradication has fallen short of anticipations and debates still continue in terms of ensuring that aid is delivered in a more effective way[6].

1.3 Research questions / Study Objective

In trying to analyse the relationship between aid transparency and development effectiveness, the following research questions are sought to be addressed in this study:

1. How accessible is aid information in Zambia?
    - How does the accessibility of information vary between different districts?
    - What kind of information is available? How and to whom? What information is missing?
    - To what extent does the information available from official sources match information available 'on the ground'?

[5] GRZ, (2005) , Zambia Aid Policy and Strategy
[6] http://www.oecd.org/document/1/0,3746,en_2649_3236398_48725569_1_1_1_1,00.html

2. How does access to information affect aid effectiveness, participation and power in development?
    - Is aid in a district where information is more accessible, more participative, accountable and effective than one where information is less accessible?
    - Would aid be more effective and accountable if more information was available? If so, what kind of information would work? How should it be available? To whom?
    - When has information been used to hold those planning and implementing aid programmes to account? When has information *not* been important?

3. Under what conditions does transparency make for more effective aid?
    - Is transparent aid always effective, or do other factors also need to be in place?
    - Does transparency affect accountability of aid? What circumstances determine the transparency impact (positive or negative) on the accountability of aid?

In essence, the study seeks to provide evidence of the link between aid transparency and aid effectiveness. Consequently, the study will further establish the context under which aid transparency can lead to aid effectiveness.

1.4 Methodology

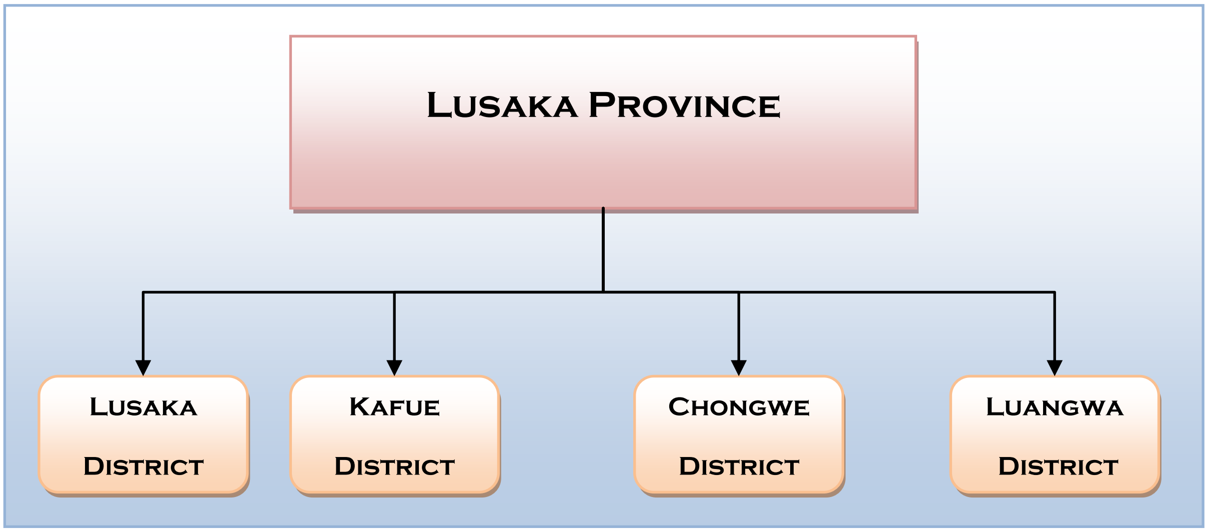
1.4.1 Sample Selection: Context

Geographically (and administratively), Zambia is divided into 10 provinces[7]. The 2010 Census of Population and Housing findings reveals that Zambia's population has increased from, 9,885,591 in 2000 to 13,092,666, (Central Statistical Office (CSO), 2010). Of this total population, 60.5 per cent (7,919,216) live in rural areas while 39.5 per cent (5,173,450) live in urban areas. At provincial level, Lusaka had the largest population with 2,191,225 people, followed by the Copperbelt with 1,972,317, while the bottom two were North-Western and Muchinga provinces with populations of 727,044 and 727,044 people, respectively.

[7] Lusaka Province; Copperbelt Province; Eastern Province; Southern Province; Northern Province; Muchinga Province; Luapula Province; Central Province; North-Western Province; Western Province.

The study purposively selected Lusaka Province[8] as a case study and focused on the lower administrative structures for service delivery. At the lower administrative and/or service delivery level, Lusaka Province has four districts each of which has its own formal relatively comparable structures for service delivery (see Figure 1 below).

Figure 1 Structure of Lusaka Province



Having established that the social service sectors (i.e. education, health) received an enormous chunk of donor funds over the years (particularly since liberalisation of Zambia's economy in the early 1990s), the study attempts to take advantage of the district structures that provide a decentralised feature for service delivery of the social services. For instance, in practice, the District Health Management Team (DHMT) is in charge of health sector matters in the district while the District Education Board (DEB) oversees issues pertaining to the education sector in the corresponding district. Following these structures, the study provides inter-district inter-sector comparisons.

The case of Lusaka province is interesting because it provides a spectrum of settlements (ranging from rural to highly urban settlements). This diversity in settlements offers an opportunity for a relatively representative sample. For instance, while Lusaka district may be regarded as being highly urbanised, Luangwa district, on the other hand, is distinctly rural. Kafue and Chongwe are between the two extremes.

[8] Lusaka Province is home to Zambia's capital city – Lusaka.

Another interesting feature of Lusaka province, as already alluded to, is that it represents the most populous province of the country accounting for about 17 percent of the total national population (CSO, 2010).

Here, it should also be emphasized that the study finds it useful to consider transparency of aid by district since the districts themselves are the final implementers of aid programmes and/or projects. In each district, two representatives from each of the social service sectors was selected – i.e. Health and Education.

The sample breakdown is shown in detail in Table 1.

Table 1 Sample breakdown

Central level	
Data source	*Number of instruments/tools administered*
Key informant(s)	2
District level	
District	*Number of aid projects/programmes examined*
Lusaka Chongwe Kafue Luangwa	1 1 1 1
Total (district)	4

The choice of aid projects/programmes was influenced mainly by data availability. Knowledge of study participants also influenced availability and final conclusions thereof.

1.4.2 Methods of analysis

The study has employed a two-tier approach, particularly for data collection, and where possible, data triangulation. Broadly, in the first tier, the study examined the ease of access of information in the four districts from the central level (using official sources) while the second tier, largely, investigated the accessibility of that information at local (district) level. Subsequently, the study also considered further exploration of the consequences of information accessibility or the lack thereof by incorporating operational dynamism within districts.

On both tiers, the study made use of a standard semi-structured questionnaire in an attempt to decipher the ease of access of information on aid programmes in Zambia.

Participants on both tiers essentially comprised of resource persons from the planning units. This selection was purposive as individuals from the planning unit are arguably the 'knowledge-bearers' in terms of understanding programmes and processes. Once authority to conduct the study was granted from the central level, participants from the planning units were identified and informed of the study by the directors of the department/teams or secretaries of the boards. However, final consent was then obtained from the potential or actual participants. The information participants provided was treated with strictest confidentiality and reported anonymously. Indeed, the final aggregation of information obtained does not link any individual participant to the final remarks.

The first tier was essentially meant to be an 'ice-breaking' effort in accessing aid information from the central level and particularly from official government sources. Fundamentally, the first tier also provided an avenue for further confirmation of aid-funded projects and/or programmes being implemented in the district.

The second tier is the operational and contextual stage of accessing aid information. Here, the study uses a normalised scoring system for each of the key themes for both aid transparency and aid effectiveness. Primarily, this stage of the study employed a semi-structured questionnaire that provided a platform for the construction of constituent scores of the aid transparency and aid effectiveness aspects.

The Aid Transparency components have scores constructed using an equally weighted average normalised percentage score based on key themes/components. These are:

- Availability of information
- Standing sources of information
- Ease of accessibility to information
- Awareness of information by intended beneficiaries
- Monitoring of aid-funded project/programme information

The component variables corresponding to each of the above themes can be seen in the questionnaires. Scores are assigned to each of the component variables for each theme and are derived by averaging the normalized percentage scores (against the possible maximum value that would be recorded on the semantic differential scale). A simple (equally weighted) average of the computed scores is then calculated and reported.

For aid effectiveness, scores are similarly obtained. The two key themes are:

- Financial outcomes
- Objective/Impact outcomes

Each sub component informs the study of the aid effectiveness aspect.

The study had originally hoped that the data would provide an opportunity for the construction of aid transparency and aid effectiveness indices. This idea/exercise was eventually abandoned due to data inadequacies.

The analysis based on quantitative scores was supplemented by qualitative assessments. The opinions of key informants were elicited regarding the manner of implementation of programmes, and the extent of and reasons for success/failure. Research participants were asked what they knew about aid programmes being implemented or planned in their areas; whether and how they have used the information they have; and what information (if any) they would need to make aid more effective in the future.

Focus group discussions also constituted a major part of the research. They provided further insights into the issues that emerged.

A comparison of both tiers enables a better understanding of how well information from official central sources matches what is obtaining at the grassroots' level. The study recognises that there may be inaccuracies in the official sources, or in local sources – or simply differences in subjective views. Analysing the responses of interviewees of different genders, ethnicities and social positions, it was possible to understand how these factors interplay with issues of participation and power in aid transparency. In other words, the ‘human factor’ becomes key in understanding discrepancies in subjective responses.

The study focuses on those mechanisms that make a system or structure of service delivery more transparent. In this way, the study identifies clearly opportunities for action in order to enhance transparency.

1.5 Audience, research products and dissemination

This research will be valuable to a range of development actors – from those with a broad international interest in transparency and aid effectiveness, to those concerned particularly with Zambian development. It is anticipated that donors and recipient governments will be the main ‘targets’, but that Civil Society Organisations and others will also form a core audience for the work. In the context of media attacks on aid and weak public confidence in the sector, it will also be important to have attractive, accessible research products aimed at the general public.

With this in mind, a range of products for the research will be considered. These might include:

- A conventional report, hard-copy and online
- A two-side briefing paper, online
- Power point presentations at the launch events

2 Flow of Funds

In this section, we highlight how funds flow in both Ministries. Understanding the flow of funds (from the source to the beneficiaries) is important as it is believed to ultimately impact on the transparency in financial outcomes of aid related support. Here we present sectoral scenarios of how funds flow from the sources to the district level structure. The data presented here derives from publications (about non-salary flow of funds) as well as in-depth discussions with relevant Ministry resource persons.

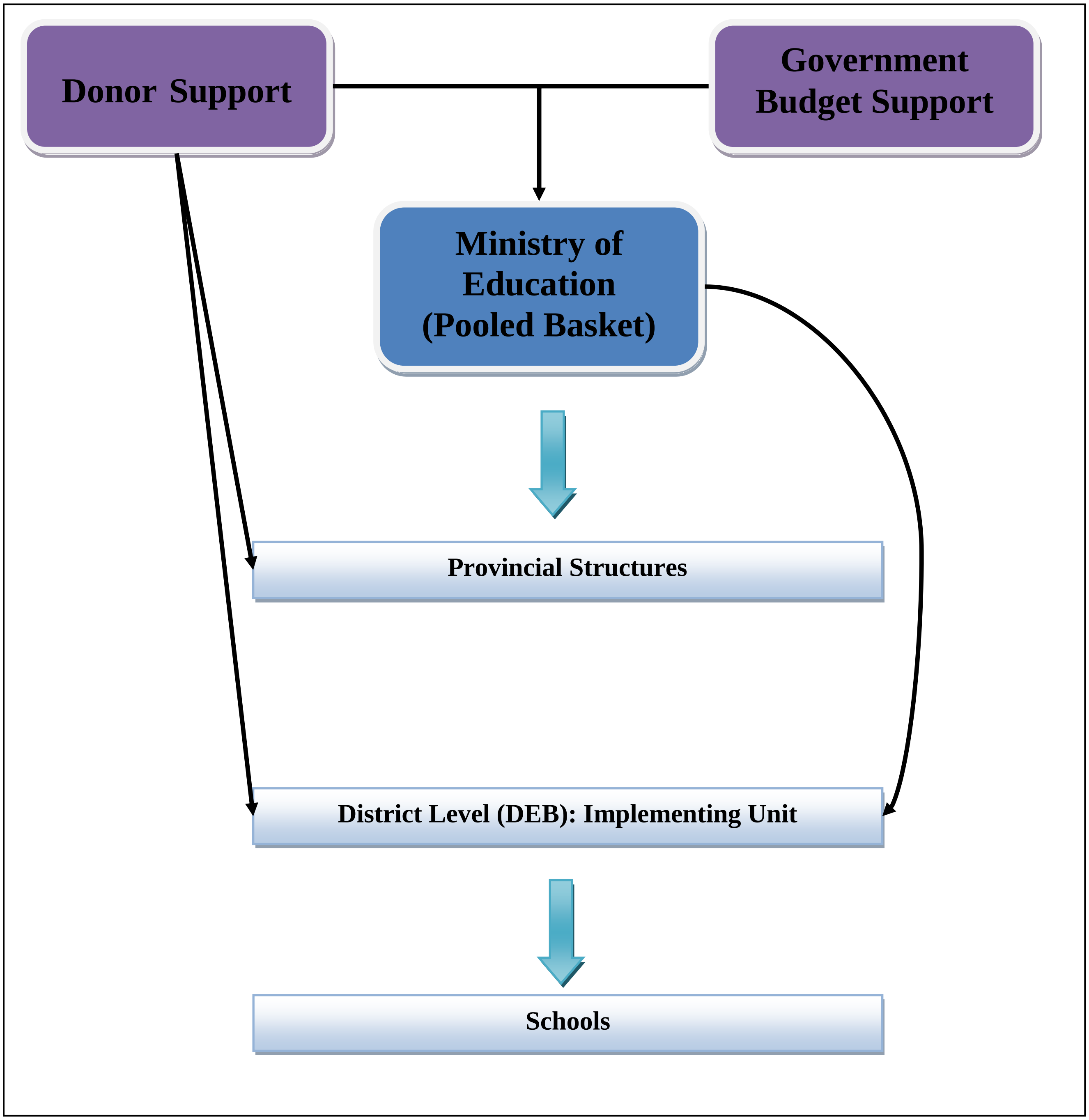
As a starting point, it was important to consider the 'human factor' of study participants. Two instruments were considered at the central level i.e. one for the Ministry of Health and one for the Ministry of Education. Interestingly, for both ministries, resource persons that gave information pertaining to the study were both male senior civil service planning officers who had attained Masters Degrees as their highest levels of formal education. These individuals were both married and each had children. The official from the Ministry of Education had worked there for fifteen years while the one from the Ministry of Health had worked there for close to eight years.

2.1. Ministry of Education

At the central level, it was found that there are two main sources of funding – the donors and the government. The Ministry of Education adopted a basket funding mechanism in which resources from cooperating partners are pooled into a common account.

Overall, the flow of funds from the Ministry of Education Central level (headquarters) to beneficiaries at the school level is organised through a three-tiered administrative hierarchy structure involving provincial level, district level and finally the school level. The normal flow of funds is in a 'top-down' manner. However, funds may be allocated directly; either from the Central level or from donors, to each tier of the hierarchy (except for the school level).

Figure 2: Flow of Funds: Education



Source: World Bank, 2004 and authors' own construction based on consultations

Figure 2 shows the study-relevant, simplified but yet somewhat exhaustive representation of how funds flow from the sources right up to the implementing unit. Indeed, it can be seen that, at the central level, funds are pooled from the two main sources – donor support and government support. The Ministry of Education has put in place mechanisms that promote transparency in decision making by holding periodic meetings with staff (at different levels of government) and cooperating partners. Following the World Bank (2004) classification of funds, two categories are relevant for our study – Rule-based allocations to schools and Discretionary allocations to schools[9].

For donor funds, in practice, (financial) support is provided via three channels:

1. *Project aid:* Here, the government and its implementing unit obtain resources from the international community to carry out a particular project. This is usually in the form of bilateral aid. In this case, a single donor, such as, for instance, the Japanese Government (through Japan International Cooperation Agency (JICA)) may build a high school on behalf of the Zambian government.
2. *Direct support:* Here, donor support may be bilateral or multilateral. Direct support thus implies support directly to the relevant tier in the flow of funds illustration (figure 2). However, programme milestones and resources will essentially be determined by the donor and its agency.
3. *Pooling:* Here, at least two donors pool resources into a common bank account to support a government to implement an agreed sector programme or set of activities.

Once funds have been received and pooled at the central level, they are then disbursed to the lower levels (particularly, pertinent to this study, to the district level - District Education Board (DEB)). It is noteworthy to point out that while the district receives funding directly from the Central level it may also receive funds directly from donors through the donor channels specified.

In practice, the Ministry of Education (2010), notes that the release of funds moves as follows:

- The Ministry of Education shall release the initial funding immediately after the budget is approved by the government (which is usually in March)
- Funds shall be released to the respective DEBS accounts for onward transmission to the respective school accounts in the case where the school manages the project. The DEBS shall ensure the release of funds into school accounts before the end of April.
- The DEBS shall be expected to notify the respective schools to hold a general PTA meeting to inform the parents.

[9] 1. **Rule-Based Allocations to Schools**: A fixed-grant allocation to schools that depends on the type of school. It is important to note that this is *not* a per-pupil allocation. The grant is independent of the enrolment in the school.
2. **Discretionary Allocations to Schools**: Money given to schools over and above the rule-based allocation. Such funds are allocated at the discretion of districts and provinces.

- A separate ledger book shall be opened at the school to track utilisation of the funds.

Further, information revealed by key informants is that financial aid data is mainly used for macro-economic planning and sectoral budgeting, significantly much less for developing transparent monitoring and evaluation systems. This position is supported by the illustration of flow of funds (see Figure 3 above). Here, it can be seen that, on the one hand, sectoral budgeting and expenditure pools resources at central level, while on the other hand, lower levels (district levels) potentially stand as a foundation for development of transparent monitoring and evaluation systems.

Central level structures claim that once aid funds are received by the government, they are utilised in accordance with the government's long-term plans and goals as spelt out by national policy documents such as Fifth and Sixth National Development Plans and the Vision 2030. Indeed, these policy documents provide a platform for the education sector to contribute to the national aspirations and goals. From the perspective that the Ministry of Education is in dire need to create learning opportunities for learners of all ages, provision of educational facilities is of absolute necessity. Thus this study found that the main indicator of funds' effectiveness (regardless of source) lies in the Infrastructure Operational Plan (IOP) of the Ministry of Education. The IOP reflects the Ministry's contribution to the National Budget. Primarily, at the macro-level, the main indicator of funds' effectiveness, through the infrastructure programme, has to do with number of additional classrooms and teachers' housing facilities constructed in the relevant period. In this context, effectiveness has to do with measurement of the proportion of the actual versus the projected infrastructure.

It was further found that, the Ministry has put in place a Monitoring and Evaluation (M&E) framework that describes the methodology to evaluate whether the impact of the intended beneficiaries is being realised, whether the Ministry is achieving its infrastructure objectives and whether the works are completed as prescribed in the annual work plan and budget. This M&E framework has been created to ensure that all stakeholders have the information required for M&E and it defines the tools, and data required including the management and implementation schedule for the community mode of construction in order to track progress.

Box 1 below provides an overview of this M&E framework.

Focus	***Description***	***Collection Method***	***Reporting***
Output Monitoring	*Output is monitored at the school level and measured against a milestone scale of 'Construction Stages'* *The output monitoring is designed to answer the question: "is the infrastructure development on schedule to accomplish the outputs described in the Annual Work Plan and Budget?"*	*Each school or site will provide districts with a summary of progress on each building using the "School/Site Infrastructure Progress Report."*	*Monthly reporting at every level resulting in a 'National Infrastructure Progress Report' on a monthly basis.*
Site Visits	*Quality will be monitored by District/Provincial Headquarters who will carry out site visit on a routine basis.* *Site inspections are designed to ensure that structures meet the required standards.*	*Results of the on site inspection will be summarised in a 'Site Inspection Report'*	*The results of the site visit will be recorded in the 'Project Diary' at the school level.*
Outcome Level	*Expected outcome is increased number of classrooms. The total number of classrooms completed and space created will be the outcome measure*	*Summary of completed infrastructure and projects from output monitoring.*	*Report on number of classrooms and spce included in the Ministry of Education Annual report.*

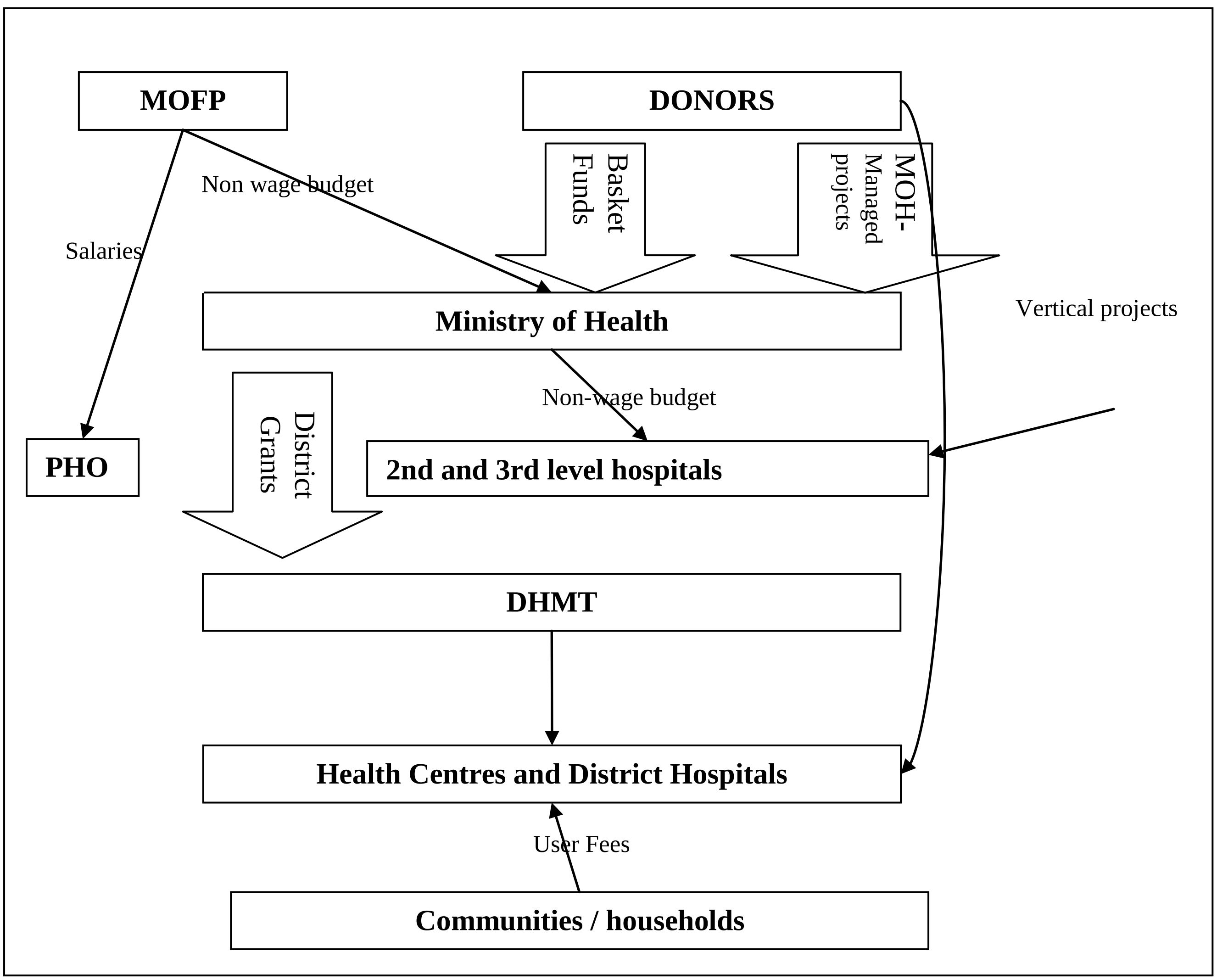
Source: Ministry of Education, 2010 Infrastructure Operational Development Plan

While the principle behind the M&E framework is admirable, particularly in assessing transparent progress, the study recognises that the ability by stakeholders to oversee such projects remains a critical aspect.

2.2. Ministry of Health

This segment of the study maps the flow of funds in the health sector. The study utilises data obtained from interviews with relevant resource persons as well as grey literature and publications in order to come up with a simplified flow of funds map.

Figure 3 Flow of funds: health sector



Source: Authors' own construction; Picazo and Zhao, 2009

Figure 3 is a simplified illustration of the flow of funds in the health sector. The flow of funds in the health sector seems somewhat complex. In fact, Picazo and Zhao (2009) mention that the flow of funds in Zambia's health sector is a complicated and fragmented system, where salaries, drugs, and other recurrent expenditures are disbursed separately by different agencies. Figure 3 deliberately omits the drug component channel.

The Ministry of Finance and National Planning (MOFNP) provides the budget directly to the Ministry of Health (MOH). Donors also provide funds to the MOH through their basket funds. These basket funds are pooled with GRZ funds and are eventually managed and monitored using MOH financial management processes and procedures.

MOH then provides running costs (using GRZ and basket funds) to District Health Management Teams (DHMTs) and second and third-level hospitals. The DHMTs, in turn, provide running costs to the health centres and districts hospitals under them (Picazo and Zhao, 2009).

Pertinent to the current study, we note that additional resources for the health facilities may emanate from vertical projects implemented by donors which may not fall under the MOH financial management processes.

3 Transparency

As already noted, the study defines transparency as the ease with which the public and other stakeholders can gather information such as aid-funded project/programme objectives, budgetary data and financial outcomes as well as objective outcomes on aid-related projects and programmes. Thus the study utilises information obtained from the interviews with relevant resource persons within the contextual framework of the key themes of transparency.

3.1 Availability of Information

A crucial aspect of transparency (and effectiveness aspects) of any project is that of information availability regarding the aid-related project/programme. It should be emphasised here that there is a difference between the quantum of information available and the quantum of information accessible. Put differently, information availability does not imply information is accessibility.

For the Education sector, the study results indicate that all four districts had some project/programme being implemented. However, the ability to identify whether or not these projects/programmes were aid-related depended on whether or not the respondent knew the source of funds. Of the four districts visited, 50 percent reported project/programme data by source (specifically, aid-related projects). Thus aid-related projects/programmes were identified by funder. Ideally, respondents should be able to provide information on the project-specific objectives, intended beneficiaries as well as the duration. Surprisingly, while the respondent in Chongwe district was aware of aid project/programme funder and the direct intended beneficiaries, he did not know the duration of and allocation to the project/programme. This result is surprising since we believe that the district planner should have this sort of information for easy planning. When asked to check relevant programme documents, the respondent could not find this associated information during the research team's stay in the district.

For the remaining 50 percent of the districts, the inability to identify specific aid-related projects/programmes was due to the fact that the district level structures received funds directly from the central level (i.e. Ministry headquarters). Quoting one of the respondents in one of the districts (whose view is generally shared by the other districts which could not report any aid-specific data):

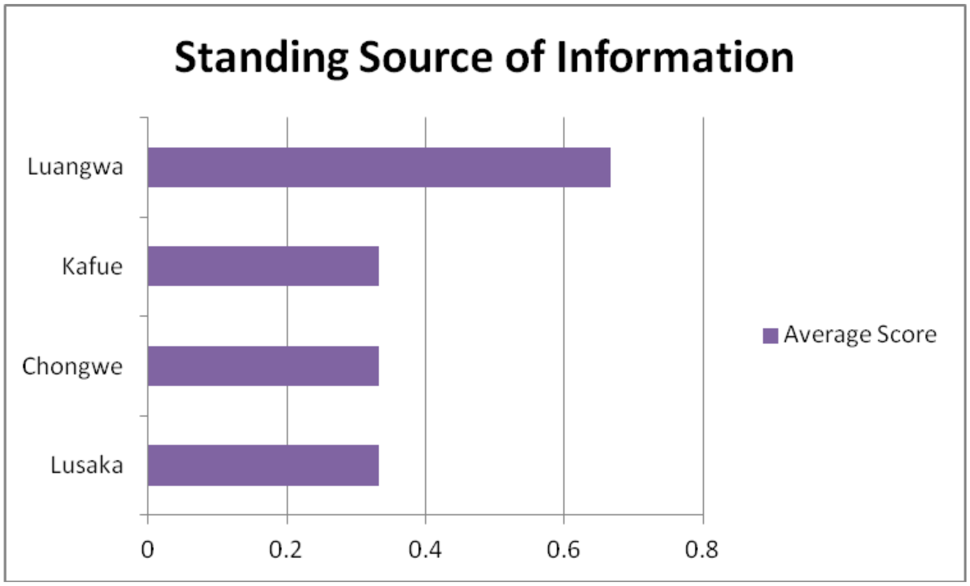
"*...the district cannot tell how much came from the donors. This is because, at central level, internal revenue and external revenue are aggregated into a pool. This is then disbursed to the district according to the needs. Therefore, the amount comprises GRZ-Donor mix...*"

The foregoing quote clearly identifies that lack of aid-specific data reporting was due to the systemic flow of funds. In actuality, once funds are pooled at the higher structures of the hierarchy, lower level structures (such as the districts) find it impossible to then report the data by source. Despite this limitation in reporting aid-specific data, we assume that any project/programme implemented in the district has a portion of aid funds. To this end, we further interrogate the data within the framework of the aid transparency themes already set out.

Project/programme data should be readily available to all the interested parties. Therefore, we further tried to determine the standing source of the information by awareness of the project/programme by name, outline of objectives, duration, allocated amount, funder and intended beneficiaries. In this manner, we then identified three key standing sources of information: Website/online, Hard documents (reports, district strategic plans etc.), Documentaries (CDs, DVDs).

Figure 3 reports on standing source of information categorized by the ability of stakeholders to know of any project/programme being implemented in the district. Information regarding whether or not a project is being implemented in the district should be readily available, ideally, reported in all three key standing sources. A score of one was given if the information was available using a particular standing source; given that we had three key standing sources, the total score obtained was three, we then obtained average district scores based on the sources identified – if all standing sources were utilised, the score total would add to three and the average would be one. Clearly, the score average for 75 percent of the districts indicates that only one standing source is utilised – particularly, the hard documents such as the district reports and strategic plans. Only one district indicated an additional standing source by use of documentaries to inform stakeholders about projects being implemented in the district. None of the districts provided this information using website/online facilities.

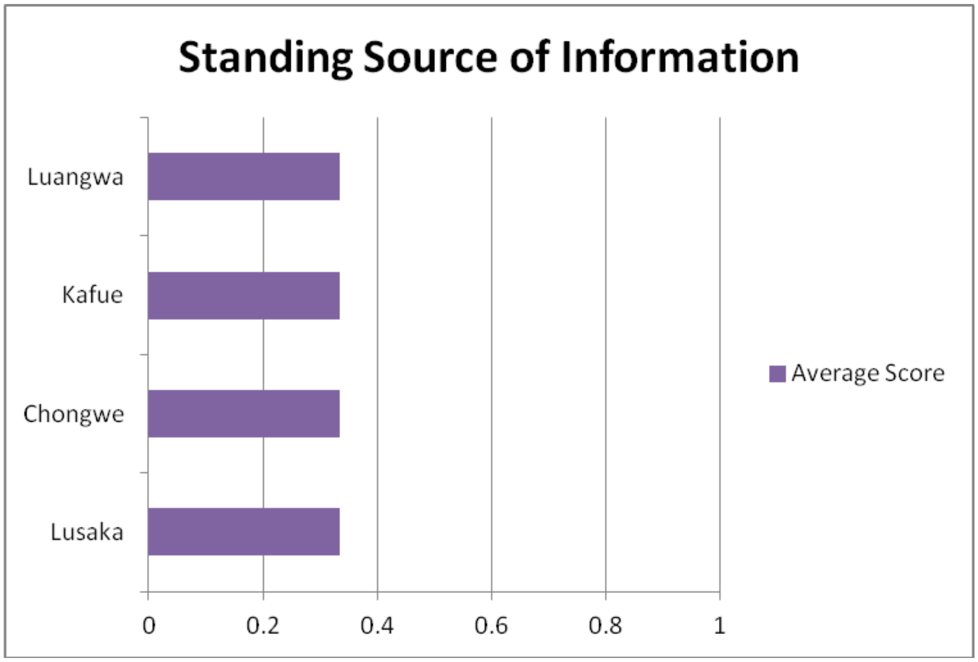
Figure 4: Standing Source of Information; Education



The UN Development Cooperation Forum (DCF) (2010) notes that the extent to which information is used to make aid more effective and accountable depends on whether or not stakeholders can access it. Our definition of access entails that all three standing sources of information are utilised so to give a perfect score of one. The results thus indicate that more needs to be done to make this information more accessible by ensuring that aid information is provided in all three key standing sources. Further inquiries of these information accessibility attributes revealed that aid-related data could only be obtained right from the districts (perhaps from the central level since they kept district hard copies as well). The main disadvantage of this feature is that stakeholders from outside the region (or country) would have to travel to access this information thereby imposing a further transactional cost in information accessibility.

The health sector results paint a somewhat better picture in terms of identifying project/programme existence by funder. All four districts reported aid-related projects/programmes as being implemented in the district and the financial resources allocated to these projects/programmes were also known. Further information pertaining to who the intended beneficiaries were, objectives of the project/programme as well as its lifespan were also known. Additional inquiries sought to identify standing sources of this information in all four districts. The results as shown in table 4 indicate that only one standing source of information was utilised – specifically, the hard documents.

Figure 5 Standing Source of Information: Health



The results also show that there are major challenges in making information more accessible and thus designing and developing a system that utilises all available standing sources would greatly benefit stakeholders.

The results, comparatively, by sector, suggest that similar trends exist. This observed similarity can mainly be attributed to national level processes and procedures rather than sector-specific characteristics. However, additional research would be required to identify more clearly, sufficiency of resources dedicated to information accessibility for stakeholders.

3.2 Dissemination of Information

Information dissemination constitutes an important and critical factor for the success of transparency initiatives in making aid more effective. Henceforth, the basic importance of information dissemination is that it is often disseminated in the hope that individuals and entities will improve their knowledge base and subsequently make better judgements in promoting or explaining a process or principle. To this end, the study emphasises information dissemination by defining the Agency and Instrument for the information dissemination.

On the one hand, the agencies are:

- Government
- Non-Government Organisations (NGOs)
- Media (TV, Radio and Print)

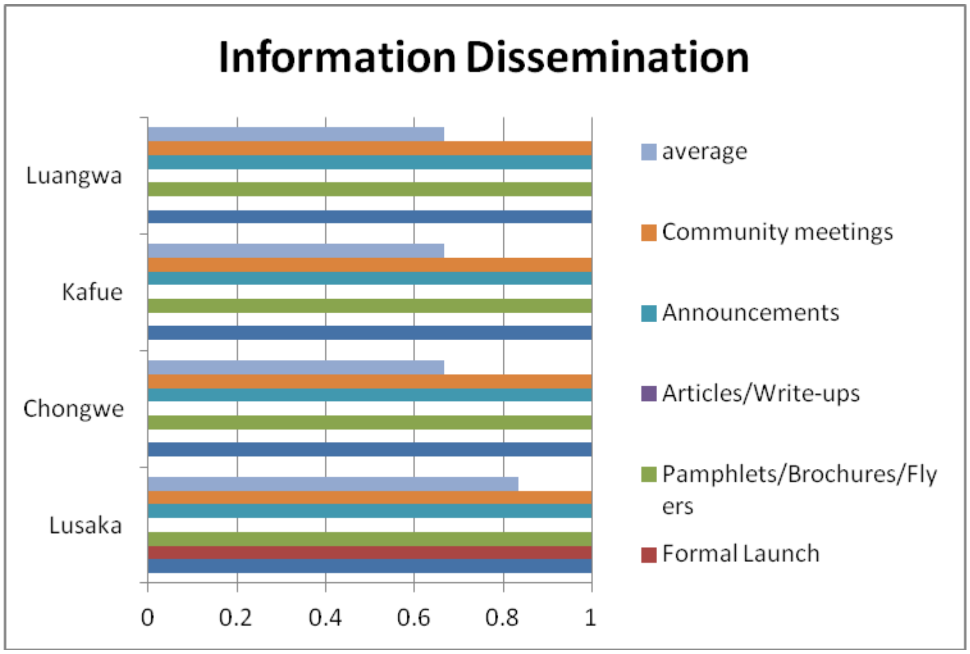
While on the other hand, the instruments are:

- Advertisements
- Formal launch
- Pamphlets/Brochures/Flyers
- Articles/Write-ups
- Announcements
- Community meetings

We then used an equal weighted scoring system in an attempt to quantify the efforts the district level structures made in ensuring that the information was effectively disseminated.

For the education sector, as shown in figure 6, 75 percent of the districts utilised four out of six of the information dissemination instruments outlined while only one reported to have utilised five out of the six instruments. None of the districts reported to have written any article pertaining to the aid project/programme. Related to this finding, one of the respondents commented that there is a strong need to put systems in place that encourage the culture of writing articles and have them published if possible, so that information about programme/project intricacies can reach a wider audience thereby attracting good-will within and across national boundaries.

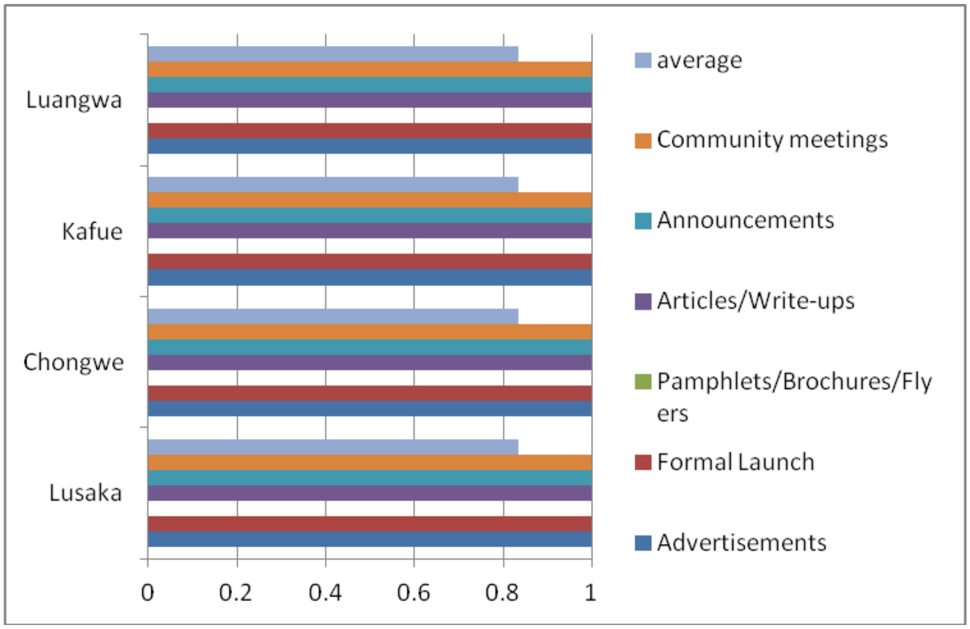
Figure 6: Information Dissemination: Education



Interestingly, all information dissemination agencies were utilised to disseminate selective project/programme information.

For the health sector, as shown in Figure 7, an interesting trend was observed - all districts utilised all the instruments save for one - Pamphlets/Brochures/Flyers. Interviews with relevant resource persons revealed that planning personnel were in a habit of writing articles (unlike the education sector) which they usually published in conjunction with collaborating partners.

Figure 7 Information Dissemination: Health

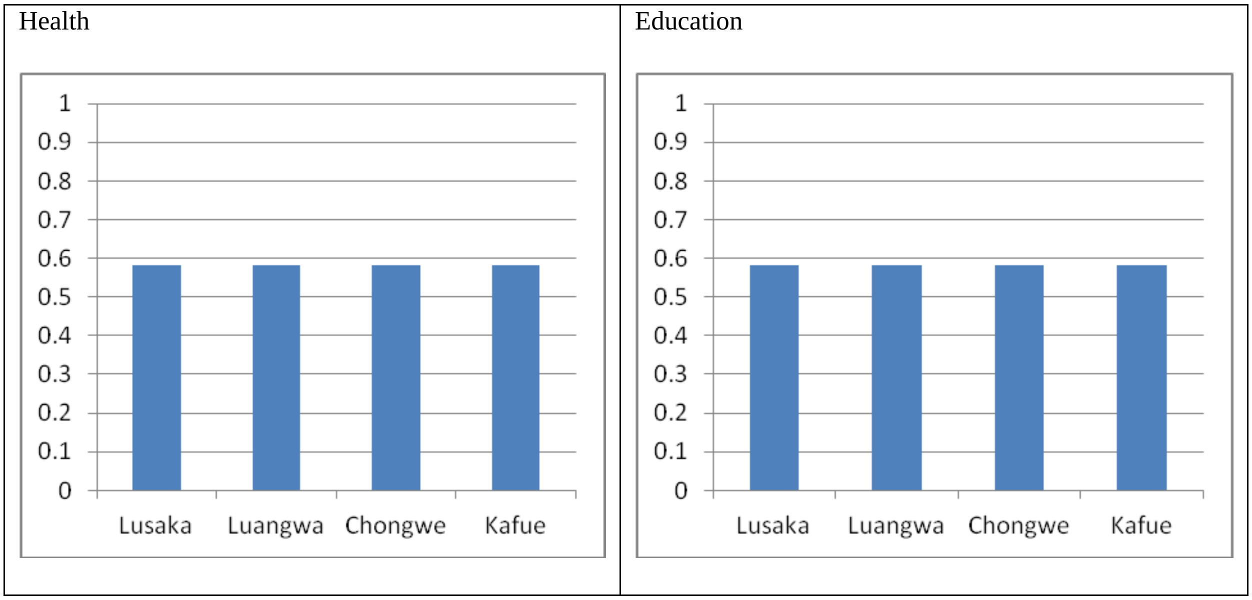


Further, the focus group discussions also revealed that all agencies of information dissemination were made use of. However, selective information is usually disseminated in form of summaries of key aspects of the programmes/projects.

3.3 Ease of Accessibility of Information

Initiatives that foster transparency are likely to place a premium on ease of accessibility of information. Information accessibility is believed to provide an opportunity to deal with information management in a holistic and integrated manner. In this light, the study also assessed the ease with which information can be accessed from the standing sources and the extent to which aid information is fully accessible by key stakeholders.

Figure 8 Ease of Accessibility of Information from Standing Source: Health and Education

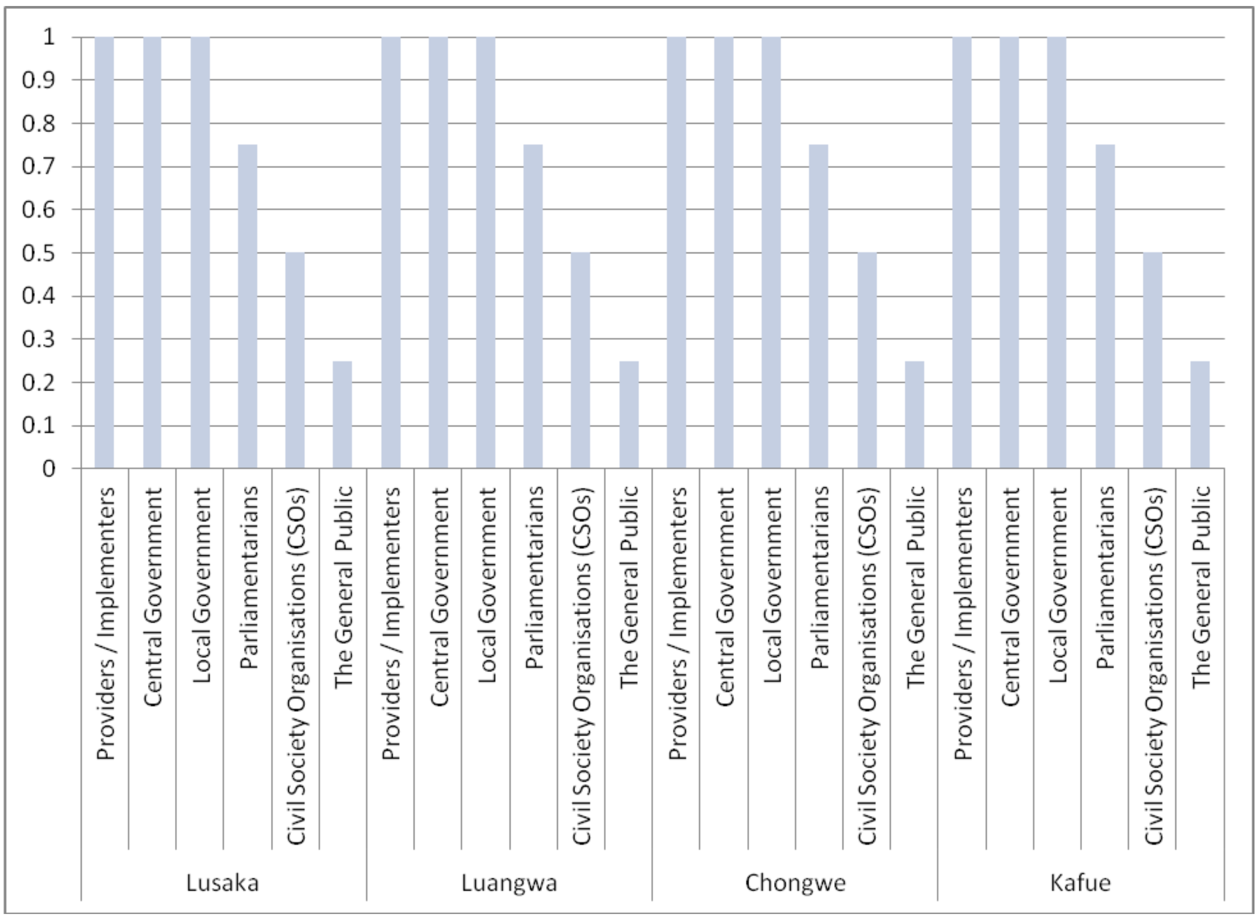


As already noted, accessibility of information by stakeholders plays a critical role in ensuring that this information is used to make aid for effective. The study thus constructs a normalised equally-weighted ease of accessibility index using the three standing sources of information as components – Website/Online, Hard Documents and Media. For instance, the district level structure would ideally obtain a perfect score of one if information from all three standing sources is reported as ‘very easy’ to access. Figure 8 above shows that more needs to be done in order to make information more accessible from the standing sources (in both health and education sectors). Further insights reveal that information from the media and hard documents was at least ‘easy’ to access while it was ‘impossible’ to obtain project/programme-related information from the website; this is not surprising since none of the districts had a website of their own. Surely, a wider audience would be reached if districts had developed some kind of database about project/programme details that would be made available free online.

Making information more accessible to key stakeholders would provide a platform for accountability thus ensuring that aid funds are utilised for the purposes for which they were generated. Since different stakeholders play different roles oftentimes, some argue that power relations may exist with regards to ease of accessibility of information. This establishes the premise that variability would be expected in terms of how easily the different stakeholders would access this information. To this end, the study attempted to measure the extent to which the aid information is fully accessible to the following key stakeholders:

- Providers / Implementers
- Central Government
- Local Government
- Parliamentarians
- Civil Society Organisations (CSOs)
- The General Public

Figure 9 Stakeholders' Information Accessibility: Health and Education

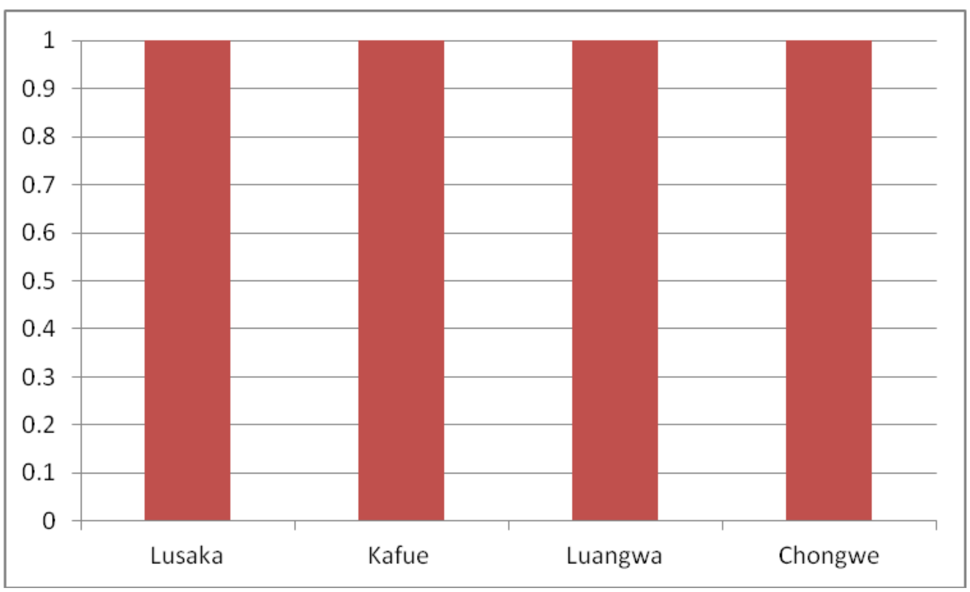


To address this attempt, based on the respondent ratings, we constructed normalised scores against the key stakeholders' ease of accessibility of aid information – see figure 8 for both the education and health sector. Not surprisingly, the general public scored poorly in all four districts. While the respondents had initially indicated that all key stakeholders could easily access aid information, further inquiries revealed that the public had a series of procedures to follow before authority could be granted to them to access this information. Eventually, assessing scores incorporated how extensive the procedure to obtain aid information would be. These results are of grave concern since stakeholders with much power and influence can easily divert project resources from important intended beneficiaries with little power or influence (see ICRA 2000). Further, it is noted that the public are the beneficiaries of decisions and should thus be consulted and if possible their views and opinions incorporated in policy making (WBI & McGill University in collaboration with the Commonwealth Parliamentary Association and the Parliamentary Centre, 2004).

3.4 Awareness of information by intended beneficiaries

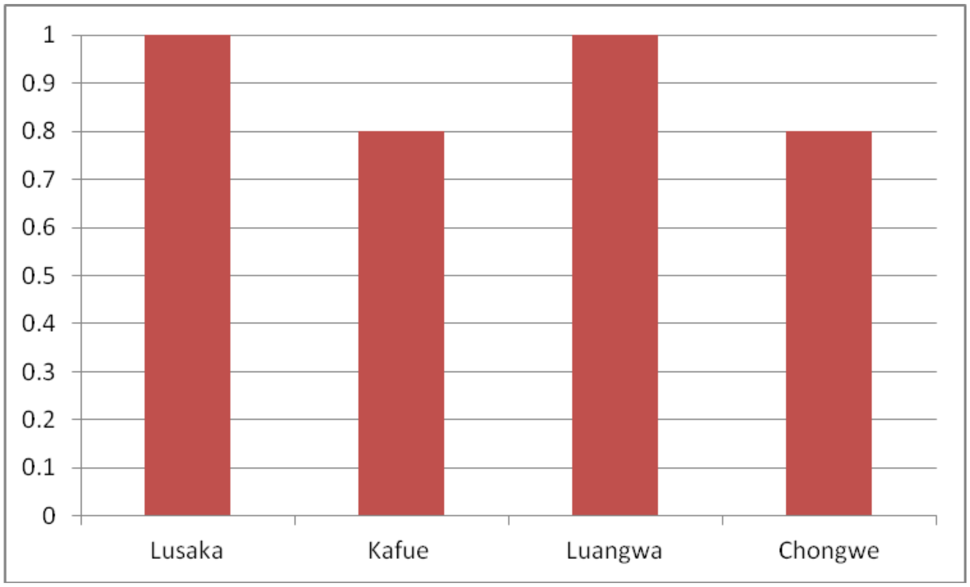
How aware the intended beneficiaries are about the project forms a critical function in the whole sphere of accountability. The study sought to determine, from the respondents' perspective, the proportion of beneficiaries aware about the project/ programme. Figure 10 reports the results for the education sector while figure 11 reports the results for the health sector.

Figure 10 Awareness of information by intended beneficiaries: Education



For the education sector, the proportion of beneficiaries aware about the project/programme being implemented in their respective districts obtained a perfect score (see figure 10). Further inquiries in the education sector in all districts reveal that for infrastructure development communities (that house the primary beneficiaries) are expected to contribute either through provision of labour or provision of materials to be used in construction. This involvement of the community has also strengthened their overall participation. In fact, members of the community form a management committee with support from the technical department of the supporting officer from the district.

Figure 11 Awareness of information by intended beneficiaries: Health



The health sector (see figure 11) also records a similar trend and the main reason is that at points of service delivery (such as health centres) the community is involved through the Neighbourhood Health Committee (NHC). The NHC also forms as channel of information sharing between the community and the health centres who then report to the district structures. The scores for Kafue and Chongwe are low perhaps due to weak participation of the NHCs.

While the results in terms of awareness seem encouraging, they only show awareness about the existence of the project/programme. Further inquiries that could perhaps provide an opportunity for more in-depth and extensive research should focus on awareness and transparency of aid data types – i.e. being able to gauge awareness (and for that matter transparency) of different intricacies of aid data (types) such as project/programme budget, actual disbursements, funding gaps (if any), gender data, project/programme progress.

3.5 Monitoring of information

With the assumption that aid information is monitored, the study went on to find out the instruments that the districts used in monitoring of this information. Indeed monitoring information forms a critical component in ensuring that resources are used appropriately. In other words, the importance of monitoring information lies in assessing how well the service providers (aid managers) are managing the aid resources.

All districts for both sectors reported to have made use, at one point in time, of the following instruments:

- Periodic reviews
- External audits
- Output/Outcome/Impact Evaluation
- Periodic visits from higher level government functionaries

3.6 Involvement, Consultation, Success

A further critical aspect in determining transparency and accountability includes processes that involve and/or consult a multiplicity of stakeholders.

Consultation should be from the point of view of these following critical elements (African Development Bank, 2001):

- *Information-sharing*: dissemination of documents, public meetings, information seminars.
- *Listening and learning*: field visits, interviews, consultative meetings.
- *Joint assessment*: participatory needs assessment, beneficiary assessments.

In this vein, we gauged the respondents' views against these critical elements. The interviews revealed that 'information sharing' and 'listening and learning' aspects of consultation are relatively strong while 'joint assessments' leave much to be desired particularly when 'beneficiary assessments' are considered. While beneficiaries may be consulted prior to implementation, their involvement is usually very limited post implementation.

A further critical argument relates to the extent that the opinions and views of beneficiaries are incorporated in national policy.

Success or failure of the project/programme, as reported, is usually measured against availability of resource particularly for the education sector. Any infrastructure development project should have sufficient resources in order to record success. If the intended number of classrooms to be constructed is three, for instance, success of this project would be measured by whether or not three classrooms have been constructed which in turn depends on sufficiency and management of resources dedicated to this project. In all the districts, for the education sector, reported that for the fiscal year 2011, all projects were successful.

Contrary to the education sector, the situation in the health sector seems somewhat more complex in terms of the number and complexity of indicators by which success can be measured. The health sector respondents were of the view that success or failure of a given project/programme transcends mere resource availability and sufficiency by taking into account the beneficiaries' uptake of the project/programme. That is, health education plays a critical role particularly in traditional communities that may view certain interventions as being contrary to the beliefs, norms and mores. For instance, one of the respondents remarked that for some reproductive health interventions, sufficient health education was important in order for the community to be fully aware and subsequently appreciate the efforts of the interventionists.

4 Aid Effectiveness

The importance of aid lies in its ability to impact on the beneficiaries in alleviating suffering and promoting overall well-being – i.e. both mental and physical. Thus aid effectiveness has been defined as the extent/degree to which aid meets what it is intended for. The study therefore endeavoured to determine aid effectiveness using the following key themes:

- Financial outcomes
- Aid project/programme timeliness
- Administrative/overhead costs
- Objective outcomes
- Impact outcomes

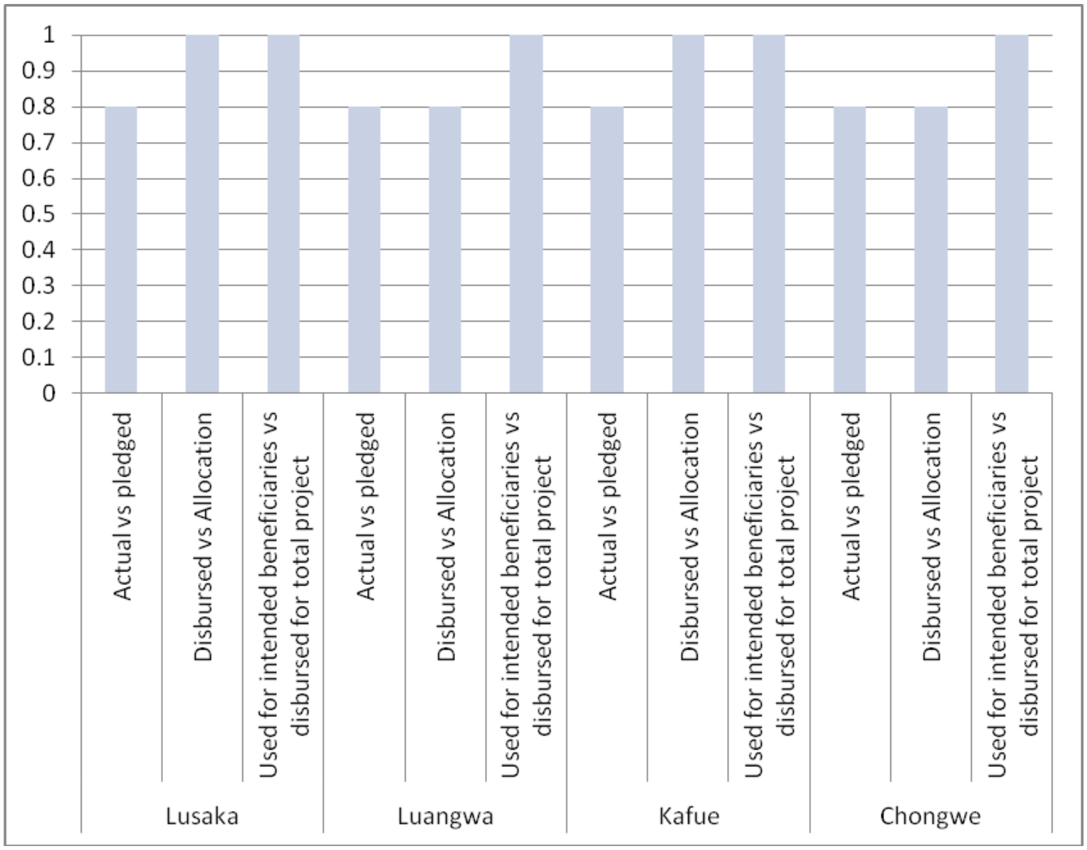
4.1 Financial outcomes

In the attempt to address the financial effectiveness component of aid funds, the study considered proportions of funds from the view point of:

- Actual funds versus pledged funds;
- Disbursed funds versus allocated funds;
- Funds used on intended beneficiaries versus funds disbursed for total project.

As would be expected, desirable outcomes would be those that minimise the gaps between: the actual and the pledged; the disbursed and the allocated; and the used and the disbursed funds for total project.

Figure 12 Financial Outcomes: health and education



The district officials report that for both sectors 90 to 100 percent of total disbursed project funds are used on intended beneficiaries. When the study team inquired further in terms of accessing the official documents that support this claim, the information could not be provided during the team's visit. Thus this result should be interpreted with care as more information would be needed to make it more concrete. On the contrary, there is a discrepancy between what was disbursed against what was allocated. Detailed interviews indicate that this result may be explained by inadequacy in government funding when government project are considered.

At the micro-level, donor funds, according to ministry officials showed no discrepancy between: Actual funds and Pledged Funds; Disbursed and Allocated; Used for intended beneficiaries and disbursed for total project since the score showed a proportion of between 90 to 100 percent. In actuality, if a discrepancy did exist, then it was less than 10 percent.

4.2 Aid project/programme timeliness

A crucial facet of aid effectiveness is that aid funds must be disbursed in a timely manner by donors and central government functionaries. Lack of timely disbursement makes it harder for planners and implementers to carry on with their work which subsequently adversely impacts on the effectiveness of the project/programme.

For the education sector, funds directly from donors are usually received with no delay while funds from the local government usually are delayed by a quarter. This result could be related to the fact that government funds are usually released with some delay. In terms of donor funds, how quickly funds will be disbursed will depend on the systems and processes that are unique to the donor or its agency and therefore may vary by donor and type of support.

For the health sector, due to its complexity and variability of indicators, a multiplicity of donors exist with each donor being interested in one or more indicators. The in-depth interviews and focus group discussions disclosed that similar trends and findings exists in all districts for both sectors in that disbursement mechanisms are usually unique to the aid funder. However, no delays existed once project/programme milestones were achieved. One respondent actually remarked that project/programme milestones would determine when funds would be released; if there was any delay in actuality, it could be that there was a delay in meeting the project/programme milestone and not a delay in the release of funds. A contrasting view was observed when funds from central government functionaries were considered in that they most often came with a quarterly delay.

In sum, funds directly from donors for both sectors in all districts were timely while funds from central government functionaries always came with a delay, usually a quarter.

4.3 Administrative/Overhead costs

A further desirable crucial aspect of making aid more effective is maximizing the receipt of the allocated aid project funds by the intended beneficiaries. This would imply optimising resource use by minimising administrative and overhead costs that would arise as a result of management of aid funds.

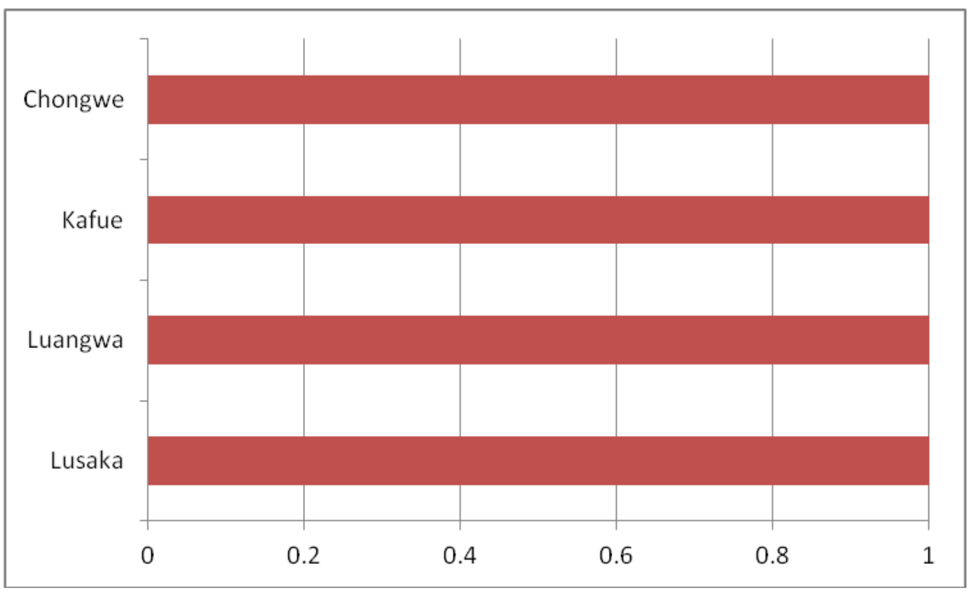
Interestingly, there was no reported variability in administrative and overhead costs as a proportion of total project/programme aid funds since all districts for both sectors reported to have spent less than 15 percent. This result is more apparent when there is direct project/programme support i.e. right from the aid funders to the immediate delivery agency. In other words, administrative and overhead costs are likely to increase the further away the aid managers/recipients are from the beneficiaries since aid funds would have to pass through various stages of the (administrative) hierarchy before they reach the intended beneficiaries. This is truly not surprising as we would expect more procedural requisites. This view is supported by Cooley and Ron (2002) who argue that administrative and management costs may increase because of the bureaucratic procedures. Picazo and Zhao (2009) actually argue that while vertical projects implemented by donors usually provide in-kind support, donors have been observed to increasingly provide cash support directly to facilities in ways that are still not well-understood or documented.

4.4 Impact outcomes

Outcomes imply quantification of performance. Therefore, the study sought to determine actual outputs/outcomes as a proportion of the targeted output/outcomes for the aid funded projects/programmes.

For the education sector, all districts, particularly for the infrastructure development projects, reported significant success in meeting the targeted outputs (see figure 13).

Figure 13 Actual outputs versus target outputs



This result should be interpreted with caution since the study participants did not provide donor specific data related to this aspect. In fact these results are not presented in a way as to rank the initiatives across the districts but rather to determine opportunities for system/process strengthening.

The health sector could not provide data on key indicators during the team’s visit. This is not surprising since data management has been reported to be poor across Africa (Zambia inclusive). For instance, the World Health Organisation (WHO) (2011) reports that although countries have defined core indicators and targets, data are often unavailable or of poor quality, hampering countries’ ability to monitor health system performance and progress.

5 Conclusion

Official development assistance in Zambia will continue to remain a key source of funds that the country needs in order to move towards a socially and economically optimal path. However, the extent to which these funds are utilised for their intended purposes remains central to the achievement of national developmental objectives.

To the above end, there is an imperative need for the Government of the Republic of Zambia to generate and provide resources to strengthen or develop systems that encourage transparency and accountability and promote national debates on the procurement and utilization of aid funds. This scenario will make aid more effective.

The study found that no significant variability (of key aid transparency and effectiveness themes) existed in the two sectors studied, namely education and health. While the health sector has more indicators (perhaps more establishing opportunities for direct donor support), data are not readily available due to weak information management systems. This proliferation of indicators to track performance imposes a huge reporting burden on an already under-staffed sector.

In the light of the above, it is advisable for M&E processes to adopt the KISS (Keep it Simple and straightforward) principle, a variation of an acronym first coined by Kelly Johnson who was Lead Engineer at the Lockheed Skunk Works that manufactures spy planes.

The study found that aid data related to projects/programmes was not easily accessible by the general public and civil society while government functionaries and parliamentarians had relative ease in accessing this information. This is in fact anomalous since aid-financed projects and programmes are intended mainly for the general public. Thus the intended beneficiaries of the programmes do not themselves know enough about the programmes!

Also, the district structures are not making use of development in information technology by use of websites that posts data online. However, this result may suggest that more resources should be made available so as to promote a culture of information accessibility.

Even when intended beneficiaries may be aware about projects/programmes being implemented in their communities, they oftentimes do not know about project/programme intricacies such as actual budget funds, timelines – more so for the health sector that has a multiplicity of indicators.

To improve the reliability and representativeness of data, it is cardinal that information is readily available in all three aforementioned standing sources of information. This would also minimise transaction costs associated with meeting procedural requisites.

Finally, it is important to underscore that while transparency is a key ingredient in making aid more effective, other factors (other than transparency) are also important in ensuring that aid funds are more effective. For instance, timeliness in disbursement constitutes a critical factor. Delays in disbursing funds result in delays in meeting project/programme milestones which result in delays in subsequent disbursements. This results in a vicious cycle that contributes to a weakening of the link between aid and development outcomes. Such issues also need to be resolved alongside promotion of transparency.

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Appendix 1 Sample Interview Questions

Do you know if any aid programmes are being implemented, planned in this district?

How do you know this? What is the source of this information?

What has been done to inform or consult you (and other stakeholders) about this project?

What sort of information would you like to have?

What access do you have to information technology? Broadband? Do you use it to access information about government spending, the budget or development assistance?

Have you been consulted or involved in any way with any of these projects/programmes? How?

Do you know what this/these project(s) objectives are?

Do you think it/they has/have been successful? In what way?

What could have been done differently?

Why was this district chosen for such a project?

Do you know what agency is financing the programme? Which donor country?

Do you know how much money is being invested/spent?

Appendix 2 Timelines

Activity	When?
Concept note / Proposal Development /Development of Instruments (tools)	February, 2011
Training of research assistants	March, 2011
Data Collection Field Work	March – April, 2011
Data cleaning, Consistency checks and Preliminary Data analysis	May, 2011
Detailed Data Analysis	June – July, 2011
First Draft report writing	July, 2011
Consultation with JCTR, CAFOD etc	July, 2011 to September, 2011
Adjustments for final reporting	July, 2011 to September, 2011

Appendix 3 Research Budget

Financier	Amount (£ Sterling)
CAFOD grant	£ 10, 000
JCTR Supplementation	£ 1,000
Total	**£ 11, 000**

2011

Does Aid Transparency Make for More Effective Aid? A Case Study of Lusaka Province

Pollen, Gabriel

Jesuit Centre for Theological Reflection