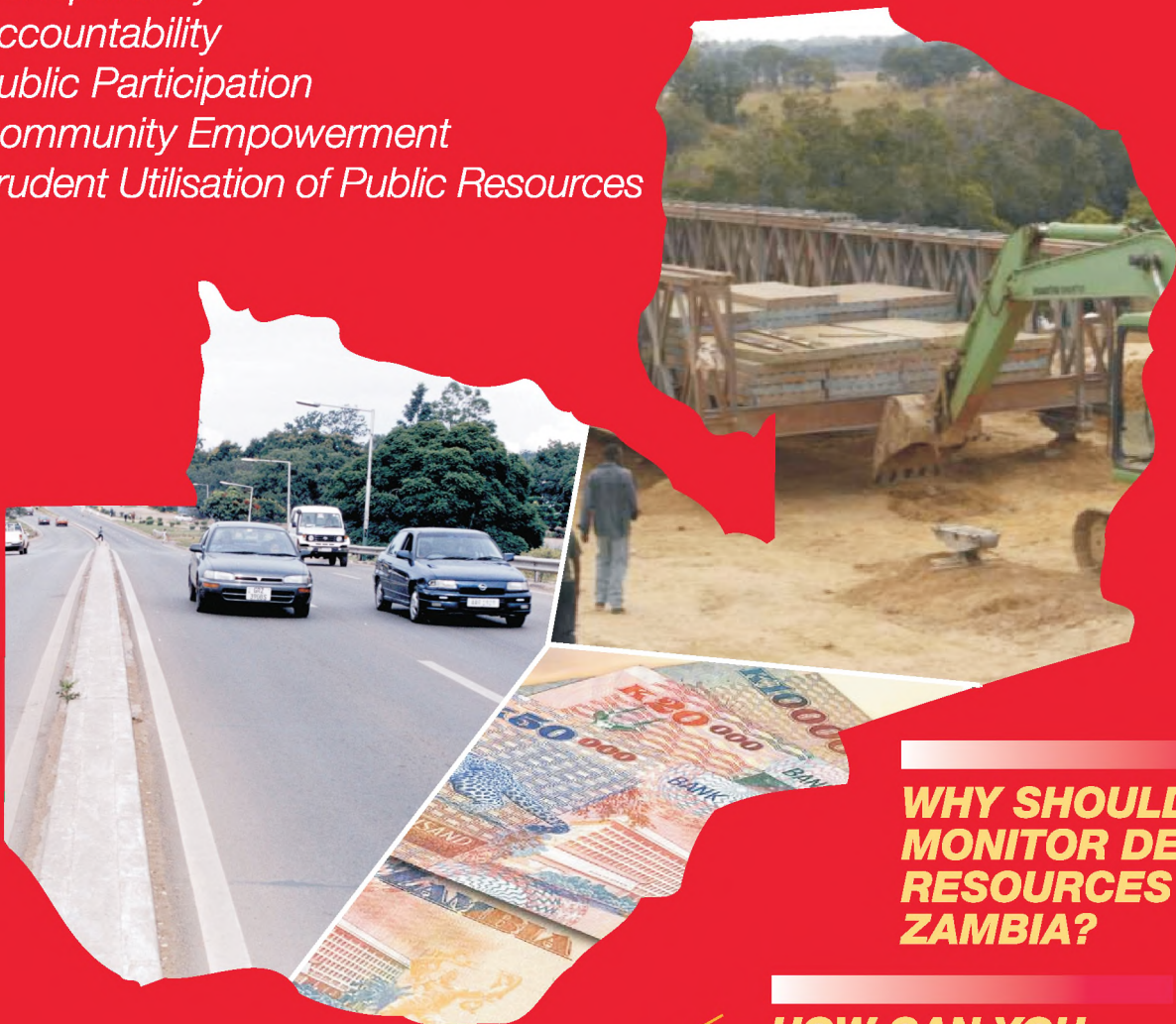


DEBT RESOURCES MONITORING MANUAL

PROMOTING

- *Transparency*
- *Accountability*
- *Public Participation*
- *Community Empowerment*
- *Prudent Utilisation of Public Resources*



**WHY SHOULD YOU
MONITOR DEBT
RESOURCES IN
ZAMBIA?**

**HOW CAN YOU
MONITOR DEBT
RESOURCES IN
ZAMBIA?**

1. INTRODUCTION

The achievements made so far in the campaign for debt cancellation need to be complemented by prudent management and utilisation of debt resources in the post HIPC era. In order to facilitate transparency and accountability in the utilisation of debt resources, the Jubilee-Zambia campaign hosted by the Jesuit Centre for Theological Reflection (JCTR) has focussed on enhancing the participation of local communities and other stakeholders in monitoring of debt resources. This can only be adequately and effectively done if the current challenges faced in governing and administering debt resources are well understood. Therefore, a Debt Resources Monitoring Manual (DRMM), providing guidelines on how debt resources can be monitored by community stakeholders has been designed.

It is preceded by a study, **“Monitoring Debt Resources in Zambia: A Review of Current Procedures and Practices”** which outlines the current practices in monitoring debt resources and their strengths and weaknesses. This study does not only offer key policy suggestions but also points to the key gaps in monitoring debt resources. Based on the recommendations of this study, **“A Debt Resources Monitoring Manual: A Stakeholders’ tool for monitoring Debt Resources in Zambia”** was developed. The two documents are mutually beneficial to Stakeholders as tools for monitoring debt resources and are aimed at responding to particular challenges which are well outlined in the former study.

The monitoring manual is a blend of processes, interventions and tools. It is also a stop-gap measure or tool designed to facilitate independent tracking of debt relief resources at the point of receipt, allocation, disbursement, utilization, outcome and finally impact on the community.

The broader view and purpose is to empower communities to articulate their development needs and priorities through a sustained monitoring mechanism from planning, implementation and evaluation of development programmes. The method not only offers opportunity for tracking and monitoring government policies and priorities but also involves the citizens in capacity building to bring about significant change in the quality of life in the community.

2. BACKGROUND

The campaign for debt cancellation in Zambia was anchored on the fact that debt relief once secured from the creditor community would go toward uplifting the living standards of the poor. After all, it is this section of Zambia’s society that bore the brunt of economic adjustment programmes as the Government “tightened its belt” to reach the much elusive heavily indebted poor countries’ (HIPC) completion point. Therefore, these same people should be rewarded by ensuring that debt resources including debt relief is not misused.

Against this background, Jubilee-Zambia decided to commission a study in order to develop a debt resources monitoring manual (DRMM)—a user friendly tool that can be employed by various stakeholders to monitor the application of debt relief resources on prioritized and key areas of development according to national plans.

It goes without saying that economic injustice prevails in a country or region when ordinary citizens are discounted and/or left out in economic decisions at community, national and international levels. In this case the DRMM is one instrument that can be used to empower citizens to take part in decision making processes by constantly engaging them in those areas where services are not being delivered according to district, provincial and national plans. The idea is not to embarrass government (although at times it is necessary to name and shame people in order to correct societal wrongs!) but to point out areas that need urgent attention in social service delivery and development in general.

3. WHAT IS MONITORING AND WHY MONITOR DEBT RESOURCES?

Monitoring is a continuous assessment undertaken by managers to keep track of progress in meeting the objectives of an organization and using information collected to make improvements (CSPR’s M & E Report, 2006).

In Jubilee-Zambia’s context, debt resources (relief and resources from new loans or disbursement) tracking will be taken as a deliberate effort to assess whether or not government is utilizing debt relief for the intended purpose, starting from the national level down to the lower strata of society. Monitoring seeks to assess the effectiveness of interventions and policies and identifies the extent to which planned activities and functions are accomplished.

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Governments themselves may not be in a position to analyse the discrepancies between budgeted programmes and actual spending, to track what happens to funds once they have been disbursed or to evaluate the impact of services delivered at the local level. This is where the role of civil society organizations (CSOs) becomes extremely essential and important to be able to step in the gap and complement government efforts.

In the Zambian case, there are other groups that carry out comprehensive budget monitoring. Therefore the work of Jubilee-Zambia in monitoring debt resources should be seen as complementary to the already ongoing efforts by other monitoring groups. It should also be seen as a specific attempt

to evaluate the efforts that went into the campaign and the corresponding benefits from debt cancellation that are supposed to accrue to the people of Zambia, especially the rural poor. The Zambian people generally want to know whether or not it was worth sacrificing and fighting for debt cancellation and they can only know if there are mechanisms to measure how debt relief and debt resources are being used, on what programmes and for whom.

Poverty is the greatest challenge to Zambia's potential, undermining its development advances. Hence there is need to increase resources targeted at poverty reduction while at the same time CSOs provide independent tracking, monitoring and assessment of impact. Debt resources tracking will provide insights into the government's committed allocations. In this case, resource tracking identifies and measures the following:

1. All sources of funds-public, private and external
2. Providers of services (recipients of funds, public & private)
3. Actual expenditure on all services
4. Beneficiaries and outputs

You want to monitor debt resources because these are critical to funding Zambia's development programmes as reflected in the FNDP. The Zambian Government is receiving debt relief resources in the name of Zambian people and so these should be used on people's needs.

4. A CLOSER LOOK AT THE JUBILEE-ZAMBIA DEBT RESOURCES MONITORING MANUAL (DRMM)

The DRMM is a user friendly tool that can be employed by various stakeholders to monitor the application of debt resources including debt relief on prioritized poverty reducing strategies and key areas of development according to national plans. It is designed to be a step-by-step user friendly manual that can provide early warning about wastage of resources and where this is going on.

The debt resources monitoring manual (DRMM), therefore can be used by civil society and other non-state actors (NSAs) as an advocacy tool to exercise their right to hold national leaders accountable in the use of public resources.

With this tool, wastage of debt resources from new loans or debt relief accruing from initiatives such as the Heavily Indebted Poor Countries Initiative, the Multilateral Debt Relief Initiative or any other programme that may arise in future can be avoided. The guidelines provided in our DRMM form a course which can be followed by local communities, Community Based Organisations, Faith Based Organisations, etc., with the expectation that they will in turn follow up the utilisation of debt resources.

5. WHAT ARE THE OBJECTIVES OF THE DRMM?

- The overall objective of the Jubilee-Zambia DRMM is to identify gaps in Zambia's current debt monitoring system to effectively monitor and evaluate the use and impact of debt resources.
- More importantly, it is envisaged that with improved monitoring, and other things being equal, the DRMM will lead to a corresponding improvement in the living standards of the targeted Zambians in general.
- To provide a framework for monitoring debt resources from the national level to the community level, by civil society groups and stakeholders, to check the utilization, outcomes and impact of debt resources.
- Build capacity in civil society to participate in the budget and tracking of debt resources in Zambia.

6. HOW CAN DEBT RESOURCES BE MONITORED?

In the stakeholders' tool for monitoring debt resources, we outline a few tools which can be used flexibly and in an interactive way to investigate the application of debt resources. These tools include but are not limited to the following:

Score card: A simple tool where people score a particular institution against a particular service or good provided. The purpose is to get some feedback on a particular service being offered.

Report card: A card designed to collect feedback from users of a particular service. User perceptions on the quality, efficiency, and adequacy of the various services are aggregated to create a "report card" that rates the performance of all major service providers in the city, town, community, etc. The findings present a quantitative measure of satisfaction and perceived levels of service delivery, which, following coverage in the media, not only mobilizes citizen and government support for reform, but also prompts the rated agencies themselves to respond positively to civic calls for improvement in the delivery of services.

Interview: A discussion between two or more people with the aim of gathering information or gaining insight into how particular debt resources are being applied.

Survey: A census from a large population. The interview is the process and the survey is the main instrument used to structure and record information

Focused Group Discussions: Organized sessions where people are given a particular topic for discussion with a specific focus. The idea is to go into in-depth analysis of an issue.

7. WHO CAN USE THE DRMM?

Every community concerned with how Zambia's debt resources are utilised is free to use the DRMM. We, however, do advise that you inform us when you are about to engage in this exercise so that we can provide you with all the information you may need for your location or the particular sector, loan, etc, you want to monitor.

Our Jubilee-Zambia Provincial Outreach Programme teams in Mongu, Monze, Kasama, Livingstone and Ndola are well acquainted with how the DRMM should be utilised.

If you form part of a Community Based Organised (CBO), Faith Based organised (FBO), Non Governmental Organisation (NGO), Small Christian Community, Resident Development Community or any interested stakeholder and you are based in a location near a Jubilee-Zambia team or you are interested to be engaged in monitoring debt resources in any of these locations, inform the Jubilee-Zambia provincial group or the secretariat at the addresses at the end of this brochure.

We will be glad to provide the training which will impart the necessary skills for undertaking this exercise.

8. CONCLUSION

Since Zambia's attainment of the HIPC Completion Point in April 2005, the question of how every Zambian citizen is benefiting from debt resources which are as a result of debt cancellation or new borrowing has continued to beg for adequate responses. It is well understood that even though there has been substantial debt write off of over 65 per cent of Zambia's debt, the challenge of deriving meaningful benefits that can be seen in a real change in people's accessibility of key essential services like education, health and economic developments of infrastructure are still present in many communities. President Mwanawasa in 2005 expressed this concern when he alluded that "Not everybody in our nation has so far benefited from the achievements made so far and most of our people still

wallow in poverty." He later affirmed this statement in 2006 when opening the tenth national assembly, that "Whilst we have made important macroeconomic gains, admittedly the standard of living of the majority of Zambians remains poor." This calls for timely and consistent inventories to determine the benefits of debt resources.

Questions, of how the money from loans is being utilised?, who has benefited from the proceeds of debt relief, how has the general population benefited, and how debt resources are being applied to development and poverty reduction in particular need to be answered. A people centred and people driven monitoring process will contribute significantly to providing adequate responses and suggestions for the way forward in order to avoid bad loans and induce accountability.

The need for public involvement in the monitoring and evaluation of allocation and usage of public resources on debt resources cannot be overemphasized. Monitoring promotes accountability and transparency in the use of public resources. It leads to appropriate and effective use of resources.

It also empowers citizens to take corrective actions or seek redress in the event of misuse of resources. In Zambia there are notable examples of how debt relief resources are making a positive difference, e.g., in the last few years there has been increased budgetary allocations to pro-poor programmes and rehabilitation and (re)construction of infrastructure particularly in the rural areas. The Government has also used part of the debt relief money to remove user fees in education and rural health centres and increasingly more people suffering from HIV have been put on anti-retroviral therapy (ART).

Clearly the issue of monitoring and evaluating usage and impact of debt resources lies at the core of good governance. It is a bold step toward promotion of accountability and transparency in the management of public affairs. However, it should be noted that monitoring and evaluation although necessary, they are not sufficient on their own unless they are anchored on clear legal frameworks and protected by the supreme law of the land – the Constitution!

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