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**Report No. 20673**

**PERFORMANCE AUDIT REPORT**

**ZAMBIA**

**SOCIAL RECOVERY PROJECT  
(CREDIT 2273-ZA)**

**June 29, 2000**

*Sector and Thematic Evaluation Group  
Operations Evaluation Department*

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## CURRENCY EQUIVALENTS

Currency Unit = Zambian Kwacha (ZMK)

Annual Average Exchange Rate (ZMK to US\$):

1991 64.64  
1992 172.21  
1993 452.76  
1994 669.37  
1995 864.12  
1996 1207.90  
1997 1314.50  
1998 1862.07

## FISCAL YEAR

Government January 1-December 31

## ABBREVIATIONS AND ACRONYMS

DDCC	District Development Coordinating Committee
EU	European Union
ICR	Implementation Completion Report
MFED	Ministry of Finance and Economic Development
MPP	Microprojects Program
MPU	Microprojects Unit
NGO	Nongovernmental organization
OED	Operations Evaluation Department
O&M	Operations & Maintenance
PAR	Performance Audit Report
PTA	Parent-Teacher Association
SAP	Social Action Program
SAR	Staff Appraisal Report
SRP	Social Recovery Project
ZAMSIF	Zambia Social Investment Fund

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Office of the Director-General  
Operations Evaluation

June 29, 2000

**MEMORANDUM TO THE EXECUTIVE DIRECTORS AND THE PRESIDENT**

**SUBJECT: ZAMBIA: Performance Audit Report  
Social Recovery Project (Credit 2273-ZA)**

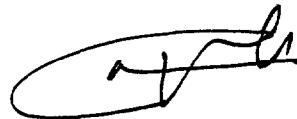
Attached is the Performance Audit Report (PAR) for the Zambia Social Recovery Project, which was supported by Credit 2273-ZA for SDR14.8 (US\$20.0 million equivalent), approved on June 24, 1991, and made effective on August 16, 1991. The main objectives of the project were to: (i) finance community initiatives to help protect the poor during the structural adjustment program by supporting rehabilitation and improvement of existing infrastructure and service delivery, and by involving communities in planning, design, and implementation of projects; and (ii) to strengthen those communities and rekindle the spirit of self-help.

The audit confirms the ratings of the Implementation Completion Report: satisfactory for outcome, modest for institutional development impact, and uncertain for sustainability. The project largely achieved its main objectives. It improved small-scale infrastructure in the social sectors after years of neglect and dilapidation and it successfully expanded an existing community-based approach, which showed that, if adequately supported, communities can effectively identify, design, implement, cofinance, and manage small-scale social investments. The project's early performance was hindered by the lack of capacity at the local level – both in local governments and in communities – and the slow progress of the government's decentralization efforts. Programs to build capacity in local governments and communities were introduced after the Midterm Review; these programs became more effective over time as the quality of the training and technical assistance gradually improved. While sustainability of the investments is likely to improve in later projects in response to various measures taken during the project's outer years, early investments supported under this project faced issues relating to the technical quality of the infrastructure and of operations and maintenance owing to the lack of community or government capacity and/or commitment to adequately meet their operations and maintenance obligations.

The project provides several lessons. First, effective community-based development requires: technical support to communities to ensure quality of works; financial inputs especially relating to recurrent cost financing to ensure adequate operations and maintenance of the works; regular, unbiased, and bi-directional information flows vertically between responsible institutions down to the community level as well as horizontally *within* each type of organization; the existence of incentives for the community to participate in project activities; and the

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existence of the opportunity and mechanisms for varied groups in the community, both men and women, both those well-represented in the community and those in minority, to voice their demand. Second, fostering a learning culture requires not just ensuring the *supply* of rigorous evaluations, but creating a *demand* for them as well. Third, the effective expression of community choice is premised upon communities having adequate information about what is offered, knowing the terms of the offer, and understanding the implications of their choice (particularly their O&M obligations); this often requires that an information campaign and community sensitization precede the offer of funds. Fourth, an early and systematic analysis of the institutional context into which the social fund project is introduced, and the relative roles of the various organizations, can help to ensure that the project is designed and implemented in a manner that does not undermine existing institutions, but rather, strengthens them. Fifth, public finance or sectoral reforms often need to be undertaken concurrently with the social fund project in order to enhance the sustainability and scale of social fund benefits.

A handwritten signature in black ink, consisting of a large, stylized 'S' followed by a series of loops and a final horizontal stroke.

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<p>This report was prepared by Ms. Soniya Carvalho (Task Manager), who audited the project in February 2000. Willem Struben (Consultant) provided assistance. Mr. William Hurlbut edited the report. Ms. Romaine Pereira provided administrative support.</p>
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## Principal Ratings

	<i>ICR</i>	<i>ES</i>	<i>PAR</i>
Outcome	Satisfactory	Satisfactory	Satisfactory
Sustainability	Uncertain	Uncertain	Uncertain
Institutional Development	Partial*/	Modest*/	Modest*/
Bank Performance	Satisfactory	Satisfactory	Satisfactory
Borrower Performance	Satisfactory	Satisfactory	Satisfactory

\*/Equivalent ratings

## Key Staff Responsible

	<i>Department Director</i>	<i>Division Chief</i>	<i>Task Manager</i>
Appraisal	Steve Denning	David de Ferranti	Steen Jorgensen
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## Preface

This is a Performance Audit Report (PAR) of the Zambia Social Recovery Project (SRP, Cr. 2273-ZA), for which a credit in the amount of SDR14.8 million (US\$20.0 million equivalent) was approved on June 24, 1991, and became effective on August 16, 1991. Because of fluctuations in the SDR exchange rate, US\$20.74 million was actually disbursed. The credit closed on July 31, 1998, one year behind schedule owing to the unexpected availability of additional funds due to the appreciation of the SDR. An Implementation Completion Report (ICR) was issued on January 22, 1999. A second SRP (Cr. 2755-ZA) started in 1995 and has not closed yet.

This report, prepared by the Operations Evaluation Department (OED), is based on the ICR for the first SRP, the Staff Appraisal Report, the Development Credit Agreement, the Midterm Review report, and relevant studies undertaken or commissioned by Bank staff and the borrower. Discussions with government officials, staff of the Microprojects Unit (MPU), World Bank staff in the Zambia Country Office, and beneficiaries were undertaken during the PAR mission in February 2000. The mission visited the Chongwe District (Kapete School) project site to review project results and seek the views and opinions of a range of local stakeholders. This was supplemented by a survey of MPU staff, which provided insights into their perception of the strengths and weaknesses of the SRP. The OED mission is grateful for the inputs of the stakeholders and appreciates the assistance provided by MPU management and Bank staff in Zambia.

Other surveys (household surveys, facility surveys, focus groups, and key informant interviews) currently being conducted by OED in Zambia (and other countries) include primary data about the impact of the first and second SRPs on community-level social capital and capacity building as well as the extent to which their benefits are sustainable. These data will be analyzed and reported by OED's Social Funds Evaluation, which is scheduled for completion in fiscal year 2001. The analysis will attempt to respond to an important issue identified by staff as a priority in the MPU Staff Survey: "How to improve sustainable community empowerment and organization, and how to measure this." OED's Social Funds Evaluation will also report the results of the ongoing institutional analysis at the level of central government, local governments, and the MPU.

The ICR is clear, coherent, and concise and this PAR concurs with its lessons, specifically, the need to ensure: adequate institutional linkages; a unified set of donor policies; technical quality and sustainability of works; and flexibility in the functioning of the social fund agency. Beyond these, the PAR emphasizes the importance of the following: (i) regular, unbiased, and bi-directional information flows both vertically between responsible institutions down to the community and horizontally *within* each type of organization to enable each organization to effectively perform its role; (ii) ensuring not just the *supply* of evaluative data but also fostering a learning culture that creates a *demand* among project management for such data; (iii) ensuring subproject identification processes that are equitable and allow communities to make informed choices; (iv) a systematic analysis of the institutional context into which social fund projects are introduced, which can help to ensure not only that they do not undermine existing institutions but, rather, that they also strengthen them; and (v) not losing sight of wider public finance or sectoral reforms that need to happen concurrently with the social fund project in order to enhance the sustainability and scale of its benefits.

Following standard procedures, copies of the draft PAR were sent to the concerned government officials and agencies for their comment. Comments received are attached as Annex D.



# 1. The Context

## Macroeconomic and Social Indicators

1.1 Until the mid-1970s, Zambia was one of the most prosperous countries in sub-Saharan Africa. This changed dramatically when world copper prices crashed in 1975 and continued to decline in real terms until 1987. The resulting deterioration in Zambia's terms of trade threw the economy into a deep recession. GNP per capita fell 50 percent during the 1980s. At the time of project identification, Zambia's population of 7.6 million people had a per capita income of about US\$290. The average population growth rate was 3.7 percent, and life expectancy was 53 years. Only about 40 percent of the population had access to safe water and about 30 percent to adequate sanitation. Adult literacy stood at 24 percent.

## Government Response

1.2 The government resumed its policy dialogue with the World Bank and International Monetary Fund in late 1988 having abandoned the Bank-IMF supported 1985–87 program in May 1987. To address the problems of the poor and to cushion the possible negative impacts of the Bank-supported economic adjustment program (Economic Recovery Credit, Cr. 2214-ZA in 1991), the government initiated a Social Action Program (SAP) for the period 1990–93 dealing with education, health, women in development, water supply, sanitation, and small-scale industries. The program activities were to range from simple, quick-impact projects to complex, structural changes in sector policy, planning, and operations with the program's main emphasis on immediate action. The traditional public sector agencies were considered incapable of rising to this challenge, being already over-stretched with the implementation of the economic reforms and routine service delivery functions.<sup>1</sup> The government wanted, instead, to use local communities to identify, design, and implement the SAP.

## Community Response

1.3 With severe cutbacks in government expenditures, citizens themselves began taking on a larger role in supporting services, especially in education. Parents contributed cash (by way of fees) and communities provided labor to build primary schools especially in rural areas and bought the learning inputs.<sup>2</sup> This revival of a self-help tradition was a sharp change from the dependency mentality that had developed during the high-expenditure (copper boom) years.

## Donor Response

1.4 *European Union.* Building on this trend of increased community interest in its own development, the European Union (EU) initiated, as early as 1985, a Microprojects Program administered by the Microprojects Unit (MPU) in the Ministry of Finance to support small investments proposed and implemented by communities. Especially in the period 1988–90, this program had successfully supported community initiatives that met the poor's urgent needs.<sup>3</sup> Key features of the program included promotional campaigns to encourage communities to submit proposals for funding, formation of project committees comprising individuals from the

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1. SAR, Social Recovery Project, para. 1.18, May 21, 1991.

2. SAR, Social Recovery Project, para 2.7, May 21, 1991.

3. SAR, page 13, para 2.29.

community, submission by them of project proposals for funding, review and selection of proposals by a pre-appointed committee, and disbursing funds directly into bank accounts created by project committees and giving committees control over the use of funds<sup>4</sup> – features the Bank retained in its subsequent support to the government.

1.5 *World Bank.* Taking advantage of the government's interest in community-based initiatives and the successful ongoing EU program, the Bank helped the government design the Social Recovery Project (SRP) over the 1990–91 period. The Bank used the same project management structure as the EU and agreed on a joint-management arrangement with it. The SRP had two principal objectives:

- to finance community initiatives to help protect the poor during the structural adjustment program by supporting rehabilitation and improvement of existing infrastructure and service delivery, and by involving communities in planning, design, and implementation of subprojects<sup>5</sup>; and
- to strengthen those communities and rekindle the spirit of self-help.

In addition, the project aimed at testing which interventions were most effective and equitable and providing data and analysis to enhance the government's planning and policymaking in the social sectors. The SRP consisted of three main components<sup>6</sup>:

- *Community initiatives* to support small, simple, and locally generated subprojects for poor or vulnerable groups
- *Institutional support* to provide for the administrative cost
- *Analysis and monitoring* to improve the information base and analysis for the government's social sector plans and policies.

## 2. Findings

2.1 Project outcome is rated *satisfactory*. The project largely achieved its major objectives, especially supporting rehabilitation and improvement of small-scale infrastructure in the social sectors and involving communities in identifying, designing, and implementing small-scale social investments. The project was prepared quickly to complement the Bank's 1991 Economic Recovery Credit: it was identified in October 1990, presented to the Board by June 1991, and became effective in August 1991. The delivery of improved small-scale education, health, water supply and sanitation infrastructure after years of neglect and dilapidation was also a markedly visible achievement in the areas reached. Institutionally, a key achievement was to successfully expand an existing community-oriented approach which showed that, if adequately supported, communities can effectively identify, design, implement, cofinance, and manage small-scale social investment projects. The analysis and monitoring component of the project yielded useful data for the government for the first time stimulating useful debates on poverty. The impact of survey data on policy-making was lower than anticipated, however, because the data were not provided in a manner accessible for policymakers.

2.2 SRP I sustainability is rated *uncertain*, at both the subproject level and the macro-project level. At the subproject level, measures taken after the Midterm Review of the first SRP and

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4. SAR, page 13, para 2.29-2.34.

5. This audit uses the term "subprojects" to refer to the specific investments financed by the social fund agency at the local level. The term "project" refers to World Bank's support to the social fund agency and its activities.

6. IDA US\$18.2 million for the first component; IDA US\$1.8 million for the second component; and no IDA financing for the third component (financing for this component provided by the Royal Government of Norway and Sweden).

during the second SRP (e.g., enhanced project launch workshops, improved training programs, maintenance manual for communities) are likely to improve sustainability in later subprojects. However, the PAR confirms the ICR's *uncertain* sustainability rating for investments supported under the first SRP. The various evaluations<sup>7</sup> and Beneficiary Assessments (Annex D) indicate problems with operations and maintenance of SRP I investments by either the responsible governments or the communities, because of lack of community capacity and/or commitment and the failure on the part of other agencies in adequately meeting their operations and maintenance obligations. At the macro-project level, SRP sustainability is also rated *uncertain* given the government's heavy reliance on donor funding to sustain this project.

2.3 The project's institutional development impact is rated *modest* (equivalent to the ICR's *partial* rating). The strengthening of capacity in MPU was significant. The project also served to bring attention to the importance of community input in local development efforts. The need for significant capacity building inputs was, however, recognized only at midterm when efforts were made to address it. At this stage, SRP introduced training for district and provincial staff, as well as more intensive training and technical assistance for communities. As indicated by the successive Beneficiary Assessments, these activities became more effective over time as the quality of the training and technical assistance gradually improved. SRP provided needed resources at the local level and the opportunity for the existing District Development Coordinating Committees (comprising representatives of the sector ministries at the district level) to participate in planning the use of those resources. However, as the decentralization process moves ahead, far greater coordination with local governments (both their political and administrative arms) will be needed to ensure that the latter are not undermined and that SRP actually contributes to making them more accountable and responsible for local development.

2.4 Both Bank and borrower performance are rated *satisfactory*. The Bank's quick processing of the project at a time of need in the country is noteworthy. Implementation was completed within the expected timeframe, and the extension of the closing date by one year was required because of the unexpected availability of additional funds due to the appreciation of the SDR. The costs for the institutional support component were higher than projected at appraisal, but were largely justified because they resulted mainly from the extra cost of additional community and local government training, as well as the establishment of a larger than expected number of field offices. The borrower pointed out the reduced supervision and technical assistance received in SRP's later years and the disruptions caused by frequent changes in task management at the Bank. With respect to the borrower's own performance, it is noteworthy that the government supported the new community-managed approach, which was consistent with its own SAP approach. Government counterpart contributions to SRP were, however, an issue. As for MPU, it distinguished itself as an outstanding learning organization. It regularly commissioned independent evaluations of the performance of its activities, disseminated emerging results, and used them as key management tools to continually refine operations.

### 3. Lessons

#### Prerequisites for Community-based Development

3.1 The SRP experience showed that, with appropriate assistance, communities can play an important role in their own development. In particular, effective community-based development

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7. "Evaluations of the Social Recovery Project I: Findings, Recommendations and Proposed Plan", SRP, Lusaka, February 1997.

requires technical support to communities to ensure quality of works, financial inputs especially relating to recurrent cost financing to ensure adequate operations and maintenance of the works, adequate capacity-building inputs including those aimed at building organizational capacity at the community as well as government levels; regular, unbiased, and bi-directional information flows vertically between responsible institutions down to the community level as well as horizontally *within* each type of organization; appropriate goods and service characteristics that lend themselves to local management and maintenance (e.g., small-scale, locally manageable, non-networked infrastructure/services); the existence of incentives for the community to participate in project activities; and the existence of the opportunity and means for varied groups in the community, both men and women, both those well-represented in the community and those in minority, to voice their demand – requirements that inevitably make community development more than just about communities and underline the need for government-private sector-community partnerships.

### **Importance of a Learning Culture**

3.2 Adaptability and continual fine tuning of approach in the light of experience can spell the difference between excellence and mediocrity. An adaptive approach requires not just the *supply* of rigorous evaluations, but a *demand* for them as well. MPU's demand for evaluative data came from its own recognition of the importance of such information as an effective management tool. Donors also recognized the importance of good evaluative data and, to their credit, explicitly budgeted for it. Where borrowers do not appreciate the value of evaluative data, donors can play a crucial role in encouraging both the supply of, and demand for, monitoring and evaluation data, and in fostering a learning culture.

### **Primacy of Informed Choice in Demand-based Initiatives**

3.3 The effective expression of community choice requires that communities have adequate information about what is offered, know the terms of the offer, and understand the implications of their choice (particularly their O&M obligations). This often requires that an information campaign and community sensitization precede the offer of funds. The Beneficiary Assessments and other evaluations conducted for the first SRP confirmed the importance of the subproject identification processes including early information-sharing and outreach.<sup>8</sup> The need to keep this process as objective as possible cannot be overemphasized. In its Implementation Completion Report, the borrower notes possible biasing of choice by external agents: "Experience has shown that if potential clients of the donor funds receive information as to availability of the funds and the conditions attached, their requests are likely to match the conditions of the donor, especially if the donor is involved with the information dissemination."<sup>9</sup> Choice can also be biased by other agents. Uninformed or misinformed choices can result in community demand that only poorly reflects community preferences with implications for the ownership of the chosen investment.

### **Need for Early and Systematic Institutional Analysis**

3.4 An early and systematic analysis of the institutional context into which the social fund project is introduced, and the relative roles of the various organizations, can help to ensure that social funds are designed and implemented in a manner that does not undermine existing institutions, but rather, strengthens them. In Zambia, as the government's decentralization efforts

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8. SAR II, page 9.

9. ICR page 57.

move ahead, far greater coordination with district councils (comprising locally elected representatives) as well as the district staff of central ministries will be needed in allocating SRP resources. Otherwise, there is the danger of missing not only an opportunity to increase local responsibility and accountability, but actually weakening district councils by preventing elected representatives from being held accountable for local decisions.<sup>10</sup> In order to effectively support decentralization efforts in a country, social fund design and staffing must be carefully considered in terms of the institutional and financial reforms needed to develop strong local governments that are capable of delivering services to the poor in a manner that is responsive to the poor's demand.

### **Importance of Economic and Sectoral Reforms to Ensure Sustainability and Scaling-up**

3.5 In order to ensure sustainability and scaling-up, social fund financing must be placed in the broader context of an overall system of intergovernmental and local development financing.<sup>11</sup> Sustainability and scaling-up may also require wide-ranging public finance or sectoral reforms. MPU experience showed that despite official commitments by central and local governments to properly staff and equip the completed works, this frequently proved difficult for lack of willingness and/or ability. Addressing these issues requires cooperation and coordination with the relevant sector agencies, involving them adequately and early on in decisions of what is financed, and undertaking the necessary reforms of public sector management and financing to ensure that the required budgets are actually available.

### **Future Directions**

3.6 As Bank support to community-based development in Zambia continues to evolve, areas for further attention include: the poverty targeting impacts of the project; clear definition of key expected outcomes (in particular, the relative importance attached to capacity building versus delivering physical outputs) and the related performance indicators; coordination with traditional sector institutions and sector priorities; refining the mechanisms for demand expression by communities including necessary expansions in the subproject menu to offer wider choice in line with the priorities of both men as well as women, and ensuring that project mechanisms are consistent with the decentralization agenda. A number of these issues were also identified as areas for improvement by MPU staff.<sup>12</sup>

3.7 The Bank and borrower agreed upon a follow-up project, SRP II (Cr. 2755-ZA), in 1995. This project incorporated the lessons learned from the previous experience, notably, the need for substantial capacity-building efforts and a proactive communication strategy at the community and local government levels. SRP II has been followed by the recent Zambia Social Investment Fund (ZAMSIF) Project (Project ID P063584), which further consolidates earlier improvements and, as an innovation in social fund projects, aims explicitly and proactively to support the decentralization process.

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10. The Bank's forthcoming study on Decentralization and Social Funds will provide more information on this issue.

11. The Bank's forthcoming study on Decentralization and Social Funds will address this issue.

12. MPU Staff Survey, PAR mission, February 2000, Annex B.

## 4. Outcome

### Relevance

4.1 The first SRP was relevant to country circumstances. It was initiated at a time of serious economic crisis and consequent decline in the government's ability to provide social sector works and services.<sup>13</sup> The project addressed the need for quickly rehabilitating seriously dilapidated infrastructure after years of neglect, and was consistent with the government's Social Action Program, which emphasized quick action and community initiative. Furthermore, the project's post-midterm emphasis on strengthening institutional capacity both in local government and at the community level contributed to the government's decentralization goals.

4.2 The Social Recovery Project, with its aim of providing immediate financing for small-scale social sector infrastructure projects and encouraging self-help by communities, was relevant to the Bank's own strategy in Zambia in the early 1990s. Bank strategy in Zambia at the time consisted of immediate action to redress the economic and social distress<sup>14</sup> and longer-term action addressing policy issues in the agriculture, education, and health sectors.<sup>15</sup>

4.3 In the early stages of the project there was room to improve the relevance of SRP investments to community demand. The predominance of a single type of subproject, schools<sup>16</sup> (see Box 1), and the initially weak information flows and poor subproject identification processes were a concern.<sup>17</sup> A Beneficiary Assessment<sup>18</sup> noted that while in more recent subprojects the rate of coincidence between community priority needs and identified projects stood at 83.3 percent (up from 72.2 percent for older subprojects), the assessment team also found sectors and areas which were *not* funded by SRP but which were considered *top* priority by some communities. Furthermore, the same document noted that the assessment team "did *not* find an instance where a project was funded which was in agreement to women's identified priority needs." As an area for improvement, two MPU staff members surveyed by the PAR mission noted the need for more female involvement and for changes in policy related to SRP gender activities (see Annex B). The increased attention that was begun to be given to information dissemination and subproject identification processes after the Midterm Review can be expected to improve the relevance of project investments to community demand, but this will have to be a continuing process.

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13. Between 1978 and 1989, the share of the public budget allocated to education had declined from 37 percent to 8 percent with teachers' salaries and other personnel emoluments accounting for 91 percent of the primary school recurrent budget. In health, the government reduced the allocation to recurrent costs by 20 percent in real terms in the 1991 budget.

14. Through the Economic Recovery Project, 1991, and Social Recovery Project 1991.

15. Through the Agricultural Marketing and Processing Infrastructure Project, 1992, and Education Rehabilitation Project, 1992, and the Economic and Social Adjustment, 1994, and the Health Sector Support Project, 1994.

16. The distribution of funds anticipated at appraisal (SAR I, page 17) was 55 percent for Health and Nutrition including water and sanitation, 25 percent for Education and Training, and 20 percent for Economic Infrastructure.

17. SAR II, page 9, Beneficiary Assessments III and IV.

18. Beneficiary Assessment III, 1994, page 2.



### Box 1. The Predominance of School Subprojects

An interesting lesson of the Social Recovery Project is the way communities have come to express 'demand'. At project inception, the MPU relied on communities to organize themselves into project committees and prepare proposals – the MPU's main involvement came *after* the proposal was made. By the end of the first project, 75 percent of project funds ended up financing schools and classrooms. There was a natural explanation for this overwhelming support for schools: the rural areas in Zambia have a history of strong parent-teacher associations, which were the first to mobilize and avail themselves of the funding through the MPU. And since the MPU depended on organized groups, it funded whatever technically viable proposals came through. The negative side of this was that MPU soon became known as an agency that funds schools, starting a cycle of funding education and getting proposals only for education. The MPU recognized this early, and has tried to diversify its intervention, but its efforts are frustrated by a lack of community-level organization in other sectors. Thus, although the Zambian operation may be a demand-driven and participatory mechanism, it is so only to the extent that communities can express their demand effectively.

Sources: Local Solutions to Regional Problems, Laura Frigenti and Alberto Harth with Rumana Haque, Africa Region, the World Bank, 1998.

### Efficacy

4.4 The project achieved most of its main goals, especially supporting rehabilitation and improvement of small-scale infrastructure in the social sectors and involving communities in identifying, designing, and implementing small-scale social investments. It provided incremental funding for the social sectors at a time of economic crisis and a lack of capacity in traditional government agencies, and yielded significant and much-needed improvements in social infrastructure. MPU staff noted "visible deliverable output as opposed to some other donor funded projects," and "increased number of school places in rural areas, better access to clean drinking water in rural areas, and increased amount of community awareness" as key achievements of SRP (see Annex B). Further highlighting SRP's impact on community capacity, another MPU staff member stated "Capacity has been built among people that were regarded incapable by society to implement subprojects." (see Annex B). The Beneficiary Assessments confirmed these benefits especially in later projects: "This is our project which we have worked for... we have put in so much in the form of labor and money."<sup>19</sup> However, the Beneficiary Assessments also highlighted instances where project impact on community organization was limited because the church and District Council had taken over leaving little room for community voice (e.g., in the Sioma and Muchinka Teen Center), as well as instances where the SRP-funded subproject unwittingly caused divisions in the community and killed the spirit of self-help because the Parent-Teacher Association (PTA) decided to hire skilled labor only from one of the villages in the community, alienating members of the excluded villages (e.g., Henry Kapata's PTA).<sup>20</sup> SRP's impact on community cohesion and social capital merits closer examination.<sup>21</sup>

4.5 **Physical targets and achievements.** The community initiatives component helped to improve and rehabilitate a significant amount of facilities. A comparison with the targets projected at appraisal is given in Table 1. The relative importance attached to delivering physical outputs versus capacity building was not explicitly defined and underlying trade-offs not explicitly addressed contributing to some confusion about project emphasis.

19. Resident of Mufumbwe community cited in Beneficiary Assessment V, 1998.

20. Beneficiary Assessment III, pages 28-29, 1994.

21. The forthcoming OED Social Funds Evaluation will address this issue.

**Table 1. Key Implementation Indicators**

<b>Key Implementation Indicators In The SAR</b>	<b>Estimated in the SAR</b>	<b>Actual</b>
Number of health facilities improved, rehabilitated, constructed	55 percent of SRP subprojects	<p>19 percent of SRP subprojects:</p> <p>10 training centers</p> <p>58 health centers</p> <p>10 wards</p> <p>2 relative shelters</p> <p>76 staff houses</p> <p>About 600,000 community members benefited from enhanced services. Client visits almost doubled in the sampled health facilities for maternal and child health care, child immunizations more than tripled, and out-patient and in-patient treatment increased by 73 percent and 232 percent, respectively. Beneficiaries mentioned increased admissions to facilities and improved medical services, reduced congestion at the centers, reduced child mortality, and increased productivity of staff (ICR para 9)</p>
Number of education facilities improved, rehabilitated, and constructed	25 percent of SRP subprojects	<p>70 percent of SRP subprojects:</p> <p>1365 classrooms</p> <p>72 offices</p> <p>434 staff houses</p> <p>17 wall fences</p> <p>362 wells/boreholes drilled or rehabilitated, the vast majority of which were based in schools and health centers. 1657 VIP latrines and 133 ablution blocks were built or renovated. About 170,000 school children benefited from enhanced services. The predominant effects cited by beneficiaries were the improved learning environment, better hygiene facilities, better student performance, an increased influx of teachers, and better teacher morale. Evidence was mixed on enrollment effects (ICR, para.8).</p>
Number of people trained in subprojects that provide training	No estimate provided	No training subproject under SRP I
Ex post economic or social Impact of randomly selected subprojects (based on studies including Beneficiary Assessment)	No estimate provided	<p>Six such evaluations completed during the life of project:</p> <p>Beneficiary Assessment I, April 1993</p> <p>Beneficiary Assessment II, November 1993</p> <p>Beneficiary Assessment III, April 1994</p> <p>Beneficiary Assessment IV, 1996</p> <p>Beneficiary Assessment V, July 1998</p> <p>Technical Evaluation 1994 &amp; 1996</p> <p>Constraints to Maintenance of Soc. Infrastructure 1997</p> <p>Management Evaluations of 1994 and 1998</p> <p>Effectiveness and Sustainability of the first Social Recovery Project, February 1997</p> <p>Measuring Attainment of Development Objectives SRP I &amp; II, August 1998.</p> <p>Recommendations from these assessments were considered and impacted in improving implementation processes significantly.</p>
Share of Administrative Costs Relative to Subproject Costs	5.7 percent	9 percent

Source: ICR Table 7A, page 20, Zambia Social Recovery Project, Report 18864, World Bank, 1999.

**4.6 Quality.** The quality of the subprojects improved over time. Without adequate technical monitoring in 1994, only about 60 percent of the subprojects had an acceptable standard of construction. Following this poor result, project management hired full-time technical supervisors with the result that 98 percent of the subprojects met the agreed construction standard in 1996. The operations and maintenance of the subprojects can still improve more through preventive maintenance of buildings, health education in water supply subprojects or around water/sanitation components of subprojects, and better understanding by the community of the design and operation of latrines, issues that started receiving attention in 1996.<sup>22</sup> Furthermore, the SRP experience pointed to possible tradeoffs between community self-help initiatives and technical quality of the works (Box 2).

**Box 2. Community Self-Help and Construction Quality: Tradeoffs?**

The 1992 Annual Report noted that one of the most important issues for project management was the difficulty in maintaining an acceptable standard of construction given a self-help approach and the limited capacity of the SRP/MPP staff to supervise implementation of the projects. Technical audits of projects were undertaken to identify technical inputs that could be provided to communities. In addition, all project committees were requested to engage a full-time, paid foreman, simple reproducible designs which are sent to communities for construction of classroom blocks, health clinics, staff housing and other infrastructure were developed. Communities that were not engaging an experienced contractor or foreman were asked to request the District Council to visit the facility and assess construction at critical stages, seminars were organized at the provincial level to acquaint district staff with the program's objectives and procedures. While these measures were somewhat helpful, a number of projects were not receiving the inputs of skilled labor or technical knowledge they required to produce good quality construction. One lesson from the first 18 months of implementation was that the District Councils were unable to provide regular supervision for the majority of projects. The Annual Report also reported the Beneficiary Assessment finding that when Parent-Teacher Associations and other grassroots organizations acted as implementing agencies, there was a high degree of community participation, but the quality of construction was frequently poor. On the other hand, when church missions and international NGOs acted as implementing agencies, there was not much community participation, but the quality of construction was high. This PAR notes that ensuring quality and community involvement need not be mutually exclusive especially if community capacity can be built so that communities become efficient "contractors" of services from the government or the private sector -- this, of course, assumes the existence of a competitive market for such services.

Source: 1992 Annual Report, SRP, Zambia, 1993.

**4.7 Poverty Targeting.** The project did not have any sophisticated targeting mechanism. Few relevant poverty data were available at the time of appraisal and the country as a whole was poor. The lack of a specific targeting mechanism led to a geographic distribution of resources where each population quintile, regardless of its poverty level, received similar per capita resources from SRP (Table 2).

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22. ICR, para.13.

**Table 2. Poverty Targeting: Allocation of Expenditures by District**

<i>Quintiles based on population*</i>	<i>% of SRP resources</i>	<i>Per capita expenditures</i>
Quintile 1 (poorest districts)	22%	\$2.23
Quintile 2	22%	\$2.37
Quintile 3	21%	\$2.40
Quintile 4	16%	\$1.70
Quintile 5 (least poor districts)	20%	\$2.15
National average		\$ 2.17

Source: ICR, Table 7 D, page 22.

\* Uses a poverty incidence ranking of districts divided into quintiles of population.

4.8 Stakeholders consulted during the PAR mission felt that SRP had given too much attention to Lusaka and other urban areas and that, in the future, priority should be given to rural areas where the majority of the poor in Zambia live.<sup>23</sup> The Bank's supervision mission of March 1998 had noted that "the project does not adequately reach communities which, while not incapacitated, are highly marginalized by their geographic location (remote or difficult to access) or by their economic position (the relatively poor or *ultra poor*)".<sup>24</sup>

4.9 **NGO Participation in SRP.** NGOs were not directly involved in the design of the SRP. However, SRP did provide for NGO participation; for example, it allowed financial assistance for NGOs to meet their administrative costs during subproject implementation up to an amount of 10 percent of total subproject costs. Nevertheless, the participation of NGOs in SRP has been limited; only 10 percent of the subprojects funded under SRP I involved NGOs.<sup>25</sup> While NGO involvement in projects is not an unqualified good in every case (e.g., the Beneficiary Assessments reported instances where the sense of community ownership had been adversely affected because of NGO dominance in subprojects; Annex D), it would appear that as SRP increased its capacity-building efforts and aimed to improve information flows and subproject identification processes a useful role might have emerged for NGOs. During the PAR mission, stakeholders noted that lack of familiarity with MPU procedures and the MPU policy of not funding NGO pre-investment costs (costs incurred in mobilizing communities) were the main constraints to NGO participation in SRP. In addition, stakeholders expressed the view that NGO capacity may be low in Zambia for historic reasons (one-party state), but that SRP had not utilized well the existing NGO capacity in the country. A number of measures can enhance NGO participation in social fund projects (see Box 3).

23. The currently ongoing Social Funds 2000 Impact Evaluation Study being conducted by the Bank's Social Protection Unit is expected to provide more information on SRP's household-level targeting effectiveness.

24. ICR matrix, page 36, Report 18864, 1999.

25. World Vision International submission to a workshop on "NGO participation and capacity building in the context of NGOs", organized in Kingston in December 1995.

### Box 3. Enhancing NGO Involvement in Social Fund Projects

Measures that can enhance NGO participation in social fund projects include:

- Establishing clear policies and guidelines concerning NGO involvement in the social fund
- Early on during project design, conducting an NGO sector assessment in order to identify those NGOs that have links with poor communities, their capacity and specific areas needing strengthening, and identify and elaborate potential roles for NGOs throughout the project cycle.
- Devising a strategy for communication with NGOs starting with the project design phase and continuing throughout the implementation of the project
- Adapting procedures to facilitate NGO/community involvement
- Where appropriate, supporting the funding of pre-investment costs (related to subproject preparation)
- Establishing in collaboration with NGOs a methodology for systematic evaluation of NGO performance and assess overall NGO performance on an ongoing basis sharing this information with NGOs, as well as other stakeholders
- Recruiting staff who have worked in the NGO sector or who understand and are respected by NGOs, and organize training for social fund staff on community participation, social mobilization, and working with NGOs.

Source: NGO Involvement in World Bank-Financed Social Funds: Lessons Learned, Carmen Malena, Environment Department Papers, Paper No. 052, World Bank, 1997

### Efficiency

**4.10 Cost effectiveness.** Because of SRP's approach of inviting subproject proposals from communities, and the consequent uncertainty regarding the detailed project composition, no economic rate of return (ERR) was calculated at appraisal. Although not standard practice in social fund projects at the time this project was appraised, in retrospect, least-cost analysis or ERRs based on an estimate of likely demand for a sample of subprojects might have been useful. These estimates could then have been verified at project completion. A cost-effectiveness comparison undertaken by the ICR mission confirmed that SRP subproject costs (detailed in Table 3) were lower than those undertaken by sector ministries for similar subprojects, except for health centers.

**Table 3. Cost Effectiveness of SRP**

Type of building	Labor-only contract	Tendered contract (m2 rate1/ In US\$)	Tendered contract
	SRP	SRP	Sector Ministry <sup>a</sup>
Classroom <sup>a</sup>	128	n.a.	184
Ablution block	285	463	518
Staff house	216	248	311
Health center <sup>a</sup>	300	495	476

Source: ICR, Table 1

Note: To improve cost-effectiveness, in 1997 the MPU decided to further standardize technical designs, improve technical supervision, design small subprojects to be manageable in short periods of time, and design and develop technologically appropriate low-supervision model for remote areas.

a. Including furniture/equipment

b. Information from Zambia Education Rehabilitation Project (Cr. 2429-ZA) and Health Sector Support Project Cr.2660-ZA)

**4.11 Efficiency of project management.** The project was well-managed overall. It was located in the Ministry of Finance and Economic Development (MFED) and was characterized by

substantial operational autonomy.<sup>26</sup> The Bank-EU joint-management of the project initially suffered from differences in procedures between the two donors and severe tensions arose as a result. This eventually was overcome including by developing a novel management arrangement. The Bank and EU agreed to adopt common procedures from MPU downwards so that communities would face a single set of project rules, while the Bank and EU would follow differing procedures from MPU upwards so that their individual requirements could be met. The initially slow processing of subprojects by MPU (sometimes taking more than a year; Annex D) accelerated gradually as MPU staff gained experience and training which emphasized the importance of upfront investments in community preparation to ensure that proposals met eligibility criteria, although further improvements can still be made.<sup>27</sup> Furthermore, among areas for improvement, the MPU staff survey undertaken during the PAR mission indicated that transport for operational work by MPU staff is a major constraint, as are work-load and salary differentials within MPU (Annex B). Outside MPU, and during the PAR mission, stakeholders raised the issue of the high relative salaries of MPU staff.<sup>28</sup> While MPU staff salaries are not, strictly speaking, comparable to civil service salaries given the time-bound (contract-based) employment of MPU staff, this is a matter for future review. Some stakeholders also pointed out that local governments were welcoming SRP primarily as an additional source of funding and that SRP funding might be displacing other resources that would normally have flowed to communities. This view needs verification. While administrative costs were higher than projected at appraisal (9 percent of total subproject costs versus 5.7 percent), they compared favorably with other projects in Zambia at the time. The Bank appreciated the efficiency of the management, as evidenced by the increasing number of Bank-assisted projects that MPU was asked to manage.

## 5. Sustainability

5.1 SRP I sustainability is rated *uncertain* both at the subproject level and at the macro-project level. At the subproject level, SRP supported two key measures favorable to ensuring the operations and maintenance of subprojects. First, communities were required to and did contribute substantially to subproject funding through the provision of labor, materials, and land with actual community contributions averaging 26 percent of subproject costs under SRP I<sup>29</sup> – a measure that confirms community interest in the investment, which in turn augurs well for the community's sense of ownership of the investment and hence to its interest in maintaining it. Second, SRP often encouraged staff houses (to attract and ensure staff continuity) and latrines to be built as part of the school subprojects – a measure favorable to the operation or flow of services from the infrastructure. However, problems with operations and maintenance by either the relevant ministries or the communities, because of lack of community capacity and/or commitment and the failure on the part of other agencies in fully meeting their operations and maintenance obligations were noted as recently as 1999<sup>30</sup>. The MPU is trying to address these

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26. While operational autonomy often allows for speedy project implementation, it may involve trade-offs with regard to institutional development effects on government. OED's forthcoming Social Funds Evaluation will address this issue.

27. District staff were expected by MPU to assist with sensitizing communities, but district staff did not play this role effectively adding to subproject processing delays.

28. Regional staff in the Bank confirmed this was an issue.

29. Based on data provided by MPU to the PAR mission; the SRP requirement was that community contributions of about 20 percent of subproject costs be met over "batches" of projects.

30. The World Bank newsletter *Findings* on SRP's Community Initiatives Component, Issue 137, 1999 noted: "Despite more attention to maintenance over time, maintenance is not guaranteed. Government policy does not clearly specify who is responsible for what. Communities continue to believe that maintenance is the responsibility of the government

issues. Based on a detailed study and meetings with stakeholders, MPU has produced a maintenance manual for communities. Efforts are also being made to ensure the establishment of maintenance committees in each subproject, as well as to initiate maintenance funds. A number of these initiatives were undertaken in the outer years of SRP I and continue to be fine tuned as experience is gained. The issue of more systematically offering communities appropriate packages of services rather than single investments requires future attention in order to ensure proper utilization of investments and to effectively realize specific development outcomes.

5.2 At the macro-project level, government funding was an issue throughout project implementation (Table 4). Funding of the SRP was largely provided by the donors. Government counterpart funding was almost never provided on time and in full. On the other hand, the community contributions to subproject costs were substantial (totaling \$6,569,002 for SRP I).<sup>31</sup>

**Table 4. Government Contribution Since 1994**

	<b>Actual (K'000)</b>	<b>Planned (K'000)</b>
Fiscal 1994	415,000	500,000
Fiscal 1995	180,844	361,688
Fiscal 1996	201,688	201,688
Fiscal 1997	0	1,070,000
Fiscal 1998	100,000	550,000
Fiscal 1999	250,000	880,000
<b>Total</b>	<b>1,147,532</b>	<b>3,563,376</b>

Source: Data provided by MPU to PAR mission, February 2000. No government contributions were received prior to 1994.

## 6. Institutional Development Impact

6.1 Institutional development impact was *modest* (equivalent to the ICR's *partial* rating). The strengthening of capacity in MPU was significant. The project also served to bring attention to the importance of community input in local development efforts. The need for significant capacity building at the local government and community levels was, however, recognized only at midterm. Subsequently, SRP introduced explicit support for local governments in the form of training for district and provincial staff, as well as more intensive training for the communities themselves. The Beneficiary Assessments indicate that these programs became more effective over time rather than immediately<sup>32</sup> as the quality of the training and technical assistance improved. In the MPU staff survey conducted during the PAR mission one staff member reported that the "Area of capacity building at the District level must be given priority so that Bank assistance does not reach government leaders but the poor rural dwellers" (Annex B). SRP provided needed resources at the local level and the opportunity for the existing District Development Coordinating Committees (comprising representatives of the sector ministries at the

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while government assumes that communities should be responsible. There is an inadequate understanding of the meaning of maintenance and necessary skills, knowledge, information or funds to maintain do not always exist.

31. Data from MPU database provided to PAR mission.

32. The Beneficiary Assessment IV conducted in 1997 pointed to the following concerns in the post Midterm Review period: weak coordination with district staff, frequent changes in Desk Appraisal Committee membership, erratic meetings of Desk Appraisal Committee, community representatives do not always disseminate information among community, role of MPU not sometimes fully understood by community, non-participation of women, and handover of the project implementation manual not always done effectively and subsequently not always fully used. Cited in "Evaluations of the Social Recovery Project I", Discussion Paper, SRP, Zambia, pages 14-15, 1997.

district level) to participate in planning the use of those resources. However, as the government's decentralization efforts move ahead, far greater coordination with district councils (comprising locally elected representatives) as well as the district staff of central ministries will be needed in allocating SRP resources. Otherwise, there is the danger of missing not only an opportunity to increase local responsibility and accountability, but actually weakening district councils by preventing elected representatives from being held accountable for local decisions.<sup>33</sup>

6.2 Through 34 policy and operational studies, including five Beneficiary Assessments funded by Norway and Sweden, the project contributed to the development of local research capacity. SRP made research a more highly valued part of the work of community development. Of particular importance was the work done by staff from the University of Zambia, who carried out the Beneficiary Assessments, and who later established themselves as an NGO/consulting firm. SRP's contribution to strengthening local research capacity in Zambia is noteworthy.

## 7. Bank Performance

7.1 Bank performance was *satisfactory*. The project was prepared and made effective in about 10 months. The quick processing of the project, particularly at a time of economic crisis and recently resumed relations of the Bank with Zambia was commendable. The project was designed to complement the Economic Recovery Credit (Cr. 2214-ZA in 1991) and responded to government capacity constraints through a community-based approach. Rather than reinventing the wheel, the Bank built on a successful existing (EU) effort. Bank performance during identification and preparation was excellent. However, the need for significant capacity building at the local levels was not foreseen at appraisal; it was recognized at midterm when efforts to address it were begun. The Bank showed flexibility in agreeing to reallocate resources from the community initiatives component to the institutional support component, substantially expanding capacity-building activities. In a further demonstration of flexibility, the Bank agreed to allow for the payment of community labor in drought-affected regions (a decision that led to some controversy about the adverse impact of this policy on the spirit of self-help). Bank supervision was satisfactory overall, although the borrower did point out the reduced supervision and technical assistance levels in later years. In addition, the task managers changed too rapidly in those years. The borrower also noted that they were unable to fully avail themselves of the SEK 8 million provided by the Swedish government (using only SEK 5.4 million) because the Bank did not make the funds originally earmarked available; this too seems to have warranted more Bank attention. MPU staff identified the following ways in which the Bank could make its input and interaction more useful to them: more sector best practice dissemination; more personal interaction and discussion of issues by Bank staff; more opportunities for learning from the experiences of other countries, and more Bank support for decentralization of the project and participation at the grassroots (Annex B).

## 8. Borrower Performance

8.1 Borrower performance was *satisfactory*. The government supported SRP's community-based approach, which was consistent with its own SAP approach. The government, however, did not provide any funding until 1994, and did not deliver on its legal obligation to "increase in real terms the annual budgetary allocation for non-remuneration recurrent costs for health and

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33. The Bank's forthcoming study on Decentralization and Social Funds will provide more insight on this issue.



education.”<sup>34</sup> Community contributions were substantial, accounting for a sizeable part of the borrower counterpart contribution, and the government dealt with the health and education budget reallocation issue in the context of a series of structural adjustment operations agreed with the Bank over the 1992–97 period.

8.2 The project management unit, MPU, should be commended for its openness to independent evaluations of its activities, and for its proactive demand for them as management tools (see Box 4). MPU benefited from continuity of staff, which meant that knowledge was not lost in staff turnovers – a key prerequisite for a learning organization. The management and staff were professional and committed, and open to continuous recommendations for change based on field experience, as well as those coming from the many studies and assessments produced under the project.

#### **Box 4. Microprojects Unit (MPU): A Model Learning Organization**

A continual evolution and fine-tuning of operational procedures and approaches marks the first decade of the MPU. Central to this experience is SRP's intensive use of Beneficiary Assessments and other evaluations as management tools. The assessments were used to refine or, where necessary, redesign the project. Among their key findings were:

- A closer interaction with communities and local government was necessary.
- It could not be assumed that communities had the capacity for implementation.
- With regard to subproject ownership, poor management of information flows sometimes resulted in disappointing outcomes.
- Local government agencies needed incentives, training, and resources if they were to ensure technical supervision and follow-up.

Because management took these findings seriously, the SRP has evolved from a “funding” agency that supports community initiatives to a “learning” agency that supports capacity building in communities and local government (district) staff. The evolution continued through SRP II in the following ways.

- A number of initiatives concentrated on better training through more attention to their content and delivery and improved communication.
- District workshops are organized to increase contact between communities and district councils.
- Attention has been given to the communication, familiarization, and skill development aspects of the district workshops and desk appraisals in order to strengthen the participation of district officers in the subproject cycle.
- Field appraisals and subproject launch workshops have been turned into full-day events to improve understanding, commitment, and performance at the community level.
- Application guidelines and project implementation manuals for project committees have been developed to help communities identify and implement projects. Maintenance manuals have also been developed.

Source: Local Solutions to Regional Problems, Laura Frigenti and Alberto Harth with Rumana Haque, Africa Region, the World Bank, 1998; Zambia Social Investment Fund Project, PAD (draft), 2000.

8.3 The MPU established closer links with district officials and communities than with relevant government agencies, suggesting that coordination for implementation was stronger than coordination for policy and investment planning. SRP had some success in coordinating with the Ministry of Health, but not with the Ministry of Education despite SRP's overwhelming focus on schools. During the PAR mission, stakeholders pointed out the further potential tension that could arise between the Ministry of Education and the MPU as the government moves to follow-up on

34. Section 3.03 of the Credit Agreement.

its recent school mapping program,<sup>35</sup> which could conflict with SRP's insistence on not pre-determining schools for assistance. Some stakeholders said that MPU's role should evolve into an organization that manages construction and delivers to the government, for a fee, the requested schools (identified in the school mapping exercise). Overall, coordination and institutional relations between MPU and the relevant central ministries remained an area for improvement throughout SRP I raising issues about the extent of knowledge-transfer from MPU to the central ministries.<sup>36</sup> The inadequate communication between various levels of the government itself did not help. The PAR mission noted awareness among MPU staff about the importance of improving coordination and communication with government. In the MPU Staff Survey, staff noted the poor information flows about SRP to government and poor coordination and understanding of SRP purpose and vision among them (Annex B). Underscoring MPU's learning culture, one MPU staff member suggested obtaining "sector ministry views or perceptions on what they feel are the positive issues or negative issues they find in our involvement in their sectors which can help us avoid mistakes and build on the positive aspects." This suggestion merits follow-up.

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35. This program comprised of a facility survey of schools aimed at identifying geographic gaps in schooling infrastructure with the involvement of communities.

36. The forthcoming OED Social Funds Evaluation will address this issue.

## Basic Data Sheet

### Key Project Data (amounts in US\$ million)

	Appraisal Estimate	Actual or current estimate	Actual as percent of appraisal estimate
Total project costs	46.4	49.2	106%
Loan amount	20.0	21.0	105%
Cofinancing <sup>a</sup>	17.2	19.0	110%
Cancellation (SDR) <sup>b</sup>	-	-	-
Date physical components completed	01/31/97	01/31/98	
Economic rate of return	n.a	n.a	n.a
Institutional performance	-	-	-

a. Additional Cofinancing in the amounts of US\$0.55 by Finland and US\$0.79 million by Sweden are not reflected in the table.

b. SDR 21,340.96

### Cumulative Estimated and Actual Disbursements

	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99
Appraisal estimate	2.1	5.4	9.8	14.4	18.6	20	-	-
Actual	4.05	7.15	13.68	16.79	18.66	19.26	20.51	20.74
Actual as % of estimate	20.38	36.01	68.85	84.50	93.94	96.96	103.23	104.39

### Project Dates

Steps in project cycle	Original	Actual
Identification	09/90	09/90
Preparation	11/90	11/90
Appraisal	05/91	02/91
Negotiations	-	04/22/91
Board presentation	-	06/19/91
Signing	-	07/24/91
Effectiveness	10/22/91	08/16/91
Project completion	01/31/97	01/31/98
Credit closing	07/31/97	07/31/98

### Staff Inputs (staff weeks)

Stage of project cycle	Planned		Revised		Actual	
	Weeks	US\$'000	Weeks	US\$'000	Weeks	US\$'000
Through appraisal	NA	NA	NA	NA	10.5	27.8
Appraisal-Board	NA	NA	NA	NA	NA	NA
Board-Effectiveness	NA	NA	NA	NA	2.5	6.62
Supervision	92.1	243.97	107.2	283.97	163.78	433.86
Completion*	25.5	66			15.5	46.3
Total						

\*Includes resources paid from trust funds

Assumes average cost of US\$2649 per staff week (for planned estimates).

## Mission Data

<i>Stage of project cycle</i>	<i>Month/year</i>	<i>No. of persons</i>	<i>Staff days in field</i>	<i>Specialized staff skills represented</i>	<i>Performance Rating</i>		<i>Types of problems</i>
					<i>Implementation</i>	<i>Development Status impact</i>	
Through Appraisal Appraisal through Board Approval Supervision	11/91	4	10	Statistician; Anthropologist; Nutritionist; Economist	HS	HS	Progress under the Community Initiatives Component is slower than expected due to increased demands on MPU staff by the EC review of program and the national election process.
Supervision	2/92	3	17	Statistician; Nutritionist; Economist	S	S	Progress under the Community Initiatives Component is slower than expected due to increased demands on MPU staff in the process of "cleaning up" the EC's Lome III Microprojects portfolio and EC insistence on veto-power over all decisions made in the Unit. Project ratings downgraded to reflect concern over slow government decision on implementation structures and lack of concrete action to reform the same. Some concern that selection criteria for Study Fund may be too tight.
Supervision	6/92	2	22	Statistician; Anthropologist	S	S	(Form 590 submitted, but not available in files). Overriding issue related to capacity of the Unit to implement and monitor the various components of the SRP in relation to both the terms envisioned in the DCA and in light of subsequent moves to use the Unit as a conduit for the implementation of other projects. Concern about delay in release of funds for Monitoring and Analysis Component. Studies sub-component faced lack of funding caused by non-reimbursement of the Swedish co-financing from former SDA program at headquarters.
Supervision	10/92	3	2	Economist (2); Human Resource Specialist			(No form 590 submitted, even although the BTO mentions an updated 590 submitted.
Supervision	3/93	1	10	Statistician			(No form 590 submitted). Survey program of the monitoring and Analysis Component while moving ahead, was not as timely as planned or expected for two reasons (i) number of donors approaching CSO, asking for and paying for, urgent tasks such as drought monitoring impact and (ii) problematic organizational set up in CSO, which provides no incentives

<i>Stage of project cycle</i>	<i>Month/year</i>	<i>No. of persons</i>	<i>Staff days in field</i>	<i>Specialized staff skills represented</i>	<i>Performance Rating</i> <i>Implementation Development Status Impact</i>		<i>Types of problems</i>
							to do analytical work.
Supervision	5/93	2	3	Economist; Anthropologist			(No form 590 submitted). Slow replenishment of the Special Account has hampered progress under the study component. Concerns also raised about the staff shortages within the Priority Survey team of the Central Statistics Office.
Supervision	7/93	1	8	Statistician			(No form 590 submitted). Performance of surveys sub-component viewed as below standard both in terms of quality and timeliness. The latter in part is due to the heavy workload of the survey team, which had to undertake many activities.
Supervision	11/93	1	4*	Economist			(No form 590 submitted). Concern over implementation delays with some subprojects. Government commitment a problem. Problems also noted with regards to collaboration with the EC.
Supervision (Midterm Review)	7/94	6	10	Education Specialist; 2 Social Sector Analysts; Social Policy Analyst; Senior Economist; Principal Poverty Advisor/HR Economist Education Specialist	HS	HS	Areas identified for further improvement by review: (1) increase active involvement by communities; (2) diversify project portfolio; (3) improve technical quality of projects; and (4) improve dissemination about the program at the provincial and district levels.
Supervision	10/94	1	2*	Education Specialist			(No form 590 submitted). Concern over the slow delivery of counterpart funds to the project.
Supervision	5/95	2		Education Specialist;	HS	HS	An inadequate transport fleet and cash budget make the planning and management of statistical operations extremely difficult.
Supervision	4/96	1	9	Education Specialist; Operations Officer	HS	HS	Need for (i) improving quality of project appraisal and monitoring; (ii) assisting communities in establishing adequate facility management and maintenance systems; (iii) improving quality of supervision; and (iv) improve coordination and exchange of information between different actors in the field of school rehabilitation/construction.
Supervision	6/97	5	14	LCMU Specialist; Social Policy Specialist; Sr. Education Specialist; Statistician; Operations Officer	HS	HS	The quality of information collected during appraisal of subprojects is not satisfactory. This is basically due to weak technical capacity of district teams. Sense of community's responsibility for and ownership of facilities rehabilitated or constructed needs to be strengthened to ensure sustainability of subprojects. There is a need to reassess the capacity of ROs to fulfill all their obligations in view of

Stage of project cycle	Month/year	No. of persons	Staff days in field	Specialized staff skills represented	Performance Rating		Types of problems
					Implementation	Development	
					Status	impact	
Supervision	3/98	4	13	Senior Economist;	HS	S	their increasing workload and number of projects under their supervision. Discussions to increase the number of ROs have been initiated with EU. The project is closing on July 31, 1997. However, because of some delays in processing contractual documents with few subprojects, it is likely that all project funds may not be fully disbursed by Closing Date. The project does not adequately reach communities which, while not incapacitated, are highly marginalized by their geographical location (remote or difficult access) or by their economic position (the relatively poor or "ultra poor").
ICR mission	9/98	7	14	Sr. Operations Officer; Sr. Economist/Poverty Specialist; Architect; Informatics Specialist; Operations Analyst; Procurement Specialist; Social Sector Specialist	HS	S	

\*It was impossible to determine actual number of days spent on project as task leader in charge of supervision was also supervising other tasks; thus an average was used.

Source: ICR Table 13, Page 34.

## Micro Projects Unit (MPU) Staff Survey

### PAR MISSION, FEBRUARY 2000

During the PAR mission to Zambia in February 2000, SRP management was requested to field the following questions to its staff by circulating a questionnaire prepared by OED. MPU management circulated the questionnaire among 15 of its staff and responses were obtained from 8 staff. These are presented below in no particular order. Addressed envelopes were provided to ensure anonymity.

#### What three things are you proud of in SRI I-II ?

- Increased number of school places in rural areas. Better access to clear drinking water in rural areas. Increased amount of community awareness.
- Team work. Continuous reviews and improvement. Impact our work is having on livelihood of mostly poor rural communities.
- Team spirit sharing of common objectives and vision. Community response to opportunities provided by SRP I&II despite problems faced by them. Willingness to change.
- It has raised standards in primary schools which were greatly down. More children in rural Zambia are now going to school. Health sector has received tremendous attention.
- Visible deliverable output as opposed to some other donor funded projects. Streamlined management structure. Transparent procedures of awarding contracts.
- Project have been completed successfully and many for that matter. Covering the whole country. Capacity has been built among people that were regarded incapable by society to implement subprojects. Ownership of the completed projects is with the beneficiaries and understood so.
- Efficiency – Achievements made so far. Responsive Management – Attend to problems quickly. Relationships established with government leaders and the community involved in implementation of the project.
- Being able to assist communities in very remote areas. Developing the capacity of people in these remote areas by improving their skills. Management's direction and efficiency in implementing the project.

#### What three things do you think could be improved ?

- Introduce capacity building programs at all levels – be it head office staff, district staff. Introduce an incentive to distinct staff or some realistic package to attract staff. Have more offices created to improve efficiency.
- Management structure to allow for career development for staff so that those that excel are recognized. Management must understand procurement to mean the strategic planning and implementation of project and differentiate from the functions of purchasing and supply.
- More direct involvement of communities. See more female involvement. Increased income generating projects.
- Efficiency by increasing the number of staff so that the work load is distributed evenly. Provide transport for daily operations apart from what the departmental heads are provided. Improve salaries – there is too much gaps between different fields.
- The perception by some government ministries or departments of the microprojects mostly owing to poor information flow, information and reports produced to satisfy sector ministries and other users. Clearly define performance and monitoring indicators in line with sector goals and programs.
- The staff at head office is overloaded with work. There is need to increase the staff and reduce stress. Transport. There is need for pool transport which will be at the office ready for use by officer without official transport to do company business. Some managers may need management training.
- Managers of the project should change from time to time to increase transparency carry out a regular audit of project assets and monitor its usage on a regular basis. Attach great importance to regular training of staff due to modern technologies available.

- Poor donor and government coordination, and commitment and understanding of SRP purpose, vision. Monitoring evaluation and presentation and dissemination of reports/impact etc. Change in policy related to SRP activities (e.g. maintenance; gender; decentralization).

**What could the Bank do to make its input and interaction more useful for you ?**

- Look at salaries and conditions under which local people are employed on bank funded projects.
- Provide separate funding for short courses and workshops in and outside the country to update staff Skills. Provide for where bank officials and the entire staff can meet may be once a year to hear and learn the areas of concern in their operations.
- Provide more information on sector best practices. Assist define and agreement performance and monitoring indicators at outset of programs. Devolve more functions to the resident missions some operational issue where we need guidance and Bank approvals like procurement no objections.
- The Bank should support the process of decentralization of the project and allow more participation at the grassroots. The bank should also make sure that there is no political interference from government.
- In the past, Bank staff had more time for personal discussion with project staff especially procurement. Some new development in interpretation of guidelines only know when there is a problem during review of documents.
- Expose MPU staff to other successful projects by World Bank in other countries. Create an internal audit department which will carry out audit functions at head office/regional offices and carry out independent audits after the decentralization. Bridge gap in remuneration between the highest and lowest paid.
- Whenever there is a revision on the conditions, have workshops with the stakeholders to explain exactly what and why the change. When preparing of operations manual let view be obtained and discussed by all involved in the process.
- Support to networking, learning from other experiences different missions should have understanding of other related programs and its impact (possible) on each other. More representation/interaction at local B. mission (time personnel).

**What priority issues would you like to see covered in the audit that will make it useful for you ?**

- Audit all offices so as to measure work performance. Carry out performance assessments for each department and staff. Audit staff qualifications, work experience etc. and make an appraisal.
- How to improve sustainable community empowerment and organization and how to measure this. How to deal with effects of poverty, HIV/AIDS/gender and impact on community participation and social service delivery.
- Look at the quality and direct benefit of projects to local communities and the effect they have on the environment.
- Quality of work done and the speed of implementation. Area of capacity building at District level must be given priority so that Bank assistance does not reach government leaders but the poor rural dwellers.
- Get sector ministry views or perceptions on what they feel are the positive issues or negative issues they find in our involvement in their sectors which can help us avoid mistakes and build on the positive aspects.
- The transport issue in the social recovery project is pathetic. Managers tend to have a 3 or 4 vehicles parked at homes while staff operations are hampered by transport. Seriously address this issue.
- As the deliverable is a physical structure (Building) the regional officers should be strengthened with technically qualified skills in form of assistants. Even the proposed capacity building component under ZAMSIF should be led by a qualified technical person in order to assist district councils and not a social science person to facilitate theories only. The social scientist should first be a part.
- Increase capacity in term of employing other people to assist. Transport be provided and driven for the pool. Pool vehicles and drivers currently all drivers and vehicles are like personal to holder. Some communities are very poor to afford the 25% contribution, the effort other than a percentage, the assessment of commitment should be done and committed communities assisted.



## Beneficiary Assessment Findings

	<i>Beneficiary Assessment 1</i>	<i>Beneficiary Assessment 2</i>	<i>Beneficiary Assessment 3</i>
Major Findings	<p>Infrequent visits from project staff. Lack of information flows. Communities thought that the NGOs were not very participatory and the church groups even less so. SRP process too slow. Communities requested more monitoring. Application process too slow and communities were not told the ongoing status of their applications. Sometimes took over one year. Diminishing role of kinship ties. Limited ownership. Transparency and accountability.</p>	<p>In some cases the communities had limited say in the selection of the project committee. The average female representative on project committees was less than 20%. Factors constraining community participation included, lack of transparency and accountability (54% of projects); domination of the committee by one or two members or an NGO (16.7%); other agencies taking on the role of the committee; contracting builders from outside the area. Mobilization was constrained by suspected misuse of funds and materials. Regional Officers had increased the frequency of visits to project sites. Project committees not accountable to their communities. Lack of flow of information regarding project funding, source and purpose of the funding, expected community participation. Witchcraft beliefs and supervision had adverse impacts on project implementation. Increased ownership compared to BA 1 was expressed.</p>	<p>Increased accountability although still inadequate flow of information. Need for a project launch workshop. Roles of district and provincial line departments and district council staff were not formalized. No sense of responsibility on the part of the provincial and district staff towards implementation and completion of projects of the MPU. Provincial staff not happy about the lack of information reaching them. District staff claim not to have the material means – transport and money. 83% of projects yet to start corresponded to community felt needs. 72% of ongoing projects corresponded with community priorities.</p>
Degree of follow up	<p>Regional offices established in the 9 provincial capitals. Applications processed in the provinces as opposed to Lusaka thereby increasing the speed of implementation. NGO groups and church group monitored more closely for participation element. EU and World Bank process simplified and took less time.</p>	<p>Improvements in accounting procedures. Development of a bookkeeping module for the project committee training manual. Conformation of community cash and in-kind contributions as mandatory conditions for Microprojects Unit support. Strengthening of regional offices to speed communications and disbursement. Simplification of application forms and initiation of Project Launch Workshops in communities to promote better dissemination. Quality of implementation improved with increased monitoring and site visits by Regional Officers. Community project committees strengthened. Increased involvement of government ministries.</p>	<p>District workshops, increased district involvement in project selection and monitoring and technical training. Community meetings will be convened to assess whether the proposal is a community priority. Regular committee meetings. Training and involvement of district staff.</p>

Source: "Beneficiary Assessment Evaluation", Caroline Robb, World Bank 1997



## Borrower Comments

We have reviewed the Social Recovery Project Credit 2273 - ZA Performance Audit Report and we have the following comments:

1. The Performance Audit Report gives an excellent description of the constraints and issues encountered in SRP I and the process of development.

2. We have the following generally editorial comments:

a) Preface (first paragraph) - The project closed on July 31<sup>st</sup> one year behind schedule, in order to allow for expenditure of exchange gains. (The reason for the delay in closure is mentioned in the main body of the report but it is presented in the Preface as a rather up front negative aspect. The fact that Zambia gained over US \$ 1 million dollars to spend on the poor was considered as very positive. Perhaps there is a lesson here - to closely monitor balance available in SDRs and its dollar equivalent in order to access gains and be aware of losses. This is being done now using internet).

b) Footnote page 3 #6: for the third component (financing provided mainly by the Royal Government of Norway and Sweden).

The report discusses the problem of accessing the full Swedish Kr 8 million - this was mainly for the Study Fund. We used Kr 5.4 million of it. Your 2.2 million US\$ does not include this?

c) Page 12 The comments related to the initially slow processing of sub projects by MPU and the problems of transport and salary differentials (results from the MPU survey) and the relationship between these factors seem misplaced. We would, however, agree that workloads may be a factor in slow processing. Most delays in processing applications actually occurred at district and community levels especially initially in SRP I. Communities would apply for projects to the district without having prepared their contributions, district staff, who do face real transport constraints, would be unable to visit communities and sensitize communities on MPU conditions. The lesson we learnt here was that the time invested in community preparation was cost effective as implementation time reduced dramatically and community morale remained high when a project completed quickly.

d) Page 16 para 8.3 Perhaps we need to clarify this issue of coordination. The linkages at district level became much improved after mid term review with BOTH district officials and district level government departments. It is true to state that coordination in implementation was stronger than coordination for policy and investment planning. The poor communication at national level between SRP - especially with the Ministry of Education - has been partially caused by poor communication between District, Province and National government departments and within the Ministry at National level. A memorandum of Understanding between MOE and SRP/ZAMSIF has now been signed which outlines how ZAMSIF will work in the education sector which should minimize the possible conflicts of approach between top down and demand led. The conclusions of this paragraph however are valid.

e) SRP will address issues related to improvements as reported in the Survey in Annex B.

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