Mid-term Evaluation of the PFM Support Programme in Zambia funded under the 10th EDF Programme and Formulation of intervention under the 11th EDF

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EVALUATION REPORT

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## List of Abbreviations

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<th>Full Form</th>
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<tbody>
<tr>
<td>CO</td>
<td>Cabinet Office</td>
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<tr>
<td>CP</td>
<td>Cooperating Partner</td>
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<td>CSO</td>
<td>Central Statistics Office</td>
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<td>DFID</td>
<td>Department for International Development</td>
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<td>EDF</td>
<td>European Development Fund</td>
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<td>EU</td>
<td>European Union</td>
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<td>EUD</td>
<td>EU Delegation</td>
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<td>GIZ</td>
<td>German International Cooperation</td>
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<td>GRZ</td>
<td>Government of Zambia</td>
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<td>GW-M&amp;ES</td>
<td>Government-Wide Monitoring &amp; Evaluation System</td>
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<td>HRA</td>
<td>Human Resources Administration</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>KPI</td>
<td>Key Performance Indicator</td>
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<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
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<tr>
<td>MAL</td>
<td>Ministry of Agriculture and Livestock</td>
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<td>MCDMCH</td>
<td>Ministry of Community Development and Mother Child Health</td>
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<tr>
<td>MESVTEE</td>
<td>Ministry of Education Science, Vocational Training and Early Education</td>
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<tr>
<td>MIS</td>
<td>Management Information System</td>
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<td>MMMD</td>
<td>Ministry of Mines and Mineral Development</td>
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<td>MNDP</td>
<td>Ministry of National Development Planning</td>
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<td>MOF</td>
<td>Ministry of Finance</td>
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<td>MOSES</td>
<td>Production Reporting Module</td>
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<td>MLSS</td>
<td>Ministry of Labour and Social Security</td>
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<td>MP</td>
<td>Member of Parliament</td>
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<td>MPSA</td>
<td>Ministry, Province and Spending Agency</td>
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<td>MVCMP</td>
<td>Mineral Value Chain Monitoring Project</td>
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<td>NAZ</td>
<td>National Assembly of Zambia</td>
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<td>NDP</td>
<td>National Development Plan</td>
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<tr>
<td>N-KPI</td>
<td>National Key Performance Indicator</td>
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<td>NPF</td>
<td>National Performance Framework</td>
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<td>OBB</td>
<td>Output-Based Budgeting</td>
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<td>PAC</td>
<td>Public Accounts Committee</td>
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<td>PACRA</td>
<td>Patents and Companies Registration Agency</td>
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<td>PBO</td>
<td>Parliamentary Budget Office</td>
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<tr>
<td>PEFA</td>
<td>Public Expenditure and Financial Accountability</td>
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<td>PFM</td>
<td>Public Financial Management</td>
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<tr>
<td>PSC</td>
<td>Project Steering Committee</td>
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<tr>
<td>RDA</td>
<td>Road Development Agency</td>
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<tr>
<td>ST</td>
<td>Secretary to the Treasury</td>
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<td>WB</td>
<td>World Bank</td>
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<td>ZaBS</td>
<td>Zambia Bureau of Standards</td>
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<td>ZRA</td>
<td>Zambia Revenue Authority</td>
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Executive Summary

A team of two Public Financial Management (PFM) consultants conducted an evaluation of the EU support programme to PFM reforms in Zambia during a mission to Lusaka that took place in June 2016. This support programme comprises what may, at first glance, seem a somewhat eclectic mixture of economic issues that, collectively, are intended to promote an overall objective of an “enhancement of economic governance in Zambia through improved financial management strengthened accountability processes and increased management results”¹.

The programme takes the form of four, almost stand-alone components which address a) parliamentary scrutiny of the Executive b) training of key PFM occupational groups c) data management in the Ministry of Mines and Mineral Development, and d) the development of a Government-wide Monitoring & Evaluation System. Each of these components has its own specific objectives and expected results. Although the components can be seen individually as worthwhile in their own right and collectively as contributing to the overall programme objective of “enhancement of economic governance” and of support to PFM reforms, it should be noted that they are likely to have limited, short-term effect on core PFM issues.

The logic behind the EU intervention was that PFM reforms would be enhanced by means of a) stronger accountability to parliament; b) improved skills and capability on the part of key PFM occupational groups; c) increased revenue from the mining sector and more reliable assessment of the mining tax base; and d) better information as to the results achieved by public spending. The choice of component was made in consultation with other development partners. Component 1 and 2 fill a gap that was not covered by any development agency. Component 3 was seen as critical for economic governance considering the weight of the mining sector in the economy and its contribution to Government’s revenue. Component 4 was considered a priority by the Government and was already supported by DFID and GIZ.

The evaluation was carried out in a two-stage process. First, the two PFM consultants engaged to carry out the evaluation undertook a desk-based review of an extensive collection of documentary material, much of which was supplied by the EUD in Lusaka. This comprised documents produced by the Government of Zambia (GRZ), the National Assembly of Zambia (NAZ), EUD, IMF, World Bank and the component teams. Secondly, the evaluators completed a two-and-a half week mission to Lusaka in which they sought to interview all relevant stakeholders who might be able to share their experiences of the programme’s concept, planning, implementation and reporting arrangements. These interviews were structured around a list of evaluation questions compiled by the evaluators around the standard OECD-DAC criteria for assessing development effectiveness (Relevance, Efficiency, Effectiveness, Impact and Sustainability). Given the heterogeneity of the four components, separate but closely related methodologies were developed. Finally based on the outcome of the evaluation question each evaluation criteria was given a score between 1 and 5. For all components, the mission has analysed the theory of change and compared the theory with the project work plan to ensure consistency. All projects reports were reviewed.

¹ Terms of Reference of each of the four programme component Section 2.1.
Three of the four components are relatively advanced, the exception being the M&E component which is only a few months beyond its inception phase. The following table summarises the evaluation findings, using a numerical scale to rate the different DAC criteria in relation to each programme component.

<table>
<thead>
<tr>
<th>Programme Component</th>
<th>OECD-DAC Criterion (Scale 5 top, 1 bottom)</th>
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<tr>
<td></td>
<td>Relevance</td>
</tr>
<tr>
<td>1. NAZ</td>
<td>5</td>
</tr>
<tr>
<td>2. MOF</td>
<td>4</td>
</tr>
<tr>
<td>3. MMMD</td>
<td>3</td>
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<tr>
<td>4. M&amp;E</td>
<td>2</td>
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</table>

It can be seen from the table that the NAZ component scored well across all five criteria. The component has been very well received by the NAZ and there is no doubt that the EU intervention has had a beneficial impact on the ability of the legislature to challenge and question the Executive on its actions. Accountability has been strengthened and, as long as there is the necessary political will among parliamentarians, can reasonably be expected to gain further strength in future.

The situation with the MOF component is less clear-cut. A lot of essential activity has taken place in order to introduce a modern, competency-based approach to training accountancy staff, internal auditors and budget officers. The approach has been tested and well-received by trainees. A small network of three local training institutions is being established to address the issue of sustainability. It is not, however, yet clear whether the approach has sufficient buy-in to ensure that an adequate supply of training funds will be made available to allow trainees to attend the courses offered by the three training providers. Moreover, whilst the training may be seen as an essential “enabler” of improved PFM practice, there is no guarantee that such an improvement will occur without effective supervision and motivation of staff. It will also be necessary to increase the numbers of staff, and range of PFM occupational groups in receipt of competency-based training in order to achieve the critical mass required. In short, a good start has been made but much remains to be done in terms of PFM staff capacity development.

The decision to support the development of data management system for the Ministry of Mines and Mineral Development was based on the assumption that more accurate data on mines’ production and on export of mineral products would lead to a significant increase in tax and royalty collection. The project scores moderately on relevance because it cannot be considered a PFM project per se although it will have an impact on PFM. It scores even lower on efficiency due to a difficult start to an important overlap with a similar project supported by the Norwegian Cooperation in the Zambian Revenue Authority. A considerable amount of time was spent in “harmonizing” the two projects and due to rivalry between MMMD and ZRA there are still frictions between the two teams. Ultimately, it was decided that the EU-funded project should focus on data
collection, data reconciliation and data analysis while ZRA takes the responsibility for the system development.

While the EU project has been in operation for a year and half, good results have been achieved. The MOSES system developed by ZRA is now operational and uses data collection procedures put in place by the EU project with the support of a new regulatory framework. Data are now captured at all stages of the value chain, making reconciliation possible and eliminating underreporting and double counting. An Export Licence System has been developed and is now operational. The gemmological laboratory of the Geological Survey Department is operational and able to determine the value of gemstones exported before they are put to auction. The Mineral Laboratory has received most of the equipment needed and will become operational. However the project capacity building plan was just being developed at the time of the mission and much remains to be done to raise the profile of the Ministry undermined by years of neglect caused by the absence of data.

The decision was made by the Government to undertake the development of a Government-Wide Monitoring and Evaluation System after finding during the preparation of the last National Development Plan (NDP) that data about the achievements of the previous plan. was untimely and often of poor quality. Reviews also assessed that the planning of new NDPs was not linked to the overall strategy toward attainment of the National long term Vision 2030 and sector technical capacity limitation in analysis and reporting was another main reason that led to the formulation of the M&E MIS Programme. By producing timely and accurate reports, the system is expected to bring more development accountability related to medium and long term changes or “outcomes”. The project scores low on Relevance (2) because in its initial concept it is essentially a planning project with little impact on PFM. The GIZ development team has been trying to address this issue by developing a new logic of intervention that integrates budgeting but political buy-in on the side of MoF appears to be low.

The project scores moderately on Efficiency (3) and Effectiveness (3) due to a number of issues identified during the evaluation regarding the sequencing of the project, the lack of synchronisation with PFM reforms and some other conceptual and methodological issues. Developmental accountability requires financial accountability that only exists when there is budget credibility. Without budget credibility the system is unlikely to solve the problem of linking planning with budgeting. The approach to M&E appears heavily top-down with an early introduction of a National Performance Framework defining high level objectives, while most countries choose to implement performance budgeting first at the sector level. However, implementation of Output-Based Budgeting (OBB) is still at the piloting phase. The project plans to capitalise on the roll-out of OBB to integrate outcomes in the NPF. However to synchronise the two reforms and to integrate the two approach will be especially challenging. There are also concerns regarding the level of preparedness of MPSAs, many of which have no MIS meeting the requirements for supporting an M&E system, and which will have to develop the capacity for M&E reporting.

The evaluation report presents a list of recommendations in respect of all four programme components. The NAZ component can widen its reach to encompass additional parliamentary committees and local constituency offices. The MOF component can be expanded to cover additional PFM occupational groups. The MMMD component could undertake a range of new activities including, importantly, a determination of the fiscal
impact of reforms by calculating how much additional revenue can be generated. It would help managing expectations and provide valuable information for the MTEF preparation and for a reform of the tax and royalty regime. The M&E component should look at phasing the system development and implementation in synchronicity with budget reforms, and giving high priority to the development of sector MISs before introduction of the M&E System.
1. Introduction

1.1 Background

This Evaluation Report is presented by the Consortium DFC which has been contracted by the EU Delegation to Zambia to evaluate its Public Finance Management (PFM) support programme under the 10th European Development Fund (EDF).

In describing the assignment, the Terms of Reference (TOR) identify one general objective and two specific objectives. The general objective is “to enhance delivery of support in the area of PFM in Zambia”. The specific objectives are 1) to provide an independent assessment of the performance and impact of the ongoing 10th EDF “Support to PFM Accountability and Statistics” as well as to provide key lessons learned and recommendations for the project” and 2) to provide a clear, actionable, costed proposal for an 11th EDF Support Programme in the area of economic governance and PFM reform for Zambia”.

The assignment can be seen, therefore, to incorporate a largely backward-looking evaluation (or REVIEW) phase and a forward-looking formulation (or PLANNING) phase. In terms of reporting the TOR require for the evaluation phase i) an inception report (submitted during the mission to Zambia), ii) an evaluation report (this document) and iii) a formulation report (to be produced after the second mission to Zambia expected to take place in September/October 2016).

The evaluation has been undertaken by a team of two PFM specialists: Mr. Dave Biggs (Team Leader) and Mr. Jean-Marc Lepain.

The team would like to record its appreciation for the unfailing courtesy and openness extended to it by all its interlocutors.

1.2 Approach and Methodology

The TOR suggested that the evaluation team might base the evaluation around a maximum of 10 evaluation questions, a set of judgement criteria, provisional indicators and means of verification and a methodology for the overall assessment of the project. Given that the duration of duration of the in-country evaluation mission was relatively short, in the interests of efficiency the consultancy team made an early decision to divide lead responsibility for the four project components as follows:

<table>
<thead>
<tr>
<th>Component</th>
<th>Lead Responsibility</th>
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<tbody>
<tr>
<td>Component 1 National Assembly of Zambia</td>
<td>Dave Biggs</td>
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<tr>
<td>Component 2 Ministry of Finance</td>
<td>Dave Biggs</td>
</tr>
<tr>
<td>Component 3 Monitoring and Evaluation</td>
<td>Jean-Marc Lepain</td>
</tr>
<tr>
<td>Component 4 Ministry of Mines and Minerals</td>
<td>Jean-Marc Lepain</td>
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</tbody>
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1.3 Evaluation Questions

In order to evaluate the overall project, the team has applied the standard OECD-DAC Development Effectiveness typology (Relevance, Efficiency, Effectiveness, Impact and Sustainability) at the level of each of the four programme components (and also at the programme level for overall assessment) To facilitate this process specified component
indicators and their means of verification have been used. The following list of evaluation questions has been employed.

1.3.1 Relevance
1. How far has the intervention contributed to the achievement of GRZ PFM reform goals as set out in the PFM Reform Strategy?
2. To what extent has the project design reflected and responded to the institutional context in which PFM operates? What degree of project ownership is seen to exist in partner organisations?

1.3.2 Efficiency
3. What measures have been taken to promote efficient project administration and implementation and how effective have they been? (in particular the project management arrangements)
4. How have the activities of other Cooperating Partners affected the efficiency of the project?
5. For both questions: What prospects exist for improving this during the remainder of the programme?

1.3.3 Effectiveness
6. How far have the project components achieved, or are likely to achieve, their planned results? In particular, what effect, if any, is the programme having on core Ministry capacities relating to planning, budgeting, management of public resources, M&E and service delivery?
7. What lessons can be learned so far that would enable greater effectiveness for the remainder of the project and also for interventions under EDF11?

1.3.4 Impact
8. How far has the project affected, or is likely to affect, the performance of partner organisations?
9. How might project impact be/have been enhanced?

1.3.5 Sustainability
10. How far is the project capable of being sustained financially, politically and institutionally? What degree of ownership of the project exists?
11. To what extent will capacity development be sufficient to sustain the project achievements?

1.4 Answering the evaluation questions

At the outset, it is worth emphasising certain contextual points. First, PFM reform covers a very wide range of issues that span a large number of specialist areas. These include, but are not limited to, budgeting (annual and medium-term, capital and recurrent), accounting, internal and external audit, procurement, asset management, investment management, tax administration, and parliamentary scrutiny of the Executive. Secondly, it is common to find, as is the case in Zambia that multiple donors or Cooperating Partners (CPs) have an active interest and involvement in, supporting PFM reform. The avoidance of duplication and the achievement of effective CP coordination and collaboration is therefore an important consideration. This suggests that it is necessary for any individual donor to be selective in its choice of intervention and that it may be desirable to seek to establish a niche position for its support in the overall CP support framework. Thirdly,
the interventions must be fully aligned with a government-owned PFM reform strategy.
Finally, in evaluating the performance of a PFM support programme, it must be remembered that the process of reform is slow and requires considerable persistence on the part of all stakeholders, including CPs. Expecting rapid improvement, for example, in the ratings accorded to the performance indicators contained in the Public Expenditure and Financial Accountability (PEFA) framework is unrealistic and may be counterproductive.

The team sought to answer the evaluation questions by gathering a range of documentary and verbal evidence. Initially, they consulted a wide variety of documents emanating from the Programme itself, the Government of Zambia (GRZ), the International Monetary Fund (IMF), the World Bank (WB) and the European Union (EU). Much of this material was supplied by the EUD in Lusaka, including links to the GRZ portal.

The team also drew on international best practice and guidance in the area of monitoring and evaluation (M&E). The subject literature emphasises the fact, even if a programme achieves its desired outcome, there is a methodological issue of attribution insofar as other factors may have had a positive impact that are not caused by the programme. Conversely, a programme may be well designed and implemented but still be frustrated in achieving its planned results by other factors. Thus it is necessary in a rigorous evaluation to take account of the counterfactual and estimate what would have happened if the programme had not taken place at all. This is typically done by the use of control groups which involves a comparison between those who participated in, or benefited from, the programme and those who did not. Whilst it was not possible to use control groups in this exercise, the team did take into account the likely situation that would have obtained in the absence of the EU support programme.

1.5 Judgement Criteria, Indicators and Means of Verification

Part of the exercise comprised the development of performance indicators and defining their means of verification. Each of the 4 programme components comprises several, in some cases multiple, components of its own. This can extend to 9 components, as in the case of the support to the National Assembly of Zambia (NAZ). In order to judge the performance of the various project components it has been necessary to define performance indicators and specify how these are to be measured and verified. The indicators may be quantitative or qualititative, or a mixture of both. The indicators used are shown in Annex 7 of the report.
2. **Answered Questions/Findings**

In this section of the report each of the four programme components is considered in turn.

2.1 **Component 1: Support to the National Assembly of Zambia (NAZ)**

Component 1 involves the provision of support to the National Assembly of Zambia (NAZ) aimed at strengthening the NAZ’s capacity to hold the Executive to account. The TOR for this component define its purpose as “to strengthen the ability of the National Assembly of Zambia to perform its role as the apex of the accountability process in PFM and the Budget”. The contractor is required to deliver three results as follows:

- **Expected Result 1** – Creation of in-house technical expertise to enable the provision of continuous professional support to the Estimates Committee, Public Accounts Committee (PAC), and Portfolio Committees in matters pertaining to economic, fiscal and budgetary policy, and the management of public finances.

- **Expected Result 2** – Enhanced ability of the Estimates Committee to analyse the draft Budget during the formulation process leading up to appropriation, and make substantive and timely policy and financial allocation enquiries to the Executive regarding proposed appropriations.

- **Expected Result 3** – Enhanced ability of the PAC to scrutinise the implementation of the Budget following appropriation by NAZ, and ensure that its recommendations, as well as those of the Office of the Auditor-General, are systematically followed-up by the Executive.

A comprehensive list of activities is defined that will be carried out in pursuit of those results. These are classified into 9 « components » as follows:

- **Component 1** – Knowledge & Information Management
- **Component 2** – Intensive Training for budget staff analysts
- **Component 3** – Professional Development for staff analysts and secretaries to Committees
- **Component 4** – On-the-job Coaching for staff analysts and secretaries to Committees
- **Component 5** – Training for MPs.
- **Component 6** – Capacity Building Estimates Committee
- **Component 7** – Capacity Building PAC
- **Component 8** – Capacity Building Economic Affairs, Energy & Labour Committee
- **Component 9** – Peer-assisted Learning

**Evaluation process**

Support to the NAZ has been discussed with the EUD, senior officials of the NAZ, the 4 staff of the PBO and the contractor represented by Mr. Anthony Tsekpo. Parliamentary officials comprised the Clerk of the NAZ, Ms. D K Mwinga, the Principal Clerk – Parliamentary Reforms, Mr. T Kamanga and the Principal Clerk of Committees, Mr. S. Kawimbe. The mission was also provided with a copy of the contractor’s Inception Report, the Annual Progress Report and the most recent Quarterly Progress Report as well as reports produced by the Estimates Committee and PAC. End-of-mission findings were presented and discussed in a debriefing session hosted by the EUD.

**Current Status**

Overall it seems that the project is making good progress with activity on all nine components. The implementing consultants are well-respected and their support to the
NAZ is much appreciated. The knowledge and information framework has been developed and approved. Work is under way to provide access to this for parliamentarians through a web portal. The PBO is operational with an approved establishment and four staff are in place. Training courses have been provided for both Members of Parliament and parliamentary staff and co-operative relationships with the Kenyan counterpart developed. A few issues have arisen as follows.

One of the first questions the consulting team sought to answer was whether the Project should operate within the National Assembly’s current mandate or with a wider mandate that might have more impact on the PFM reform agenda. In the event the mandate reflecting the present legal framework was not unreasonably chosen. However MPs have expressed their wish to modify the NAZ’s role in the expected National Planning and Budgeting Act to include participation in the drafting stage of the Budget. Thus, the Project is ready to work to anticipate any roles the NAZ may have in the Budget process. It is unfortunate that the passing of this legislation has been delayed since it is expected to contain provisions that define and, it is hoped, enhance the role of the NRZ in the budget process and also enable the legal establishment of the PBO. In particular, it is hoped that the NRZ will be empowered to play a proactive role in the budget formulation process.

Some of the assumptions that underlay the current project design have not necessarily been realised in practice. For example, certain factors have conspired to cause a reduction in the number of training sessions that have been feasible. These include the availability of Members of Parliament and the budgetary implications resulting from the fact that sitting allowances need to be paid to MPs engaged on parliamentary business. Another issue has been that the Public Accounts Committee (PAC) has not met as often as was envisaged; this has been compounded by the MPs going into «election mode» due to the elections scheduled for August 2016. It is also worth pointing out that there has been very little interest among MPs in attending general PFM training sessions. Greater preference has been shown for practical training linked directly to the specific tasks of individual Committees.

Strengthening parliamentary scrutiny of the Executive’s actions is an important part of improving accountability and transparency. There is therefore a very good fit between this component and the GRZ’s wider PFM reform strategy. It also provides relevant support to the NAZ’s reform agenda. Project progress to date suggests that there are good prospects that it will assist in strengthening the ability of Parliament to play its critical role in the accountability process. The focus of the project may therefore be seen as being directed at one of the key enablers of better PFM, namely stronger accountability, greater transparency and enhanced parliamentary scrutiny of the Executive.

**Evaluation against OECD-DAC Criteria**

**Relevance (5/5)**

The NAZ component is highly relevant to the accountability and transparency aspects of PFM. Legislative scrutiny is an important feature of the Public Expenditure and Financial Accountability (PEFA) framework as shown in Pillar 7 of the new (2016) Framework – «External Scrutiny and Audit» and Pillar IV Policy-Based «Fiscal Strategy and Budgeting». Under Pillar 7 the indicator PI-31 addresses the issue of legislative scrutiny of audit reports which is an essential mechanism for reviewing the execution of the budget by the Executive. In Zambia this is the role played by the PAC as is common in the so-called «Westminster» system of government. Under Pillar IV the indicator PI-18
concerns legislative scrutiny of budgets which in Zambia is the function of the Committee on Estimates. Clearly, both these parliamentary committees fall within the scope of the project which is doing valuable work in strengthening their capability.

In terms of institutional relevance, the project has shown itself to be extremely responsive to the way in which the NAZ operates and seeks to develop. There is very strong ownership of the project emanating from the top of NAZ in the person of the Clerk of the National Assembly. This support is also reflected through the active participation of the Principal Clerks for Parliamentary Reform and Committees. The Team Leader and his colleagues are well-respected and trusted by their NAZ counterparts. Progress meetings are well-attended.

**Efficiency (4/5)**

From an efficiency perspective the project scores well. Project management arrangements are working well with regular meetings (quarterly and annual) – including the Project Steering Committee – taking place chaired by Clerk of NAZ. Activities of other Cooperating Partners have been essentially complementary and are subject to an annual coordinating meeting convened by the Clerk. One concern has been that MPs have not been as available for training as was anticipated due to the way Parliament works and constituency responsibilities. This may have resulted in certain project inefficiencies such as low attendance at organised training events, especially as MPs have shown little interest in generic PFM training events.

**Effectiveness (5/5)**

The project seems likely to achieve its planned results which are already well advanced and on track. It is possible to discern a significant effect on the quality and effectiveness of NAZ’s scrutiny function through an examination of reports produced by the PAC and Estimates Committee. These reflect greater understanding of PFM issues and display improved analytical content.

In terms of lesson-learning, the project’s success to date demonstrates the importance of a high level of ownership by the beneficiary and good collaboration between contractor and counterparts. It will be important for this to be maintained so that the project reaches a successful conclusion and there is no reason to have any doubt on this score. It is possible that the long-awaited Planning and Budget Act may enhance the NAZ’s role in budget process through earlier involvement in the formulation stage and the project is well-placed to provide the technical support to that role. The project seems to be providing excellent value for money in support of greater accountability and improved legislative scrutiny.

**Impact (4/5)**

The project’s support to the development of the PBO is having a significant impact on the capacity, competence and performance of NAZ that is already evident in terms of the quality of Committee reports. Better informed staff are playing valuable analytical role and helping key Committees to discharge their functions more effectively. Given the impending elections in August 2016, and based on past experience, there is very likely to be considerable turnover in MPs which means that, in order to maintain project impact, the PBO will have the important responsibility of imparting new skills and knowledge to incoming parliamentarians who serve on key Committees.

**Sustainability (4/5)**
The NAZ has been significantly strengthened by the development of the PBO. The project has enhanced the competence and confidence of staff in areas such as the costing of Bills and the developing and presenting of policy notes. Thus the building blocks for institutional sustainability have been established on a sound footing. These gains will need to be maintained; for this to happen, the PBO will need to grow up to the level of its approved establishment and staff will need external support from trainers/facilitators who understand how to interact with politicians. From a financial point of view, continuing NAZ budgetary provision as well as external funding will be important given high turnover of MPs if Committees are to remain effective and, it is hoped, continue to enhance their effectiveness.
2.2 Component 2: Capacity Building for Ministry of Finance

The purpose of Component 2 is “to establish a structured and systematic training and professional development programme for government accountants and civil servants dealing with PFM to contribute to better budget planning and financial management and control in government”. The Contractor is expected to achieve the following two results:

i) The structured training and professional development programme for relevant PFM staff

ii) Enhanced capacity of civil servants for budget planning, budget implementation, accounting, reporting and auditing.

In order to achieve these deliverables, a series of activities is defined in terms of 8 components as follows:

Component 1 Stock-take and review of existing government training system
Component 2 Training Needs Analysis
Component 3 Review Job Descriptions
Component 4 Development of PFM Training Curriculum
Component 5 Support to HRA Department
Component 6 Selection of training providers
Component 7 Support to training providers
Component 8 Recommendations for improvement of training programme

Evaluation process

The evaluation process involved the review of a wide range of project documents, especially inception, quarterly and annual reports, together with meetings with the Contractor (including the Team Leader, Rick Steel), the Office of the National Authorising Officer, the Accountant General, and senior colleagues, MOF budget officials and the Controller of Internal Audit and senior staff. A meeting with the ST was requested but proved to be not possible.

Current Status

Good progress appears to have been made in relation to the specified expected results of the project. The contractor has been working on developing the competency-based approach to training and staff development which is very much in line with good modern training practice. The aim of the approach is to align training programmes with the specific competencies that staff need to carry out their day-to-day tasks. This has involved a process of mapping the competencies that different grades of staff need in the areas of accounting, internal audit and budgeting. Training interventions are then designed that facilitate the acquisition of the necessary work-based skills. A key issue in terms of both the implementation of the approach and its sustainability concerns the selection and capacity development of a number of local training providers. It is pleasing to note that three suitable training institutions have been identified and work has begun on drawing up cooperation agreements with the University of Zambia, the National Institute of Public Administration and the Zambia Centre for Accounting Studies. The project will work with these institutions to develop competency-based training courses in accounting, internal audit and budgeting. Progress has also been made in the areas of job descriptions and training needs analysis methodology with support being provided to the human resource administration of the MOF.
One risk associated with the project concerns the size and use of the Ministry of Finance’s training budget. Historically, as much as 70% of the available funds may have been allocated to long-term professional courses, leaving relatively little to finance the sort of short course, skills-based training that the competency-based approach employs. In addition, training budgets are often threatened in times of funding shortages, a factor which might threaten the financial sustainability of the project. It will require the sustained and active support of senior management in the MOF to ensure that this risk is properly addressed. Whilst we were assured that there is full commitment to the approach at all levels of the MOF, it was not possible to discuss the issue with the Secretary of Treasury (ST). However, there are grounds for optimism regarding the application of training budgets on skills-based courses as these have not hitherto been available.

It is also worth noting that, unlike the NAZ component, there have been few project progress meetings, including Steering Committee meetings, of which there has been only one to date. It may be necessary to consider revising the management arrangements for the project given the heavy workload of the ST, perhaps by inviting one of the two Permanent Secretaries in the MOF, or some other senior official, to chair the Project Steering Committee (PSC).

One other issue concerns the selection of the most appropriate level of staffing in the three chosen cadres that might have the greatest impact on PFM performance. In the accounting cadre, the accounting assistant level has been chosen but this may not be the optimal choice in terms of ultimate impact on PFM. Nevertheless, the selection has enabled the competency approach to be piloted and has the support of the MOF. Decisions are awaited on the level of staff in the budget officer and internal audit groups.

**Evaluation against OECD-DAC Criteria**

**Relevance (4/5)**

The MOF component is highly relevant to the broad objective of supporting PFM reform and improvement. The underlying principle is that effective PFM is only possible if there is an adequate supply of trained staff working in the PFM system. The Project has targeted three key groups of PFM staff – accountants, internal auditors and budget officers – with the aim of developing their core competencies to carry out their day-to-day tasks in the workplace. The training they receive is practical and work-oriented rather than academic and generic in nature. As the Project has realised, many budget staff are not located in the MOF but are in the line ministries. Therefore, attention is being paid through relevant training workshops planned for the next few months to the competencies required by these staff. In addition, the Project continues to be involved with planning officers now located in the Ministry of National Development Planning, thus demonstrating its relevance to the institutional context in which PFM takes place.

One unfortunate issue concerns the chairmanship of the PSC which is a role played by the ST who, because of his many responsibilities, is not always available for scheduled meetings. Given that the ST also chairs the M&E Component Steering Committee, it may be necessary to revise the project governance arrangements for these two components. In the circumstances, in order to raise the profile of the project, it may be beneficial to

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2 Similarly, responsibility for chairing the Steering Committee of the M&E component should pass from the MOF given the establishment of a separate Ministry of National Planning.
organise a high-level promotion event to raise awareness and understanding of the project aims and approach.

**Efficiency (3/5)**

The failure to hold a recent PSC meeting has implications for the efficiency of this component because it constitutes the official decision-making body for the Project. An important decision-making point has been reached in terms of approving the three recommended training providers. Delays in this respect cause uncertainty and may impede the smooth implementation of training course provision.

From an implementation viewpoint, the project appears rather unbalanced in that there has been a spate of activity in the first two years while the final year seems to be one in which the contractor will exercise primarily a «watching brief» over project progress. This may have led the contractor to devise an implementation timetable that was too hurried. It might have been preferable to spread the work more evenly over the three years. In any event, there are useful additional activities that may be built into the final year using more consultancy inputs (see recommendations below). On the other hand, it is appreciated that there was considerable enthusiasm for the new type of training to be brought in as fast as possible.

Another potential area of inefficiency concerns the timing of training course delivery by the recommended training providers. The latter may soon be ready to offer courses in 2016 but take-up by the Government will have to wait for a new approved budget for 2017.

There have been no problems associated with the activity of other CPs since these have been essentially complementary.

**Effectiveness (4/5)**

The project’s effectiveness is evaluated against the two expected results which are:

i) The structured training and professional development programme for relevant PFM staff

ii) Enhanced capacity of civil servants for budget planning, budget implementation, accounting, reporting and auditing.

The first of the planned results is well-advanced, on track and seems likely to be achieved. The building blocks for the second result are being established to provide targeted staff with the competency to carry out their duties. Clearly, successful completion of training by a critical mass of staff will be a prerequisite for improved capacity and performance. In addition it remains to be seen whether the staff that have been targeted for training are best placed to cause a significant improvement in PFM performance.

Several lessons may be learned from the experience of this project. First, it may be important to have a balanced approach to project implementation over its lifetime. This project has possibly been compressed too much into the first two years. This may reduce its operational and cost effectiveness, although it is appreciated that a balance has to be struck between effectiveness and sustainability. Secondly, and looking ahead, it is desirable for the project maintain an active involvement with the approved training institutions beyond the initial development of the three training courses. This will permit lessons learned from the first round of courses to be considered and any appropriate corrective action taken with the support of the contracted consultants. Finally, there is a clear need to expand the target groups both «vertically» (for example, to other levels of
accounting staff) and «horizontally» to other PFM occupational groups (for example debt management and investment management).

**Impact (3/5)**

It is too early to observe any impact on PFM performance, especially on the budgeting side where competency-mapping workshops with line ministries have still to take place. However, there are reasonable grounds for expecting that better understanding of roles will lead to improved performance by accountants, internal auditors and budget officers. One critical prerequisite for improved performance concerns the overriding importance of training being appropriate, job-specific and IFMIS-related, since an effective IFMIS underpins PFM. Another important factor is the need for decisive leadership at high levels so that the importance of competency-based training is recognised widely through PFM staff and management resulting in the commitment of training budgets to this form of learning.

**Sustainability (4/5)**

There are several important issues pertaining to sustainability. First, the availability of adequate budgetary allocations to competency-based training is a key condition for financial sustainability. In this respect the fact that this type of training is available locally for the first time may itself act as a stimulus to demand. At the same time, managers may be reluctant to embrace the approach too vigorously until it has proven its worth.

From the viewpoint of institutional sustainability, a very positive aspect is the intended provision of training by selected training institutions. Three Zambian training providers have been identified to provide the requisite courses which should do much to establish the competency-based approach on a sustainable basis.

The project has been developing competency-based job descriptions for targeted PFM officers. Such an approach will only be sustainable if its proposed application proves acceptable to the Cabinet Office/Public Service Management Department (PSMD).

Capacity development will help with sustainability but many other factors, especially commitment of key Government stakeholders, will be crucial.

Ultimately, project sustainability will depend on the necessary financial resources being made available for competency-based training.
2.3 Component 3: Mineral Production Monitoring Support to the Ministry of Mines and Mineral Development

a. Introduction and background

Sector overview
Zambia is the largest African producer of copper and cobalt. Copper production has been increasing steadily since 2000 attracting significant direct foreign investments for a decade driven mainly by the privatization of state-owned Zambia Consolidated Copper Mines (“ZCCM”), a low taxation environment and low political interference. However, the country has recently been severely affected by the fall in commodity prices. Copper prices declined by almost a third from their peak at $9,850 in July 2011 to $4,694 per metric ton in March 2016 and are forecast to remain relatively soft until 2018 as global supply currently exceeds demand. As the mining sector represents around 9 to 10 percent of GDP, taxes from the extraction industry are a significant share of Government revenue around 7-8 percent. The decline in tax revenue, combined with an ill-thought tax and royalty regime reform – today repealed – led to mine closures in 2015 and the loss of over 7,700 jobs and, in conjunction with a lack of fiscal discipline and budget credibility, this resulted in a large fiscal imbalance that has undermined the country’s macroeconomic stability. It should be also noted that the dependence of the Zambian economy on the mining sector is not limited to its contribution to GDP formation or Government revenue. Mining also contributes to total national and foreign direct foreign investments, which are all critical for the balance of payments.

Considering the high potential of the mining sector in terms of a motor for growth and source of Government revenue, the EU decided to support reforms in the Ministry of Mines and Mineral Development (MMMD) with the aim of improving economic governance and revenue generation as part of its support programme to PFM reforms in general.

Project objectives and structure
The project “Enhancing tax collection from mining through effective regulation and monitoring of mineral production” is Component 3 of the EU support programme to PFM reforms in Zambia. The ToR of the project defines the project objectives as “To strengthen the ability of the Ministry of Mines and Mineral Development (MMMD) to fulfil its mandate as mining authority to monitor effectively mining activities and mineral production in Zambia, and to share this information with other relevant GRZ agencies to contribute to increased domestic revenue mobilisation.”

The project is divided into seven components, as detailed in the terms of reference:

- **Component 1**: Stocktaking and need assessment to be carried out during the inception phase.

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3 See KPMG, Zambia Country Mining Guide 2016 p. 2
4 http://www.indexmundi.com/commodities/?commodity=copper&months=60
5 DFID – World Bank: What Would It Take for Zambia’s Copper Mining Industry to achieve its Potential?, July 2011, p. 1
6 See CMI Brief, February 2016, Vol. 15 No 2, The Rise and Fall of the Mining Royalty Regime in Zambia
7 International Council on Mining and Metal (ICMM), ICMM assesses the contribution of the Mining Sector to Zambia’s National and Local Economy, 2013, IMF, Selected Issues, June 2015, p. 6
• **Component 2:** Finalisation and implementation of capacity building plans. Component 2 has only recently started. The consultant has been hired and will start in the week of June 13th. This component overlaps with component 6.

• **Component 3:** Procurement of the necessary mining equipment and infrastructure.

• **Component 4:** Improvement of data management system within MMMD.

• **Component 5:** Establishment of MMMD database as a hub for data sharing with other relevant governmental and private stakeholders.

• **Component 6:** Support to policy, planning, budgeting and organisational development for MMMD.

• **Component 7:** On-the-job coaching and structured training.

The project inception phase started in January 2015 and the project can be considered to have been operational for a year and a half.

**Change in the project scope of work**

During the project-tendering phase, it was found that a similar project had been undertaken since late 2013 (funded by Norwegian Aid and World Bank, under the Zambia Revenue Authority (ZRA)) with a database system already under development. This project, named the Mineral Value Chain Monitoring Project (MVCMP), included an Information Management System (MIS) with the same features as the one planned under the EU project in MMMD. The MVCMP System (now named MOSES) was intended to monitor the complete mineral value chain by integrating mine reporting with other systems to improve the quality of mineral production and export data.

Given the clear overlap between MVCMP and the EU-funded project, while the EU project was still in its tendering phase, a project harmonisation workshop was held in September 2014. However, this workshop did not include key stakeholders, notably the EU which was not aware of its existence. A report known as “The Harmonisation Report” emanated from the workshop describing the areas potential collaboration between MMMD and ZRA and other partners. Following this meeting a Memorandum of Understanding (MoU) was signed on 4 February 2015. Notably, the EU Delegation is not a signatory of the MoU, and was only made aware of it on the day of signature. The MoU deals almost exclusively with the fact that the signatory institutions promise to share data.

Implementation of the EU-funded project effectively started in January 2015 and considerable time was spent to harmonize the two projects. Following the second Steering Committee of 11 August 2015, the EUD sent a letter to Secretary to the Treasury on 27 August 2015 to formalize an agreement. As a consequence of this agreement it was decided that the EU-funded project would focus primarily on MMMD needs in terms of capacity building and infrastructure development and leave the development of the integrated information system to MVCMP. The EU-funded project would retain only an advisory role in the MIS development to ensure that the system caters to the needs of both ZRA and MMMD while the EU-funded project focuses on the development of MMMD’s database.

However, a number of decisions were made in contradiction with this agreement and the situation triggered a second Harmonization Meeting that was held on 2 December 2015. A new agreement was found based on the following principles:
(i) MOSES production reporting module is completed under the joint leadership of MMMD and MPMSP and duplication of work is avoided;
(ii) Piloting of the prototype is done (a) under MMMD and MPMSP leadership, (b) initially in Lusaka, entering existing data already collected by MPMSP/MMMD, (c) finally at the mines, under clear MMMD leadership, in line with the legislation;
(iii) A formal agreement shall be prepared and shall include the following:
   o MMMD/MPMSP take the lead on the production reporting module (including finalisation of the prototype, piloting and implementation)
   o Technical reporting of UNCTAD to the MMMD (under the auspices of the MVCMP). Financial arrangements remain in place but technical validation is the responsibility of MMMD on behalf of the MVCMP.
   o MPMSP to report on progress to MMMD and regular updates to MVCMP

b. Evaluation main findings

The present assessment is based on the evaluation methodology that is presented in details in Annex 3.

Outcome path, logical sequencing of activities and expected results

Interviewees, including the Director of Mining, indicated that until recently the revenue generated by the sector has often been below the authorities’ expectations and it has been unclear if the discrepancies between the revenue forecast and the actual numbers were due to poor forecasts or revenue leakage. The industry accounts for about 10 percent of GDP and exports over US$3 billion worth of copper per year, yet contributes only 7-8 percent of total tax revenue. The base-line assessment performed during the project inception phase confirmed that mining production and the value of products extracted, transformed and exported, were underestimated and found the whole process for mining data collection, data management, data sharing and data analysis to be extremely weak. It was impossible to reconcile numbers collected at different points of the value chain (mines, concentrators, smelters, refineries and leaching plants) either due to different methodologies or to double counting. The report also pointed to weak capacity at the Ministry of Mines and Mineral Development (MMMD) with a lack of presence on the ground, especially when it comes to law enforcement. This analysis is not new and has been pointed out by various development partners (See DfID – World Bank, 2011).

Weak managerial capacity, in conjunction with the lack of credibility, results in weak law enforcement. Without information, it is impossible to enforce the law, although information is not sufficient to strengthen law enforcement. This requires political will. A close relationship between the mines and the highest level of Government and the political sphere has made law enforcement especially difficult for a Ministry that did not have the capacity to build strong cases.

Based on this analysis, the project’s terms of reference define an outcome path in three logical sequences: (i) improving data collection methodology to ensure consistency through the entire value chain, (ii) introducing effective data management and data

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8 See IMF, Selected Issues, June 2015, p. 4
9 This is the numbers of the IMF. The World Bank give a much higher number at 15-18 percent in DfID – World Bank “What Would It Take for Zambia’s Copper Mining Industry to achieve its Potential?”, July 2011, p. 1
sharing, and (iii) supporting and improving capacity building within the Zambian Revenue Authority in terms of revenue collection from the mining industry based on production data. Four expected results were identified:

- **Expected Result 1** – Enhanced capacity of MMMD to monitor mineral production and related activities throughout the mining cycle from exploration to mining and processing.
- **Expected Result 2** – Implementation of an appropriate mineral production data management system.
- **Expected Result 3** – Improved systems and structures to collect and share mineral production related information with other GRZ agencies and the private sector.
- **Expected Result 4** – MMMD organisational, policy, planning and budgeting capacity enhanced to become the backbone of effective monitoring and control of the mining sector.

The mission found that the four expected results are in line with the outcome path and the logical sequencing of the action plan. It should be noted that the activities that would have taken place to achieve Expected Result 2, as well as some activities contributing to Expected Result 3, are now largely happening within the MVCM Project, under ZRA.

**Review of the intervention logic and Theory of Change**

A detailed reconstitution of the Theory of Change (ToC) is presented in Annex 4. The Mission found that the intervention logic is sound and broadly in line with the overall objective of the EU Support Programme to PFM Reform as the project will contribute to (a) “improved financial management”, (b) the strengthening of “the accountability process”, and (c) “increased management results”. After reviewing the Logic of Intervention the mission found that (i) it has not been altered significantly by the change in the scope of the project, (ii) that the project remains aligned with the objectives the four expected results as per the terms of reference and that a significant improvement in revenue collection from the mining sector can be expected.

However, for the sake of clarity the terms of reference should be revised (i) to take into account changes in Component 5 and possibly to merge Component 5 with Component 4, (ii) to avoid overlaps between Component 2 and Component 6 and (iii) to integrate new activities that had not been foreseen during the inception phase.

**Main Achievements**

**Component 1: Inception phase**

The mission reviewed the inception report, found it consistent with the terms of reference and supports its main recommendations.

**Component 2: Capacity building plan**

- The development of the capacity plan is still at a very early stage as the consultant only started two weeks before the evaluation mission arrived in Lusaka.
- The assessment of capacity needs in Cadastre Department is completed.

**Component 3: Procurement of mining equipment**

- Infrastructure and services within the GSD laboratories were upgraded prior to the procurement of equipment to be installed.
- Procurement of equipment for the analytical laboratory of the GSD is in progress according to the procurement plan. The gemstone laboratory is fully operational.
The mineral laboratory has received some of the planned equipment under the MPMSP but is also awaiting equipment to be purchased by the MVCM Project and training by vendors on the use of some of the more sophisticated devices to become fully functional. Tenders for other equipment for the mineral laboratory are under preparation.

**Component 4 Improvement of data management system in the MMMD**
- The project provided support for the revision of the Mining Regulations that was put in place on 1st January, 2016.
- A new form for collecting data (Form 34) has been developed and introduced in the 11 larger mines producing 99% of Zambia’s copper. Appropriate supporting legislation/regulation has been introduced, within the above-mentioned Regulations. The use of Form 34 is mandatory for all copper mines from 1st January 2016.
- The project reviewed production from all large copper mines to identify methodological issues in data analysis and to develop a sound data analysis methodology to be used by the Mines Development Department.
- The project provided assistance to MVCMP for the development and improvement of the production reporting module within the MOSES software to ensure that it captures the right type of data, as well as assistance for the software piloting at a number of mines.
- The project provided assistance for the installation of servers and software at MMMD required for the use of new reporting and export permit systems.
- The project provided technical assistance for the introduction, configuration and implementation of the now fully operational export permit system (MCAS) replacing the previous paper-based system.

The introduction of Form 34 and its successful use since January 2016 to ensure data consistency and comprehensiveness represents a considerable achievement. This has resulted in a diminution of underreporting by some of the bigger mines, hence increasing production and revenue for the state.

**Component 5: Establishment of the MMMD database as a hub for data sharing with other government agencies and stakeholders.**
At this stage, data sharing is only effective between MMMD and ZRA. For lack of capacity and planning, the CSO does not seem ready to use effectively the data produced by the system and this issue should be addressed in the near future. The mission did not find any document that would provide the principles of a data sharing and information dissemination policy. Such a policy remains to be formulated. Implementation of such a policy will require the design of a wide data sharing solution for stakeholders other than MMMD and ZRA.

**Component 6: Support to policy, planning, budgeting and organisational development**
A legal review has been completed. Sporadic support has been provided informally to MMMD Planning and Finance Departments, but a visit to these departments found it difficult to pinpoint any achievement or benefit resulting from this type of informal support. Planning and budgeting are in need of capacity development. At the time of the mission to Zambia, a Senior Non-key Expert was preparing to start his institutional review that would form an important basis for the capacity building plan.
Component 7: On-the-job coaching and structured training

- The project reports sporadic coaching activities on demand.
- On-the-job training for data analysis of form 34 is completed.
- Training was provided to MMMD staff for reviewing compilation of data from all large copper mines and for applying sound methodology for production data analysis.
- The ASYCUDA export data were reviewed to understand the discrepancies between export data and production reports resulting in an increased production figures by the mines previously underreporting their production.
- Training was provided to MMMD staff to facilitate operation of the MCAS export permit system that was provided under the Project.

c. Evaluation questions

Relevance (3/5)

- Assessed against the overall objective of the EU Support Programme to PFM Reforms, Component 3 contributes to "the enhancement of economic governance", strengthens "accountability" and is likely to increase "management results" by a substantial improvement in the Ministry’s capacity to fulfil its mandate. However, the focus on PFM remains indirect even if the impact in terms of revenue generation can be important. (Question 1)
- Considering that the implicit objective of the project is to increase tax and royalty revenue generated by the mining sector, this objective appears within reach, given the provision that other causes of leakage are addressed. (Question 1)
- The project is not directly linked to PFM reforms and will have a limited impact on the PFM environment. In order to increase the impact, parallel reforms must be put in place in ZRA and more specifically in the Customs Department. However, it should be noted that not all activities under the project are relevant to the strengthening of public financial management or are not expected to have an impact on the PFM environment. (Question 2a)
- The degree of ownership of the project at the level of MMMD remains high. However, the project in and of itself cannot overcome the weak capacity of the Ministry when it comes to law enforcement. Addressing structural weaknesses in MMMD would require a political will that does not seem to exist at the moment. (Question 2b)

Efficiency (2/5)

- The fact that the team leader and second key expert have only an intermittent presence in the country has been a challenge, as development of the MOSES system (by the MVCM Project) requires constant and uninterrupted consultation with the IT team. However, a solution has been found with the deputy team leader (second key expert) alternating as much as possible with the team leader. (Question 3)
- Post-inception experience has shown that 'collaboration' with MVCMP can be extremely time-consuming. Considerable key-expert and non-key expert time is consumed in this collaboration and the reactions/accommodations that are needed as a result. The team leader and second key expert have estimated that up to a third of their time has been spent on these issues in some months.
- Existing tensions between ZRA and MMMD explain the difficulty of consulting with the developing team. As an example, ZRA/MVCMP undertook the development of an Export Licence System while MMMD was developing its own system, without
informing the EU team working on the project or consulting with MMMD. It is critical to improve the communication between the two projects but even after consultation with the stakeholders there is no easy solution in sight. Better communication between the EU-Funded project and MVC project depends on better communication between ZRA and MMMD, which is difficult to achieve as long as the areas of competency have not been clearly defined and the credibility of MMMD strengthened. (Question 4 and 5)

- There have been serious issues with procurement procedures. Draft tender documents, which have been created in accordance with EU templates, and guidelines, were provided to the NAO for review, which review process has been incredibly slow (sometimes over 3 months) and frequently requiring physical presence of the project Impress Accounting Officer in the NAO offices to help speed up the process. Once edited, the various documents have been reviewed by the EUD, which required re-editing these documents. Once these were done, the documents were submitted again to the NAO, where the process started again. The process is exacerbated by the fact that the PRAG changed early this year, requiring further edits. A number of tenderers were disqualified on administrative grounds.

- While good progress has been made on Component 4, other Components are not being implemented as quickly as planned. This is due to several factors, among them are the slowness of the decision making process in MMMD, the complexity of coordinating activities with ZRA, difficulties with the procurement procedures, difficulties in mobilising experts, etc. Consequently, the budget for non-key short-term experts could not be spent as quickly as planned and the authorities have already made their intentions known to request a project extension.

- The capacity building plan under development will probably identify new areas of intervention. However the difficulties of implementing such a plan during the present project timeframe should also be noted. Capacity building is not just about training but should include a complete reorganisation of some of the key departments of MMMD and designing new business processes to take advantage of the information made available.

- As MOSES is becoming operational there is a need to look at other IT systems in MMMD to link disconnected databases and close all information gaps.

- The project needs to be recalibrated to take into account the change in the scope of work that allows the redeployment of resources toward other activities to cover potential needs that could not be anticipated during the inception phase.

**Effectiveness (4/5)**

The project can be considered as highly effective in the sense that (a) there is no other alternative to deliver the same results and (b) results are delivered within a relatively short time frame.

The sub-section of Main Achievements (above) provides a complete review of project achievements to date showing that several project key objectives have already been achieved and that the project has the means to deliver the planned results. It should be noted that large mines are already able to report their monthly production using the Form 34 developed by the project. These reports are already being analysed by the MMMD, supported by the second key expert, on a regular basis. (Question 6a)
Issues related to MMMD internal planning and budgeting functions have not yet been addressed. The overall impact on PFM is indirect through additional revenue generation (Question 6b). In terms of revenue generation the project is highly effective. It provides:

- Means to reduce tax leakage along the value chain
- Means to track down imports and export at different stages of the value chain for better reporting (CSO) and taxation (ZRA)
- Means to evaluate precisely the value of exported mineral products
- Means to evaluate gemstones before auction
- Means to determine the grading of ore being extracted to control better the optimisation of deposit extraction

The main lesson that can be learnt from the project is that although it is critical to solve technical issues such as the Ministry’s capacity to collect and analyse data at all stages of the value chain, this is not sufficient to raise the capacity of the Ministry for decision-making and law enforcement. The development of capacity is a more complex task than the development of an IT system and cannot be addressed by on-the-job training only. Although the mission of the Ministry is clear, it has not yet devised a plan to implement the changes required for fully discharging its duties. In particular, this would require deploying more people in regional bureaus and providing them with adequate equipment. A project extension might be required, and it appears that an extension to the existing contract, ending January, 2018, is being considered. It appears very unlikely that the project will be renewed under the 11th EDF (Question 7).

**Impact (4/5)**

- The project has already strengthened the Ministry’s credibility since this is the first time the Ministry has had access to all data allowing law enforcement. However, law enforcement also requires capacity and political will. Capacity remains to be built and political will demonstrated. It is probably too early to make any judgement on these issues. (Question 8)

- The impact of the project on fiscal space is certain but needs to be measured. As an example of unrealistic expectations, it was mentioned to the mission that the copper anodes that are cast by smelting companies (including Chambishi), the copper content can vary between 99% and 99.5%, meaning that the anodes can contain up to 1% of other metals, potentially including precious metals. This indicates that other metals (including precious metals) may well be produced and sold, without a royalty being applied. The mission feels that it is important to clarify how much additional revenue can be generated from better tax and royalty collection in order to manage expectations and to provide reliable information to the Ministry of Finance for revenue forecasting. Defining revenue targets in consultation with ZRA might be useful. (Question 9)

- The impact of the project is not limited to revenue generation. It will lead to a better management of mineral resources.

**Sustainability (5/5)**

- Sustainability in terms of human capacity does not represent an important risk as long as capacity is being developed. The capacity to perform data analysis is already in place. However in order to be able to use effectively the information produced the Ministry might need to redeploy its human resources or hire additional staff to perform new functions (Question 10a).
In order to maximise the impact of the project other reforms must take place to improve Ministry’s overall management.

The project has a high degree of ownership in MMMD but would need more support from the Government. The decision to staff the Ministry adequately and to provide sufficient financial resources to allow it to perform its duties should be made at the Cabinet level. Providing a realistic estimate of how much additional revenue can be generated by the mining sector can help that decision.

Value for money

The project provides good value for money, especially considering that the cost of developing the IT system is not borne directly by the project. The introduction of a new form for collecting mineral production data supported by a revision of the legal framework has solved the problem of data completeness and consistency. The Exporting Permit System is a light and simple system that is nevertheless a critical component in managing the mineral value chain. A relatively small investment in laboratory equipment has given the MMMD the capacity to evaluate minerals, metals and gemstones at any stage of the value chain.

Overall, the project should help raise Government revenue from the mining sector significantly.
2.4 Component 4: Government-Wide Monitoring & Evaluation System

a. Introduction and background

Project overview
During the preparation of the 6th National Development Plan, the Zambia authorities found a lack of accurate and timely information concerning the achievements of the 5th NDP to be used as a baseline for the new plan. The Central Statistics Office (CSO) was not equipped to track sector development indicators and started to develop and implement the National Strategy for the Development of Statistics. However, this new instrument was found insufficient to address the existing data gap and the challenges in data management. Therefore it was decided to include the development of a Government-Wide Monitoring and Evaluation System (GW-M&E System) in the 6th NDP. Reviews conducted at that time highlighted the fact that the planning of new NDPs was not linked to the overall strategy toward attainment of the national long term Vision 2030 and stressed the need for a better linkage between planning and budgeting. As a consequence the concept of an M&E System developed during the review goes beyond developing a reporting tool for planning. The system is aimed at making evidence for decision making (in the Presidency, Parliament, and for senior Managers) more readily available. Sector technical capacity limitation in analysis and reporting identified at that time was another reason that led to the formulation of the M&E MIS Programme to facilitate an M&E policy framework, implementation plan and tools that provide evidence through evaluations.

Delays in preparing system requirements, however, made it impossible to have the system ready by 2016. In practice, system development is likely to occupy the period of the 7th NDP with the system ready only for the preparation of the 8th NDP. The GW-M&E System is expected address a number of structural weaknesses in the planning and budgeting process including weak linkage between planning and budgeting, lack of a policy-based and result oriented expenditure allocation, fragmented manual data collection, and weak capacity in monitoring and data analysis.

Cooperation partners’ support
DFID committed 3.9 million GBP until December 2018 to support the GW-M&E development as part of its Public Service Performance Programme (PSSP) and commissioned GIZ to implement two of its components: (i) Support to Cabinet Office and Ministry of Finance in enhancing systems and capacities fulfilling their mandate as an apex body; and (ii) Support to MIS development or enhancement in the sectors of Health, Transport and Education. On its side, GIZ committed 1.58 million Euros to provide long term technical assistance and short term expertise for project implementation. The agreement was formalised in August 2014 with the signature of a Delegation Cooperation Agreement (DCA) under which DFID entrusts GIZ with the overall development of the Management Information System (MIS). However, due to issues with system resources, the Government invited the EU to join the GW-M&E project. The EU intervention largely focuses on improvement and enhancement of M&E-MIS prerequisites such as the M&E operational platforms and capacity development training. More specifically the EU project is responsible for (a) developing the M&E methodology, (b) the policy framework and (c) guidelines to stakeholders and users. The EU intervention targets the Ministry of Agriculture, the Ministry of Labour, the Ministry
of Finance, the Ministry of National Development Planning,\textsuperscript{10} the Cabinet Office and the Central Statistical Office (CSO).

**Objectives and expected outcomes**

The overall objectives of the project are the “Enhancement of economic governance in Zambia through improved public financial management, strengthened accountability processes and increased management results”. Its purposes are defined as “to improve effective Government monitoring, evaluation and measurement of performance of the national development plan and specific sector plans”

Two results are expected:

- **Expected Result 1**: To set up an effective Government-Wide Monitoring and Evaluation Management Information System.
- **Expected Result 2**: To strengthen management Information Systems at sector level (including Labour, Agriculture and possibly other sectors).

**Project structure and project overview**

The ToR identified three project components of unequal weight:

- **Component 1** - Support to the Ministry of Finance (now the Ministry of National Development Planning) in policy, programme and project monitoring, evaluation, and reporting at national and sector levels. This should include support to developing a Policy and Master Plan for M&E to codify the principles, processes, standards and procedures across Government including (but not limited to) the development of guidelines, manuals and training.
- **Component 2** - Support to CSO. Enhance the capacity of CSO to improve its role in defining common statistical standards, definitions, nomenclature, data dictionary, IT coding systems, and to disseminate statistical culture to relevant line Ministries.
- **Component 3** - Design and provision of training to enable transfer of know-how in the above-mentioned activities.

There are an additional 8 components that are specific to the Labour Sector and 4 component related to the Agriculture Sector, making a total of 13 components (some components overlap across sectors).

However the project work plan is not arranged by component but by phase, to be aligned with the DfID-GIZ project:

- **Phase 1**: Development / enhancement of important result based M&E Systems and framework components (2016)
- **Phase 2**: Development of the Management information system (2017)
- **Phase 3**: Development of the Management information system – medium to long term (2018)

\textsuperscript{10} Following the split of the planning and finance functions the EU intervention targets both ministries.
Relatively little is found in the Inception Report regarding Component 2 beside a few mentions in the Joint Work Plan and a specific work plan in the annexes.\textsuperscript{11} Component 3 comprises an elaborate M&E Training Programme organised through 9 modules. Additionally the project is responsible for developing the NPF methodology, the policy framework (regulation), the guidelines, and setting up training.

\textbf{The Government-Wide M&E System}

The GW-M&ES is envisaged to be an integrated computerised system to be used by the public sector down to the field level for the following purposes:

- Assist the GRZ document the national development framework to support Vision 2030;
- Capture how the national framework cascades into sector development frameworks;
- Directly translate sector frameworks into activities to produce outputs;
- Assist the production of a responsive budget to support these activities;
- Capture accomplishments from the field;
- Consolidate field reports and upstream it into actual accomplishments for the respective sector frameworks and ultimately the national development framework; and
- Help GRZ to determine the extent of achievement of the goals it has set for Vision 2030.\textsuperscript{12}

It is proposed to be implemented initially at the pilot agencies which would include: (1) Ministry of National Development Planning (MNDP) / Cabinet Office (CO), (2) Ministry of Agriculture and Livestock (MAL), (3) Ministry of Education Science, Vocational Training and Early Education (MESVTE), (4) Ministry of Health / Ministry of Community Development and Mother Child Health (MoH/MCDMCH) and the (5) Ministry of Labour and Social Security (MLSS). Ultimately, it will be implemented across the GRZ.

\textbf{The National Performance Framework}

An essential component of the GW-M&E System, developed under the responsibility of the EU-funded project, is the National Performance Framework (NPF) planned as a link between Vision 2030 and the National Development Plans. The NPF, which has a 15 year time-horizon, identifies key strategic areas on which investment and activities should focus and national key performance indicators (N-KPI) to monitor progress in these areas. These N-KPIs will be monitored by the M&E Department of MNDP and displayed through dashboards to the President and the Government and through reporting, to the Parliament. Once the NPF finalized, it will be implemented across a number of successive five-year National Development plans (NDP) as needed. Each of the NDPs will verify the achievements of the previous plan in each key area and will

\textsuperscript{11} The CSO is mentioned in the Main Activities of the Joint Work Plan, especially in relation with the definition of the system data architecture, and more specifically in relation to the creation the data catalogue for each ministry. But the role and responsibility of the CSO in relation to this activities is not defined. A specific Work Plan has been developed but remains very sketchy and does not allow at this stage to form a clear idea of the strategy that needs to be put in place to overcome a very low preparedness level in an area completely new for the CSO. The project team is in the process of preparing new ToR that will address this issue.

\textsuperscript{12} See R. Berba, MIS Readiness Assessment, March 2016
decide whether the focus has to be continued or shifted to other priorities. Once the NPF completed, each key area will be “unpacked” at the sector level, using a long term Sector Performance Frameworks, and informing how each sector programs its intervention in order to achieve the NPF objectives. Sector Performance Framework will be further drilled down to a yearly budget, and in the same time, keeping in mind the three-year horizon dictated by the MTEF. The outcome of this exercise will be the five year Sector Development Plans and further the Yearly Plan and Budget and the 3 year Plan and Budget (Corresponding to the MTEF).

b. Evaluation main findings

Main achievements to date
The EU component of the project started on 2\textsuperscript{nd} February 2016 and its inception report was approved by the authorities on 2\textsuperscript{nd} June. As a consequence, the project has been in existence for less than five months and has barely gone beyond the inception phase.

Considering the project’s short life span, its achievements have been limited. They include:
- The Inception Report
- The joint work plan
- Initialisation of the development of the National Performance Framework (Report due end of July 2016)

Review of the Theory of Change and Intervention Logic
The Theory of Change (ToC) is presented in details in Annex 4 based on a document prepared by GIZ\textsuperscript{13}. After reviewing the Theory of Change and discussing it with some of the stakeholders a number of issues have been identified.

- A number of issues found in the ToC shows that the concept of a Government-wide M&E System still needs some clarification. There are still discrepancies between the way national stakeholders speak about the M&E System and the way it is conceptually designed by GIZ. Although GIZ logic of intervention has introduced reference to budget reforms, however GIZ underlines that there is no need for the system to integrate budget reforms (Output-Based Budgeting) as “M&E is only providing performance indicators for financial and non-financial information and may provide a tool for the follow-up of the budget indistinctly if there is or not budget reforms”\textsuperscript{14}. But it seems difficult to ignore that the Ministry of Finance is piloting Output-Based Budgeting (OBB). The way OBB will be integrated in the M&E System still need conceptualization and political buy-in.
- The complex ToC developed by GIZ is not fully understood by most national stakeholders. The reason might be that the theory had been formalised only by the end of May – beginning of June and the document has not been widely circulated. While some stakeholders see the system as a planning tool, others see it more as a monitoring and reporting system. The relationship between planning and M&E is not straightforward. It is only when the system functionality will be fully defined that a common understanding of the system might emerge.

\textsuperscript{13} GIZ, Building a Government-Wide IT Enabled M&E System; Main Approach and Issues, June 16\textsuperscript{th} 2016

\textsuperscript{14} Written comment provided by GIZ team leader.
• Developing an M&E System in parallel with the early implementation of Output-Based Budgeting represents number of conceptual and operational challenges. First, it requires an appropriate legal framework that still needs to be developed. It requires also to move away from activity-based budgeting too fragmented to allow a good measure of performance. Then, the top-down approach of planning must be harmonized with the bottom-up approach of OBB and the OBB performance framework needs to be harmonized with the National Performance Framework and the Sector Performance Framework (some of the OBB performance indicators will not be integrated in the NPF, while other indicators will represent different level of aggregation).

• More generally the success of the M&E system depends implicitly on other PFM Reforms, notably establishing budget credibility for reason which have been explained. Although the ToC assumes that the M&E System will contribute to the restoration of budget credibility (See “Impact” in the ToC), that relation is not straightforward. It requires good coordination between the system development and implementation of PFM Reforms as well as a level of political support for these reforms that so far have not been demonstrated. The Assumption that underpins the ToC is that strengthened development accountability will work to demand financial accountability and eventually budget credibility. International experience shows that countries that have been successful in developing M&E systems are countries which have already established strong budget credibility. No government agency can be hold accountable for reaching its objectives unless it receives it full budget allocation. Because in the context of cash rationing MPSA struggle to keep their daily operation running they always give priority to operational expenditure over development objectives.

• Methodological issues still exist in the theory of change. We understand that the NPF take a medium term perspective driven by Vision 2030 and the National Development Plan, but the way that the medium term perspective will be reconciled with the MTEF still needs to be defined. This raises the issue of coordinating the OBB performance indicators, which should be firmly grounded in fiscal capacity defined by the MTEF, with longer term objectives of the NPF. It probably means that a fiscal model should be developed for the NPF to ensure the realism of its objectives.

• The theory of change is based primarily on assumptions and objectives developed by the Ministry of National Development Planning that are still in need of a broader consensus resulting from a large consultation of stakeholders. The system can play different roles depending on the way it will be used and by whom. While line –ministries could use the system to monitor the implementation of sector plans and to align their budget on sector priorities, MNDP could use the system either to monitor MPSA activities or to enforce its own policies. It is yet too early to see how the different options will be articulated.

System design strategy
Based on the Theory of Change and a Needs Assessment, the following principles guiding the system design strategy have been formulated.

• Development of the IT system will not start before the core business needs have been clearly identified.
• Priority is given to the development of the National Performance Framework (NPF) based on Vision 2030. This means that, at least for the first phase of the system development, a top-down approach of planning has been chosen in opposition to a bottom-up approach consisting in designing programmes with key performance indicators. This top-down approach has been already described in the section on the National Performance Framework. This approach is borrowed from South Africa\(^{15}\) but also exists in a small number of countries (Namibia, Scotland\(^{16}\) and Trinidad & Tobago\(^{17}\)). In a second phase, sector performance framework will be developed using a more bottom-up approach. However, sector performance frameworks will remain firmly subordinate to the NPF. Based on the objectives set in the NPF, each sector is given responsibility over a set of Key Result Areas which are summed up in the Sector Performance Framework.

• Programmes and projects proposed to be financed by the annual budget at the sector level will have to be mapped to the strategic objectives of the NPF with explicit linkage in the system.

• In the case of Ministries using multiple databases, the different databases will be interconnected using an enterprise bus on which the M&E System will rest.

• An MIS will be developed at the central level and will be connected with the sectors’ MISs.

The Mission thinks that delaying the development of the IT system until the business needs have been clearly identified is a good strategy. Other decisions are based on the top-down approach chosen by the Government. Often M&E systems start bottom up from the implementation of program budgeting with KPIs which can be consolidated in a unified performance framework only after 2-3 years of piloting. International experience shows that one third of KPIs have to be modified at the end of the first year of implementation. Once the top-down approach accepted the implementation strategy appear to be sound.

c. Project assessment against the DAC indicators

Relevance (2/5)

• In the short run, the intervention will have only limited impact on the achievement of PFM reforms in Zambia, but it might stimulate budget reforms (Output-Based Budgeting) that are essential for the success of the GW-M&ES. However in the long run, if budgeting could be integrated into the system it will contribute to make the budget more policy-driven and facilitate the allocation of funds on the basis of performance (Question 1). With a well-managed communication strategy the M&E project could become the driver of PFM Reforms if the issues related to relevance are solved.

• It should be noted that development of the M&E System appears to be widely supported across the Government by senior managers in line-ministries (Question 2b).

• The project is seen by the Ministry of National Development Planning has having the potential of strengthening the Ministry’ credibility. It does not appears that there is


\(^{16}\) An Introduction to Scotland’s National Performance Framework, Edinburg, 2011

\(^{17}\) Ministry of Planning and Sustainable Development of Trinidad & Tobago, National Performance Framework 2012-2015. The fact that no NPF was published for 2016 might point out to some implementation difficulties.
the same level of support on the side of the Ministry of Finance. The role of the Ministry of Finance is critical if the GW-M&ES has to become a budgeting tool (Question 1a).

The relevance of the project in relation with the overall EU programme of support to PFM reform is questionable due to several issues related to:

(i) System objectives and system design
(ii) Project timing and sequencing of PFM Reforms,
(iii) Line-ministries’ readiness to implement the project, and

**Project Objectives and Project Design**

- The system was initially conceived as a planning tool (the top-down approach) but GIZ with the support of the EU has attempted to introduce a budgeting dimension. However, as seen in the analysis of the Theory of Change, the linkage between planning, fiscal policy and budgeting remain weak in the system. It is not clear how much support will be given by the Government to a system design that will integrate the budgeting dimension.
- Although the theory of change makes reference to a positive impact on budget credibility and fiscal discipline the linkage is not easy to establish. Budget credibility depends from multiple factors (revenue forecasting, expenditure assessment, investment management) which are outside the scope of the system. As for fiscal discipline it is not possible to demonstrate a direct link

**Project timing and sequencing of PFM Reforms**

It appears that the sequencing of PFM reform is weak or has not been taken fully into consideration.

- Good practices recommend the establishment of budget credibility before accountability and developmental accountability cannot exist without fiscal accountability. From that point of view, the sequencing of reforms appears to be weak. Without budget credibility there cannot be any accountability of line-ministries because if ministries do not receive the allocation in their budget they cannot be held accountable for delivering the results.
- Budget reforms are necessary to ensure a better linkage between planning, fiscal policy and budgeting. This task needs to be completed before the M&E system becomes operational. Objective Based Budgeting is still at a very early stage of piloting. Its deployment across the Government will take time.

**Line-ministries’ readiness to implement the project**

- The Needs Assessment has identified three types of MPSA. Those that have an MIS, those that don’t have a MIS but a number of disconnected databases and those that do not have any system (Labour is one of them. As an M&E system rests on an MIS, the implication is that in order to introduce an M&E system there must be an upgrade or development of MPSA’s MIS. The emphasis should be put on MIS development considered as a prerequisite for M&E in order to ensure a better linkage with PFM reforms

**Efficiency (3/5)**

- A joint work plan has been developed with GIZ and there is regular contact with the EU team leader and the GIZ team. The division of responsibilities between the two team is relatively clear with GIZ focusing on identifying business requirements and
system development and the EU team on the development of the National Performance Framework and taking responsibilities for the Ministry of Labour and the Ministry of Agriculture. However the fact that the team leader is not full time in the country has serious implications. Inevitably in the absence of the EU team leader GIZ has to make decisions on various aspect of the project that cannot be discussed in details with the EU team leader. Additionally the team leader is not always present in the country during mission of non-key experts making coordination and consultation difficult (Question 3 and 4).

- The level of understanding of the M&E System in general and of the National Performance Framework in particular varies from an agency to another and political support is uneven. An effort should be made to create a unity of vision among stakeholders.
- Considering the complexity of the project, increasing the number of days of the team leader in the country appears critical (Question 5).

**Effectiveness (3/5)**

Three factors affect project effectiveness:

- Effectiveness of the project will depend on solving the issues mentioned under “Relevance”. Improving the relevance of the project will improve its effectiveness by providing a better linkage with other PFM reforms, notably budget reforms (output-based budgeting).
- Timeframe of system implementation is critical. However considering the wide scope of the system the time required for completing the system can be estimated at a minimum of five years.
  - Depending on the implementation strategy small chosen gains can materialise sooner at a low aggregated level.
  - However it will probably require a few more years beyond the five year time-horizon to see the impact of the system on PFM management at a high aggregated level (Question 6).
- Overall effectiveness of the project will depend on the capacity of the Government to use the information produced. It can be expected that this capacity will vary across sectors.
- Considering that it will take many years to implement a system and that having an incomplete system would bring little benefits, it will be difficult for the EU to discontinue its support that will have to be extended beyond the 10th EDF (Question 7).

**Impact (2/5)**

- There is no doubt that the system will lead to better planning, and it can be expected that it will facilitate a transition from input budgeting to a more result-based budgeting system. However, no impact on PFM indicators (such as PEFA indicators) should be expected before several years unless a strong linkage with PFM Reforms is provided upfront.

- One of greatest merit of the project is not in the M&E System itself but in the development or upgrading of MPSA’s MIS. Having more robust and comprehensive MIS at the sector level should greatly enhance MPSA capacity for planning, budgeting and service delivery (Question 8)
Impact will depend on other PFM reforms being successfully implemented.

- The project could be used as a catalyst for budget reform, especially Result-Based Budgeting (Question 9).

**Sustainability (4/5)**

- The system will be a turn-key solution requiring little maintenance. However it is likely to evolve with time and to require new development like any system.
- Other aspects of sustainability involve analytical capacity at the MPSA and Apex level. This issue is addressed in the capacity building plan. It is probable that hiring new staff might be necessary in some MPSAs.

**Value for money**

There is no objective criteria to measure VfM of Government-Wide M&E System before the system is implemented. VfM includes

- Better (more realistic) planning
- Better information for budgeting if budget reforms are implemented
- Possible energising effect on PFM reforms
- Political good will
- Increased political support for PFM Reforms
3. **Overall Assessment**

As the programme comprises four components which are effectively stand-alone projects, an overall programme evaluation is not straightforward. Nevertheless, the following discussion reviews the overall programme against the standard OECD-DAC criteria.

**Relevance**

Programme relevance needs to be judged against the overall programme objective which is “the enhancement of economic governance in Zambia through improved financial management, strengthened accountability processes and increased management results” and the evaluation questions.

At the overall level all four components can be said to contribute to “improved financial management” enhanced “economic governance” and to a lesser extent to “accountability” however their contribution to the objectives of GRZ’s PFM Reform Strategy varies greatly. Although Components 1 (NAZ) and 2 (MoF) are directly related to PFM, the two interventions focus on support to the process of reform but do not relate directly to reform implementation. Component 3 (MMMD) is only linked to PFM by its objective of increasing revenue from tax and royalty collected from the Mining Sector. Component 4 (the M&E System) was initially conceived as a planning tool with the potential to increase developmental accountability but might play a role in future in supporting budget reforms.

The NAZ component makes a direct contribution to stronger accountability by enhancing the ability of the Legislature and its Committees to hold the Executive responsible for its actions. The MOF component is more of an enabler of better PFM by means of helping key PFM staff to become more competent in carrying out their day-to-day duties. The MMMD component addresses revenue management issues by seeking to strengthen the basis and accuracy of mining revenue assessment. Considering that mining revenue represents about 7% of the country’s tax revenue, the project can boost significant tax and royalty revenues from that sector, thus contributing to the increasing revenue available for Government expenditures. However, it should be noted that not all the activities under the project are relevant to the strengthening of public financial management. Finally, the M&E component focuses on the results of government policies and spending by monitoring and evaluating what government has achieved with public money and other resources. Collectively, therefore, it may be concluded that, whilst the programme operates in areas that are to some extent at the margin of PFM, it nevertheless has the potential to make a valuable contribution to the PFM reform agenda. Given the fact that other donors are very active in PFM reform – including through the Multi-Donor Trust Fund – the EU programme targets a number of important issues that support the actions of other Cooperating Partners (CPs). In so doing it occupies a niche position in PFM reform that may be built on in future cooperation.

At sector level, the degree of ownership of the four components is high. The NAZ Component is strongly supported by the National Assembly leadership, but this strong support does not always translate into a strong support by individual MPs. The MoF Component also enjoys good support from the Ministry but training is not usually considered a priority when scarce budget resources are being allocated. The Mining Component is also strongly supported by MMMD but this support suffers from the low profile of the Ministry. A stronger support at the Government level would require a clear agenda for mining reforms in general.
The development of the M&E System enjoys wide support across the Government, starting from the Presidency itself. But coordination between the Ministry of Planning and the Ministry of Finance might become challenging and will require the close attention of the Cabinet, if budget reforms have to be successfully integrated in the development of the system. However, with a well-managed communication strategy the M&E project could become the driver of PFM Reforms if the issues related to relevance are solved.

**Efficiency**

There have been major variations in programme efficiency. By far the most trouble-free has been the NAZ component where project design was largely appropriate and project implementation has for the most part run smoothly\(^\text{18}\) with a high level of ownership and buy-in from the NAZ. There seems to be no problem concerning the work of other CPs and the Clerk of the NAZ facilitates coordination by convening an annual meeting of donors to share progress and plans.

The MOF component has had rather more problems beginning with the need to change Team Leader during the first phase of the project and extending to the cancellation of a recent Project Steering Committee. Project buy-in is good at the operational level and is stated to have top-management enthusiasm but it was not possible to verify this directly in a face-to-face meeting with the Secretary to the Treasury (ST).

The mining component of the programme has been very challenging from the outset. At the time the project was designed, it was not known that a similar project was under way with the Zambia Revenue Authority (ZRA). This has caused considerable problems for the EU project with continuing uncertainty and differences of opinion between the MMMD and the ZRA as to their and their project’s respective responsibilities. This has led to a significant amount of duplication and nugatory work. There have also been significant challenges with procurement causing delays in project implementation. The harmonization process put in place does not work well because of continuous rivalry between MMMD and ZRA. In the absence of a better coordination between the two agencies the EUD and the Norwegian Cooperation would need to do a closer monitoring. The decision of the team leader to alternate with the second key expert to ensure almost a continuous presence on the ground has been an important success factor and the most important project components have been already delivered.

The M&E component that started only five months before the mission. Some inefficiency appears to be caused by the fact that there is no continuous project presence on the ground. Since GIZ/DFID are able to carry out their related work on a continuous basis, key decision points are being reached in the absence of the EU Project’s Team Leader and his colleagues. More time of the team leader of a second expert would help ensuring a continuity of the activities.

In financial terms the programme’s progress may be gauged by reference to the following tables which shows the degree of implementation of the financing agreement as at July 2016.

\(^{18}\) The training of MPs has not been without difficulty in terms of their availability for and interest in generic PFM training.
A rider to the Financing Agreement is currently under preparation to allow the signature of an addendum with the NAZ and to transfer most of the balance of the M&E budget line to the contingencies line to be able to sign a rider after the D+3 (December 2016).

<table>
<thead>
<tr>
<th>Activities</th>
<th>Budget before Addendum No 1</th>
<th>Modification of Addendum No 1</th>
<th>Budget after Addendum No 1</th>
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<tbody>
<tr>
<td>Intervention 1 – Support to National Assembly (through service and supply tenders)</td>
<td>3,190,000</td>
<td>510,000</td>
<td>3,700,000</td>
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<tr>
<td>Intervention 2 – Support to Ministry of Finance (service tenders)</td>
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<td>1,090,000</td>
</tr>
<tr>
<td>Intervention 3 – Enhancing Government-wide Monitoring &amp; Evaluation Management Information System (service tenders)</td>
<td>3,290,000</td>
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<td>2,050,000</td>
</tr>
<tr>
<td>Intervention 4 – Minerals Production Monitoring (service tenders and Programme-estimates)</td>
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<td>0</td>
<td>3,000,000</td>
</tr>
<tr>
<td>Mining Production Monitoring Equipment (supply tenders)</td>
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<td>0</td>
<td>1,690,000</td>
</tr>
<tr>
<td>Operating costs</td>
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<tr>
<td>Operating costs</td>
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<td>0</td>
</tr>
<tr>
<td>Monitoring, External Evaluation and Audit</td>
<td>200,000</td>
<td>50,000</td>
<td>250,000</td>
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<tr>
<td>Contingencies</td>
<td>500,000</td>
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<td>1,180,000</td>
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<tr>
<td>TOTAL</td>
<td>13,000,000</td>
<td>0</td>
<td>13,000,000</td>
</tr>
</tbody>
</table>

Effectiveness

Each programme component has its own expected results that provide a benchmark for measuring performance. There seems to be little doubt that both the NAZ and MOF components will achieve those results as long as parliamentarians continue to challenge the Executive and budgetary resources are available for training. Both components have made significant progress already in those areas of activity that contribute to the achievement of planned results. In the NAZ, the PAC and Estimates Committee are performing well with the support of the project. In the case of the MOF component, a
well thought-out approach to capacity development employing competency-based learning is being developed and is well-received among the targeted PFM groups.

The mining component may be regarded as effective as key reforms have already been achieved. The MOSES IT System is already operational and a reform of the regulatory framework has provided the basis of comprehensive data collection at all levels of the value chain. An Export Licence system has also been developed and is now operational. Good results have been delivered in a relative short time.

**Impact**

The impact of capacity-building activities is always difficult to assess when the evaluation is not done against specific tasks. However capacity building activities in the PBO are seen as critical and completely new function needs to be developed. The PBO will provide useful information to the various committees of the National Assembly that will help MPs to better understand the budget at the macro and sector level and ultimately should help them to challenge the Government’s choices to take into consideration the population preferences.

Regarding the MOF Component, it is too early to observe any impact on PFM performance. Some PFM reforms, like Objective Based Budgeting, are at a too early stage to be properly supported by capacity building. Present training focuses on general skills such as accounting, audit, expenditure analysis, and there are good reasons to expect that a better understanding of role and technique will translate in the medium term into better performance.

The overall impact of the project on MMMD is very important. Critical issues such as data collection, data reconciliation and data analysis have already been solved and the Ministry is now in a much better position to enforce mining regulation, provided that it receives the necessary support from the Government. The project will have no direct impact on PFM reforms but will generate additional revenue, creating some fiscal space for improving budget credibility. The amount of additional revenue to be generated cannot be estimated yet. It is an important additional task that should be undertaken. There is evidence that expectations might be too high. There is not yet an understanding of why the contribution of the mining sector to the national revenue is so low in comparison to the formation of the GDP. The project will eliminate several factors such as underreporting of mines’ production and under-evaluation of exported products, but other sources of leakage might exist as well as issues with the tax and royalty regime. Ultimately, the project should result in a revision of the tax and royalty regime. It should also facilitate better enforcement of mining regulations and lead to better mineral resource management.

As stated above, it is too early to judge the likelihood of success in the M&E component which has been active for only a few months to date. Effectiveness will ultimately depend on the capacity of the Government to use the information produced. It can reasonably be expected that this capacity will vary across sectors. In any case it will probably require several more years beyond the current project before the impact of the system on PFM management at a high aggregated level will become visible. Also it will be necessary to improve the linkage with other PFM reforms, notably budget reforms (results-based budgeting).
Sustainability

Training and capacity building are never ending activities, therefor the sustainability of Components 1 and 2 depends on the capacity and willingness of NAZ and MOF to carry on the activities when the projects close. This requires two prerequisites: sufficient training of trainers and enough resources to carry on the activities. The prospects for institutional sustainability are good in the case of both the NAZ and MOF components. In the case of the NAZ, institutional sustainability is in the hands of the PBO which is now working well and has an approved plan to increase its human resources. Nevertheless, Parliamentary staff will doubtless need external support from trainers/facilitators who understand how to interact with politicians. The MOF component is well-advanced in setting up a network of local training providers to offer the necessary competency-based learning opportunities to targeted groups of staff. The main sustainability risk is financial in nature in terms of the need for an adequate annual training budget to support attendance at the necessary training courses. Past experience shows that training budgets are often underspent and that they are mainly applied to longer, qualification-based training courses.

Regarding the Mining Component there is no sustainability issue. The MOSES System is already operational and enough capacity building has taken place to allow the ministry to use the data. More capacity building is required to strengthen the Ministry’s managerial capacity. On the side of the M&E system, the issue is the complexity of the undertaking with no clear end in sight. The length of time required for system development and implementation will depend on how much work is needed for upgrading, and in some cases developing, sector MISs to support the M&E System. It will be a progressive roll-out. Additionally PFM reforms, notably budget reform, will have to be integrated into the system. The objective of the system ben to provide a better linkage between developmental planning, fiscal policy planning and budgeting, the benefits might take many years to materialize.
4. Conclusions and Recommendations

4.1 Conclusions

Overall
The evaluation team concluded that the EU programme has made some valuable though generally indirect, contributions to the practice of public financial management (PFM) in Zambia. Three of the four components of the programme have recorded significant progress, though the M&E component is currently only a few months beyond the inception phase.

Measured against the five standard OECD-DAC criteria for evaluating development effectiveness, the four components score reasonably well (an overall score of 3.5 out of 5) with the NAZ component leading the way.

Generally speaking, the team concluded that the programme, whilst operating at the margin of PFM reform, does occupy a valuable “niche” position and is a making a useful contribution to the betterment of economic governance and greater accountability.

Each component could usefully build on what has already been achieved if additional programme resources are made available, either with EDF 10 funding or under EDF11. Recommendations to this effect are set out in the next section.

Specific Component Conclusions

NAZ
The component is based on a sound Theory of Change and has already demonstrated that it can deliver the expected results. The NAZ is receiving solid support from the PBO and its committee reports are demonstrating a greater awareness and understanding of PFM issues that are relevant to their operation. The component scores well against DAC criteria for evaluating development effectiveness. There is a sound basis for expanding the scope of the project under EDF11.

MOF
This component is also based on a sound Theory of Change and has made good progress against its expected results. A modern approach to skills-based learning has been developed using the competency approach. Local institutions have been identified that are committed to providing the necessary training courses. There are good prospects for sustainability as long as training budgets are adequate. There is scope for expanding the component to cover a wider range of PFM staff.

MMMD
Once again the component’s Theory of Change is sound and has already demonstrated that it can bring forth the expected results. Based on this Theory an outcome path has been defined from which the three expected results flow naturally. The sequencing of activities has been well articulated.
The change of scope of the project, due to the overlap with the MVCMP Project, has not affected the Theory of Change and the Logic of Intervention. However, for the sake of clarity the terms of reference should be revised to align them with the new work plan. Overall, the project delivers good value for money. The component was also reviewed against the five DAC criteria and scored high on relevance and effectiveness, but lower on efficiency due to difficulties in coordinating activities with other stakeholders and partners, a slow decision making process in MMMD, difficulties with procurement procedures, etc. The impact should be considered as satisfactory considering the nature of the project that is only related indirectly to PFM. Finally, sustainability does not appear to be an issue as long as a capacity-building plan is implemented.

M&E
This component is the least advanced of the four and it is really too early to judge the likelihood of success. Effectiveness will ultimately depend on the capacity of the Government to use the information produced. It can reasonably be expected that this capacity will vary across sectors. In any case it will probably require several more years beyond the current project before the impact of the system on PFM management at a high aggregated level will become visible. Also it will be necessary to improve the linkage with other PFM reforms, notably budget reforms (result-based budgeting).

4.2 Recommendations

NAZ
The EU is well placed to provide continuing support to the NAZ. The following opportunities are being explored in the framework of the identification of future support under the 11th EDF and all appear worthwhile areas of future cooperation:

1. Widen the scope of support to NAZ committees to include the portfolio committees so that they are able to analyse the financial aspects of sector policies, plans, budgets and performance. There has been significant interest expressed by these Committees in receiving the kind of support that has already been provided to the PAC, Estimates and Economic Affairs Committees. This would involve building on the start already made with the Committee on Local Government.

2. Support the PBO to undertake disaggregated budget analysis in relation to sector, gender and geography.

3. Build the capacity of the Constituency Offices to understand, interpret and explain to constituents budgetary allocations and resource availability.

4. Strengthen the engagement between the NAZ and civil society through facilitating dialogue on PFM issues.

Ministry of Finance
In order to enhance the effectiveness and impact of this component, it is recommended that the EU

1. Under EDF 11, broaden and deepen support to PFM capacity development by extending the competency-based approach to more PFM occupational groups and to more levels of staffing within the existing occupational groups

2. As recommendation 1 will necessitate the development of new competency-based training courses, provide an additional year’s support to the 3 training institutions in terms of curriculum development and development of learning material
3. Provide further support to the HRA in MOF in order to integrate HR practice with the wider public service. This might involve working on the finalisation of job descriptions across all MOF staff (and possibly PFM staff employed in line ministries).

If feasible, implement part of these recommendations under EDF10 funding.

**Ministry of Mines and Mineral Development**

1. The Project’s ToR and Log-frame Matrix should be revised to align them with the new scope of the project and the joint work plan, reduce the number of components to avoid overlap between them and to include new activities that had not been foreseen during the inception phase. New activities during a possible extension could include:
   - Policy support to the MMMD to assist in a review of the suitability of the current Mineral royalty tax (MRT) regime and the estimation of effective tax rates for mining companies;
   - In order to maximize in the long term revenue from mining, support to the MMMD for the establishment of protocols to determine resource extraction efficiencies and ensuring that mining companies adhere to approved mining plans, etc.

2. The consultative mechanism between the EU project and MVCMP should be improved as there been several failures in “harmonization” with a duplication of work (the export licence system, initial plans for procurement, etc.). Better coordination requires a stronger oversight by the authorities, and in particular the MMMD, who should be a beneficiary of both the MVCMP and the MPMSP.

3. There have been serious issues with procurement procedures. These procedures should be streamlined to make them faster and more efficient.

4. As a new task, the project should assess the impact of its contribution to better data management on revenue generation. This will contribute to manage expectation, to identify possible other causes of leakage and identify potential for an increase in revenue generation. This information should be communicated to MoF to be integrated in the MTEF. It may also be used to help design a better tax regime and to better understand the contribution of the sector to Government’s revenue, which does not appear in line with the sector weight in the GDP.

5. Capacity building should be considered a top priority and should not be limited to training but should also include a review of functions performed by the ministry to align them with the new information flows and to ensure that job descriptions fit the new duties. The provision for Non-Key experts of the current service contract could be used to that effect, as there are remaining resources under the project.

6. MMMD capacity building should not be limited only to mineral production verification, but also to more long-term strategic governance aspects, including the issue of extraction efficiencies, maximising the long-term benefit from mining for the people of Zambia, and so on. This can also be accommodated under the existing components 2 and 6 of the service contract.

**Monitoring and Evaluation**

1. Review the overall system model to include points mentioned under Relevance and Effectiveness, including:
Develop the M&E system in phases with well-defined objectives for each phase and introduce a linkage between the different phase and PFM reforms. The first phase of the project defined in section 1.4 already appear too ambitious;

- Strengthen linkage between system development and PFM reforms by developing a plan to integrate objective-based budgeting in the system and define a timeframe to synchronize system development with budget reforms.

- Define a methodology for combining the top-down approach of planning with the bottom-up approach of budgeting.

- Link planning to the MTEF by introducing fiscal envelopes. Ensure that MPSA use consistent cost units previously approved by the Ministry of Planning and the Ministry of Finance for budget preparation.

- Give priority to the upgrading or development of sector MISs over the M&E system. Ensure that MIS systems are comprehensive enough to produce all relevant information required for M&E. Ensure that sector MIS are linked to IFMIS and able to cross financial data with physical data.

- Ensure that capacity is built alongside the system and that the capacity building plan results in well-defined functions and responsibilities for all M&E units created in MPSA and that staff receives appropriate training.

- Strengthen the communication policy to ensure that there is a common understanding across the Government of the objectives of the project, the institutional arrangement and the modality of implementation, the work plan, the key concepts and the requirements. At the time of the mission this common understanding did not exist yet.

- Defines explicitly the role and responsibilities of each stakeholders and more specifically the Ministry of Finance, the Ministry of National Development and Planning and the Central Statistics Office. The level of commitment of MoF and CSO remains very low.

2. Update the work plan

3. Revise the project ToR and the Logframe Matrix to align them with the work plan

4. Align EU project governance on GIZ/DfID governance to reduce the burden of multiple overlapping meetings.

5. Include support of the M&E System in the 11th EDF Programme to ensure that enough resources are mobilised to complete the project within a reasonable timeframe.

6. Initiate a policy dialogue that will link support to the M&E System to progress in PFM reforms
Annexes
Annex 1: Terms of Reference

SPECIFIC TERMS OF REFERENCE
PFM Support in Zambia: Mid-term Evaluation of the 10th EDF programme and formulation of intervention under the 11th EDF

FWC BENEFICIARIES 2013
LOT 11: Macro economy, Statistics and, Public Finance Management
EuropeAid/132633/C/SER/multi

1. BACKGROUND

PFM in Zambia
Since early 2000s, Zambia with the support of Cooperating Partners (CPs) embarked on implementation of Public Financial Management Reforms aimed at improving the performance of the public sector by establishing systems and processes that would enhance efficiency and effectiveness. Public Expenditure and Financial Accountability (PEFA) reviews have been undertaken in 2005, 2008 and 2012, identifying that important challenges remain in the areas of budget discipline and implementation, budget credibility and accessibility of fiscal information. The Government is implementing the Revised Sixth National Development Plan (2013-2016) as well a three year PFM Reform strategy (initially planned for 2013-2015 and still under implementation), focusing on improving efficiency, effectiveness, accountability and transparency in the use of resources. The PFM Reform Strategy is being supported by several CPs, including a multi-donor Trust fund financed by DFID, KfW and Finland and administered by the World Bank, as well as bilateral programmes from the EU, Norway, GIZ, Finland, the IMF and the US Treasury. Presidential and general elections are foreseen for August 2016.

10th EDF Support to PFM Accountability and Statistics
The EU is one of the key CPs active in supporting PFM reforms in Zambia. The 10th EDF Support to PFM Accountability and Statistics was adopted in July 2013 for a total amount of EUR 13 million. The programme is divided into four separate components, each with their own logframe, implementing teams and reporting structures. The 4 components can be summarised as follows:

1. **Support to the National Assembly of Zambia**, with the objective to strengthen the budget oversight role of the Parliament. it is implemented through a 3-year service contract (09/2014 – 08/2017)
2. **Capacity-Building to Ministry of Finance**, with the objective to establish a structured training and professional development programme for government accountants and civil servants dealing with PFM. It is implemented through a 3-year service contract (03/2015 – 02/2018)
3. **Mineral Production Monitoring Support to the Ministry of Mines and Mineral Development (MMMD)**, with the objective to strengthen the ability of the MMMD to monitor effectively mining activities and mineral production in Zambia. It is implemented through a 3-year service contract (01/2015 – 01/2018) and Programme-Estimates.
4. **Support to the Government-Wide M&E System**, with the objective to improve Government effective monitoring, evaluation and measurement of performance of the national development plan and specific sector plans. It is implemented through a 3-year service contract (02/16 – 01/19).

11th EDF Support in the area of PFM
The 11th EDF National Indicative Programme foresees an allocation for "enhanced transparency, accountability and effectiveness in management of resources and enhanced compliance with international norms and standards". This is under the Governance focal sector of EUR 100 million and it is anticipated that, within this envelope, a programme supporting Economic Governance and PFM between EUR 20 to 40 million could be formulated between by 2017.

19 This component is implemented in collaboration with DFID and GIZ who are implementing a parallel project. DFID is carrying out an evaluation of their support to the Government-Wide M&E system and this mid-term evaluation should therefore integrate findings of this exercise.
The NIP foresees that the EU will build on the results of the above-mentioned 2013 PFM accountability programme and that expected results could include improved budget preparation, execution and transparency, reinforced capacity to assess infrastructure projects, improved procurement, broadening the Government revenue base, notably through better management of land and mineral resources.

2. DESCRIPTION OF THE ASSIGNMENT

➢ Global objective

The global objective of the specific contract is to enhance delivery of support in the area of Public Finance Management in Zambia.

➢ Specific objectives

The specific contract has two specific objectives:

1) To provide an independent assessment of the performance and impact of the on-going "10th EDF Support to PFM Accountability and Statistics" as well as key lessons learned and recommendations for the project.

2) To provide a clear, actionable, costed, evidence-based proposal for a project design for an 11th EDF Support programme in the area of economic governance and PFM for Zambia.

➢ Requested services

The services will be split in two assignments:

1. Assignment One: Mid-Term Evaluation of the 10th EDF Support to PFM Accountability and Statistics

The evaluation shall cover the period from the signature of the Financing Agreement until 31/05/2016. The evaluation process will be carried out in 3 phases summarised in the table below:

<table>
<thead>
<tr>
<th>Phases of the evaluation:</th>
<th>Activities to be carried out:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Inception phase</td>
<td>- Literature review and data analysis</td>
</tr>
<tr>
<td></td>
<td>- Analysis of the intervention logic/theory of change</td>
</tr>
<tr>
<td></td>
<td>- Agreeing evaluation questions (max 10) and proposing methods (including limitations) for answering them20.</td>
</tr>
<tr>
<td></td>
<td>- Propose judgement criteria and identify provisional indicators and their means of verification</td>
</tr>
<tr>
<td></td>
<td>- Present an indicative methodology for the overall assessment of the project together with a list of evaluation tools</td>
</tr>
<tr>
<td></td>
<td>- Setting out the workplans and tentative list of meetings</td>
</tr>
<tr>
<td>2. Field phase</td>
<td>- Data collection and analysis</td>
</tr>
<tr>
<td></td>
<td>- Interviews with relevant stakeholders</td>
</tr>
<tr>
<td></td>
<td>- Verification of hypothesis / preliminary findings and responses to each evaluation question and describe the methods to be used to address the questions.</td>
</tr>
<tr>
<td></td>
<td>- Presentation of main preliminary findings</td>
</tr>
</tbody>
</table>

20 An indicative list of evaluation questions is provided in Annex 1. The list is indicative and a precise set of evaluation question should be proposed during the inception phase.
2. Assignment Two: Formulation of the 11th EDF Support in the area of PFM

The EU Delegation and the Government of Zambia are currently carrying out the identification of the 11th EDF support in the area of PFM. The Consultants will therefore be requested to base their work:

- on the identification process already carried out (including the Initial Action Document which is currently under preparation by the EU Delegation and which will be made available to the consultants before the start of this assignment)
- the findings and recommendations of the mid-term evaluation

On that basis, the consultants should:

- Review all relevant policy documents related to PFM and economic governance in Zambia, including (but not limited to) GRZ policy documents, IMF reviews, PEFA reports, CP reports, and all relevant evaluations and research studies done in Zambia over the last five to ten years.

- Assess the existing capacity of potential projects beneficiaries\(^\text{21}\) and their need for technical assistance, training and systems design;
- Based on the review of literature and knowledge of the latest developments, actors and constraints in the sector, propose a Theory of Change (a chart plus an accompanying narrative), including objectives, result areas, assumptions and a set of clearly defined activities. Particular attention should be paid to ensuring coordination and synergies with projects already funded by other Cooperating Partners.
- Assess and recommend project management modalities,
- Develop a Logical Framework Matrix, including a set of project indicators with clear baselines and related targets to allow for effective monitoring and evaluation
- Identify potential risks of implementation and propose mitigating measures

➢ Required outputs

The outputs required as a result of the services provided are the following:

1. for Assignment 1 (Evaluation):

- An Inception report (max 10 pages), including evaluation questions (max 10), judgement criteria, provisional indicators and means of verification, methodology for the overall assessment of the project, the workplan and tentative list of meetings for the field phase. The inception report should be submitted 5 working days after the start of the assignment and comment will be provided within 5 working days.

\(^{21}\) Potential beneficiaries include (but are not limited to): the Ministry of Finance, the Ministry of National Development and Planning, the National Assembly of Zambia, the Office of the Auditor General, the Zambia Revenue Authority.
An Evaluation Report (max 40 pages, see proposed structure in Annex II). The draft report should be provided 10 working days after the end of the field phase. Comments will be provided within 10 working days. The adjusted final report should be submitted 5 working days after the reception of comments.

2. for Assignment 2 (Formulation):

- A formulation report (max 50 pages, excluding annexes), including a proposal for a detailed project design, a theory of change, a logical framework and recommendations for proposed activities and management arrangements. These should explicitly refer to findings and conclusions of the mid-term evaluation where appropriate, as well as capacity needs and risks assessment, in addition to referencing other literature or evidence from similar contexts. The formulation report should be submitted at the latest 10 working days after the end of the field phase of the formulation. Comments will be provided within 10 working days after reception of the report and an adjusted version should be submitted within 5 working days after reception of the comments.

- Language of the Specific Contract
  The language of the specific contract is English.

- Subcontracting
  Subcontracting is not authorised under this specific contract.

3. EXPERTISE REQUIRED

- Number of requested experts per category and number of man-days per category
  - A team of 2 Category I experts, maximum 76 working days in total.

  Assignments 1 and 2 should be carried out by the same experts.

- Expertise required:

  Experts previously involved in the design of the 10th EDF Support to PFM Accountability and Statistics are considered in a situation of conflict of interest and are therefore not eligible to carry out this assignment.

  Key experts involved (currently and previously) in the implementation of the 10th EDF Support to PFM Accountability and Statistics are also in a situation of conflict of interest. This restriction does not apply to non-key experts currently or previously hired on the programme.

  Both Category I experts should each have the following profile:
  - **Education**: at least Master's degree in Economics, Public Finance, Business, Public Administration, Law or equivalent. In the absence of a Master's degree, the experts must have at least 15 years of experience in public finance management or macroeconomics.
  - **General professional experience**: at least 12 years of experience in public finance management, macro economy or statistics (as defined in global ToRs).
  - **Soft skills**: excellent inter-personal and communication skills; excellent writing skills; ability to synthetize important amounts of information and reports into short and reader-friendly documents.
  - **Language skills**: English native speaker or equivalent level.

  In addition, the team of category I experts should cover the following specific experience:
  - Experience in the design of donor-funded PFM reform programmes.
- Experience in at least two evaluations of a donor-funded programme in the area of PFM or economic governance.
- Experience in implementation of capacity development and institutional strengthening programmes, ideally in a sub-Saharan African context.
- Experience in the implementation of donor-funded PFM reform programmes, ideally in a sub-Saharan African context.
- Experience with EU-funded programmes and EDF procedures will be considered as a distinct advantage.

➢ Management team member presence required or not for briefing and/or debriefing

The presence of a management team member during the briefing and debriefing is not required.

4. LOCATION AND DURATION

➢ Starting period

The indicative starting date for Assignment 1 (evaluation) is 01 June 2016. The indicative starting date for Assignment 2 (formulation) is 19 September 2016.

➢ Duration

The overall duration of this assignment is 6 months from the starting date. This duration includes the working days as well as time for commenting on the reports and the gap between the 2 assignments.

Assignment 1 should be carried out over a period of maximum 2 calendar months and in only 1 mission in Zambia.

Assignment 2 should be carried out over a period of maximum 2.5 calendar months and in only 1 mission in Zambia.

➢ Indicative Planning

A proposal for the allocation of working days across the team should be included in the Organisation and Methodology.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Indicative Dates</th>
<th>Max number of working days for the team</th>
<th>Of which: Max number of home-based days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mid-term evaluation</td>
<td></td>
<td>38</td>
<td></td>
</tr>
<tr>
<td>Inception phase</td>
<td>01-08 June 2016</td>
<td>12</td>
<td>4</td>
</tr>
<tr>
<td>Field Phase</td>
<td>13 – 24 June 2016</td>
<td>20</td>
<td>0</td>
</tr>
<tr>
<td>Synthesis Phase</td>
<td>27 June – 29 July</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Formulation</td>
<td></td>
<td>38</td>
<td></td>
</tr>
<tr>
<td>Field Phase</td>
<td>19 Sept – 7 Oct</td>
<td>30</td>
<td>0</td>
</tr>
<tr>
<td>Report drafting and Finalisation</td>
<td>10 Oct – 11 Nov</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>TOTAL (max)</td>
<td></td>
<td>76</td>
<td>18</td>
</tr>
</tbody>
</table>

➢ Location of assignment

The location of the assignment is Lusaka, Zambia. The preparatory work and finalisation of the reports will be home based. No field trips outside of Lusaka are foreseen.
5. REPORTING

➤ Content

See section "required outputs"

➤ Language

All reports will be in English.

➤ Submission/comments timing

See section "required outputs"

➤ Number of reports copies

The final evaluation report should be printed in 6 copies (1 for the EUD, 1 for the NAO and 1 for each project team).

The final formulation report should be printed in 2 copies (1 for the EUD and 1 for the NAO)

6. INCIDENTAL EXPENDITURE

This is a contract under a global price modality. Incidental expenditures to foresee are:

- Per diems in Zambia;
- International travels to/from Zambia;
- Printing of the final evaluation report and final formulation report.

7. MONITORING AND EVALUATION

➤ Definition of indicators

NA
Annex 1 – Indicative list of Evaluation questions

This list of indicative questions shall be verified and refined during the inception phase. The EU Delegation and the National Authorising Office will be consulted on the evaluation questions.

RELEVANCE

- To what extent was the project design appropriate for the stakeholders' institutional capacity-development needs?
- Were the project institutional arrangements and mechanisms relevant and have they contributed to increased ownership by the implementing partner?
- What changes should be considered for future interventions?

EFFICIENCY

- Have the project implementation arrangements been efficient and how should they be replicated or amended under the remainder of the current programme or within further programmes to maximise value for money?
- To what extent partnerships with other cooperating partners have contributed to the project performance?

EFFECTIVENESS

- To what extent have the beneficiaries' capacity and performance been enhanced as a result of the project?
- Were the project's design and approaches conducive to increased effectiveness in terms of achievement of the project purpose?

IMPACT

- What impact, if any, be it intended or unintended, positive or negative, direct or indirect, has the project had on the stakeholders' capacity and performance?
- What could have been done differently for the project to achieve wider impact?

SUSTAINABILITY

- To what extent has the support provided generated effects that can economically and institutionally be sustained in the medium and long-term beyond the lifetime of the project?
Annex 2 – Structure of Evaluation Report

The final report should not be longer than 40 pages. Additional information on overall context, programme or aspects of methodology and analysis should be confined to annexes.

_The cover page of the report shall carry the following text:_

“ This evaluation is supported and guided by the European Commission and presented by [name of consulting firm]. The report does not necessarily reflect the views and opinions of the European Commission.”

_The main sections of the evaluation report are as follows:_

**Executive Summary**

The executive Summary should include 2 separate sections:

- A tightly-drafted, to-the-point and free-standing Executive Summary is an essential component. It should be short, no more than five pages. It should focus on the key purpose or issues of the evaluation, outline the main analytical points, and clearly indicate the main conclusions, lessons to be learned and specific recommendations.

- A one-page executive summary to highlight in a synthetic way (not simply repeating content found elsewhere in the report) the key learning from the evaluation (successes, failures, key lessons). This one page document will be used for dissemination purposes.

1. **Introduction**

A description of the project and the evaluation, providing the reader with sufficient methodological explanations to gauge the credibility of the conclusions and to acknowledge limitations or weaknesses, where relevant.

2. **Answered questions/ Findings**

A chapter presenting the evaluation questions and conclusive answers, together with evidence and reasoning.

3. **Overall assessment**

A chapter synthesising all answers to evaluation questions into an overall assessment of the project/programme. The detailed structure of the overall assessment should be refined during the evaluation process. The relevant chapter has to articulate all the findings, conclusions and lessons in a way that reflects their importance and facilitates the reading. The structure should not follow the evaluation questions, the logical framework or the seven evaluation criteria.

4. **Conclusions and Recommendations**

4.1 **Conclusions**

This chapter introduces the conclusions of the evaluation. The conclusions should be organised in clusters in the chapter in order to provide an overview of the assessed subject.

A paragraph or sub-chapter should pick up the 3 or 4 major conclusions organised by order of importance, while avoiding being repetitive. This practice allows better communicating the evaluation messages that are addressed to the Commission. If possible, the evaluation report identifies one or more transferable lessons, which are highlighted in the executive summary and can be presented in appropriate seminars or.

4.2 **Recommendations**

They are intended to improve or reform the project/ programme in the framework of the cycle under way, or to prepare the design of a new intervention for the next cycle.

Recommendations must be clustered and prioritised, carefully targeted to the appropriate audiences at all levels, especially within the Commission structure.
5. Annexes of the report

The report should include the following annexes:

- The Terms of Reference of the evaluation
- The names of the evaluators and their companies (CVs should be shown, but summarised and limited to one page per person)
- Detailed evaluation method including: options taken, difficulties encountered and limitations. Detail of tools and analyses.
- Intervention logic / Logical Framework matrices (original and improved/updated)
- Map of project area
- List of persons/organisations consulted
- Literature and documentation consulted
- Other technical annexes (e.g. statistical analyses, tables of contents and figures)
- Detailed answer to the Evaluation questions, judgement criteria and indicators (evaluation matrix).
Annex 3 – Indicative list of documents to be consulted

Reference material to be included but not be limited to:

- Vision 2030
- Revised Sixth National Development Plan (R-SNDP) 2013-2016
- GRZ PFM Reform strategy 2013-2015
- 2005, 2008 and 2012 PEFA assessments
- IMF reviews
- Financing Agreement (FED/2013/022-712), service contracts of the 4 components, programme estimates, progress reports.
- Project deliverables
- Result-Oriented Monitoring Report 2015
- Draft Project Identification Fiche for 11th EDF support in the area of PFM (once available)
- Background documents on relevant donor-funded projects

Note: The evaluation team has to identify and obtain any other document(s) worth analysing, through its interviews with people who are or have been involved in the design, management and supervision of the project.
Annex 4 – Quality Assessment Grid

The EU Delegation will assess the evaluation report according to the following template.

<table>
<thead>
<tr>
<th>Concerning these criteria, the evaluation report is:</th>
<th>Unacceptable</th>
<th>Poor</th>
<th>Good</th>
<th>Very good</th>
<th>Excellent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Meeting needs:</strong> Does the evaluation adequately address the information needs of the commissioning body and fit the terms of reference?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2. Relevant scope:</strong> Is the rationale of the policy examined and its set of outputs, results and outcomes/impacts examined fully, including both intended and unexpected policy interactions and consequences?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>3. Defensible design:</strong> Is the evaluation design appropriate and adequate to ensure that the full set of findings, along with methodological limitations, is made accessible for answering the main evaluation questions?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>4. Reliable data:</strong> To what extent are the primary and secondary data selected adequate? Are they sufficiently reliable for their intended use?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>5. Sound data analysis:</strong> Is quantitative information appropriately and systematically analysed according to the state of the art so that evaluation questions are answered in a valid way?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>6. Credible findings:</strong> Do findings follow logically from, and are they justified by, the data analysis and interpretations based on carefully described assumptions and rationale?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>7. Validity of the conclusions:</strong> Does the report provide clear conclusions? Are conclusions based on credible results?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>8. Usefulness of the recommendations:</strong> Are recommendations fair, unbiased by personnel or shareholders’ views, and sufficiently detailed to be operationally applicable?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>9. Clearly reported:</strong> Does the report clearly describe the policy being evaluated, including its context and purpose, together with the procedures and findings of the evaluation, so that information provided can easily be understood?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Taking into account the contextual constraints on the evaluation, the overall quality rating of the report is considered.
CURRICULUM VITAE

Position in the project: Team Leader

1. Family name: BIGGS
2. First names: David Frank
3. Passport: UK
4. Residence: UK
5. Education:

<table>
<thead>
<tr>
<th>Location and Dates</th>
<th>Degree(s) or Diploma(s) obtained:</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK, 1973</td>
<td>Chartered Public Finance Accountant, UK</td>
</tr>
<tr>
<td>UK, 1966-69</td>
<td>BA (Honours) Social Studies – Economic History</td>
</tr>
</tbody>
</table>

6. Language skills: Indicate competence on a scale of 1 to 5 (1 - excellent; 5 - basic)

<table>
<thead>
<tr>
<th>Language</th>
<th>Reading</th>
<th>Speaking</th>
<th>Writing</th>
</tr>
</thead>
<tbody>
<tr>
<td>English</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>French</td>
<td>2</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

7. Other skills: Computer Literate

8. Present position: PFM and PEFA Expert

9. Years of working experience: 44 years

10. Key qualifications: PFM Expert and qualified public sector accountant with 40 years of experience. Strong experience in conducting fiduciary and PFM diagnostics, including by using the PEFA methodology, and designing managing, implementing, monitoring and evaluating reforms in public sector accounting, auditing and financial management. Extensive knowledge and experience of the governance, public sector management and political economy context in which PFM reform is implemented. On World Bank’s PEFA panel of experts. Areas of experience include the following:

- Implementation of PEFA assessments in 8 countries, of which 3 as Team Leader
- Fully familiar and extended experience in analyzing all of the PEFA performance indicators, including the ones related to internal controls, internal and external audit, public procurement, taxation, debt management, and policy-based budgeting.
- Also undertook PEFA assessment testing the new framework issued in January 2015
- Leadership of government stakeholder consultation on PFM reform
- Identification, design, development, implementation and evaluation of PFM reform projects and programmes funded by the EU, the World Bank and DFID
- Planning and implementation of budget reform projects
- Familiar with EU budget support, including eligibility criteria.
- Overall and sectoral Fiduciary Risk Assessments
- Head of Public Financial Management and Accountability team in DFID Policy Division at the time of the production of the first Fiduciary Risk Assessment “How-to” note.
- Participation as DFID member of PEFA Steering Committee in the development and testing of the PEFA performance assessment framework and associated training material
- Quality assurance of World Bank Country Policy and Institutional Assessment (CPIA) process including analysis of consistency with relevant country PEFA assessments

11. Country experience: Botswana, Namibia, South Africa, Lesotho, Malawi, Kenya, Nigeria, Tanzania, Uganda, Zimbabwe, Mauritius, Egypt, Iraq, Jordan, Morocco, Yemen, Anguilla, Barbados, Jamaica, Dominica, Haiti, Montserrat, St Helena, Trinidad and Tobago, St. Lucia, Bolivia, Brazil, Guyana, Nicaragua, Peru, Bangladesh, Cambodia, China, FYROM, Indonesia, Vietnam, Armenia, Bulgaria, Czech Republic, Hungary, Poland, Romania, Georgia, Russia, Kazakhstan, Slovakia, Ukraine.
### 12. Professional Experience

<table>
<thead>
<tr>
<th>Dates</th>
<th>Country</th>
<th>Organization</th>
<th>Position</th>
<th>Description of the tasks directly carried out by the expert</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/2015-04/2016</td>
<td>St Kitts and Nevis</td>
<td>European Union</td>
<td>PEFA Expert Joint Reviewer</td>
<td>• Evaluation of the PFM system based on the PEFA methodology</td>
</tr>
<tr>
<td>01/2014-05/2015</td>
<td>Egypt</td>
<td>European Union</td>
<td>PFM Expert</td>
<td>• Support the EU Delegation in the assessment of fiscal and PFM issues</td>
</tr>
<tr>
<td>04-09/2013 (2 missions)</td>
<td>Botswana</td>
<td>European Union</td>
<td>Team Leader</td>
<td>• Repeat PEFA Assessment</td>
</tr>
<tr>
<td>On-going since 10/2012</td>
<td>Global</td>
<td>PEFA Secretariat</td>
<td>PEFA Reviewer</td>
<td>Review of draft Public Expenditure and Financial Accountability (PEFA) assessments</td>
</tr>
<tr>
<td>08/2011 - 05/2012</td>
<td>Botswana</td>
<td>European Union</td>
<td>Team Leader</td>
<td>• Technical assistance to the Ministry of Finance and Development Planning in support of the planning, sequencing, prioritisation, implementation and coordination of the Public Financial Management Reform Programme</td>
</tr>
<tr>
<td>02-05/2011</td>
<td>Malawi</td>
<td>European Union</td>
<td>Team Leader PEFA Evaluation Expert</td>
<td>Repeat PEFA Assessment</td>
</tr>
<tr>
<td>On-going since 11/2010</td>
<td>UK</td>
<td>World Bank</td>
<td>PFM Consultant</td>
<td>• Review of PFM content of World Bank Country Assistance/Partnership Strategies, Development Policy Loans and other operations</td>
</tr>
<tr>
<td>10-12/2010</td>
<td>USA</td>
<td>PEFA Secretariat</td>
<td>PEFA Expert</td>
<td>• Engaged by the PEFA Secretariat to facilitate their work on revising the PEFA program’s communication strategy</td>
</tr>
<tr>
<td>10-11/2010</td>
<td>Uganda</td>
<td>DFID and SIDA</td>
<td>PFM Expert</td>
<td>Undertook Fiduciary Risk Assessments (FRA) at national and sector levels.</td>
</tr>
<tr>
<td>05-09/2010</td>
<td>Barbados</td>
<td>European Union</td>
<td>Joint Reviewer</td>
<td>PEFA Evaluation</td>
</tr>
<tr>
<td>09/2009-04/2010</td>
<td>South Africa</td>
<td>CIPFA, UK</td>
<td>PFM Expert</td>
<td>• Provision of technical advice on public sector accountancy and PFM.</td>
</tr>
<tr>
<td>06/2006 – 01/2008</td>
<td>Iraq</td>
<td>World Bank</td>
<td>Task Team Leader</td>
<td>Task Team Leader of Public Expenditure and Institutional Assessment (PEIA),</td>
</tr>
<tr>
<td>Year</td>
<td>Country</td>
<td>Organization</td>
<td>Position/Role</td>
<td>Experience/Activities</td>
</tr>
<tr>
<td>-----------------------</td>
<td>----------------------------------</td>
<td>-------------------------------------</td>
<td>----------------------------------------</td>
<td>----------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>02/03/2009</td>
<td>Egypt</td>
<td>European Union and World Bank</td>
<td>PEFA Expert</td>
<td>PEFA Evaluation</td>
</tr>
<tr>
<td>06/2008</td>
<td>Morocco</td>
<td>European Union and World Bank</td>
<td>PEFA Expert</td>
<td>PEFA Evaluation</td>
</tr>
<tr>
<td>09/10/2007</td>
<td>Yemen</td>
<td>World Bank</td>
<td>PEFA Expert</td>
<td>PEFA Evaluation</td>
</tr>
<tr>
<td>2005-2006</td>
<td>Cambodia, India, Nepal and Vietnam</td>
<td>Department for International Development (DFID), UK</td>
<td>Senior Governance Adviser</td>
<td>Provision of governance advice, especially focusing on public financial management issues, on British development programmes. Worked in Asia Policy Directorate supporting DFID’s PFM work.</td>
</tr>
<tr>
<td>2004-05</td>
<td>Global</td>
<td>Department for International Development (DFID), UK</td>
<td>PFM Adviser</td>
<td>Led PFM team in central Policy Division Managed DFID’s fiduciary risk assessments</td>
</tr>
<tr>
<td>2002-2004</td>
<td>Barbados, Dominica, Jamaica and Guyana</td>
<td>Department for International Development (DFID), UK</td>
<td>Senior Governance Adviser based in Barbados</td>
<td>Led DFID’s governance and PFM work in the Caribbean including: Supporting PFM reform across the region Assessment of PFM performance against budget support benchmarks.</td>
</tr>
<tr>
<td>2001-02</td>
<td>Russia and Ukraine</td>
<td>Department for International Development (DFID), UK</td>
<td>Senior Governance Adviser</td>
<td>Provision of governance advice, especially focusing on public financial management issues, on British development programmes. Supervision of PFM reform projects.</td>
</tr>
<tr>
<td>1999-01</td>
<td>Brazil</td>
<td>Department for International Development (DFID), UK</td>
<td>Senior Governance Adviser</td>
<td>Provision of governance advice, especially focusing on public financial management issues, on British development programmes. Management of project to support the development of performance audit</td>
</tr>
<tr>
<td>1998-2000</td>
<td>Anguilla, Montserrat and St. Helena, TCI</td>
<td>Department for International Development (DFID), UK</td>
<td>Senior Governance Adviser</td>
<td>UK's (ie DFID’s) Governance Adviser responsible for the UK Overseas Territories. Designed and supervised the implementation of PFM programs and GFMIS.</td>
</tr>
<tr>
<td>02/1997 – 10/1998</td>
<td>Russia, Eastern and Central Europe</td>
<td>The British Council</td>
<td>Business Development Manager</td>
<td>Identification, pursuit and implementation of British Council project management business in Central and Eastern Europe with a particular focus on public management. This covered a wide variety of public management projects.</td>
</tr>
<tr>
<td>07/1998</td>
<td>Bangladesh</td>
<td>DFID Bangladesh, Dhaka</td>
<td>PFM Expert</td>
<td>Appraisal and design of DFID Financial Management Academy Project (FIMA) to improve Government’s financial management capacity through adopting modern budgeting and expenditure management techniques. Two main outputs were: Municipal Management Project with technical responsibility for PFM component</td>
</tr>
<tr>
<td>04/10/1998</td>
<td>Russian Federation</td>
<td>European Commission Tacis</td>
<td>Deputy Project Manager</td>
<td>In charge of the implementation of the World Bank’s Accounting Skills Development Project, involving a comprehensive training needs assessment and design of appropriate training programs.</td>
</tr>
<tr>
<td>03/1996-02/1997</td>
<td>Malawi</td>
<td>World Bank</td>
<td>Team Leader</td>
<td>Review of Governance. A major component of this work was the introduction of results-based budgeting and the linking of strategic plans to financial resources.</td>
</tr>
<tr>
<td>1995-1996</td>
<td>Botswana, Lesotho</td>
<td>Overseas Development Administration, UK</td>
<td>Team Leader and PFM Adviser</td>
<td></td>
</tr>
</tbody>
</table>

61
<table>
<thead>
<tr>
<th>Period</th>
<th>Country</th>
<th>Fund/Owner</th>
<th>Position</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995-1996</td>
<td>Bulgaria</td>
<td>British Know-How Fund</td>
<td>Team Leader and PFM Adviser</td>
<td>Advising on the reform of local government financial systems and control system, including government grant systems, internal audit and external audit.</td>
</tr>
<tr>
<td>05/1995</td>
<td>Bulgaria</td>
<td>European Commission Phare</td>
<td>Team Leader and PFM Adviser</td>
<td>Preparation of strategic plan for EC PHARE technical assistance to Ministry of Finance based on an assessment of reform needs and priorities.</td>
</tr>
<tr>
<td>02/1995</td>
<td>Mauritius</td>
<td>Government of Mauritius</td>
<td>PFM Expert</td>
<td>Advising the government on the Reform of local government financial management to develop and implement regional financial management system in local authorities.</td>
</tr>
<tr>
<td>08/1994-02/1995</td>
<td>Caribbean</td>
<td>Caribbean Organisation of Supreme Audit Institutions (CAROSAI)</td>
<td>PFM Expert</td>
<td>Study of the status and developments in the PFM system in Trinidad &amp; Tobago, Jamaica, Barbados, Guyana, and St. Lucia with the aim of supporting their PFM function and improvements across the region.</td>
</tr>
<tr>
<td>10/1993</td>
<td>Romania</td>
<td>British Know-How Fund</td>
<td>PFM Adviser</td>
<td>Training Needs Assessment in public financial management covering all major functional areas.</td>
</tr>
<tr>
<td>02/1993</td>
<td>Namibia</td>
<td>Overseas Development Administration, UK</td>
<td>PFM Expert</td>
<td>Provincial and Local Government Financial Management Project.</td>
</tr>
<tr>
<td>02/1994</td>
<td>Cambodia</td>
<td>Overseas Development Administration, UK</td>
<td>Consultant</td>
<td>Institutional reform of Battambong provincial water undertaking, including the analysis of water charging policies.</td>
</tr>
<tr>
<td>10/1993</td>
<td>Botswana</td>
<td>Overseas Development Administration, UK</td>
<td>PFM Expert</td>
<td>Government accounting and budgeting project, to strengthen the accounting and budgeting skills of government staff.</td>
</tr>
<tr>
<td>1989-1993</td>
<td>Indonesia</td>
<td>Overseas Development Administration, UK</td>
<td>PFM Expert</td>
<td>Analysis of training needs and design and development of relevant UK-based degree programmes and short courses for Government accountants and auditors.</td>
</tr>
<tr>
<td>05/1987 – 02/1997</td>
<td>London, UK</td>
<td>Chartered Institute of Public Finance and Accountancy (CIPFA), UK</td>
<td>Head of Institute</td>
<td>- Head of CIPFA International with responsibility for development and management of international consultancy and training business; and - Head of CIPFA Education and Training Centre Management of international public sector financial management training and consultancy.</td>
</tr>
<tr>
<td>1983-1987</td>
<td>Zimbabwe</td>
<td>Overseas Development Administration, UK</td>
<td>Technical Cooperation Officer</td>
<td>Financial management training at University of Zimbabwe and local government finance specialist within Ministry of Local Government.</td>
</tr>
</tbody>
</table>
# Curriculum vitae

1. **Family name:** LEPAIN  
2. **First names:** Jean-Marc Pierre  
3. **Passport holder:** France  
4. **Residence:** France  
5. **Education:**

<table>
<thead>
<tr>
<th>Institution</th>
<th>Degree(s) or Diploma(s) obtained</th>
</tr>
</thead>
<tbody>
<tr>
<td>1978-1981 Institute of Political Sciences of Paris (Institut d'Etudes Politique de Paris)</td>
<td>Diploma (MA equivalent)</td>
</tr>
<tr>
<td>1985-1987 Institute for higher studies in Banking (Centre d'Etudes Supérieures Bancaires)</td>
<td>Professional degree (BA equivalent)</td>
</tr>
<tr>
<td>1989-1990 Institute of Treasury Management and Financial Markets (Institut des Techniques de Marché)</td>
<td>Professional degree (MA equivalent)</td>
</tr>
<tr>
<td>1990-1992 University of Paris (Sorbonne)</td>
<td>MA in History</td>
</tr>
</tbody>
</table>

6. **Language skills:** Indicate competence on a scale of 1 to 5 (1 - excellent; 5 - basic)

<table>
<thead>
<tr>
<th>Language</th>
<th>Reading</th>
<th>Speaking</th>
<th>Writing</th>
</tr>
</thead>
<tbody>
<tr>
<td>French</td>
<td>Mother tongue</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>English</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Persian, Dari &amp; Tajik</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Albanian</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Arabic</td>
<td>4</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>

7. **Other skills:**
- Information technology: System Architecture, Database design (Entity Relationship Model, etc.), analysis of business requirements
- Government Financial Information Management Systems (IFMIS /GIFMIS): architecture, database design, technical requirements, implementation
- Workflow analysis, Business Process Reengineering, workflows, process mapping, critical path analysis.
- Change management

8. **Present position:** Independent Consultant, former IMF Resident Regional PFM Advisor for English-speaking West Africa (until 15 January 2016) based in Accra.

9. **Years of experience:** 19 years of independent consulting in public finance management

10. **Key qualifications:** (Relevant to the project)

<table>
<thead>
<tr>
<th>Terms of Reference</th>
<th>Years of experience, skills and relevant assignments</th>
</tr>
</thead>
<tbody>
<tr>
<td>At least a Master's degree in Economics, Public Finances, Business, Public Administration, Law or equivalent</td>
<td>M. Lepain has a Diploma from the Institute of Political Sciences of Paris in the field of Economics and Public Administration, equivalent of a Master's degree.</td>
</tr>
<tr>
<td>At least 12 years of experience in public finance management, macro-economy or statistics</td>
<td>More than 15 years of experience providing advisory services to Governments of developing and transition countries on PFM, macroeconomics and economic governance.</td>
</tr>
<tr>
<td>Experience in the design of donor-funded PFM reform programs</td>
<td>Mr. Lepain has taken part in several missions aimed at designing a PFM reform: Ghana, Cape Verde, Yemen, Laos, Afghanistan, which were funded by international donors (European Commission, IMF, World Bank, etc.)</td>
</tr>
<tr>
<td>Experience in at least two evaluations of a donor-funded program in the area of PFM or economic governance</td>
<td>Mr. Lepain has taken part in more than 5 evaluations of programs in the area of PFM or economic governance, among others, Ghana, Gambia, Cape Verde, Central African Republic, Pakistan, Cambodia, etc.</td>
</tr>
<tr>
<td>Experience in implementation of capacity development and institutional strengthening programs, ideally in a sub-Saharan African context</td>
<td>Mr. Lepain has participated in several assignments for capacity development and institutional strengthening among others ECOWAS, Nigeria, Central African Republic, Liberia, Afghanistan, Pakistan, etc.</td>
</tr>
<tr>
<td>Experience in the implementation of donor-funded PFM reform programs, ideally in a sub-Saharan African context</td>
<td>Mr. Lepain has taken part in the implementation of different donor-funded PFM reform programs in Ghana, Central African Republic, Yemen, Laos, among others.</td>
</tr>
<tr>
<td>Experience with EU-funded programs and EDF procedures</td>
<td>Mr. Lepain is fully familiarized with the EU-funded programs and EDF procedures having taken part in several assignments funded by the EU such as Ghana, Central African Republic, Yemen, Pakistan or Cambodia</td>
</tr>
</tbody>
</table>

- PFM Reform Strategy: sequencing of PFM reforms, institutional framework for PFM reforms, prioritization and implementation strategy, logframe matrix, platform strategy, institutional arrangements;
- Macro-economic sustainability analysis, IMF Article IV mission, IMF balance of payment support program, debt sustainability analysis;
- Fiscal Policy and fiscal planning: Articulation of fiscal policy with budget preparation, sector ceilings, investment policy; Expenditure and Revenue Forecasting, Medium Term Development Framework (MTDF), Medium Term Macro-economic Framework (MTMF), Medium Term Fiscal Framework (MTFF), Medium Term Expenditure Framework (MTEF)
- Budget Preparation: Policy formulation, budget methodology and best budget practices, budget credibility indicators, fiscal policy declaration, budget call circulars, linkage between planning and budgeting, sector profiles and sector reviews;
- Programme Budgeting and Performance-Based Budgeting: definition of programmes’ structure, mission statements, outcomes and outputs, programme management and definition of programme managerial autonomy, programme classification and accounting, reporting, performance indicators, Monitoring & Evaluation;
- Budget execution and control:
  - Treasury and expenditure management: Treasury functional analysis, treasury single account, cash management, allotment management, budget receipts management, warrants issuance, commitment management, administrative control and regulatory framework, payment processing, analysis of deviation and of supplementary grants, expenditure analysis;
- Implementation of Financial Management System, functional requirements, IT strategy, entity relationship model, database design, implementation strategy, integration of FMIS with other systems.
- Fiscal Decentralisation and intergovernmental transfers: models of fiscal decentralisation and deconcentration, revenue sharing systems, design of intergovernmental transfer systems, fiscal equalization, formulae for conditional and unconditional grants, block grants, treasury centralization/decentralization, revenue and expenditure assignment, conditional and unconditional grant policy, sub-national budgeting;

## 12. Professional experience

<table>
<thead>
<tr>
<th>Date from - Date to</th>
<th>Location</th>
<th>Company &amp; reference person</th>
<th>Position</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 2016 -</td>
<td>Ghana</td>
<td>European Union</td>
<td>PFM Expert</td>
<td>Evaluation of the Performance for the Ghana Decentralisation Sector Reform Contract Funded under 10th EDF to inform and inform on the disbursement of the variable tranches; and identification of recommendations for the forthcoming decentralisation program under 11th EDF.</td>
</tr>
<tr>
<td>February 8 2016th - March 8th 2016</td>
<td>Pakistan</td>
<td>European Union</td>
<td>PFM Expert</td>
<td>Technical support to the EU Delegation on the management of budget support operation and identification of recommendations for the forthcoming programme under 11th EDF.</td>
</tr>
<tr>
<td>June 2013 – December 2013</td>
<td>Yemen</td>
<td>European Delegation in Cambodia</td>
<td>PFM Consultant, team leader</td>
<td>Development and Implementation of PFM Reform Strategy including a fiscal decentralization strategy and a sequenced work program with timeline and benchmarks for donor support.</td>
</tr>
<tr>
<td>April-May 2013</td>
<td>Lao PDR</td>
<td>ADB</td>
<td>Public Finance Expert</td>
<td>Feasibility study for the development of the technical proposal for ADB project for macro-fiscal management, including methodology for developing the national MTEF based on sector MTEFs.</td>
</tr>
<tr>
<td>March 2013</td>
<td>La Rochelle, France</td>
<td>Institut Forhom/EGIS-BPDA</td>
<td>Public Finance Expert</td>
<td>Development of a PFM training program covering sequencing of budget reforms, fiscal policy, Based Budgeting, budget analysis, investment prioritization, budget formulation, budget execution, and budget control.</td>
</tr>
<tr>
<td>Date from - Date to</td>
<td>Location</td>
<td>Company&amp; reference person</td>
<td>Position</td>
<td>Description</td>
</tr>
<tr>
<td>---------------------</td>
<td>----------</td>
<td>---------------------------</td>
<td>----------</td>
<td>-------------</td>
</tr>
<tr>
<td>October-November 2011 April 2012</td>
<td>Afghanistan</td>
<td>GIZ</td>
<td>PFM Specialist</td>
<td>Feasibility Study for preparing GIZ proposals Tax Administration project Feasibility Study for preparing GIZ proposals for Treasury Project (World Bank)</td>
</tr>
<tr>
<td>September-October 2010</td>
<td>Pakistan</td>
<td>DFID</td>
<td>Public Finances Consultant</td>
<td>Evaluation of the PFM Reform Strategy within the framework of the project “Improving Fiscal Sustainability, Organizational Development and Process Integration in Finance Department” and recommendations for the project second phase</td>
</tr>
<tr>
<td>January 2008 – August 2010</td>
<td>Laos</td>
<td>WORLD BANK</td>
<td>Intergovernmental Fiscal Advisor</td>
<td>World Bank Resident PFM Advisor for Budget Reforms, Fiscal Policy and Decentralisation</td>
</tr>
<tr>
<td>March 2005- August 2006</td>
<td>Kabul,</td>
<td>UNDP</td>
<td>Principal Budget Advisor and TL</td>
<td>UNDP Project’s ‘Make the Budget Work’</td>
</tr>
<tr>
<td>January-February 2005</td>
<td>Afghanistan,</td>
<td>WORLD BANK</td>
<td>Finance and IT Consultant</td>
<td>Cost Recovery strategy for electricity production and Feasibility Study for a Billing System</td>
</tr>
<tr>
<td>September 2003 – March 2004</td>
<td>Afghanistan</td>
<td>Crown Agents/ WORLD BANK</td>
<td>Principal Treasury Adviser</td>
<td>Development of a project aimed at the Modernization of the Treasury</td>
</tr>
<tr>
<td>Sep 2002 – March 2003</td>
<td>Serbia</td>
<td>European Agency for Reconstruction</td>
<td>Principal Budget Advisor and TL</td>
<td>Treasury, Budget Execution and Procurement Project</td>
</tr>
<tr>
<td>March 2000 – August 2002</td>
<td>Ivory Coast</td>
<td>Oracle African Operation</td>
<td>Director</td>
<td>Worked on different PFM issues.</td>
</tr>
<tr>
<td>Date from - Date to</td>
<td>Location</td>
<td>Company &amp; Reference Person</td>
<td>Position</td>
<td>Description</td>
</tr>
<tr>
<td>---------------------</td>
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<td>-------------</td>
</tr>
</tbody>
</table>
| May 1996 – March 2000 | Schaffhausen, Switzerland and Tirana, Albania | Oracle Eastern Central Europe | Different positions | • Management of 18 account managers dedicated to finance in 15 offices covering 28 countries;  
• Strategic projects for Governments, Treasuries, Ministries of Finance, Central Banks (MoF Kazakhstan, CB Uzbekistan, CB Russia, CB Ukraine, CB Romania, CB Bulgaria, etc.);  
• Strategy Study for the implementation of a PFM System (FMIS) for the Albanian Treasury; |
| May-July 1996 | Croatia | Oracle Eastern Europe | Business Process Consultant | Treasury Department: Feasibility Study for FMIS selection and implementation |
| April-August 1995 | Albania | Caisse Française de Développement | Treasury Advisor | Treasury Advisor |
| January - March 1995 | Albania | Crédit Mutuel (France) | Finance Consultant | Transformation of the ARF from and the statute of extra-budgetary fund into an independent financial institution |
| October – November 1994 | Bank of Albania | Caisse Française de Développement | Trainer in Bank Supervision | Bank Supervision Project, |
| 1992-1993 | Paris, France | Cabinet Jacques Pillet | Senior Treasury Specialist | *Main tasks:* Treasury audit; design, selection and implementation of systems for netting and treasury management. Ivory Cost: Implementation of MoF cash-management system |
1986-1990: Senior supervisor (Supervisor of credit activities of seven Regional Banks)  
Supervising credit activities in Regional Banks (Caisses Régionales), studies for approval of all credits over some limits, reporting to the National Risk Committee. |
Annex 3: Detailed Evaluation Method

During the mission intervention phase specific evaluation methodologies were designed for each component. The mechanisms and tools used were:

NAZ
- A desk review of all existing reports including the inception report, quarterly reports and reports produced by other stakeholders
- A set of meetings with key counterparts
- A review of the intervention logic and theory of change
- A review of main achievements
- A set of evaluation questions which were discussed with the beneficiary and contractor
- A number of indicators derived from the expected results
- The five DAC criteria (Relevance, Efficiency, Effectiveness, Impact and sustainability)

MOF
- A desk review of all existing reports including the inception report, quarterly reports and reports produced by other stakeholders
- A set of meetings with key counterparts
- A review of the intervention logic and theory of change
- A review of main achievements
- A set of evaluation questions which were discussed with the beneficiary and contractor
- A number of indicators derived from the expected results
- The five DAC criteria (Relevance, Efficiency, Effectiveness, Impact and sustainability)

MMMD
- A desk review of all existing reports including the inception report, quarterly reports and reports produced by other stakeholders (See Annex 6)
- A list of meetings with key counterparts and notes from interviews
- A review of the intervention logic and theory of change
- A review of main achievements
- A set of questions linked to issues identified in quarterly reports
- A number of indicators derived from the expected results
- The five DAC criteria (Relevance, Efficiency, Effectiveness, Impact and sustainability)

M&E
- Desk review of all existing reports and documents
- Interviews with stakeholders
- Review of the intervention logic and theory of change
- Review of the joint work plan
- Review of main achievements
- Review of the project design strategy
- A number of indicators derived from the expected results
- The five DAC criteria (Relevance, Efficiency, Effectiveness, Impact and Sustainability)
Annex 4: Intervention Logic

An important part of the evaluation reviews the theory of change that underpins the project design and considers how far the theory has been borne out in practice. The following paragraphs review the intervention logic by component

Component 1: NAZ

The NAZ component operates on the demand side of PFM. It seeks to improve the processes of accountability and transparency by strengthening the ability and capacity of the legislature to hold the Executive responsible for its plans and actions. Strengthening the demand for better PFM, including greater accountability and transparency, is seen as an effective mechanism for encouraging improved performance.

This strategy is valid and shows signs of gaining traction. The Supreme Audit Institution (SAI) of Zambia, the Office of the Auditor General (OAG), produces good-quality reports which, if well analysed, provide an excellent platform for rigorous questioning of the Government by the Public Accounts Committee (PAC). The analytical work is part of the role of the emerging Parliamentary Budget Office (PBO) which is also tasked with advising the Estimates Committee on Government’s budget proposals. The provision of sound well-focused advice to these two Committees is fundamental to effective parliamentary scrutiny of the Executive. At the same time, it must be acknowledged that, whilst the NAZ can hold to account the Executive, it is the latter arm of Government that must take the necessary steps to ensure good PFM.

Component 2: Ministry of Finance

This component of the programme aims to improve the effectiveness of staff working in three important areas of PFM, namely accounting, budgeting and internal audit. These tasks form the cornerstone of PFM; without staff having the competencies to carry out effectively their day-to-day work tasks, other, more far-reaching reform ambitions cannot hope to succeed. Thus this component may, like Component 1, be seen as an enabler of change in terms of better PFM practice by strengthening the skills of those who carry out fundamental PFM tasks course, this is a necessary, but not sufficient, condition for good work performance since many other factors such as the quality of supervision and the motivation of staff are also important.

The mechanism by which such improvement is to be achieved is the provision of competency-based training programmes developed by the Project in conjunction with three Zambian training institutions who will assume the continuing responsibility for providing the relevant courses when the Project concludes. The approach is premised on the assumption that staff who have received competency-based learning opportunities will translate that learning into improved execution of their day-to-day tasks. An important consideration is the selection of the most appropriate level of staff in those three cadres in order to optimise the impact on PFM performance.

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22 One of Parliament’s main roles is to examine and challenge the work of the government. The principal methods are questioning government ministers, debating and the investigative work of committees. The government can publicly respond to explain and justify policies and decisions
Component 3: MMMD

The Problem to be addressed: The lack of a comprehensive information system and weak managerial capacity are undermining the ability of the Ministry to enforce regulations and of the revenue authority to collect revenue.

The resulting issues: The information gap could be described as follows:

- The capacity of the Mining Development Department to carry out its mineral production monitoring function was limited due to:
  (i) the lack of an appropriate regulatory instrument to collect comprehensive data,
  (ii) the absence of an automated information system, and
  (iii) insufficient staffing with appropriate skills to perform sophisticated data analysis.
- The lack of equipment of the Geological Survey Department (GSD) did not allow the department to conduct detailed analysis of ore and of intermediate products in the value chain or to determine the value of exported gemstones.
- Different reporting systems in MMMD and ZRA (as well as in other institutions like Bank of Zambia and Central Statistical Organisation) which did not allow data reconciliation.
- No statistics were available on the export of unprocessed raw ore. (This is not common, and would not be profitable in any case, bearing in mind the low grade of unprocessed ore.)
- The Regional Mining Bureaus are understaffed and unable to carry out the mineral production verification function due to the lack of mobile laboratory equipment.

In order to ensure that data are collected at every stage of the value chain the following issues must be addressed:

- In order to assess the value of products being exported representative samples of copper anodes, alloys, copper blister and anode slimes must be analysed to determine their content in precious and base metals including platinum, gold, silver, tellurium, selenium, lead and tin. Before the reform introduced by the project, due to the impossibility of determining the metal content of the intermediary products only the copper value was taxed.
- Local concentrates could be mixed with imported concentrates making it impossible to reconcile production data of the mines with the production data of the smelters.
- Export licences were not linked to the cadastre with the consequence that the origin of the ore or of intermediary products could not always be ascertained and the data reconciled with mine production data. Export licences should also be linked to mineral production reports to ensure that mines do not export anything that has not been reported as produced.
- Although the it fall for the moment outside the current remit of the project, ore grades and tonnes should be verified to ensure that mines extract ore according to the work plan agreed upon with the government and do not compensate the fall in price by the extraction of ore of a superior grading that might reduce considerably the mine lifetime or the ore reserves value.
- Kagem Mining Ltd, the main gemstone producer in Zambia produces about 1000 kg of emerald and 3000 kg of beryl. A second producer, Grizzly Mining, reports an annual production of 700 kg of emerald mainly of medium and low grade. Because the gemmological section of the Geological Survey Department was not
equipped for assessing precisely the value of exported gemstones, the royalties were calculated on the basis of the auction price abroad and not on the value assessed by the gemmological section, opening the possibility of price manipulation during auctions.

**Catalysing Strategy:** The introduction of (i) a reporting framework based on appropriate regulation/legislation, (ii) of an information system able to reconcile input and output data at all stages of the value chain, (iii) and the deployment of equipment required for mineral production verification, analysis of content of exported products, and valuation of exported gemstones, combined with appropriate capacity building measures, should boost significantly revenue from royalties and sector taxes and to foster better management of mineral reserves.

**Strategy**
- Modify the legal framework to support the collection of data at all stage of the value chain.
- Develop an instrument for collecting data at all stages of the value chain
- Develop a system allowing mines and transformation units to enter data on inputs and outputs that can be reconciled automatically by the MIS with similar data at different stages of the value chain to ensure consistency.
- Provide equipment to Regional bureaus and the Geological Survey Department to:
  - Conduct on-site inspections
  - Monitor the grading of ore being extracted
  - Determine the metal content of copper anodes, alloys, copper blister and anode slimes.
  - Determine the value of gemstone that are exported.
- Put in place an export licence system that will allow to know the origin of any mineral product being exported.
- Reconcile data collected from sample analysis at the boarder by the Custom Department
- Put in place a capacity building plan to support the reform process.

**Outcomes**
- MMMD management capacity is enhance resulting in better credibility and a stronger position to enforce law and regulation.
- Fraud and leakage are eliminated
- Royalties and tax collection increase due to a better knowledge of metal content of quality of exported products.

**Outputs**
- Unreported production by mines is detected
- Royalties are collected not only on the copper value of products (copper anodes, alloys, copper blister and anode slimes) being exported but also on their content of other metals (including platinum, gold, silver, tellurium, selenium, lead and tin)

**Impact**
- Additional revenue is generate and used to increase fiscal space for additional development expenditures.
- Mineral reserves are better managed
- Data can be used to design a better sector strategy
**Vision:** the mining sector remains a motor of inclusive growth attracting significant direct investment, providing direct and indirect employment to a large section of the population and the share of the sector in Government’s revenue is increased in proportion to the sector share of national GDP.

**Component 4: M&E**

Analysis of the intervention logic is especially difficult because there are in fact three slightly different intervention logics: the Government’s which focuses on the high level benefits for preparing the NDP and for reporting on achievements but which ignores the PFM dimension; that developed by GIZ that attempts to integrate other perspectives such as budget reforms, and tends to limit the intervention to what appears as reasonably achievable while remaining highly theoretical; finally the EU logic of intervention which is external to the project and that puts the M&E System in the wider perspective of the overall objectives of the EU support programme to PFM Reform. Implicitly it requires a strong linkage between system development and PFM reform implementation. These three theories of change are not necessarily in conflict. The GIZ broader the perspective of the Government’s theory by integrating budgeting and PFM Reforms. The EU approach is based on the expectation that the intervention will broaden fiscal space by increasing revenue collection.

The present analysis is based on a synthesis of the three intervention logics as well as the theory of change that was articulated by GIZ in its report “Building a Government-Wide IT Enabled M&E System” of 16 June 2016. The GIZ Theory of Change benefited from a formal need assessment conducted earlier.

The following presentation is based on GIZ theory of change with a few changes in the language and simplifications.

**Problems to be addressed:**

- The lack of timely and quality information for decision makers at all levels of the decision process (Planning, Fiscal Policy, Budgeting) results in a poor alignment of the budget with the National Development Plan
- The lack of budget credibility further undermines the implementation of the NDPs
- Poor alignment of budget with NDP and weak budget execution due to cash rationing generates a lack of accountability of implementing agencies.

**Catalysing strategy:** Create a performance management tool linking Strategic Management (Policy Cycle) with Financial Management (Budget Cycle). Convert Vision 2030 and the NDP into a National Performance Framework with drill-down capability to sector and sub-sector levels in order to monitor achievements through Sectors’ Development Plans and Sectors’ Performance Frameworks. Once sector plans are completed they will generate a Sector MTEF which is fully aligned with a realistic National MTEF and can serve as a base on which the annual budget can be prepared with outer year projections.

**Strategies**

- Put in place a National Performance Framework
- Put in place Sectors’ Performance Frameworks
- Establish and implement policies and methodologies
- Support the M&E function as well as planning and budget analysis needs by an integrated M&E System
Outcomes

- Vision 2030, NDPs and budget preparation and execution are linked and synchronised through the National Performance Framework.
- Sector Plans and Budget Execution are linked to Vision 2030 and received appropriate budget allocation.
- Sector Plans are monitored through the regular reporting of KPIs.
- M&E function is in place in all MPSAs and is supported by government-wide common methodology formalised through process design, instructions and guidelines. Performance analysis is conducted on a regular basis by MPSAs, MoF and MNPD through a review of KPIs.
- GW-MIS system supports centralised data collection and provides tools for data analysis at all government levels.

Outputs

- The National Performance Framework is developed with clear definitions of strategic objectives and national outcomes and is based on agreed performance indicators generated by an automated reporting system.
- National and Sector Development Plans are formulated, challenged, and approved in alignment with the National Performance Framework.
- Budget allocation and execution fully support National and Sector Development Plans.
- M&E processes and guidelines are defined and implemented government-wide. Performance analysis is done on a monthly, quarterly and annual basis through monitoring reports. Impact and analysis is conducted on a regular basis in conformity with principles defined in the M&E Policy Framework.
- The MIS at apex level collects financial data from the IFMIS and crosses them with non-financial data to produce analysis reports. The MIS Apex System is interconnected with all other sectors’ MIs from which it collects, verifies and analyses data then shares them with other stakeholders. As a result, Sector MIs are enhanced and interconnected.

Impact: The Government of Zambia, through the PFM Reform Strategy ensures developmental and financial accountability that entails providing the public timely and accurate information regarding development results/outcomes arising from Government financial investment in various socio-economic sectors thus ensuring budget credibility. The system will institutionalise a culture of reporting against results with the following consequences:

- Policy planning and budget preparation are guided by a strategic vision and supported by appropriate tools.
- MPSAs prepare sector development plans in line with national priorities and are assured of sufficient funding for their implementation.
- MPSAs have tools to manage activities at the sector, programme and project levels.
- Transparency and accountability are enhanced.

Vision: Zambia reaches its objective of poverty reduction and becomes a middle income country capable of harnessing inclusive economic growth to generate employment and social development.
Joint Work Plan

To facilitate collaboration between the GIZ team and the EU-funded component, a joint work plan was developed during the project inception phase. Following analysis review and analysis of the joint work plan included in the Inception Report the following tasks were identified:

- Developing the M&E Framework:
- Developing the National Performance Framework (NPF)
- Creating a NPF data catalogue at apex level institutions
- Creating a NPF data catalogue for the Ministry of Labour and the Ministry of Agriculture
- Checking existence and data architecture of CSO database and reporting capacity and developing principles for data harmonisation and data sharing
- Developing a National M&E Policy, including
  - Putting in place a consultative process for formulation of the National M&E Policy and drafting a concept note
  - Drafting the National M&E Policy to codify M&E principles, processes, standards & procedures across Government
- Developing an Implementation Plan, M&E Guidelines, manuals and tools for use or adaptation across Government,
- Training and roll out of the National M&E Policy and GWM&E System
- Developing sector Performance Framework (SFP) and Single Annual Action Plans (SAAP) for relevant sectors
- Developing and implementing communication/visibility/awareness policy targeting all stakeholders including the general public.

The review of the joint work plan calls for the following remarks:

- ToR of the EU project were developed before the need assessment and the joint work plan and therefore need to be updated with the project logframe matrix.
- The Joint Work Plan is an evolving document as new issues and challenges that could not be anticipated appear.
- The Scope of Work both for the GIZ and EU component is extremely ambitious
- GIZ and the EU team leaders have the same understanding of the Theory of Change but not always of the Joint Work Plan that result from it. Because the EU component focuses more on the policy framework it puts more emphasis on coordination with PFM reforms and the integration of budget reforms in the development of the system.
Annex 5: List of Persons/Organisations Consulted

**European Union Delegation**
- Ms. Sophie Autie, PFM Adviser
- Mr. James McNulty, Results Adviser
- Ms. Betty Rijnberg-Vargyas, Attache Regional Cooperation
- Mr Matteo Sirtori, Head of Section Economic, Rural Development & Regional Cooperation

**National Authorising Office, EDF**
- Mr. Temwani Chihana, EDF Coordinator/Team Leader
- Mr. Alex Chikwese, Social Sectors and Governance Adviser

**Component 1 - National Assembly of Zambia (NAZ)**
- Mr Stephen Kawimbe, Principal Clerk of Committees
- Mr. Thokozani Kamanga, Principal Clerk – Parliamentary Reform Programmes
- Mr. Michael Kateshi, Parliamentary Budget Office
- Mr. Simon Mtambo, Parliamentary Budget Office
- Mr. Anthony Tsekpo Team Leader, Project Component

**Component 2 - Ministry of Finance**
- Mr Dick Sichembe, Accountant General and Project Manager
- Mr. Owen Phiri, Chief Accountant
- Ms. Joyce Sundano, Controller Internal Audit
- Mr Kasonde Mwila, Director, HRA
- Mr. Rick Steel, Team Leader – Key Expert
- Mr Owen Munkombwe, Junior HR and Capacity Building Expert

**Component 3 - Ministry of Mines and Mineral Development**
- Mr. Lumamba, Director of Mines
- Mr. Fred Banda, Chief Mining Engineer (Operation)
- Ms. Berdanette Mwakacheya
- Mr. Wilie Chilufya, Head Mineral Economics
- Mr. Ron Smit, Team Leader
- Director of Geological Survey Department
- Director of Planning
- Director of finance

**Component 4 - Government-Wide M&E System**
- Mr. Muleya, Director M&E Division MNDP
- Ms. Prudence Kaoma, Assistant Director M&E Division MNDP
- Winza Mwauluka, Chief M&E Officer
- Ms. Sheila Shimwambwa, Deputy Director CSO
- Mr. Dan Mosescu, GIZ IT-enabled M&E-MIS Advisor to MNDP
- Mr. Cormac Quinn, Business Support Team leader and Results & Evaluation Adviser
- Mr. Sam Mwaura, Team leader
- Mr. Crane Muleya, Director M&E Division MNDP
- Director of Planning Ministry of Agriculture
- Director of Planning Ministry of Labour
- Central Statistics Office
Annex 6: Literature and Documentation Consulted

Financing Agreement
Action Fiche
ROM Monitoring Questions
ROM Reports
GRZ Documents, including Auditor-General’s reports, Budget Speeches, Annual Estimates, Citizen’s Budgets, Financial Reports, Macro Economic Reports, MTEF, MDG Progress Reports, National Development Reports, State Owned Enterprises, Statistical Reports, and Zambia Development Cooperation Reports
PFM Reform Strategy
PEFA Assessment 2012
IMF and World Bank reports
Project Terms of Reference
Inception Reports, Quarterly and Annual Progress Reports of all 4 project components
Report of Parliamentary Reforms and Modernisation Committee September 201
Public Service Training Needs Identification Instrument (old and new)

Mining Production Monitoring Project
A.M AMER, Processing of Copper Anode-Slimes for extraction of Metal Value, Physicochemical Problems of Mineral Processing, 36 (2002) 123-134
CMI Brief, The Rise and Fall of the Mining Royalty Regime in Zambia, February 2016, Vol. 15, No 2
EY, Business risks facing mining and metals 2015–2016 Moving from the back seat to the driver’s seat
Mining Production Monitoring Project, Inception Report, February 2015
Mining Production Monitoring Project First Interim Report, April – June, 2015
Mining Production Monitoring Project, Second Interim Report, July – September 2015
Mining Production Monitoring Project, Third Interim Report, October-December 2015
Mining Production Monitoring Project, Fourth Interim Report, January – March 2016
Mining Production Monitoring Project, Minutes of the first Steering Committee, 29 April 2015
Mining Production Monitoring Project, Minutes of the second Steering Committee, 11 June 2015
Mining Production Monitoring Project, Minutes of the third Steering Committee, 10 November 2015
Mining Production Monitoring Project, Minutes of the fourth Steering Committee, 24 February 2016
Mining Production Monitoring Project, Minutes of the fifth Steering Committee, 17 May 2016
Mining Production Monitoring Project, Status of Project Procurement, 12 July 2016
Mining Production Monitoring Project, Analysis of analytical laboratory and sampling equipment procurement by the MVCMP and MPMSP
UK Aid – World Bank, What it take for Zambia’s Copper Mining Industry to achieve its potential? July 2011
Minutes of the Joint Committee Meeting for the Mineral Value Chain Monitoring Project (MVCMP) and the Mineral Production Monitoring Project (MPMP) held on 20th August, 2015

Monitoring and Evaluation System
Asian Development Bank, Result-Based Management Framework in the Philippines
Community of Practice for Managing for Development Results, Framework for Result-Based Public Sector Management and Country Cases
GIZ, Building a Government Wide IT Enable Monitoring and Evaluation System, June 2016
GIZ, Management Information Systems Programme in Zambia for IT-Enabled M&E System, Inception Phase MIS Readiness Assessment, Cabinet Office and Ministry of Finance, Volume 1, Main Report
GW-M&ES Project, Joint Work Plan – Main Activities, Final Version v. 0.6.
GW-M&ES Project, Project Logframe, February 2016
APEX Joint-Work Plan on IT-Enabled GWME System-V0.6
AGRICULTURE SECTOR-WORK PLAN: Enhancement of M&E and Development of AMIS
CSO-WORK PLAN: Enhancement of M&E and Development of GWME-MIS
MNDP-WORK PLAN: Enhancement of M&E and Development of GWME-MIS
MLSS-WORK PLAN: Enhancement of M&E and Development of LMIS
Annex 7: Detailed answers to the evaluation questions, judgement criteria and indicators

Indicators and Means of Verification

As a tool for assessing performance, a relatively small set of key indicators has been developed for each of the 8 components of the project. These draw on project work-plan activities and the programme logical framework. The indicator table is shown below.

<table>
<thead>
<tr>
<th>Project Component</th>
<th>Indicator</th>
<th>Means of Verification</th>
<th>Assessment of current situation and future prospects</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Component 1</strong></td>
<td>Specification and accessibility of key knowledge and information</td>
<td>Knowledge framework, Web portal operations and utilisation</td>
<td>Progress has been made in a number of aspects. Outputs include policy briefs and the creation of a web portal. Appropriate software has been procured and training provided. Component on track</td>
</tr>
<tr>
<td><strong>Component 2</strong></td>
<td>Quantity and quality of budget analysis by the Parliamentary Budget Office</td>
<td>Legal framework, Analytical reports, Budget briefs, Training reports</td>
<td>PBO staff have been trained, a training curriculum developed and a PFM Handbook is nearing completion. On track</td>
</tr>
<tr>
<td><strong>Component 3</strong></td>
<td>Skills and knowledge acquired by Staff Analysts and Secretaries to Committees</td>
<td>Committee briefings, Policy Notes, Costing of bills</td>
<td>Professional development paths have been produced for staff. Work done to build capacity to manage training programmes, support professional accreditation and integrate these into NAZ human resource policies.</td>
</tr>
<tr>
<td><strong>Component 4</strong></td>
<td>Job performance</td>
<td>Performance appraisal reports briefings, Budget briefs, Policy Notes</td>
<td>On-the-job training is ongoing</td>
</tr>
<tr>
<td><strong>Component 5</strong></td>
<td>Effectiveness of training provision</td>
<td>Training event reports including attendance records, PFM Handbook, Surveys of MP experiences</td>
<td>Training curriculum and materials developed. Training of MPs rather problematic due to fewer committee meetings than expected resulting in limited availability for training and limited MP interest in generic PFM training.</td>
</tr>
<tr>
<td><strong>Component 6</strong></td>
<td>Skills and knowledge acquisition</td>
<td>Committee reports</td>
<td>Good support provided to Committee in terms of research, a Committee Handbook and capacity enhancement workshop. Support reflected in quality of Committee reports</td>
</tr>
<tr>
<td><strong>Component 7</strong></td>
<td>Skills and knowledge acquisition</td>
<td>Reports on OAG findings, Public hearings</td>
<td>Similar situation to Component 6. Evidenced by improved depth and quality of Committee reports</td>
</tr>
<tr>
<td>Public Accounts Committee</td>
<td>Component 8</td>
<td>Capacity Building Economic Affairs, Energy and Labour Committee</td>
<td>Also work started with Committee on Local Government</td>
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<td>-------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>Skills and knowledge acquisition</td>
<td>Committee reports</td>
<td>Again similar results to Components 6 and 7. A</td>
</tr>
<tr>
<td>Component 9</td>
<td>Peer-assisted learning</td>
<td>Co-operation with other countries’ parliaments</td>
<td>Reports of attachments, exchange programmes, working visits</td>
</tr>
</tbody>
</table>

**Component 2: Ministry of Finance**

<table>
<thead>
<tr>
<th>Project Component</th>
<th>Indicator</th>
<th>Means of Verification</th>
<th>Assessment of current situation and future prospects</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Component 1</strong> Initial Stock-take</td>
<td>Existing government PFM training system</td>
<td>Inception report Project progress reports</td>
<td>Completed</td>
</tr>
<tr>
<td><strong>Component 2</strong> Competency Mapping</td>
<td>Competency approach implementation</td>
<td>Competency maps for accountants, internal auditors and budget officers</td>
<td>Well-developed. Budget officials in line ministries remain outstanding</td>
</tr>
<tr>
<td><strong>Component 3</strong> Training Needs Analysis</td>
<td>Training needs analyses</td>
<td>Completed TNA questionnaires</td>
<td>Revision of TNA Instrument leading to Concept Note</td>
</tr>
<tr>
<td><strong>Component 4</strong> Review job descriptions</td>
<td>PFM staff job descriptions</td>
<td>Competency-based job descriptions</td>
<td>Proposal to incorporate competencies submitted to PSMD which has responsibility for JD development. Work maybe later this year.</td>
</tr>
<tr>
<td><strong>Component 5</strong> Development of PFM Training Curriculum</td>
<td>Competency-based training programmes</td>
<td>Demonstration course reports Competency-based course designs Course materials Project reports</td>
<td>Five-day competency-based demonstration course for Assistant Accountants designed and delivered heavily linked to IFMIS. Well-received</td>
</tr>
<tr>
<td><strong>Component 5</strong> Support to MOF HRA Department</td>
<td>Human resource function and capacity in MOF</td>
<td>Capacity-building concept note Project reports HR Policies and procedures</td>
<td>Capacity development to modernise HR function including management of competency-based learning</td>
</tr>
<tr>
<td><strong>Component 6</strong> Selection of training providers</td>
<td>Training institutions providing competency-based learning</td>
<td>Concept note Cooperation agreements with 3 training providers</td>
<td>Potential training providers assessed and preferred 3 identified and recommended. Decision awaited. Cooperation agreements developed</td>
</tr>
<tr>
<td>Component 7</td>
<td>Support to training providers</td>
<td>Capacité of training providers</td>
<td>Competency-based training programmes</td>
</tr>
<tr>
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</tr>
<tr>
<td>Component 8</td>
<td>Recommendations for PFM Training Programme</td>
<td>PFM training Programme</td>
<td>Project report</td>
</tr>
</tbody>
</table>

**Component 3: Ministry of Mines and Mineral Development**

<table>
<thead>
<tr>
<th>Project component</th>
<th>Indicator</th>
<th>Means of Verification</th>
<th>Assessment of current situation and future prospects</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1. Stock-taking and need assessment carried out during the inception phase.</td>
<td>The Inception Report contains an assessment of the regulatory and legal environment, of data gaps, data availability, and data quality, of managerial capacity, and an action plan for each component.</td>
<td>Inception Report</td>
<td>This component is completed; However new task not foreseen in the inception report could be integrated in the work plan</td>
</tr>
<tr>
<td>C2. Capacity building</td>
<td>1. A capacity-building plan is in place and capacity-building activities have started with the capacity of monitoring and analysing data production as the primary focus followed by the development of the oversight function.</td>
<td>Project Report, Capacity building plan, interviews, existence of a staffing plan in MMMD</td>
<td>The Capacity Building Plan is still at an early stage of development. However, on-the-job training for mineral production data analysis has already taken place. MMMD does not seem to have developed a staffing plan.</td>
</tr>
<tr>
<td></td>
<td>2. MMMD has put in place a new mechanism for comprehensive data collection, monitoring and validation which are entered in MOSES and conduct data analysis using best practices.</td>
<td>Revised Form 39, scope and coverage of statistical report produced, dissemination list, use of information in MMMD internal reports</td>
<td>A new form (Form 34) has been successfully introduced. MMMD validates data entered by the mines in the system using Form 34. A methodology for data analysis has been developed and new reports are produced for dissemination and decision-making.</td>
</tr>
<tr>
<td></td>
<td>3. Improvement of the management of mineral rights</td>
<td>1. Assistance plan to the mining cadastre</td>
<td>A need assessment has been conducted. This activity is still at a very early stage.</td>
</tr>
<tr>
<td>C3. Procurement of necessary mining infrastructure and equipment</td>
<td>1. Procurement of equipment to follow the procurement plan</td>
<td>1. Project reports</td>
<td>Based on the need assessment of the inception report some equipment has been delivered. Additional pieces of equipment are being procured.</td>
</tr>
<tr>
<td>2.</td>
<td>Capacity of the Geological Survey Department (GSD) to conduct analyses of metal contents of mineral samples, concentrates, anode slime and copper blister or to determine gemstone quality and value</td>
<td>2.</td>
<td>Examples of analysis produced by GSD</td>
</tr>
<tr>
<td>C4. Improvement of data management system(s) within MMMD</td>
<td>1. A need assessment is conducted to identify business requirements.</td>
<td>Need assessment report</td>
<td>Need assessment completed. The business requirements have been fully identified.</td>
</tr>
<tr>
<td></td>
<td>2. MMMD database structure has been developed and all entities have been identified with their attributes for table design</td>
<td>Database design (data catalogue, or entity relationship model, or table structure)</td>
<td>The system appears to be operational. The system is already used by all the largest mines for reporting and is able to produce reports for analysis. Note that the MOSES system was constructed under MVCMP, with MPMSP input limited only to the production reporting module.</td>
</tr>
<tr>
<td></td>
<td>3. Procurement of IT hardware is completed</td>
<td>Project reports</td>
<td>The IT equipment purchased is being installed.</td>
</tr>
<tr>
<td>C5. Establishment of MMMD database as a hub for data sharing with other government and private stakeholders</td>
<td>With MVCMP’s MOSES system on its way MMMD is unlikely to become a hub for data sharing. This component needs to be revised. However the issue of data sharing remains. While most of the activities planned under this component have been already undertaken by MVCMP, it is the opinion of the team leader that component 5 has not become redundant. This assumption should be demonstrated more rigorously than it has been in the inception report. The residual activity of this component can probably be absorbed by component 4. It appears impossible to identify an indicator</td>
<td>Not relevant</td>
<td></td>
</tr>
<tr>
<td>C6. Support to policy, planning, budgeting and organizational development</td>
<td>Significant improvement in MMMD budgeting measured by the increase in resources for strategic activities</td>
<td>MMMD budget, Project Reports</td>
<td>Legal and policy review work has been done.</td>
</tr>
<tr>
<td>C7. On the job coaching and structured training</td>
<td>Training programme and volume of structured training provided</td>
<td>Project Report</td>
<td>A lot of on the job coaching activity have been going on in relation to data analysis.</td>
</tr>
</tbody>
</table>
## Component 4: Government-Wide M&E System

<table>
<thead>
<tr>
<th>Components</th>
<th>Indicators</th>
<th>Means of Verification</th>
<th>Assessment of current situation and future prospects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Component 1: Support to Ministry of Finance in policy, programme and project monitoring, evaluation, and reporting at national and sector levels.</td>
<td>1. The Project Needs Assessment is completed and its recommendations are integrated in the Inception Report and work plan.</td>
<td>Inception report and action plan</td>
<td>Task completed</td>
</tr>
<tr>
<td></td>
<td>2. The Joint Work Plan is in line with all CPs’ expectation and with Government counterparts.</td>
<td>Meeting with CPs and Government counterparts</td>
<td>A Joint Work Plan was developed and is part of the inception report. However it appears that the Joint Work Plan is an evolving document that needs periodic revision. As the situation at MPSA level is not yet fully understood. The fact that the team leader is not full time makes negotiation of the adjustment difficult.</td>
</tr>
<tr>
<td></td>
<td>3. Principles for developing the National Performance Framework (NPF) in the selected sectors are established and documented.</td>
<td>Project internal documents and interviews</td>
<td>The NPF is at a very early stage of development. General guiding principles have been developed but will probably need revision after deeper consultation with MPSA.</td>
</tr>
<tr>
<td>Component 2: Support to CSO</td>
<td>The CSO formulates its requirements for development of the system and has a plan to integrate the GW-M&amp;ES with its system.</td>
<td>Field visit</td>
<td>The CSO does not have a centralized MIS but only a number of data dedicated to specific areas of statistics compilation. Although GIZ included the CSO in its needs assessment, the level of understanding of the project (and the system that needs to be developed) appears to be very limited. Coordination of the project has been delegated to one staff while the Director and his Deputy remain largely unaware of most aspects of the planned system and its implications for the CSO. The EU project has not started to engage the CSO.</td>
</tr>
<tr>
<td>Component 3: Design and provision of training to enable transfer of know-how in the above-mentioned activities.</td>
<td>A training programme is fully developed and means of delivery have been identified.</td>
<td>Project report</td>
<td>The project is still at a too early stage to consider training.</td>
</tr>
</tbody>
</table>