

ZAMBIA

Capital : Lusaka

Area : 740 724 sqkm
Population : 10,25 million inhabts
Density : ctzns/km2
Average growth: %



FOCUS

In 1991, after the end of the one party era, a new party won the first multi-party elections for two decades and formed the government. There was urgent need to reform the local government system as the one party era had ended. Although the Policy was adopted by cabinet in 2002 in the form of the Decentralisation implementation programme (DIP), not much progress has been made in its implementation. The slow pace has been attributed to indecision over the institutional arrangements to use in the implementation. The capacity of the DS has also been cited as another reason. The draft DIP covers the period from 2006 to 2010. The Government has requested the World Bank to support the follow on programme to implementing the Local Development Programme (LDP). This will be the biggest programme involved in the implementation of decentralisation in Zambia. The principle objective of the LDP will be to 'make local authorities functional and to prepare the ground for sector devolution'. There is a lot of interest from international partners to help the government with the implementation. The UNDP has been providing support to the Decentralisation Secretariat (DS) since it was established. GTZ, JICA, SNV, RDE, WB and Ireland Aid are the other donors who intend to support the government in the implementation of decentralisation and the various components of the DIP. The DS has started conducting sensitisation workshops countrywide. So far they have done Southern and Western Provinces but there is still a lot of work to be done.

GENERAL INDICATORS

Human Development	HDI			
	Total GDP (millions \$US)			
	GDP/per capita (units of \$ US)			
	Annual Growth (2001)			
	Life Expectancy			
	Literacy (%)	Men		
		Women		
Access Internet/1000 ctzn)				
Decentralization	Communalized Population		100%	
	Average Communal area			
	Urban Population			
	Number and Tiers of local governments	Regions		x
		Depart.		x
Local govt.			17	

I- The decentralisation policy

Evaluation:

The local governance system is yet to be fully established as the expected new legislation will derived from the new constitution. However, the territorial administration is organised consistently with the decentralisation policy with LGs already set up.

Indicators:

- 1.1 Establishment of the LG system : ↓↓
- 1.2 Consistency of the legal framework: ⇒
- 1.3 Consistency of administrative arrangements: ↑↑

The establishment of the local governance system

The process of decentralisation is still in its infancy and not much progress had been made. The main achievements so far have been of the setting up of the Decentralisation Secretariat (DS) and the recruitment LGs' staffs. The development of the implementation plan still has to be endorsed by cabinet. However, in 2006, the DS started the process of sensitisation of stakeholders. The slow pace of implementation has been attributed to the movement of the DS back and forth and

the lack of capacity in the secretariat. Decentralisation is envisaged to be implemented countrywide over a period on 10 years, in three phases. Although the government has opted to use a section within its set up there are discussions now around changing to a programmatic approach where the DS will be run like a programme. The argument being that then, it will attract more funding and will result in improvement in the capacity of the DS.

The legal framework for decentralisation

Since the adoption of the decentralisation policy, very little progress has been made as far as legal reform is concerned.

The current status is that there is a provision for decentralisation in the draft constitution. However, the following legislation is treated as Basic Law governing decentralization and local government in Zambia:

- The Constitution as amended in 1996,

- The Provincial and District Boundaries Act which empowers the President to subdivide Zambia into Provinces and Districts for administrative convenience;
- The Local Government Act of 1991 which empowers the Minister of Local Government and Housing to establish and monitor performance of a Council in each District created by the President, and

- The Village Registration and Development Act of 1971 which provides for the registration of

villages and for the establishment of Ward Development Committee in each Ward of any rural District.

The Administrative Organisation

The local government structure is single tier and councils are only differentiated by their rural or urban nature. More over, under the Local Government Act (LGA), responsibilities of all the categories of councils are the same.

Currently, Zambia has a total of 72 LAs. There are 4 city councils, Kitwe, Ndola, Livingstone and Lusaka. These have an average population of 511,000 with Livingstone being the smallest at 158,149 and Lusaka the largest at 1,103,413. There are 14 municipal councils in Zambia which have an average population of 168,640 with Kalulushi being the smallest at 72,765 and Chipata the largest at 362,132. There are 54 district councils in the

country which have an average population of 112,199. Petauke is the largest district council with a population of 242,533 while Luangwa is the smallest with a population of 21,990.

Although there are only 18 urban councils they hold almost half the total population of the country an indication of the high level of urbanisation in Zambia which currently stands at 43%. The copperbelt province has by far the highest number of urban councils as it is the most urbanised province in the country with its urbanisation standing at 80%. It also has the largest population of all the provinces followed by Lusaka province.

Table 1: Administrative and territorial organization

Territorial Division		Local Govt.	Constituency	Delib. Organ	Executive Organ	Decent Organ/Super-Vision
Name.	No					
Province	9	No	Yes			
City council	4	Yes	No			
Municipal Council	14	Yes	No			
District Council	54	Yes	No			

Source: commonwealth local government forum (clg) source book (2004)

II- The implementation strategy

Evaluation:

The implementation of the decentralisation policy is considered slow given the agenda. There is no significant transfer of competencies as line ministries maintain hierarchical control over their services within the territory of LGs. MoLG is in charge of technical preparation of the policy for implementation.

Indicators:

- 2.1 Implementation planning: ⇒
- 2.2 Transfer of competencies and sector-based policies: ⇓
- 2.3 Structuring of decentralization and spatial planning: ⇓
- 2.4 Technical support and M&E of the process: ⇒

The decentralisation implementation planning

The origins of the current decentralisation policy can be traced back to 1993 when the republican President launched the Public Sector Reform Programme (PSRP) whose primary objective was 'to improve the quality, delivery, efficiency and effectiveness of the public. The programme had three components: (i): Restructuring of the line ministries; (ii) Management and human resource

improvement, and (iii): The overall strategy was to position the public sector so that it facilitates private sector-led growth. This was in keeping with the new government's policy of moving the country from being public sector led to market orientated.

The policy formulation process of the current decentralisation reform started in 1995. Extensive consultations with

different stakeholders were made between 1995 and 1998. In 1998 when the draft document went to Cabinet it stalled. However, the government did implement some aspects of the policy such as the reintroduction of the office of the District Administrator (DA, now District Chief) in 2000. The introduction of this position was meant to deal with the problem of coordinating of the functions of the local authority with those of the deconcentrated Central government functions. Although this was supposed to be a civil service position the appointments were made by the republican President and the DAs reported to him (Civil service appointments are done through the civil service commission). It had become clear by then that the government was no longer interested in the decentralisation agenda as the DAs were used by the ruling party in political mobilisation during the elections.

Decentralisation went back to the top of the agenda in December 2002 when the government adopted the new decentralization policy officially launched in August 2004. The cabinet office set up the Decentralisation Policy Implementation Committee (DPIC) chaired at the Deputy Secretary to the Cabinet level. It draws its

Transfer of competencies and sector based policies

The process of transfer of competencies to LGs has not started. The DS conducted a workshop for the Ministry of Education (MoE) on sector devolution at the end of June 2006. This is the first of a series of workshops for LMs whose functions will be devolved. MoE was chosen the first one because it has a very elaborate deconcentrated system and has a decentralised funding system where money is sent straight to the district education boards (DEBs). Other line ministries (LMs) have decentralised their service provision such as Health and Agriculture. These have created

Decentralisation and spatial planning

There is no definitive policy that exists in Zambia with regard to physical and socio-economic planning. The urban councils have been designated planning authorities while the rural councils have not. The

membership from the Permanent secretaries whose ministries were deemed to be affected by the decentralisation. After that the Decentralisation secretariat (DS) was set up in August 2003 under Cabinet office. However, in January 2005 the DS was moved to the MoLGH. In 2006, the DS finalised the draft Decentralisation Implementation Plan (DIP). This is supposed to be the definitive statement on the process of implementation. One of the main criticisms levelled against the DIP is that it was not produced in a consultative way, although consultations were later done with different stakeholders. After the preparatory phase (2002-2005) two phases of the implementation process are still pending on the agenda:

- 2006 – 2010: Finalisation of the DIP and beginning of its implementation which will include a mid term review,
- 2010 - 2012 – Consolidation Phase

The government has set aside K25bn in 2006 years budget to clear the LGs debt which is one of the pre requisites to decentralisation. Furthermore, the government has also provided about K2bn in the budget for decentralisation related activities and funding for the DS.

management boards which have spending powers and have authority over the local activities. There is need for harmonisation of these functions with those of the LA. After the PRSP which ended in 2004 and the Interim NDP which ended in December 2005, the FNDP will be the main government instrument for poverty reduction and the domestication of the Millennium Development Goals (MDGs)' (MoFNP, 2005). It is not clear though at this stage how much harmonisation in planning has gone on between LM and LAs in the development of the FNDP in view of decentralisation.

planning function in this case is performed by the provincial planning officers. Most districts have physical plans which were developed a long time ago and have not been revised. Spatial planning is regulated

through LAs via the Town and Country Planning Act as revised in 1995. According to the transitional national development plan (TNDP) only 10 of the 72 LAs have had a structure plans prepared. However, these are largely unused because they are prepared by foreign consultants with little or no involvement of LAs and communities thus depriving them from local ownership. Lack of resources is another reason why these plans are not implemented

However, when the Zambia Social Investment Fund (ZAMSIF) started, it made the existence of the planning office or department a pre-condition for LAs to access project money. Most LAs have now set up these offices. The government also established District Development

Coordinating Committees (DDCCs) in each district whose main function is to coordinate developmental activities in the district. Each DDCC produces an annual District Situational Analysis (DSA) which is statement of the status of the district and covers all development related aspects of a physical, social and economic nature. The DDCC also produces development plans for onward transmission to the Provincial Development Coordinating Committee (PDCC) who consolidates them and forwards them to the national steering committee which works as the National development Coordinating Committee (NDCC). This is the interface between decentralisation and planning in Zambia.

III-The local government structures and management

Evaluation:

The legislative and the executive are in place and functioning in line with the laws and regulations. However, the technical staffs are facing qualification challenges to fit with their responsibilities. The control of MoLG and line ministries over LGs activities is far more than supervision and coordination. It interferes negatively with the LGs' autonomy.

Indicators:

3.1 Functioning of the political organs: ⇒

3.2 Quality of the technical organs: ↓↓

3.3 The level of the State control: ↓↓

The political organs

The Council is the deliberative organ of LGs. Establishment of councils is stipulated by the LG Act which also stipulates the composition of the council as follows:

- Members of Parliament in the district;
- Two representatives of the chiefs, appointed by all Chiefs in the district, and
- All the elected councillors in the district.

The Councillors thereafter elect the Mayor or Council Chairperson among themselves. Councils hold meetings at least once every quarter and these meetings are chaired by the Mayor or in his absence by the Deputy-Mayor. The Town clerk or Council secretary keeps a record of the meetings. The LG Act also provides for holding of special meetings which can be held after the Mayor or

Chairman receives a written request signed by at least one third of the number of councillors in the council. Generally the procedures for convening council meetings are respected. However, in many cases the main problem is one of councillors feeling that they are given too much information and very little time to digest it making it difficult for them to make meaningful contributions during debates. This problem is as a result of the fact that the LG Act states that a 24 hour notice is all that is required to call a meeting. In some councils, councillors and the officers do agree to extend the period of notice. However, the period of notice is only one part of the problem, capacity to digest and understand the issues by many councillors is another and a more serious problem. Although MPs are members of the council, Most of them feel council meetings are

below them and hence do not see the need to attend.

In conducting their affairs, councils are allowed by the LG Act to set up standing or occasional committees to which council can delegate some of its functions. The LG Act however, does not stipulate the number and types of standing committees that can be established apart from the Finance Committee. Membership to all standing committees except the Finance committee is open to non-councillors. Whereas full council meetings can be open to the public (as the council may determine) the committee meetings are not. In general, meetings are held according to the stipulation of the act and the timetable for ordinary meeting is usually agreed and publicised to the councillors and officers at the beginning of the civic year. Although, the act allows for public attendance of the council meetings very few members of the public do so. Councils adopt resolutions in various matters of local interests. However, some resolutions are not implemented because

The technical organs

The LG Act empowers the council to appoint employees for the purpose of assisting the council in the discharge of its mandate. Thus councils have the authority to hire and fire staff. The Town Clerk is the principal officer and all the directors heading the directorates report to him or her. However, the chief officers provide

Structures and functioning of the municipal services

Due to lack of sectoral decentralization, the district which is currently the main level at which service is delivered, has a dual administration i.e. the field administration of Central government (CG) (represented by departments of line ministries such as Education, Health Agriculture, Works and supply etc) and the Council headed by a Mayor and its secretariat headed by either a Town Clerk or Council Chairman. The two systems have separate reporting lines:

Control of Local government by the central government

The LG Act gives the Central Government supervisory powers over LGs and the LAs report to the MoLGH which is the parent ministry through the Permanent Secretary

of lack of political will by the elected officials. In order to enhance the councillors' performance of their role many LAs conduct orientation workshops at the beginning of the term of office of all councillors. Although this is a useful exercise, it is not enough since it is a short programme of a few days duration. Yet what is needed is sustained education of the councillors throughout the tenure of their office. Moreover, in an attempt to deal with the issue of low level qualification of local councillors, the draft constitution stipulates that one of the qualifications required to stand for position of councillor is that an aspiring candidate should have a minimum of grade nine certificate. This is however unlikely to solve the problem and what is required is a more rigorous training of councillors and a deliberate attempt to attract high calibre individuals to contest the elections. If the image of LG improves high calibre individuals are likely to be attracted.

advice to the council standing committees. Although the standing orders clearly indicate that councillors are the 'board of directors' who should not be found on the 'shop floor' this frequently happens and it creates friction amongst between the councillors and officers.

The field administration staff report to their ministries through the provincial administration headed by the Provincial Permanent Secretary while the LAs report directly to their parent Ministry, i.e. Local Government and Housing (MoLGH). The Provincial Local Government Officer (PLGO) has some very limited powers based on what the Minister delegates to him or her. In reality the PLGO is bypassed and is only consulted very rarely.

or the Minister. The system gives the MoLGH very wide ranging powers such as:

- Suspension or/ or dissolution of a council and appoint a Local Government Administrator in its place if the council refuses, fails or is unable to adequately discharge all or any of its functions. Since 1995 a number of councils have been suspended e.g. Ndola, Lusaka, Siavonga, Namwala and Kabwe Councils. Although, one might expect that CG will use these powers sparingly, they have been too frequently used. In the cases of both Lusaka and Ndola, the Local Government Administrators run the councils for a long period seriously dis-enfranchising the residents of the two cities;
- Party control: because of the dominance of the ruling party in many councils the government through its party has been exercising control over the LAs.

The LG system in Zambia is such that election candidates (both Parliamentary and Local Government) are usually sponsored parties. The law states that if a councillor loses membership of the party that sponsored him or her then that seat will be declared vacant.

Overall control of CG over LG is quite effective but it is one that breeds fear rather than encouraging the councils to make the right decisions and respect the law and procedures. In many council meetings councillors are always aware that making decisions that go against the will of the CG would make them face the wrath of CG. This is however, set to change with the implementation of the new decentralisation policy as the relationship between the CG and LG will be one of partnership in development. CG's role will change to that of guidance of LG.

IV-The Human Resources

Evaluation:

LGs administrations suffer from severe shortage of qualified HR whilst Central government doesn't envisage transferring its personnel to LGs. The latter however assume fully their contracting power to deliver services.

Indicators:

- 4.1 *The qualifications of local agents: ↓*
- 4.2 *The transfer of the human resources: ↓*
- 4.3 *The LG contracting power: ↓*

The existence and qualification level of local agents

Staffs are recruited by each LA. The LA has entire power to hire, manage and fire. The LAs suffer from a severe shortage of qualified human resource and its employees also seriously lack motivation. There are no salutatory requirements to have particular posts within any of the

types of authority. The paid head of service is Town Clerk for City and Municipal council or council secretary for District. Typical staffing structure is Town clerk, departmental directors and deputies and then sectional heads and others.

The transfer of personnel

Provision for secondment whereby Central Government can transfer staff to LA exists, but is rarely implemented. there will be need to amend the Public Pensions Act and the Public Service Commission Act to facilitate the transfer of human resource from CG to LG. The initial resistance from the union representatives of the civil servants appears to have waned after a series of meeting with the DS. However, it

is highly likely that this will still be a very continuous issue when the process starts in earnest. This is not only because of the poor image of the LAs but also workers in Zambia have become very suspicious of being moved from one employer to another after a number of cases where workers have lost their benefits and pensions during the privatisation process. Most insist on being paid off before they

can move which will prove to be very expensive. In the short run though, the CG

The local government contracting power

Traditionally, LAs have tended to perform all the functions stipulated in the LG Act themselves. However, because of the serious problems they have faced especially since 1991 with regard to financial and human resources they have lately started looking up to the private sector.

Solid Waste Management (SWM) is the most common function that is contracted out. Lusaka and Kitwe City Councils have entered into contracts with the private sector to help in the collection of refuse. In 2000 Lusaka City Council also contracted a private firm to help collect its revenue and created a special unit within the LCC which was autonomous. The understanding was that this unit would do its job with little interference from politicians. Typical collection efficiency in Zambia for LA is around 20% which means that almost 80% of the money owed to LAs is not collected. In some cases this is even lower. For example a recent report on Luwingu District Council in Northern Province showed that the

could go for the options of seconding staff from the LM to LA.

council was only collecting 15% of the revenue. Some district councils have entered into contracts with the private sector in the collection of levies such as crop levies.

There have been problems in the administration of these contracts. Malama and Kazimbaya-Senkwe (2004) reviewed a new SWM model the city of Kitwe argued that lack of capacity in the KCC led to the failure of the new model of SWM developed in the City in which the role of the KCC was to change from that of active participant to facilitator and regulator. This was because even after launching the new model the KCC still continued collecting refuse from the premises of customers who were supposed to pay for the service to private sector service providers. Furthermore, the KCC did not have the capacity to effectively play the role of regulator and facilitator. The LAs suffer from a severe shortage of qualified human resource and its employees are also seriously demotivated.

V- The Local democracy

Evaluation:

The elections are regularly organised with due respect to transparency and competitiveness among various political parties. However, citizens are more and more staying aside from the process and do not participate effectively. Accountability and transparency of local authorities are in this regard a true challenge. Solidarity among Local Authorities is still to be developed.

Indicators:

- 5.1 Fairness of the electoral system: ↑↑
- 5.2 Level of citizen political participation: ↓↓
- 5.3 Sustainability of the municipal movement: ↓↓

The electoral system

The election of the local representatives or councillors is regulated by the Local Government Elections Act cap 282 of 1992. The Mayor or council chairperson is elected by councillors from amongst themselves. Because of the disadvantages of this system a new system of direct election of the Mayor (who will have executive powers) by citizens will be adopted when the decentralisation reforms are implemented. The term is 5

years. For one to stand for local government elections, usually one has to be sponsored by party. There are extremely few independents who win seats both at local and parliamentary level. This is largely because the people usually vote according to parties and rarely vote for individuals. Parties have their own way of preparing their lists. Some just hand pick candidates while others ask for applications and conduct interviews with

the candidates being selected according to some predetermined criteria. The process of the adoption of candidates by parties is not transparent and dominated by rent seeking. This is largely seen as internal affairs of the parties and parties are left to deal with the selection of candidates with no interference. For large parties like the MMD and United Party for National Development (UPND), in wards where they are popular getting on the party list is as good as winning the election so competition is very stiff.

Previously, the elections were held every three years but the law was amended in February 2004 and the period extended to five years. This was ostensibly to bring it in line with the tenure of office of MPs. The government argued that it was too expensive to hold separate local government elections. The Independent Electoral Commission of Zambia (ECZ) conducts these elections i.e. preparation of the voters roll and the conducting of elections and announcing of results. This is an autonomous body chaired by a Judge. However, its independence has been called into question on a number of cases especially where it has failed to act when the ruling party was seen to be breaking the electoral code of conduct e.g. by using Government resources. Recently the ECZ was seen to have been overruled by the republican president when he disagreed with them on the necessity of registering more voters for the 2006

The representativeness of the local authorities

The local government system in Zambia is very unpopular. Only 12% of those who were registered voted the last time local government elections were held separately in 1998. There is no system of proportional representation in place to deliberately target the women, the youth and other marginalised sections of society. However, the draft constitution has made a provision that 40% of the membership of councils should be voted through proportional representation. Currently, only 7.4% of the councillors are women.

The LG Act provides for the election of a councillor for each ward and he/she sits in the council to represent the ward. At present the WDCs are the only legally

elections. Although the commission had indicated that there was going to be more registration of voters they backed out after the President made comments to the contrary.

Elections are very competitive with the major parties fielding candidates in almost all the wards. There are a total of 1287 wards in Zambia. In urban areas it is even more competitive as more parties are able to field candidates. Because of the cost of conducting elections campaigns small parties prefer to contest seats in urban areas only. The process of voting is transparent and free although the fairness of the elections have been called into question. For example a report by the European Union observers to the last elections in 2001 cited the extensive use of government resources by the ruling party, monopoly in the use of the public media and the selective use of the public order Act to deny some opposition parties permits to hold campaign rallies, as making the elections unfair. Those who are aggrieved by the results have recourse to the courts and invariably they do. Court rulings are largely respected although those who are aggrieved can still appeal to higher courts. Election is by first past the post (this is for all elections and this has been hotly contested in the presidential elections especially after the last elections of 2001 produced a 'minority' president with 28% of the national vote).

recognised sub district structure so citizen participation in decision making is supposed to be done through them. Each councillor is supposed to form and chair a WDC in his ward. However, most of these especially in urban areas are not functional due to the fact that they are shunned by citizens since they were highly politicised during the one party era. Additionally, WDCs suffer from a serious shortage of resources which makes them very ineffective. As a result Resident Development Committees (RDCs) have taken over especially in urban areas. These are created through elections conducted by the LAs although they have no legal backing. Because they are

apolitical they are preferred by many NGOs and Cooperating Partners (CPs) who fund most of the developmental projects through RDCs. In many cases political tensions have developed between RDCs and Councillors who demand that they be made chair of the RDCs by virtue of their holding the elected position on the council. For example in Lusaka in 1991 the council passed a resolution that all RDCs would be chaired by councillors. This was because a number of RDCs were in charge of donor funded projects and the councillors felt sidelined. Crucially, though, they could not claim credit for most of the developmental work that was being carried

out. In some cases it was just simply a case of the councillors wanting to control resources as some RDCs managing community water projects had made some substantial amounts of money. The resolution however, could not be implemented as it was resisted by the RDCs. The Provincial Minister in Lusaka also announced that he had dissolved RDCs in four settlements (TOZ, 19th June 2000). He was however, reminded by the LCC that he had no powers to do so as they are were elected by the residents (and were registered under the Societies Act).

The local participation (relation between municipal organs and the civil society)

Generally, accountability of councillors to their electorate is minimal mainly because residents do not take an interest in the activities of the council since they are largely seen as irrelevant. Currently there is no uniform structure existing below the district through which the community can participate in decision making. Apart from the WDCs and RDCs there are also neighbourhood health committees created by the MoH. Furthermore, the existence of RDCs is largely driven by projects financed by NGOs and Donors and tends to be restricted to informal settlements which traditionally have not had services. Civil society organisations have a seat on the DDCC which is the main avenue they have of interacting with the LAs. In reality though, most civil society organisations prefer to work outside the influence of the LAs. The multiplicity of sub district structures has been a source of confusion and it is hoped that the implementation of the decentralisation policy will resolve this confusion.

This begs the questions of how effectively do citizens in LAs in Zambia participate in decision making and to what extent are their aspirations and needs taken care off

by LAs? These questions are best answered by a quote from the national symposium on Financing Local Government which observed that council decisions are generally founded on the councillors and chief officers extrapolation of community needs gap instead of a product of rational assessment of service demand and affordability. The symposium further observed that under the current decision making arrangements in the average council in Zambia the users of the service delivered are not positioned well enough to have their demands absorbed in the planning process. This was attributed to the fact that: (a) marginal participation of users in service planning, implementation and monitoring have made opportunities for them to express their preferences 'severely circumscribed' and (b) the low charges the councils ask for their services means that the users do not feel the importance to express their needs. The decentralisation policy points to lack of effective participation in decision making of the citizens as one of the reasons for introducing change to the current system of local governance.

The transparency and accountability system of local management

The minister is empowered by the Law to approve the budget of the councils. The budgets should be submitted for approval at least 60 days before the end of the financial year in December. However, this is rarely done as most councils do not

produce their budget before December. This is in part because the MoLGH which is supposed to issue guidelines for the budget around August or September does so very late. Additionally, most councils have a very demotivated workforce. The

Law also empowers the Minister to appoint auditors for LAs. The Act also empowers the minister to appoint auditors to carry out specific audits on councils at any time. The MoLGH has auditors at the province and in the department of Local government administration in the MLGH who are supposed to be in charge of independent financial scrutiny of LAs. However, these have rarely been used by the Ministry. Lately, though, they have been used as part of the general policy of government to fight corruption. For example the Minister ordered an audit to be done at the Solwezi District Council in 2006 and the auditors report showed that money had been misappropriated and misapplied by some chief officers who were subsequently suspended. Because of this and other such cases the minister has called for the Auditor general to take over the audit function of the MoLGH. However, this is also in line with the decentralisation policy. The LG Act further empowers the minister to surcharge any expenditure done contrary to the law on any person or persons responsible for incurring or authorising the expenditure. This is never done. Furthermore, the government has drawn up financial regulations that govern the conduct of financial matters in the LAs. The revised regulations were launched by the Minister in April 2006. Additionally, the audit reports to the MoLGH are also considered by the parliamentary select committee on Local Government and Chiefs Affairs which is empowered to summon any individual to appear before it. Lately, the work of this committee has come to the fore because the public and the press are now allowed to attend its meetings. Recently the council secretary of Mwense District Council was ordered to appear

before the committee to explain why he allowed councillors to dispose of government property without following the laid down procedures. He was heavily censured when he misled the committee that he had when records showed otherwise. The LAs have long been considered corrupted and it is not just in terms of finance but also in other areas like allocation of plots. For example the Local Government Association of Zambia (LGAZ) recently warned councillors to stop illegal allocation plots. The Ministry of Lands has been forced to take the drastic action of revoking the land allocation agency given to Lusaka, Mpika and Solwezi Councils citing major irregularities in the allocation of land. This is because by law the President holds the land on behalf of the people of Zambia. The Commissioner of Lands (based in the Ministry of Lands) has the power to allocate land on behalf of the president but has delegated this authority to LAs. The LGAZ has argued and rightly so that the action taken by the MoL is too drastic and will lead to retardation in development of these districts since 'planning for land use cannot be done in Lusaka'. It can further be argued that the action taken by the MoL is counter to decentralisation and is worrying since it is being done at a time when the government is about to embark on delegating much of its authority powers and functions to LAs.

Although, the law allows the public to go and inspect the books of the LA this does not happen because many LAs cannot even prepare their accounts and in any case citizens are not interested. Thus, there is neither financial accountability to the citizens and very little to the government

VI- The Local finances

Evaluation:

There is no significant intergovernmental financial transfer and the poor qualification of LGs staff leads to poor performance in mobilising the locally generated resources. Inter-governmental transfer is a bit effective. The LGs weight in the national economy is consequently insignificant.

Indicators:

- 6.1 Consistency of intergovernmental transfers: ↓↓
- 6.2 LG performances in locally generated resources: ↓↓
- 6.3 The economic and financial weigh of LG: ↓↓

Intergovernmental transfers

Under section 45 (3) of the LG Act is supposed to make specific grants to LAs for the following functions: Water and Sanitation ; Health Services ; Fire Services; Road Services; Police Services; Primary Education; Agricultural Services; There is no existing formula for sharing of resources between the CG and LAs. As indicated above this is now being developed by the MoFNP with the help of the World Bank. The inter-governmental fiscal transfers account for less than 3% of the total revenue of LAs. As indicated above, the CG in 1992 decided that all

The locally generated revenues

Section 47 of the LG Act gives authority to LAs to borrow and stipulates the modes of borrowing: 'A council may, borrow such sums of money as may be required for the purpose of discharging its functions in all or any of the following ways: (i) loan, (ii) issue of stock or bonds (iii), mortgage, (iv) temporary loan or overdraft from a bank or other source, (v) loan from any other source.

Using the strength of the LG Act the MoLGH has decided to start issuing municipal bonds as a way of raising money for LA's housing construction (TOZ, 15th June 2006). Housing was identified

The financial and economic weight of local governments

The total aggregate revenue for 2002 was ZMK131 Billion (US\$27m). The main sources of income for LAs based on aggregate figures are:

- Local Taxes: 59%;
- Fees and Charges: 18%
- Other receipts: 20%;
- National Support: 3%

City and Municipal council will be self-sustaining and stopped giving them subventions. However, the district councils rarely get subventions.

In terms of inter-governmental fiscal transfers, CG is working with the World Bank to set up a system of transferring funds from the MoFNP to LAs directly. The current ad hoc system of making these transfers from the MoFNP through the MoLGH to the LAs has not worked well as the MoLGH has tended to divert the funds to other uses. This new system started in 2007.

both in the president's speech during the opening of parliament and in the budget speech as one of the priority areas of government. It is difficult for LAs to borrow from commercial banks or other financial institutions because of the poor state of their financial affairs. A number of LA have accumulated huge debts and were threatened with warrants of distress. This forced CG to amend the LG Act to protect Council properties from Bailiffs.

The LAs however, are prohibited by the law to borrow from or receive grants from organisations or governments (section 48 the LG Act).

The total aggregate revenue for 2002 was ZMK131 Billion (US\$27m).

The expenditure pattern was as follows:

Personal emoluments: 53%

Provision of services: 10%

Other expenses: 47%

LG total expenditures contributed 0,7% to the GDP in 2002.

VII- Local development and poverty alleviation

Evaluation:

LGs have fully owned the necessity for development planning. The plans are rarely implemented especially with regard to basic services delivery and support to economic actors.

Indicators:

7.1 Local development planning capacity: ⇒

7.2 Level of service delivery to the population: ⇓

7.3 Support to the local economic actors: ⇓

The local development planning

To deal with the problem of coordination of district level development activities (a problem created by having a dual system of administration) the government through circular no 1 of 1995 introduced the District Development Coordinating Committee (DDCC) in each district. The role of the DDCC is 'to coordinate the implementation of district development programmes' (Cabinet circular no. 1 of 1995). One of its key functions is to

'provide a forum for dialogue and coordination on developmental issues between the LA, line departments, donors and NGOs in the district' (Cabinet circular no. 1 of 1995). Its membership consists of the LG officials in the district, NGO representative, Private sector representative, councillors and is chaired by the District Commissioner with the Directorate of Planning or planning office of the LA providing the secretariat.

Local Government supply of basic services to the population

Section 61 of the LG Act gives powers to LAs to discharge the functions set out in schedule II. These number about 63 and vary quite widely from beer brewing to collection of refuse. They are divided into nine broad categories: 'general administration, advertisement, agriculture, community development, public amenities, education, public health, public order and sanitation and drainage. These functions are largely discretionary and not mandatory

The local government system in Zambia has been going through a very challenging period. The fact that all councils are not providing any meaningful service is ample evidence of this. According to many observers, councils are only providing about 50 –60% of the services they are supposed to provide. All of them are behind in paying staff salaries. In some rural areas the councils have not paid salaries for over 18 months. The decline in service provision started in the mid 1970s but was accelerated considerably in the 1990s as a result of a series of government policies which deprived the councils of revenue and capacity to provide a meaningful service. Between 1994 and 1997 local government revenue declined in real terms by a staggering 20%. Some of the most notable ones negative interventions from government have been:

- The cessation of intergovernmental transfers in 1993;
- The sale of council housing in 1995 at significantly below market value;
- The revision of the rating Act in 1995 giving wholesale exclusion in rate paying to a lot of institutions (this was later reversed in 1999);

- The Personal levy Act of 1994 fixed very limited minimum and maximum amounts for personal levy, which is a local tax on all workers;
- The withdrawal of road licensing from the councils in 1996;
- The retirement of all staff who had clocked 22 years in local government not only robbed the councils of experienced staff but also forced them to look for money to pay the retirement packages which had not been budgeted for in 1992.

The last point is especially relevant to capacity building. A lot of highly qualified and experienced staffs were suddenly removed from the system without giving them chance to train people to talk over. This happened at a time when councils renowned for staff development had run out of resources to train staff. As a result, the system could not find replacement for those who were retired and had to settle for ill qualified staff with little experience. Thus, the government created a local government system with ill qualified staff who are also not ill remunerated. Observers report that lack of capacity to spend has resulted in decline in real expenditure of 36.3% between 1994 and 1997. Critically though, many councils are virtually bankrupt. A consequence of this is that there is generally very low morale and workers go on strike any time they feel like. LAs have devised various methods of delivering services in view of the harsh environment. Some of the LAs have teamed up with the private sector. For example NCC have asked the private sector to provide graders for maintenance of roads. In Ndola and Kitwe the councils have contracted a private company to

maintain its parks in return for erecting bill boards. As indicated above the implementation of decentralisation has not

The support to the local economic actors

Most of the LAs in Zambia still use the traditional approach of concentrating on Service delivery and do not provide any support to the Private sector to foster Local Economic Development (LED). The fact that there is no framework either legal or policy to facilitate LA support to private sector has also been a problem. Although there is a link between LED and decentralisation especially in a country where poverty reduction is a key government policy thrust, LED is not covered in the Decentralisation implementation plan (DIP).

However, owing to the harsh environment LAs in Zambia have found themselves in and due to the fact that some LAs have seen the benefits of collaborating with the private sector, a number of them have started working with the Private sector. Furthermore, the fact that the country has moved from being socialist to market orientation has made the role of LAs in attracting investment quite crucial. However, many of the LAs have not been able to make the switch from being purely service provision oriented to facilitation and promotion of investment into their localities.

In some LAs the local chamber of commerce has a seat on the DDCC. In Kitwe for example the council and the chamber of commerce have formed a city investment committee. In other cases the Zambia Investment Centre [this is the foremost government institution which promotes and facilitates investment in the country and is under the Ministry of Commerce Trade and Industry (MoCTI)] has been facilitating the formation of District Investment Fora.

However, these are ad hoc arrangements that are developing in different LAs and have no national framework to support them. This framework should be developed to facilitate the provision of support from the MoCTI, the Ministry of Land (MoL) and the soon to be created Zambia Development Agency (ZDA). Thus, it is imperative that as

really taken off yet so there are no effects on service provision to report yet.

Decentralisation is implemented LED is made an integral and important part of the DIP.

The establishment and management of markets are regulated by the Markets Act Chap 290 of 1937. The Markets act stipulates that 'every market established in the area of a local authority, shall be under the control and management of that local authority'. The act also covers markets established outside LA jurisdiction whose control and management it places under the provincial local government officer. The law further gives authority to councils, with the approval of the minister, to establish markets, collect fees and rents in respect of its use and to demolish and close any market. Thus the law not only gives power to the LAs for setting up markets but it also gives them power to demolish and close them.

Although powers to manage the markets are vested in the LAs this is not happening in most markets due to the fact that markets have been political hotbeds and have been taken over by a myriad of organisations both political and non political i.e. market committees and associations for example the Zambia National Marketeers Association (ZANAMA). These committees and associations also collect membership dues. LAs collect market levy from marketeers but there are two main problems with this levy: (i) Because of the weak control mechanisms most of the levy does not reach the council coffers. There is rampant embezzlement of the market levies by the councils officers. (ii) Although the levies are quite minimal in most cases the marketeers resist to levy increases could be due to: (a) lack of service provision at markets; (b) too many 'factions' collecting money from the same people. A study done as Kitwe's Chisokone Market (one of the largest illegal markets in Zambia) shows that the value of good traded there in a month about ZMK14.3bn and yet the KCC collects a mere K5million. Markets have a

special significance to politicians and as a result they usually receive special treatment. For example, in 1993 the former President gave a 'loan' of K50 million to the marketers at Chisokone in Kitwe when their stalls were destroyed by fire, despite the fact that Chisokone (was and still is) an illegal market. More recently still, when the KCC decided to increase the market levies the marketers resisted which resulted in the arrest of some of their leaders by the Police. A government Minister came to their 'rescue' and all the charges were dropped. Furthermore, the actions of the former president such as the creation of a Vendors' desk at State House and the fact that marketers had easy access to the republican President made them even more powerful and the local authorities much less so.

The government has however, in recent years attempted to redress the situation by

banning some of the associations and making it clear that only LAs have the legal mandate to markets. The market act is also being revised to make it more current. However, much still needs to be done although there appears to be much less political activity in markets than before. The Cha Cha Cha market advisory and monitoring committee in Lusaka recently asked the Mayor and the Zambia Police to prosecute people who were illegally collection levies at the market (TOZ, 26th June 2006).

LAs at the moment are given powers by the Licencing Act to provide trading license to all businesses operating in their locality. These trading licenses have to be renewed annually. In general most traders get their annual licence and those who do not are penalised by being closed down by the LAs.