



2006 Survey on Monitoring The Paris Declaration

Country Chapters

ZAMBIA

The 2006 Survey on Monitoring the Paris Declaration was undertaken in 34 countries that receive aid. The results of the survey are presented in two volumes. **Volume 1** provides an overview of key findings across 34 countries. **Volume 2** presents the baseline and key findings in each of the 34 countries that have taken part in the survey. This chapter is based primarily on the data and findings communicated by government and donors to the OECD through the Paris Declaration monitoring process. A more detailed description of this process, how this chapter was drafted and what sources were used is included in Volume 1, Chapter 2.

Both Volume 1 (Overview) and Volume 2 (Country Chapters) of the 2006 Survey on Monitoring the Paris Declaration can be downloaded at the OECD website:

www.oecd.org/dac/effectiveness/monitoring

A second round of monitoring will be organised in the first quarter of 2008 and will be an important contribution to the Accra High-Level Forum on Aid Effectiveness in September 2008.

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ZAMBIA HAS A POPULATION OF 11 MILLION, and an average annual income of USD 450 per person (gross national income per capita, 2004). According to the latest survey, the Living Conditions Monitoring Survey Report for 2004, 68% live below the poverty line, and 53% of these are classified as extremely poor. In 2004, net official development assistance (ODA) to the country was USD 1 081 million, up from USD 641 million in 2002. Net ODA in 2004 amounted to almost 21% of gross national income (GNI). Zambia relies heavily on aid to finance its development, and aid effectiveness is crucial for the country. Fourteen donors responded to the 2006 survey; together, they account for around 71% of ODA.

DIMENSIONS	BASELINE	CHALLENGES	PRIORITY ACTIONS
Ownership	Moderate	Prioritising and implementing a large number of sectoral development plans.	Complete Vision 2030, Fifth National Development Plan 2006-2010 and Aid Policy. Improve intra- government co-ordination.
Alignment	Low/moderate	Inefficient country accountability systems.	Establish decision-making processes at headquarters for donors to switch systems. Strengthen capacity by providing co-ordinated technical assistance to improve country systems, particularly the implementation of the Public Expenditure Management and Financial Accountability programme.
Harmonisation	Moderate	Maintaining momentum of existing processes (Joint Assistance Strategy for Zambia). Strong government leadership.	Rationalise division of labour in the context of the Joint Assistance Strategy for Zambia.
Managing for results	Low	Lack of linkage among the different strategies and intended results. Capacity for data collection.	Put in place a consistent and realistic monitoring and evaluation system under the Fifth National Development Plan 2006-2010, and build statistical capacity for regular data collection and treatment.
Mutual accountability	Low/moderate	Maintaining momentum of existing processes (Wider Harmonization in Practice and Joint Assistance Strategy for Zambia).	Develop a framework for monitoring mutual accountability within the Joint Assistance Strategy for Zambia.

OVERVIEW
Box 34.1
Challenges
and priority
actions

OWNERSHIP

INDICATOR 1

OWNERSHIP IS CRUCIAL to aid effectiveness and good development results, and is central to the Paris Declaration. It has been defined in terms of a country's ability to exercise effective leadership over its development policies and strategies. Achieving this is not a simple undertaking, especially in countries that rely heavily on aid to finance their development. Nor of course, can it be measured by a single indicator. Indicator 1 provides an entry point to the issue of ownership, focusing in particular on whether or not a country has an operational development strategy, with which donors can align their development assistance.

OPERATIONALISING DEVELOPMENT STRATEGIES

In the World Bank's 2005 Comprehensive Development Framework assessment of the extent to which Zambia has an operational development strategy, the country receives a C rating, along with 58% of countries in the sample. This rating is based on an assessment of three areas: is there a coherent long-term vision with a medium-term strategy derived from that vision; are there country-specific development targets with a holistic, balanced and well-sequenced strategy; and are there the capacity and resources for implementation?

The World Bank's Aid Effectiveness Review (AER) reports that the government is preparing a long-term vision called "Vision 2030". The government is also completing its medium-term strategy, the Fifth National Development Plan (FNDP), to cover the years 2006-10. The national development plan sees macroeconomic stability and structural reforms (for public-sector and private-sector development) as the basis for achieving sustainable high rates of growth, employment creation and substantial poverty reduction. It underlines the importance of pro-poor growth in sectors including agriculture, agro-processing, other manufacturing and tourism. To implement the vision and plan, the government has prepared a series of sectoral strategies, including plans for education, health, water and sanitation, rural development, public-sector reform, the financial

sector, private-sector development, agriculture, energy, HIV/AIDS, decentralisation and transport. Plans have also been developed at the local level, but cannot be put into action until the local level has more authority.

The approach taken in the national development plan (and the associated indicators) is in line with the Millennium Development Goals (MDGs). The implementation of the 2005 Multilateral Debt Relief Initiative will no doubt generate an injection of resources that will bring Zambia closer to the MDGs.

The link between development plans and budget allocations needs to be strengthened, but the budget process has seen substantial improvement since 2004. Notable achievements include the launch of the Medium-Term Expenditure Framework (MTEF), improvements in the timeliness of budget execution and greater transparency in budget reporting. In addition, the government is now better able to track poverty-related expenditures, thanks to the introduction of activity-based budgeting in 2004. The 2006 budget sees an increase in resources for poverty reduction, particularly in the health and education sectors. It is expected that the resource allocations under the budget and the MTEF will reflect the priorities set out in the FNDP. However at the point of data collection, budget ceilings for the FNDP were not yet published.

OTHER ASPECTS OF OWNERSHIP

The World Bank's AER points out that the government is beginning to take the lead in co-ordinating development assistance, as the Wider Harmonization in Practice (WHIP) initiative shapes its relationship with donors with a view to enhancing aid effectiveness.

Sectoral advisory groups provide an important opportunity for wider stakeholder participation in policy processes, bringing many civil-service organisations and private-sector representatives to the table. The National Assembly approved the 2006 budget but, under the Constitution, development plans do not require parliamentary approval.

ALIGNMENT

FOR AID TO BE EFFECTIVE, it must be aligned with the plans, priorities and procedures of partner countries. Donors will only align their aid if they have confidence in the country's systems and procedures. Zambia presents a mixed picture. Impressively, a large proportion of aid is untied, and provides a starting point for alignment. As country systems are improving considerably, donors have redirected a good part of their support into sector pools, budget support and other aligned aid modalities, thereby reducing the number of unaligned projects. Some donors strengthen country systems through parallel supporting projects. If Zambia's country systems are made more reliable, and if decision processes in donor headquarters are supported by their legislatures, we will no doubt see stepped-up aid alignment in Zambia.

BUILDING RELIABLE COUNTRY SYSTEMS

In the World Bank's Country Policy and Institutional Assessment (CPIA) ratings, Zambia receives a score of 3 for the quality of its public financial management systems. This is marginally below the 3.2 average for all International Development Association countries.

As the AER reports, the government has made significant strides in improving its country systems. A Public Sector Reform Strategy, published in 2004, outlined plans to improve public expenditure management and financial accountability, and the Finance Act was amended in 2004 to enhance accountability. The government is strengthening fiduciary systems, although the launch of an Integrated Financial Management and Information System has been delayed, with full implementation now expected only by 2009. The procurement system remains weak: initiatives are underway to improve matters, but face significant capacity constraints.

Zambia ranks 107th out of 155 countries in Transparency International's Corruption Perceptions Index, and has marginally improved its performance in this regard in recent years. Several initiatives, including a National Corruption Prevention Strategy, are designed to make further progress. However, such initiatives will need to be implemented soon if Zambia is to attain a CPIA score of 3.5 by 2010, its target under the Paris Declaration.

ALIGNING AID FLOWS ON NATIONAL PRIORITIES

Indicator 3 provides one measure of the extent to which aid flows are aligned with national priorities, assessing the proportion of aid recorded in the budget.

The table provides government's budget estimates of aid flows for fiscal year 2005 (numerator) as a percentage of aid disbursed by donors for the government sector for the same period (denominator). This ratio tells us the degree to which there is a discrepancy between budget estimates and actual disbursements. The discrepancy can be in two directions: indeed budget estimates can be either higher or lower than disbursements. In order to have a single measure of

INDICATOR 2

INDICATOR 3
Table 34.1

Are government budget estimates comprehensive and realistic?

	Government's budget estimates of aid flows for FY05 (USD m) a	Aid disbursed by donors for government sector in FY05 (USD m) b	Baseline ratio* c=a/b (%) c=b/a
African Dev. Bank	82	17	21%
Canada	--	1	
Denmark	5	42	12%
EC	42	110	38%
Finland	2	7	24%
Germany	42	29	68%
Global Fund	--	24	
Ireland	4	18	23%
Japan	3	27	10%
Netherlands	6	34	17%
Norway	1	38	4%
Sweden	0	22	2%
United Kingdom	--	59	
United Nations	17	23	76%
United States	--	150	
World Bank	157	98	62%
Total	361	696	52%

* Baseline ratio is $c = a / b$ except where government's budget estimates are greater than disbursements ($c = b / a$).

discrepancy that is always less than 100% the ratio is flipped when budget estimates are higher than disbursements. The baseline value for Indicator 3 in Zambia is 52%. Achieving the target agreed in Paris of 85% for this indicator will require concerted efforts by donors and government.

One reason for this low figure is the fact that there are a number of stand-alone projects and sector pools that are not reflected in the government budget. In addition, in 2005, there may have been delayed disbursements and aid top-ups, inflows that would not have been recorded in the budget. Differences in the figures of disbursed aid versus amounts recorded in the legislated budget vary among donor countries. For example, it is possible that Germany's biannual commitments were attributed to one year only, data for 2005 commitments from the United States were subject to congressional approval and were not available, and Canadian contributions to the Ministry of Education may not be reflected due to information slippage.

The survey response suggests that the prospects of meeting the target are fairly good, particularly as an increasing number of donors move towards providing aid through budget support and sector-wide approaches (SWAs), and the number of stand-alone projects is reduced. For the government's part, the introduction of a Medium-Term Expenditure Framework will improve budget planning and ensure the inclusion of sector pools in the annual budget. Zambia still lacks a comprehensive information system to track aid disbursements and facilitate timely and consistent reporting: the Development Assistance Database is expected to improve matters.

CO-ORDINATING SUPPORT TO STRENGTHEN CAPACITY

Capacity constraints are one of the main impediments to a country's ability to capture and co-ordinate aid flows more effectively. Under the Paris Declaration, donors have pledged to provide support in a co-ordinated manner that will strengthen partner country capacity. For Zambia, 32% of technical assistance is reported as being provided in a co-ordinated manner.

Most of the co-ordinated capacity-building programmes reported by Zambia have come out of the Wider Harmonization in Practice process. Launched in 2003, this process is only now bearing fruit. As an increasing volume of aid is channelled through these programmes, the target of 50% by 2010 is within reach. The provision of co-ordinated technical assistance in public-sector reform, health, AIDS, and water and sanitation confirms that donors can work together.

However, problems remain, not least because of a reported "incoherent understanding of issues related to capacity building and capacity development". The government is working hard to create a shared understanding with donors, and intends to move towards a demand-driven, pooled-funding approach to technical assistance. Enhanced aid co-ordination and management mechanisms (alongside the Joint Assistance Strategy for Zambia) should also deliver results in technical co-operation, but such enhancements will themselves require capacity building.

INDICATOR 4
Table 34.2

How much technical assistance is co-ordinated with country programmes?

	Co-ordinated technical co-operation (USD m) a	Total technical co-operation (USD m) b	Baseline ratio (%) c=a/b
African Dev. Bank	0	0	--
Canada	0	0	--
Denmark	1	1	100%
European Commission	1	4	24%
Finland	1	2	76%
Germany	4	13	34%
Global Fund	0	0	--
Ireland	1	1	100%
Japan	7	15	50%
Netherlands	4	5	74%
Norway	2	4	50%
Sweden	3	7	43%
United Kingdom	8	10	78%
United Nations	3	5	51%
United States	20	104	19%
World Bank	0	0	--
Total	55	170	32%

INDICATOR 5
Table 34.3

How much aid for the government sectors uses country systems?

	Aid disbursed by donors for government sector (USD m) a	Public financial management				Procurement	
		Budget execution (USD m) b	Financial reporting (USD m) c	Auditing (USD m) d	Baseline ratio (%) avg (b,c,d) / a	Procurement systems (USD m) e	Baseline ratio (%) e / a
African Dev. Bank	17	0	0	0	0%	0	0%
Canada	1	1	1	1	100%	1	100%
Denmark	42	0	18	17	28%	21	49%
European Commission	110	68	71	71	64%	71	65%
Finland	7	5	3	1	46%	6	90%
Germany	29	0	0	0	0%	13	43%
Global Fund	24	24	24	0	67%	24	100%
Ireland	18	14	14	10	73%	14	81%
Japan	27	0	0	0	0%	0	0%
Netherlands	34	12	12	26	50%	26	79%
Norway	38	25	25	25	64%	38	100%
Sweden	22	0	8	9	25%	12	53%
United Kingdom	59	51	51	51	88%	51	88%
United Nations	23	1	0	0	2%	6	25%
United States	150	6	6	0	3%	0	0%
World Bank	98	20	20	20	20%	20	20%
Total	696	228	254	231	34%	303	44%

USING COUNTRY SYSTEMS

The Paris Declaration encourages donors to make increasing use of country systems where these are of sufficient quality to merit their use. Indicator 5a measures the extent to which aid makes use of country systems for budget execution, financial reporting and audit. Averaged across these three systems, 34% of aid to Zambia makes use of country systems. With Zambia's country systems given a rating of only 3.0 for quality under the CPIA, no target is set for 2010, either for the proportion of aid, or the proportion of donors using country systems. For procurement, Indicator 5b, 44% of aid makes use of country systems. As no rating has been given for the country's procurement systems, no target is set for 2010.

Some progress has been made and – as more donors provide aid through budget support – more progress from the baseline is expected. However, the shift towards budget support is itself dependent on solid execution of public expenditure and financial accountability reforms. The health and education sectors show perhaps the most encouraging use of country systems, with SWAps making good use of government audit systems. Positive signs are also visible in SWAps relating to public expenditure and financial accountability.

INDICATOR 6
Table 34.4

How many PIUs are parallel to country structures?

	Parallel PIUs (units)
African Dev. Bank	6
Canada	0
Denmark	1
European Commission	3
Finland	2
Germany	0
Global Fund	0
Ireland	0
Japan	0
Netherlands	0
Norway	0
Sweden	1
United Kingdom	4
United Nations	3
United States	1
World Bank	3
Total	24

AVOIDING PARALLEL
IMPLEMENTATION STRUCTURES

The Paris Declaration calls for a substantial reduction in the number of project implementation units (PIUs) that are parallel in the sense that appointment decisions and accounting relationships involve the donor alone.

Donors have established a total of 24 parallel PIUs in Zambia, although it should be noted that the United States – reporting only one parallel PIU – sees its implementation units as “executing bodies” rather than PIUs. The 2010 target is to reduce this number by two-thirds, down to eight or fewer. Once it is approved, the Aid Policy will help reduce the number of PIUs. As a first step, government will make clear to donors that it expects them to mainstream their implementation units within government structures.

Sweden will phase out its PIUs in agriculture in 2008 when the programme comes to an end. Finland intends to phase out PIUs when it sees proof of further progress with respect to PBAs and joint financing mechanisms in environment and agriculture. Two of the European Commission PIUs are being integrated into the relevant ministries. The World Bank has indicated that generally PIUs are not to be used for projects supported by the Bank, and has issued guidelines to that effect.

Against this background, it should be noted that there was no consensus among donors on definitions of PIUs. One major source of confusion was the distinction between an executing agency and a PIU. There was agreement in Zambia that further guidance would be needed by the OECD-DAC on this topic. This issue will be subject to further local discussion, given its importance to monitoring of government capacity. It would be helpful to open a dialogue with government on where and to what extent PIUs might still be necessary.

PROVIDING MORE PREDICTABLE AID

If governments are to make effective use of the development assistance they receive, and to implement their development plans, aid must be provided in a predictable manner. Indicator 7 attempts to assess the in-year predictability of aid, measuring the proportion of aid scheduled for disbursement and recorded by government as being disbursed.

The table looks at predictability from two different angles. The first angle is donors’ and government’s combined ability to disburse aid on schedule. In Zambia, donors scheduled USD 930 million for disbursement in 2005 and actually disbursed – according to their own records – significantly less than expected (USD 696 million). The discrepancy varies considerably among donors and is mainly due to late disbursements carried over to 2005 and to delays in implementing programmes. The second angle is donors’ and government’s ability to record comprehensively disbursements made by donors for the government sector.

INDICATOR 7
Table 34.5

Are disbursements on schedule and recorded by government?

	Disbursements recorded by government in FY05 (USD m) a	Aid scheduled by donors for disbursement in FY05 (USD m) b	Aid actually disbursed by donors in FY05 (USD m) FOR REFERENCE ONLY	Baseline ratio* (%) c=a/b c=b/a
African Dev. Bank	17	50	17	34%
Canada	0	1	1	0%
Denmark	34	37	42	92%
European Commission	75	105	110	72%
Finland	4	6	7	68%
Germany	18	21	29	86%
Global Fund	--	30	24	
Ireland	12	18	18	70%
Japan	33	27	27	82%
Netherlands	4	28	34	14%
Norway	22	39	38	57%
Sweden	15	25	22	61%
United Kingdom	43	59	59	73%
United Nations	54	22	23	41%
United States	5	150	150	3%
World Bank	128	313	98	41%
Total	465	930	696	50%

* Baseline ratio is $c = a / b$ except where disbursements recorded by government are greater than aid scheduled for disbursement ($c = b / a$).

In Zambia, government systems recorded USD 465 million out of the USD 696 million notified as disbursed by donors (67%), indicating that a significant proportion of disbursements were not captured, either because they were not appropriately notified by donors or because they were inaccurately recorded by government.

Indicator 7 on predictability has been designed to encourage progress against both of these angles so as to gradually close the predictability gap by half by 2010. In other words, it seeks to improve not only the predictability of actual disbursements but also the accuracy of how they are recorded in government systems – an important feature of ownership, accountability and transparency.

In Zambia, this combined predictability gap amounts to USD 465 million (50% of aid scheduled for disbursement). Closing this predictability gap will require donors and government to work increasingly together on various fronts at the same time. They might work at improving:

- the realism of predictions on volume and timing of expected disbursements;
- the way donors notify their disbursements to government;
- the comprehensiveness of government's records of disbursements made by donors.

UNTYING AID

According to OECD data covering 82% of 2004 commitments, fully 99% of aid to Zambia is untied. If these figures are accurate, this represents a good basis for further progress on aid untying.

INDICATOR 8

HARMONISATION

HARMONISATION AMONG DONORS reduces transaction costs for partner governments, thereby making aid more effective. In Zambia, the WHIP agreement between donors and government is an excellent starting point for working towards the 2010 targets. But there is no room for complacency: in particular, donors need to work harder at co-ordinating their missions to the country.

USING COMMON ARRANGEMENTS

Responses indicate that 47% of aid to Zambia makes use of programme-based approaches (PBAs). This suggests that the 2010 target of 66%, while demanding, is achievable.

Government and partners agreed to include the following SWAp/PBAs: Public Expenditure Management and Financial Accounting reforms, public-service management, private-sector development, health, education, National Development Plan basket support, poverty reduction budget support and the road sector investment programme. However, the criteria of “single” budget framework is not fully met in most approaches (*e.g.* education, health).

Programme-based approaches were adopted across a wide range of sectors, including health, education, governance, macroeconomics, private-sector development and transport. Of those donors providing substantial amounts of aid, the United Kingdom made particular use of PBAs. As donors channel more of their aid through budget support and SWAp, observers are confident that Zambia will move closer to the 2010 target.

INDICATOR 9
Table 34.6

How much aid is programme based?

	Budget support (USD m) a	Other PBAs (USD m) b	Total (USD m) c=a+b	Total disbursed (USD m) d	Baseline ratio (%) e=c/d
African Dev. Bank	0	17	17	17	100%
Canada	1	1	3	10	28%
Denmark	0	22	22	44	51%
European Commission	68	4	71	111	64%
Finland	0	6	6	8	77%
Germany	0	1	1	31	5%
Global Fund	0	52	52	52	100%
Ireland	0	12	12	22	54%
Japan	0	18	18	27	65%
Netherlands	0	29	29	40	73%
Norway	6	19	25	48	51%
Sweden	0	12	12	26	45%
United Kingdom	42	16	58	67	87%
United Nations	0	12	12	24	51%
United States	6	1	7	150	5%
World Bank	20	0	20	98	20%
Total	143	222	365	773	47%

CONDUCTING JOINT MISSIONS AND SHARING ANALYSIS

Just 15% of donor missions to Zambia were co-ordinated, out of a total of 155 missions. As such, reaching the target of 40% calls for a major undertaking on the part of Zambia's donors.

For several years, Zambia has been campaigning to reduce the number of missions and step up mission co-ordination. For example, Zambia has declared a mission-free period from January to March of each year. However, while donor offices may have been supportive of this, success depends on their ability to persuade their headquarters to respect the policy. Zambia has also gone a step further, encouraging government institutions to decline requests for missions that do not respect the request for a mission-free period. Nevertheless, this issue is expected to remain on the agenda for the foreseeable future.

More positively, 46% of country analytical work was co-ordinated, shared or conducted jointly. This puts Zambia within reach of the 2010 target of 66%.

How many donor missions are co-ordinated?

	Co-ordinated donor missions (missions) a	Total donor missions (missions) b	Baseline ratio (%) c=a/b
African Dev. Bank	2	14	14%
Canada	0	6	0%
Denmark	2	12	17%
European Commission	1	3	33%
Finland	1	5	20%
Germany	0	7	0%
Global Fund	0	4	0%
Ireland	3	4	75%
Japan	0	15	0%
Netherlands	3	4	75%
Norway	2	3	67%
Sweden	0	5	0%
United Kingdom	1	9	11%
United Nations	2	14	14%
United States	2	3	67%
World Bank	16	47	34%
Total (discounted*)	23	155	15%

* The total of co-ordinated missions has been adjusted to avoid double counting. A discount factor of 35% has been applied.

INDICATOR 10a
Table 34.7

How much country analysis is co-ordinated?

	Co-ordinated donor analytical work (units) a	Total donor analytical work (units) b	Baseline ratio (%) c=a/b
African Dev. Bank	1	1	100%
Canada	0	0	--
Denmark	2	2	100%
European Commission	5	5	100%
Finland	4	4	100%
Germany	0	1	0%
Global Fund	0	0	--
Ireland	2	3	67%
Japan	1	2	50%
Netherlands	7	7	100%
Norway	4	4	100%
Sweden	1	3	33%
United Kingdom	8	10	80%
United Nations	4	19	21%
United States	2	3	67%
World Bank	6	13	46%
Total (discounted*)	35	77	46%

* The total of co-ordinated analysis has been adjusted to avoid double counting. A discount factor of 25% has been applied.

INDICATOR 10b
Table 34.8

MANAGING FOR RESULTS

INDICATOR 11 **THE PARIS DECLARATION** calls for partner countries and donors to work together to manage resources on the basis of desired results and to use information to improve decision making. This means both strengthening the capacity to undertake such management and helping to increase the demand for a focus on results. Indicator 11 focuses on one component of this effort: the establishment of a cost-effective results-oriented reporting and assessment system by the country.

Zambia, according to the World Bank's Comprehensive Development Framework assessment, does not have an adequate results-oriented reporting and assessment system in place, scoring a D in the rating scale along with 54% of countries in the sample. Considerable progress will be needed if Zambia is to reach the target of an A or B-rated system by 2010.

Zambia's low score is due to three sets of reasons, as the World Bank's AER reports. First, while the quality of development information is improving, capacity constraints hinder effective data collection. Co-ordination between the Central Statistical Office and the sectoral ministries has also been insufficient. There are plans to make the office more efficient and effective, and the government is also preparing (with the support of the multi-donor Trust Fund for Statistical Capacity Building) a national statistical development strategy to improve data collection and reporting services. Second, the AER provides little information about the degree to which stakeholders have access to development information, an indication that perhaps access is limited. Third, a country-level monitoring and evaluation system is under development, but is not yet in place. The WHIP agreement highlighted the need to strengthen monitoring and evaluation systems. To do this, the government has been restructuring its arrangements for monitoring and evaluation, and working with donors to build capacity in this area.

MUTUAL ACCOUNTABILITY

INDICATOR 12 **THE PARIS DECLARATION** calls for donors and partner countries to be accountable to each other for the use of development resources, and in a way that tends to strengthen public support for national policies and development assistance. This in turn requires governments to take steps to improve country accountability systems and donors to help by being transparent about their own contributions. The specific indicator looks at whether there is a country-level mechanism permitting joint assessment of progress in implementing agreed commitments on aid effectiveness, including those in the Declaration itself.

Sectoral advisory groups were reviewing the monitoring and evaluation results of the implementation of the Poverty Reduction Strategy Paper. They will continue this with the Fifth National Development Plan. On this basis, the survey response reports that there has been a mutual assessment of progress in implementing agreed commitments. However, welcome as the sectoral advisory groups' monitoring and evaluation surely is, it does not in itself constitute the sort of mutual assessment of aid effectiveness commitments which the Paris Declaration encourages. There have, however, been other encouraging signs of mutual assessment: 2005 saw a review of the WHIP-action matrix (an annex to the Zambia Memorandum of Understanding on Harmonisation), and an increase in pressure to harmonise issues.

If Zambia is to tick this box by 2010, the most promising route would seem to be through the monitoring and evaluation framework of the Joint Assistance Strategy for Zambia. Key milestones are the mutual goals of an Aid Policy and Strategy (currently awaiting Cabinet approval) that specify further, reciprocal obligations. Sectoral Memoranda of Understanding (developed as a result of the push for joint financing agreements during the SWAp process) also call for reciprocal obligations. An additional tool for promoting mutual accountability is the Development Assistance Database that will publish disbursement figures on the Internet.

The Fifth National Development Plan calls for mutual accountability and the creation of monitoring and evaluation processes (including ongoing discussions to establish an independent monitoring group). It is expected that peer pressure and perceived compliance needs (which are more qualitative rather than quantitative) will determine the success of mutual accountability.

BASELINES AND TARGETS

THE TABLE BELOW presents the 2005 baselines and the targets for Zambia. The baseline values are taken from the discussion above, which draws on various sources of information. The main source is the baseline survey undertaken in Zambia under the aegis of the National Co-ordinator (Paul Lupunga).

INDICATORS	2005 BASELINE	2010 TARGET
1 Ownership – Operational PRS	C	B or A
2a Quality of PFM systems	3.0	3.5
2b Quality procurement systems	Not available	Not applicable
3 Aid reported on budget	52%	85%
4 Co-ordinated capacity development	32%	50%
5a Use of country PFM systems (aid flows)	34%	Not applicable
5b Use of country procurement systems (aid flows)	44%	Not applicable
6 Parallel PIUs	24	8
7 In-year predictability	50%	75%
8 Untied aid	99%	More than 99%
9 Use of programme-based approaches	47%	66%
10a Co-ordinated missions	15%	40%
10b Co-ordinated country analytical work	46%	66%
11 Sound performance assessment framework	D	B or A
12 Reviews of mutual accountability	No	Yes

Table 34.9
Baselines
and targets

ACRONYMS

AER	Aid Effectiveness Review
FNDP	Fifth National Development Plan
GNI	gross national income
MDG	Millennium Development Goal
MTEF	Medium-Term Expenditure Framework
ODA	official development assistance
PBA	programme-based approach
PIU	project implementation unit
SWAp	sector-wide approach
WHIP	Wider Harmonization in Practice