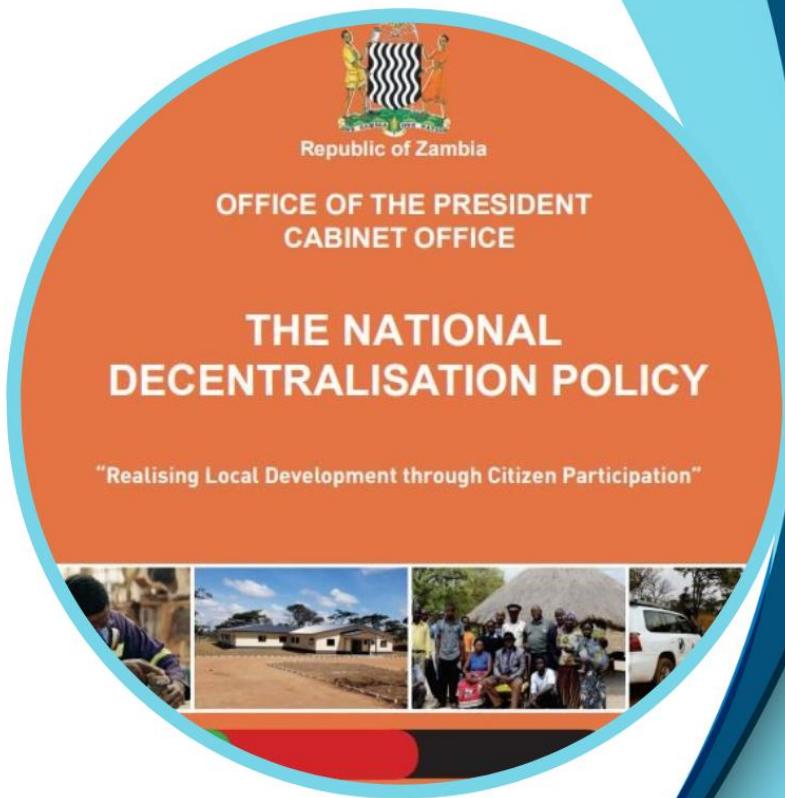




TRANSPARENCY  
INTERNATIONAL  
ZAMBIA

# ANALYSIS OF 2023 NATIONAL DECENTRALIZATION POLICY AND IMPLEMENTATION PLAN



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## 1. Introduction

As defined by the Ministry of Local Government in Zambia, decentralisation is the transfer of responsibilities, authority, functions as well as power and appropriate resources to provincial, district and sub-district levels (Ministry of Local Government, 2023). Currently underpinned by Part XI of the Constitution of Zambia (Amendment) Act No. 2 of 2016 on Local Government, the legal framework for decentralisation is also provided in several subsidiary legislation including the Local Government Act No. 2 of 2019, the Constituency Development Fund Act No. 11 of 2018, the National Planning and Budgeting Act No. 1 of 2020, the Public Finance Management Act No. 1 of 2018 and the Public Procurement Act No. 8 of 2020.

Decentralization has been a long standing agenda for Zambia spanning from the introduction of the Local Government Act No. 30 of 1965, soon after independence. Since its introduction, the legal, policy and institutional framework for decentralization has evolved over time.

The Local Government Act No. 30 of 1965 established 24 urban and 43 rural Local Authorities, assigning them over 60 functions and abolishing the colonial-era Native Authorities. In 1971, the Registration and Development of Villages Act No. 30 was enacted, creating Ward and Village Development Committees to focus on local development.

In 1980, the Local Administration Act No. 15 was passed, establishing the Ministry of Decentralisation within the Office of the Prime Minister. This Act aimed to merge central and local government administrations with ruling party structures for better coordination, but it only partially succeeded, integrating the roles of the District Secretary and District Governor. Local offices continued reporting to provincial and national headquarters.

The shift to multi-party democracy in 1991 led to further decentralization changes. The Ministry of Decentralisation was restructured into the Ministry of Local Government and Housing, and the Local Government Act No. 22 of 1991 was enacted to separate party structures from government structures, replacing the Local Administration Act No. 15 of 1980. In 2002, the government adopted its first Decentralisation Policy, revised in 2013. The 2016 Constitution of Zambia (Amendment) Act No. 2 established a devolved system of governance under Article 147. This lead up to the launch of the National Decentralisation Policy in 2023 along with an implementation plan for the period from 2023 to 2027.

One key component of decentralization which has not been adequately achieved is fiscal decentralization. For Zambia, total Local Government expenditure accounted for only 0.9% of total Government spending in 2013 (Commonwealth Local Government Forum, 2018). This is as opposed to a number of countries in Sub-Saharan Africa namely, Ethiopia, Nigeria and South Africa where approximately 50% of Government spending is at the subnational level and a small group of other African countries where subnational spending is considered significant, that is between 15 and 20% of total Government spending namely, Kenya, Rwanda, Tanzania and Uganda (International Monetary Fund, 2018). More recently, Zambia is attempting to utilize increases in the Constituency Development Fund (CDF) as a conduit to enhance its fiscal decentralization.

Stemming from the drastic increase in allocations to the CDF, there have been growing concerns around the lack of financial controls and procuring capacity within Local Authorities as well as the risk of heightened financial mismanagement through the CDF. From 2022, the CDF allocations per constituency

have dramatically increased from ZMW1.6 million per constituency in 2021 to ZMW25.7 million in 2022, ZMW28.3 million in 2023 and ZMW30.6 million per constituency in 2024 (Ministry of Finance, 2021 – 2023). Further, there are concerns around the availability of adequate spaces and facilitation of public participation. This is in recognizing that public participation remain crucial for the success of CDF specifically and decentralisation as a whole.

Leading up to the launch of the new Decentralisation Policy and implementation plan, there have been some significant changes that relate to growing concerns around transparency and the need for the protection of and accountability for public resources.

This analysis seeks to scrutinize the 2023 Decentralization Policy and its implementation plan by comparing it against the 2013 policy as well as considering its constituent parts with respect to two crucial areas, namely, Governance which encompasses transparency, accountability and public participation; and Public Finance Management (PFM) and Fiscal Decentralization. The analysis will also include a case study on CDF in Zambia.

## 2. 2013 vs 2023 Decentralization Policy

This section presents the key findings from the comparative analysis conducted of the 2013 and 2023 Decentralisation policies. The analysis focuses on components of the policies that relate to Governance (transparency, accountability and public participation) and Public Finance Management and Fiscal Decentralization. This section will consider the introduction & background, vision, rationale, mission and guiding principles, objectives, strategies & measures, institutional arrangements and resource mobilization. The analysis will then look at the 2023 Policy M&E framework and implementation plan. This analysis is illustrated in the table below:

AREA	2013 POLICY	2023 POLICY	GAPS & ANALYSIS ON GOVERNANCE (Transparency, Accountability & Public Participation) AND PFM & FISCAL DECENTRALIZATION
Introduction & Background	<p>In the background the policy outlines the historical developments of decentralization; through the dual system; being the political system and the local government system.</p> <p>The introduction provides the changes which have happened since 1964 in terms of local governance. The thrust focused on enhanced service delivery. It does not clearly spell out the role of citizens but focusses more on structural governance.</p>	<p>The policy is very clear on its purpose: to facilitate the participation of citizens in decision-making towards improved service delivery and enhanced local development.</p> <p>It recognizes the role of traditional leaders, mayors and council chairpersons, providing for new decentralized structure with national, provincial, district and sub-district level to facilitate participation.</p> <p>The introduction reflects increased commitment through signing the African Charter on the Values and Principles of Decentralisation, Local Governance, and Local Development in 2015 and constitutionalizing decentralization. Government further introduced the CDFC, WDCs and increased allocation of human and financial resources to districts.</p> <p>The background mentions that Government also enacted the Urban and Regional Planning Act No. 3 of 2015 which strengthens local development planning.</p> <p>Finally, the background acknowledges the failure to devolve fully to local authorities with existing laws and policies as defined in the constitution.</p>	<p>There is a clear focus on promoting public participation in the 2023 Policy.</p> <p>Public participation has also been enhanced in the 2023 Policy by the recognition of the roles of traditional leaders, mayors and council chairpersons</p>
Vision	<p><b>"A decentralized system of governance within a unitary State in Zambia."</b></p> <p>The focus of the vision is a decentralized system of governance.</p>	<p><b>"Citizen-driven local governance within a unitary State for sustainable development".</b></p> <p>In the new policy, the Citizens are put in the Centre to ensure sustainable development.</p>	<p>In the 2023 policy, Citizen's participation is more pronounced in defining development.</p>

		<p>The drive of the changes is backed by the Constitution (Amendment) No. 2 of 2016.</p>	<p>There is also a focus on sustainable development in the new vision. However, this is not reflected in the objectives.</p>
Rationale, Mission & Guiding Principles	<p><b>Rationale</b> The rationale of the policy was for citizens to exercise control over local affairs, to foster meaningful development focusing on political stability, accountability, lower-level participation enhancing sustainable development, Governments responsiveness, contextualized development and motivating field level staff.</p> <p>The policy also recognizes the need for the transfer of matching resources to lower levels to support the transfer of authority, functions and responsibilities.</p> <p><b>Mission</b> To promote a decentralized and democratically elected system of governance which enhances community participation in decision making.</p>	<p><b>Guiding Principles</b> In the new policy the focus is on the rights of citizens to participate in sustainable development with emphasis on devolving to local authorities with matching resources.</p> <p>The policy is guided by the following principles:</p> <ol style="list-style-type: none"> <li>1. Good governance</li> <li>2. Equity</li> <li>3. Subsidiarity</li> <li>4. Constitutional jurisdiction</li> <li>5. Cooperative governance</li> <li>6. Sustainable local development, and</li> <li>7. Inclusiveness</li> </ol>	<p>There has been a change in the structure of the policy. As opposed to the rationale and mission, the new policy is driven by guiding principles drawn from the Constitution (Amendment) No. 2 of 2016.</p>
Objectives	<p><b>Objectives</b></p> <ol style="list-style-type: none"> <li>1. To empower provinces, districts and communities in order to achieve effective social economic development <b>(development objective)</b></li> <li>2. To promote people's participation in democratic governance at the local level to</li> </ol>	<p><b>Objectives</b></p> <ol style="list-style-type: none"> <li>1. To promote inclusive citizen and community participation in democratic governance at the local level to enhance local development. <b>(Public Participation Objective)</b></li> <li>2. To devolve functions from the national to the subnational and substructure levels to enhance efficiency in the delivery and access to public services <b>(Devolution &amp; Service Provision Objective)</b></li> </ol>	<p>There has been a change in the approach of the development objective which now emphasizes a participatory Integrated Development Planning in line with the 8NDP, The Constitution (Amendment) No. 2 of 2016 and the Urban and</p>

	<p>enhance local governance. <b>(Public participation objective)</b></p> <p>3. To promote co-operative governance with the national government, provincial administration, provincial assembly and local authority to support and enhance the role of local government. <b>(Coordination objective)</b></p> <p>4. To promote participation of Chiefs and their traditional leaders in governance and preservation of culture and heritage while respecting cultural diversity. <b>(Traditional Leaders Participation objective)</b></p> <p>5. To promote political and administrative authority in order to enhance delivery of quality services. <b>(Service provision objective)</b></p> <p>6. To coordinate gender and HIV/AIDS mainstreaming programmes in the council in order to promote gender equality and equity. <b>(Mainstreaming objective)</b></p> <p>7. To develop and manage human resources in order to enhance individual and organizational performance. <b>(Performance Objective)</b></p>	<p>3. To develop and manage human resources in order to enhance individual and institutional performance. <b>(Performance Objective)</b></p> <p>4. To promote participatory integrated development planning in order to achieve inclusive, sustainable and climate-resilient local development. <b>(Development objective)</b></p> <p>5. To enhance financial capacities at the local levels to support implementation of devolved functions <b>(PFM Capacity Objective)</b></p> <p>6. To promote prudent financial management and accountability in local Authorities and subnational structures in order to enhance service delivery <b>(PFM Implementation Objective)</b></p> <p>7. To develop a comprehensive policy and legal framework that supports the effective implementation of a devolved system of governance and local development. <b>(Reform Objective)</b></p>	<p>Regional Planning Act of 2015.</p> <p>The new policy objectives seem more robust in addressing decentralization constraints. It focuses on legal and policy reform and two objectives are centered on PFM enhancement.</p> <p>Further, there is a specific objective on devolving functions from national to subnational and substructure levels.</p> <p>The 2023 policy is no specific objective focusing on the role of traditional leaders.</p>
<b>Strategies &amp; Measures</b>	<p>i. Realign functions and linkages of central, provincial, district and sub-district governance structures <b>(Coordination)</b></p>	<p>i. Strengthen platforms for community engagement at the local level. <b>(Participation)</b></p> <p>ii. Promote the participation of communities in local affairs <b>(Participation)</b></p>	<p><b>Public Participation</b></p> <p>The 2013 Policy did not explicitly cite any specific strategies to promote public participation. The</p>

	<p>ii. Develop decision making authority, functions and resources from the center to the lowest level with matching resources (<b>PFM-Devolution</b>)</p> <p>iii. Coordinate and implement mechanisms to ensure a bottom-up flow of integrated development planning and budgeting from the district to central government (<b>Coordination, PFM</b>)</p> <p>iv. Develop the capacity of local authorities and communities in development planning, financing, coordinating and managing the delivery of services in their areas (<b>PFM-Capacity</b>)</p> <p>v. Facilitate appointments and training of HIV/AIDS, human rights and gender focal points persons. (<b>Cross-cutting issues</b>)</p> <p>vi. Develop and implement Human Resource Management Programmes (<b>Human Resource Capacity</b>)</p> <p>vii. Promote accountability and transparency in the management and utilization of resources (<b>PFM-implementation</b>)</p> <p>viii. Build the capacity for development and maintenance of infrastructure at local level (<b>Development Capacity</b>)</p>	<p>iii. Strengthen capacities of provinces, districts, Local Authorities and Wards in effective community engagement, development planning, coordinating and managing service delivery. (<b>PFM Capacity</b>)</p> <p>iv. Transfer decision-making authority, functions and resources from the center to the districts, Local Authorities and the lowest level possible. (<b>PFM-Devolution</b>)</p> <p>v. Re-align institutional capacities, structures and systems to support the administration and management of devolved functions at lower levels. (<b>Coordination</b>)</p> <p>vi. Strengthen national and subnational structures for effective coordination and efficient delivery of devolved services. (<b>Administration Capacity</b>)</p> <p>vii. Realign organizational structures of the Local Authorities. (<b>Administrative Capacity</b>)</p> <p>viii. Harmonize the terms and conditions of service across public and local government services. (<b>Human Resource Capacity</b>)</p> <p>ix. Establish a decentralized, merit-based human resource management system at all levels. (<b>Human Resource Capacity</b>)</p> <p>x. Promote change management in Public and Local Government Services. (<b>MEL</b>)</p> <p>xi. Develop and implement human resource capacity strengthening programmes (<b>Human Resources Capacity</b>)</p> <p>xii. Promote inclusive formulation and implementation of sustainable Integrated Development Plans. (<b>Participation</b>)</p> <p>xiii. Promote the mainstreaming of HIV/AIDS, gender, disability, climate change and other emerging issues in Integrated Development Plans. (<b>Cross-cutting issues</b>)</p> <p>xiv. Promote public-private partnerships for local-level development among Local Authorities and other subnational structures. (<b>Participation</b>)</p> <p>xv. Strengthen financial resource sharing and allocation mechanisms between central and local government. (<b>PFM-Budgeting</b>)</p>	<p>new policy is progressive in that respect. It contains measures to strengthen platforms for community engagement at the local level and promote the participation of communities in local affairs as well as at institutional level in planning processes. The measures are specific about the platforms and levels of engagement with the public.</p> <p><b>PFM &amp; CDF</b></p> <p>Both policies contain strategies and measures focusing on PFM enhancement. The 2013 Policy focused on strengthening Public Finance Management through specific measures on Public Finance Management devolution, coordination, building related capacity and PFM implementation. However, the new policy has enhanced this emphasis with additional measures aimed at building Public Finance Management such as</p>
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	<p>ix. Develop and implement an integrated budget for district development and management (<b>PFM-Budgeting</b>)</p> <p>x. Develop and implement a legal and institutional framework to promote autonomy in decision making at local level (<b>Legal Reform</b>)</p> <p>xi. Monitor and evaluate implementation of programmes (<b>MEL</b>)</p>	<p>xvi. Strengthen Local Authority capacities for mobilizing own source revenues. (<b>PFM-Financing</b>)</p> <p>xvii. Review and implement the framework for intergovernmental transfers to address vertical and horizontal inequity. (<b>PFM</b>)</p> <p>xviii. Strengthen Local Authority Financial Management and Accounting. (<b>PFM Capacity</b>)</p> <p>xix. Harmonize accounting policies, practices and systems across Local Authorities. (<b>PFM-Standards</b>)</p> <p>xx. Strengthen Local Authority Debt Management and Sustainability Capacity. (<b>PFM-Financing</b>)</p> <p>xxi. Strengthen coordination mechanisms for implementation of decentralisation. (<b>Coordination</b>)</p> <p>xxii. Harmonize legislation in line with the Constitution. (<b>Reform</b>)</p> <p>xxiii. Develop decentralisation-enabling legislation. (<b>Reform</b>)</p>	<p>strengthening financial resource sharing and allocation mechanisms, local level resource mobilization and capacity; and debt management capacity.</p> <p><b>Coordination</b> Both policies seek to enhance the coordination of national, provincial and local structures. Just like the 2013 policy, the 2023 policy emphasizes coordination in the decentralization agenda by including strategies to re-align institutional capacities, structures and systems to support the administration and management of devolved functions at lower levels; and Strengthen coordination mechanisms for implementation of decentralisation.</p> <p><b>Administration and Human Resource</b> The 2023 policy has specific measures aimed at enhancing the administrative and human resource capacity</p>
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			of local authorities and structures. These include Realign and strengthening organizational structures for effective coordination and efficient delivery of devolved services as well as establishing a decentralized, merit-based human resource management system at all levels and harmonising the terms and conditions of service across public and local government services.
Institutional Arrangements	<p>1. Cabinet office To provide leadership and direction to the facilitating, devolving and receiving institutions on the implementation of the National Decentralization Policy.</p> <p>2. Provincial Governance</p> <ul style="list-style-type: none"> <li>• At provincial level, there shall be a Provincial Assembly/Council</li> <li>• At provincial level, there shall be a Provincial Chiefs Council</li> <li>• The Chiefs shall be represented in the Provincial Assembly</li> <li>• At the provincial level, the Permanent Secretaries will facilitate, coordinate and oversee the implementation of development</li> </ul>	<p><b>Institutional Arrangements</b></p> <p>1 Cabinet Office</p> <ul style="list-style-type: none"> <li>• Lead institution in providing leadership and direction in the implementation of this Policy.</li> <li>• Oversight role</li> <li>• Capacity Building of Institutions at National, Provinces, and District levels.</li> <li>• Promote digitization of Public Service and Local Government systems.</li> </ul> <p>2 The Ministry responsible for Finance</p> <ul style="list-style-type: none"> <li>• Mobilize and provide financial resources.</li> <li>• Provide public financial management policy direction, set standards, monitor compliance with PFM procedures and resource use.</li> <li>• Organize and supervise financial audits of LAs.</li> </ul>	<p>With regards to institutional arrangements, the 2023 policy is more elaborate and specific on the roles and responsibilities of the institutions responsible for policy implementation. It provides explicit roles for non-state actors such as civil society, trade unions, cooperating partners, academia and private sector.</p> <p>This is good as it provides an outline of the</p>

	<p>programmes in their respective Provinces.</p> <p>3. District Governance</p> <ul style="list-style-type: none"> <li>• At the district level, there shall be a Council, composed of elected representatives, responsible for the delivering of services</li> <li>• At district level, there shall be a District Chiefs Council</li> <li>• The Chiefs shall be represented in the District Council.</li> </ul> <p>4. Sub-district Governance</p> <ul style="list-style-type: none"> <li>• At sub-district level, Ward Development Committees (WDCs) shall be established in each ward. The nature of WDCs may vary between urban and rural districts.</li> <li>• At village level there shall be a village council</li> <li>• The village council shall be represented in the WDC</li> </ul> <p>5. Reporting Relationships</p> <ul style="list-style-type: none"> <li>• The Provincial Administration will be the link between the national and the district level</li> <li>• At district level, the Council through the Mayor/Council Chairperson shall report to the Provincial Administration</li> <li>• The Ward Development Committee in conjunction with the decentralized functions as stipulated in this shall report to the Council through the Ward Councilors</li> </ul>	<ul style="list-style-type: none"> <li>• Undertake monitoring and evaluation in the implementation of the policy.</li> <li>• Capacity Building of MPSAs.</li> </ul> <p>3 The Ministry responsible for Local Government</p> <ul style="list-style-type: none"> <li>• Provide local governance policy direction.</li> <li>• Provide administrative and technical guidance.</li> <li>• Support and monitor organizational reform of LAs.</li> <li>• Organize administrative inspection of LAs.</li> <li>• Capacity Building for LAs.</li> <li>• Promote the principle of subsidiarity.</li> </ul> <p>4 The Ministry responsible for Justice</p> <ul style="list-style-type: none"> <li>• Facilitate the development, and enactment of legislation to support implementation of the Policy.</li> </ul> <p>5 Sector Ministries</p> <ul style="list-style-type: none"> <li>• Provide sector specific policy direction.</li> <li>• Set standards for functional devolution and service delivery.</li> <li>• MEL in functional devolution and service delivery.</li> <li>• Capacity Building for LAs, Provincial and District Departments for devolved service delivery.</li> </ul> <p>6 Service Commissions</p> <ul style="list-style-type: none"> <li>• Set standards and provide guidance on issues relating to human resource management.</li> <li>• Delegate functions and regulate the performance of human resource functions by HRMCs.</li> <li>• Organize and supervise HRM audits of LAs.</li> <li>• Capacity Building of HRMCs, ROs and LAs related to decentralized human resource management functions.</li> </ul> <p>7 Public Service Management Division</p> <ul style="list-style-type: none"> <li>• Provide strategic technical support and guidance on all human resource management matters.</li> </ul>	<p>expected roles of civil society actors and WDCs and thus gives an indication of how the public can more actively participate in decentralization.</p>
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	<ul style="list-style-type: none"> <li>• The Councils shall continue to perform their statutory functions in conjunction with the decentralized functions as stipulated in this document</li> <li>• The Mayor/Council Chairperson will oversee the administration of the Council and shall preside over council meetings. The Mayor/Council Chairperson shall be accountable to the electorate and will co-ordinate with the Provincial Administration on all matters of local governance in the district.</li> <li>• The Council shall involve village and Chiefs councils in the provision of public services</li> <li>• The Council shall involve village and Chiefs councils in land use planning through WDCs</li> <li>• The Council shall involve the local communities in labor-intensive techniques in rural projects to promote local economic development through the WDC.</li> </ul> <p>6. Local Government Election System</p> <ul style="list-style-type: none"> <li>• A Mayor/Council Chairperson elected by universal adult suffrage in the Council are will be head the Council. In order to redress the challenges associated with the Local Government Electoral System, the system of Local Government shall be based on democratically elected council on the basis of universal</li> </ul>	<p>8 The Provincial Administration</p> <ul style="list-style-type: none"> <li>• Oversee, facilitate, and coordinate the implementation of this Policy in their respective Provinces through the Provincial Development Coordinating Committee. Undertake MEL</li> </ul> <p>9 District Administration</p> <ul style="list-style-type: none"> <li>• Manage concurrent functions for the national and provincial level public sector functions.</li> <li>• Coordinate the District Development Coordinating Committee (DDCC) in collaboration with the Local Authorities.</li> <li>• Support and undertake MEL at local level.</li> </ul> <p>10 Local Authorities</p> <ul style="list-style-type: none"> <li>• Administer the district in accordance with the Constitution.</li> <li>• Oversee implementation of the devolved functions.</li> <li>• Monitoring, evaluation and learning (MEL) related to LA reform and the progress of implementing the Policy.</li> <li>• Formulate by-laws for the effective and efficient administration of the District.</li> <li>• Capacity Building of councilors, LA employees, WDC and CDFC members, and local civil society regarding LA reform, local governance/ accountability, local development and service delivery.</li> <li>• Administer the Constituency Development Fund.</li> <li>• Support WDCs to carry out their functions.</li> </ul> <p>11 Statutory and Regulatory Institutions</p> <ul style="list-style-type: none"> <li>• Delegate provision services to Local Authorities</li> <li>• Regulate the provision of services by Local Authorities</li> </ul> <p>12 Ward Development Committees (WDCs)</p>	
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	<p>suffrage as provided for in the Constitution.</p> <p>7. Legal Framework</p> <ul style="list-style-type: none"> <li>In order to address related to legal framework, the Government will review existing legislation and establish a comprehensive legal framework on decentralisation</li> </ul>	<ul style="list-style-type: none"> <li>Provide a platform and advocate for inclusive citizen and community participation in decision-making and spearheading local development in respective Wards.</li> <li>Communicate to local leaders and communities on LA reform and local governance.</li> <li>Ensure that selected community projects are aligned with the IDP.</li> </ul> <p>13 Legislature</p> <ul style="list-style-type: none"> <li>Provide oversight, checks and balances to the implementation of the policy.</li> <li>Enact laws to support implementation of the policy.</li> </ul> <p>14. Other Oversight Institutions (Auditor General, Public Protector and Anti-Corruption Commission)</p> <ul style="list-style-type: none"> <li>Provide oversight and support services to mitigate against mal-administration and corruption at all levels.</li> <li>Promote transparency and accountability in the utilization of public resources at all levels.</li> </ul> <p>15. Traditional Leadership</p> <ul style="list-style-type: none"> <li>Mobilize communities to participate in the dissemination of information and implementation of the Policy.</li> <li>Participate in Council, CDFC and WDC affairs through their representatives.</li> <li>Promote and contribute to local sustainable development.</li> </ul> <p>16. Cooperating Partners</p> <ul style="list-style-type: none"> <li>Provide financial and technical support towards the implementation of this Policy.</li> <li>Support for MEL at all levels.</li> <li>Invest in LA systems, infrastructure and human resources and institutional capacity.</li> </ul>	
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	<p>17. Private or Business Sector</p> <ul style="list-style-type: none"> <li>• Complement Government efforts on decentralisation in the implementation of the Policy.</li> <li>• Participate in local economic development and social responsibility in partnerships with LAs.</li> <li>• Participate in Public Private Partnerships with the LAs.</li> </ul> <p>18 Non-Governmental Organizations/ Civil Society Organizations</p> <ul style="list-style-type: none"> <li>• Complement Government efforts in governance, accountability, transparency and monitoring performance of devolved functions.</li> <li>• Promote community mobilization and participation in local governance and local development.</li> <li>• Participate in MEL.</li> <li>• Capacity building for LA staff, WDCs and community leaders/activists in local governance and local development.</li> <li>• Champion accountability for the implementation of the policy.</li> </ul> <p>18. Trade Unions</p> <ul style="list-style-type: none"> <li>• Sensitize employees to decentralisation policy and programmes.</li> <li>• Participate in change management programmes.</li> <li>• Champion accountability for the implementation of the policy.</li> </ul> <p>20 Academia and Research Institutions</p> <ul style="list-style-type: none"> <li>• Conduct evidence-based research on decentralisation.</li> <li>• Capacity Building in local governance and local development.</li> <li>• Contribute to MEL.</li> <li>• Capacity Building for Central Government, LAs, and civil society on devolution, local governance and local development.</li> </ul> <p>21 Associations of Local Authorities and Professional Bodies</p>	
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	<ul style="list-style-type: none"> <li>• Promote and protect the interests of LAs, including advocacy for their autonomy, and access to adequate resources.</li> <li>• Provide a platform for networking and knowledge and information sharing to enhance the performance of LAs.</li> <li>• Capacity building for LAs.</li> </ul> <p>22 Media</p> <ul style="list-style-type: none"> <li>• Dissemination of policy information.</li> <li>• Champion accountability.</li> <li>• Promote community participation.</li> <li>• Provision of quality, accessible and accurate information on decentralization.</li> </ul> <p><b>5.2 Legal Framework</b></p> <p>The Constitution of Zambia (Amendment) Act, No. 2 of 2016 and other pieces of legislation support implementation of this Policy.</p> <p>Legislation needs to be reviewed and aligned to the Constitution to strengthen the Policy's implementation.</p> <p>Specific legislation also needs to be developed and enacted to harmonize, coordinate and enable implementation of this Policy. Legislation that shall require to be reviewed include the following:</p> <ul style="list-style-type: none"> <li>(a) Local Government Act No. 2 of 2019;</li> <li>(b) The Constituency Development Fund Act No. 11 of 2018;</li> <li>(c) Public Finance Management Act No. 1 of 2018;</li> <li>(d) Public Procurement Act No. 8 of 2020;</li> <li>(e) Service Commissions Act No. 10 of 2016;</li> <li>(f) Public Private Partnership Act No. 14 of 2009;</li> <li>(g) Business Regulatory Act No. 3 of 2014;</li> <li>(h) Electronic Government Act No. 41 of 2021;</li> <li>(i) Personal Levy Act (Cap 329 of the Laws of Zambia);</li> <li>(j) Chiefs Act Cap 287 of the Laws of Zambia;</li> <li>(k) Lands Act No. 184 of the Laws of Zambia;</li> </ul>	
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		<p>(l) Industrial and Labor Relations (Amendment) Cap. 269 of the Laws of Zambia;</p> <p>(m) National Road Fund Agency Act No. 13 of 2002;</p> <p>(n) Public Roads Act No. 12 of 2002;</p> <p>(o) Road Traffic Act No. 8 of 2022;</p> <p>(p) Rating Act No. 21 of 2018;</p> <p>(q) National Pension Scheme Authority Act No. 40 of 1996;</p> <p>(r) National Health Insurance Act No. 2 of 2018;</p> <p>(s) National Planning and Budgeting Act No. 1 of 2020;</p> <p>(t) Employment Code Act No. 3 of 2019;</p> <p>(u) Urban and Regional Planning Act No. 3 of 2015.</p> <p>(v) Electronic communications and Transactions Act No. 4 of 2021</p> <p>(w) Information and Communication Technology Act No. 15 of 2009</p> <p>(x) Inland Waterways Act Cap 466</p>	
Resource Mobilization	<p>1. Resource Mobilization</p> <ul style="list-style-type: none"> <li>• The Policy stated that for the Decentralization Policy to be effectively implemented in a sustainable manner, there was need for adequate and timely funding by Government.</li> <li>• The Government would mobilize additional resources through: <ul style="list-style-type: none"> <li>◦ Cooperating Partners</li> <li>◦ Contributions through Community Participation</li> <li>◦ Private investment in local development projects</li> <li>◦ CSOs participating in local development projects and service delivery</li> </ul> </li> </ul>	<p><b>5.3 Resource Mobilization</b></p> <p>The implementation of this Policy requires sustainable financing to successfully achieve its objectives.</p> <p>The Government shall mobilize financial and technical resources through the annual budget, Local Authorities own source revenue, contributions through community participation and support from the Private Sector and Civil Society Organizations. Additional support shall also be mobilized through the Cooperating Partners.</p>	<p>The 2023 policy emphasizes annual budget support and local authority own source revenue for implementation.</p> <p>Within this, there may be risks in terms of influence of private sector interests on local authorities following significant donations.</p> <p>There are further questions about the transparency local authorities will have on donations.</p>

AREA	2023 DECENTRALIZATION POLICY	COMMENTS/OBERSVATIONS
2023 Policy M&E Framework	<p><b>5.4 Monitoring and Evaluation</b></p> <p>5.4.1 Monitoring</p> <p>The implementation of this Policy shall be monitored by the Cabinet Office in collaboration with the Ministries, Local Authorities and other key stakeholders. Tracking and reporting of progress on the implementation of the Policy will be actualized through the Implementation Plan and a Monitoring and Evaluation framework. Bi-annual and Annual Monitoring Progress Reports shall be prepared and shared with stakeholders.</p> <p>5.4.2 Evaluation</p> <p>The Policy shall be evaluated periodically in line with its implementation plan. The mid-term review will focus on progress made after five years of Policy implementation and shall inform implementation of the remaining plan period. A final-term review shall be undertaken after 10 years. The final evaluation shall focus on the impacts/outcomes of Policy implementation.</p>	The 2023 policy has a standard M&E framework.
2023 Policy Implementation Plan Objectives and Activities	<p>Decentralized Governance</p> <p>Objective 1: To promote inclusive citizen and community participation in democratic governance at the local level to enhance local development</p>	<p>There are gaps in the activities outlined for the strengthening of platforms for community engagement and strengthening capacities of wards. For instance, there is no activity specifically looking to provide office space for WDCs to operate from which is a key gap in strengthening WDCs as platforms for public participation.</p> <p>There is need to conduct capacity needs assessments of Local Authorities as part of capacity development programmes which has not been highlighted in the activities.</p>

		<p>The indicator targets for Number of Ward Development Committees established and oriented is 1858 for each year from 2023 to 2027. This is not realistic as all WDCs will not be established and oriented every year of the IP. If the intention was to provide additional training which would run throughout the IP, this is already covered under the activity: Undertake Ward Level Capacity Development Programmes. This also applies to the indicator: Number of Constituency Development Fund Committees established and oriented, although here an activity on capacity building on CDF Committees should also have been introduced.</p>
	<p><i>Administrative Decentralization</i></p> <p><i>Objective 3: To develop and manage human resources in order to enhance individual and institutional performance</i></p>	<p>The activities under this objective are well aligned. However, there should have been activities that will develop and implement HR management systems that would ensure progressive tracking of individual and institutional performance for effective public service delivery.</p>
	<p>Objective 4: To promote participatory integrated development planning in order to achieve inclusive, sustainable and climate-resilient local development.</p>	<p>There is need to frame activities that will ensure the actual participatory involvement of local level structures development, implementation and monitoring of the IDPs.</p> <p>The activities under the measure “Promote public-private partnerships for local level development among Local Authorities and other sub-national structures” may have fit better under fiscal decentralization and financial management.</p>
	<p>Policy Coordination and Legal Arrangements for Decentralization</p> <p><i>Objective 7: To develop a comprehensive policy and legal framework that supports the effective implementation of a devolved system of governance and local development</i></p>	<p>The activity of identifying legal reforms required should have been done prior to the development of the IP and this is already suggested by the fact that the number of legal reforms expected per year are already outlined.</p> <p>The activity on legal reforms to be undertaken should have been broken down to bring more clarity on what specific</p>

		<p>pieces of legislation should be reviewed or introduced and by when.</p> <p>The addition of M&amp;E and mid-term evaluation to the IP are good inclusions as they present opportunity to review progress of the IP and make amendments where they are deemed necessary.</p> <p>On policy coordination, the indicators focused on the number of meetings held as opposed to tracking the policy or administrative issues raised during these meetings. The implementation of the Decentralization IP would better inform policy and legal reform for implementation of a devolved system of Governance and local development through such an alternative indicator.</p> <p>The text in the policy document, the indicators and targets in the implementation plan suggest that there is already a determination of the number of legal reforms to be undertaken and yet there remains the activity of identifying the legal reforms required under the implementation plan.</p>
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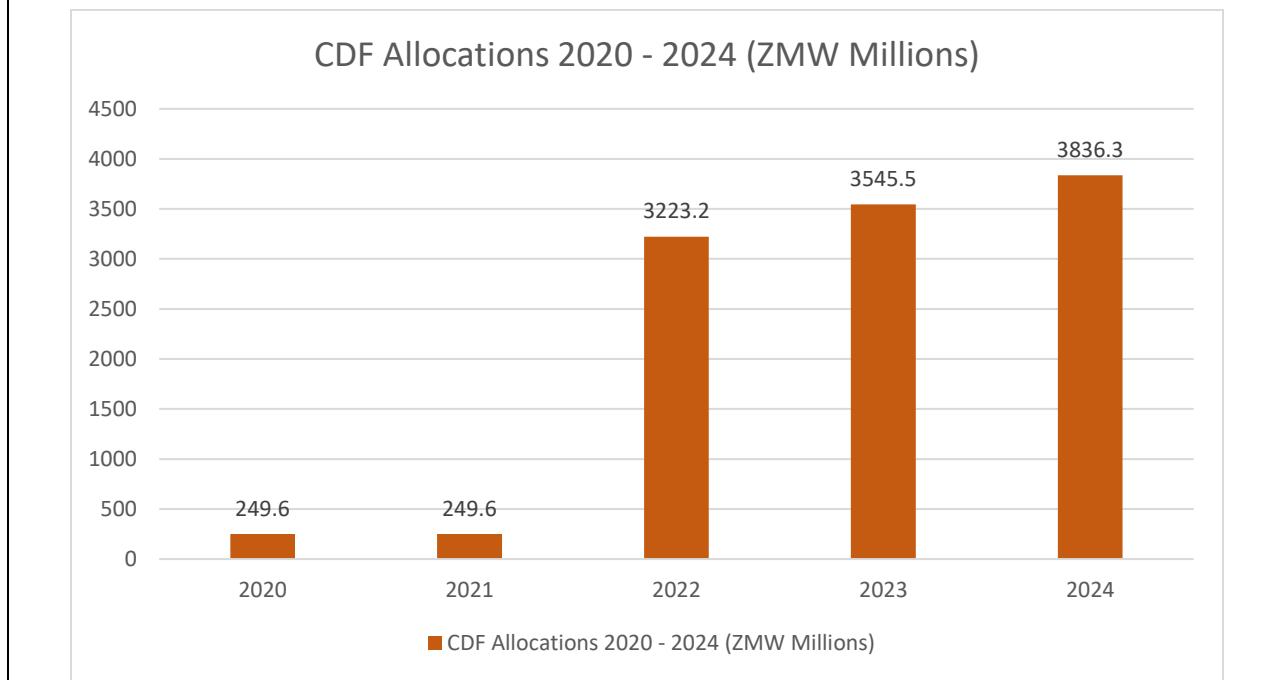
*Textbox: The Case of Constituency Development Fund (CDF) in Zambia.*

The Constituency Development Fund (CDF) was initially established in 1995 as an empowerment initiative to promote comprehensive development at the constituency level. Members of Parliament (MPs) were given the responsibility of managing the Fund and worked alongside the community to select and implement projects aimed at improving local well-being. The Fund's first allocation and disbursement occurred in 1995, and until 2016, it was supported solely by Section 45 of the Local Government Act Cap 281 of the Laws of Zambia.

During the first three years of the CDF's existence, MPs had significant control over the funds. However, as the government introduced legislation and guidelines for the Fund's management, MPs' influence was reduced. Guidelines established in 1998 and updated in 2003 and 2006 introduced new participants in the Fund's administration. These included the CDF Committee (CDFC), which oversaw fund utilization, and the Council or Local Authority, which handled administrative duties.

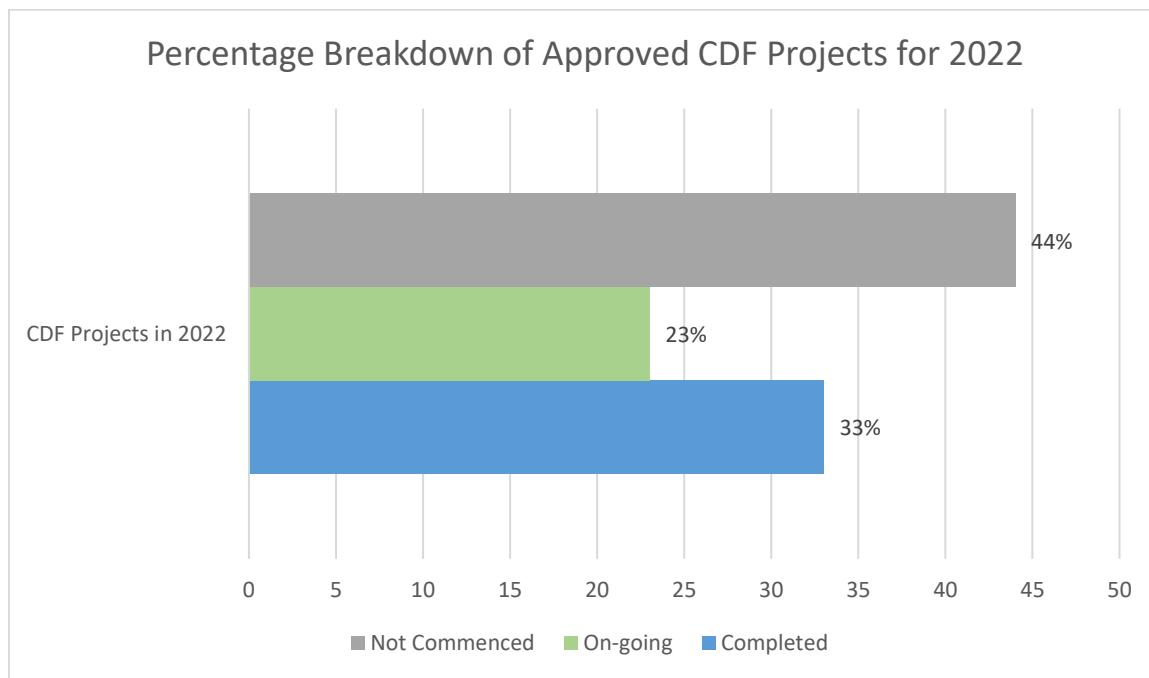
The Council's responsibilities included advertising and soliciting proposals for CDF projects and providing technical support for project evaluations. While the CDFC retained project approval authority, the Council's technical and administrative expertise gave it substantial power. In 2016, a constitutional amendment in Zambia formally established the CDF. Article 162 (2) of the Constitution of Zambia (Amendment) Act No. 2 of 2016 required the creation of detailed legislation to govern the appropriation, management, disbursement, utilization, and accountability of the Fund. This led to the enactment of the Constituency Development Fund Act No. 11 of 2018 by the Zambian government, bringing the constitutional mandate to fruition.

CDF has in recent times been utilized as a form of fiscal decentralization particularly in view of significant increases in allocations in the Zambia National Budgets. CDF allocations have increased dramatically from ZMW249.6 million in 2020 and 2021 to ZMW3.8 Billion in 2024.



The CDF now covers three (3) specific areas namely; Community Projects; Youth, Women and Community Empowerment and Secondary Boarding School and Skills Development Bursaries which has not been accompanied by corresponding improvement in the institutional capacity of local authorities in terms of human resource, skills and financial management systems.

An number of issues have been raised concerning the projects that have been approved and delays in implementation, the lack of absorption capacity of CDF by local authorities and numerous financial irregularities have continued to raise further concern. For instance, according to the Auditor General's report on CDF for the year 2022, the Ministry of Local Government and Rural Development approved 3,963 projects and by December 2022, the local authorities had only completed 33% (1,316 projects), while 23% (918) were on-going and 44% (1729) had not even commenced. Further, 595 projects which were approved in 2021 were brought forward for implementation in 2022.



Another significant challenge highlighted in the 2022 CDF audit was the inability of local authorities to utilize the funds allocated. In 2022, the 116 local authorities had only spent a paltry 16.3 % (ZMW321,867,208 out of ZMW1,979,193,688) from the total allocation for projects under CDF. In addition to this, the audit highlighted significant unaccounted for funds in that ZMW4.3 million was disbursed to 387 clubs and cooperatives across the country for implementation of various projects without any evidence of implementation of these projects. No expenditure information was available nor were the funds found. Also, there was misapplication of funds through implementation of unapproved projects totaling ZMW7.3 million and misappropriation of funds involving ZMW2.1 million.

The 2023 Decentralisation Policy is expected to address some of the capacity concerns underlying these outcomes through focusing on improving human resources at the local authorities, the development of a local government financial management system, the development and role out of an allocative formula for CDF and improved internal controls. Constant monitoring of the Ministry of Finance and National Planning as well as the Ministry of Local Government and Rural Development by stakeholders to ensure

that they deliver on these necessary components may spell the difference between a wasted development opportunity riddled with corruption and vibrant local development with positive development outcomes.

### 3. Conclusion

The 2023 Policy emphasizes the promotion of public participation and recognizes the roles of traditional leaders, mayors, and council chairpersons in enhancing citizen involvement in development. Also, while sustainable development is a focus in the new vision, it is not fully reflected in the objectives. The policy has shifted from being driven by rationale and mission to being guided by principles from the Constitution (Amendment) No. 2 of 2016. It now emphasizes participatory Integrated Development Planning in line with the 8NDP, the Constitution (Amendment) No. 2 of 2016, and the Urban and Regional Planning Act of 2015. Further, the new objectives are more robust, addressing decentralization constraints and focusing on legal and policy reform, PFM enhancement, and devolving functions from national to subnational levels.

Both the 2013 and 2023 policies emphasize Public Finance Management (PFM), but the 2023 policy includes additional measures for resource allocation, mobilization, and debt management. Coordination of national, provincial, and local structures remains a priority, with strategies to realign capacities and strengthen mechanisms for decentralization. The new policy also enhances administrative and human resource capacity, establishing a merit-based management system and harmonizing service terms. It clearly outlines roles for non-state actors, aiming to enhance public participation in decentralization. However, the reliance on private sector donations raises concerns about potential influence and transparency issues within local authorities.

The 2023 National Decentralization policy and its implementation plan present a new opportunity to reinvigorate the decentralization agenda in a coordinated and systematic manner. It outlines progressive measures towards furthering decentralization while focusing on strengthening the institutional capacities of key stakeholders at subnational levels. Despite these positive approaches, the policy and its implementation plan can be further improved by review of some of the indicators and activities as outlined in the recommendations.

Despite these opportunities, there are a number of areas that still require attention. For instance, the implementation plan mentions legal reforms that are to be done to support the legal framework for decentralization but fails to outline the specific pieces of legislation that it envisions. There is also need for the Ministry of Local Government to ensure that it adheres to its implementation plan and develop and roll out of the Local Government Public Finance Management system as well as the Local Government Equalization Fund and Constituency Development Fund allocative formulas.

Lastly, the success of the policy and its plan will depend heavily on the effective participation of non-state actors such as the public and CSOs. These non-state actors must also actively monitor the implementation

of the plan and engage the relevant Ministries and institutions to ensure progress towards achievement of the decentralization policy objectives.

## 4. Recommendations

Following this analysis, Transparency International Zambia makes the following recommendations:

- The Ministry of Local Government and Rural Development and the Ministry of Finance and National Planning must strengthen subnational structures such as Local Authorities in terms of procurement capacity, internal controls and financial and technical support to Ward Development Committees to enhance the effectiveness of decentralization to foster sub national development.
- The Ministry of Finance and National Planning & Local Government and Rural Development must ensure the development and roll out of the Local Government Public Finance Management system.
- The Ministry of Finance and National Planning Must also ensure the development and implementation of the allocative formulas for Local Government Equalization Fund and Constituency Development Funds for equitable allocation of resources to maximize development outcomes.
- There is need for the Ministry of Local Government to be specific on which pieces of legislation are to be amended by what time lines. This will provide clarity for stakeholders to anticipate participation in legal reform processes and for non-state actors to hold Government accountable when these reforms are not undertaken.
- Ministry of Local Government and Rural Development must play an active role to facilitate the role of CSOs and stakeholders in implementation of the Decentralization policy through greater responsiveness to requests and continued participation in engagements.
- Ministry of Local Government should include indicators to measure higher level progress towards achievement of the objectives of the Decentralization policy.
- There is need for Ministry of Local Government and Rural Development to partner with CSOs to conduct widespread awareness raising on the decentralization policy and the importance and avenues for their participation.
- CSOs and Citizens should take keen interest in monitoring resources disbursed against the budgets and accessing accountability through DDCC/ PDCC and/ or special audits done by the OAG.

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