

**QUARTERLY TASK ORDER
PROGRESS AND COST REPORT**

APRIL - JUNE 2005

**LOCAL GOVERNANCE SUPPORT
PROGRAM IN ZIMBABWE**

Prepared for



USAID
FROM THE AMERICAN PEOPLE

Prepared by

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Local Governance Support Program in Zimbabwe
United States Agency for International Development
Contract No. LAG-I-00-99-00036-00, Task Order No. 805



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QUARTERLY TASK ORDER PROGRESS AND COST REPORT

APRIL TO JUNE 2005

LONG-TERM LOCAL GOVERNANCE PROGRAM: FOLLOW-ON TO THE PILOT PROGRAM ON LOCAL GOVERNANCE IN ZIMBABWE

Task Order No.:	LAG-I-00-99-00036-00, TO No. 805
Date of Issuance:	June 5, 2001
Amount Obligated Under Task Order:	\$ 2,908,171
Total Potential Task Order Amount:	\$ 2,908,171
Dollars Expended To-date:	\$ 2,808,531

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Task Order Description

This Task Order supports a program to assist local authorities and civil society in Zimbabwe to implement mechanisms for improving local governance. The program will provide small grants to local civil society organizations (CSOs) and technical assistance (TA) to local authorities (LAs) in more accountable financial management practices. It will train local authorities and CSOs in participatory local governance, and develop Turnaround action plans (TAPs) for local government operations, particularly to improve own-source revenue generation and restructure council debt.

I. HIGHLIGHTS

The highlights of the second quarter of 2005 included the following:

- In an effort to create sustainable information flows and enhance LA/Stakeholder interaction the LGSP Program focused on building local capacity for information dissemination during the second quarter of 2005. City Publicity Associations, identified in the last quarter as the most suitable vehicle to build this capacity, were contacted during the quarter and urged to submit project proposals for the production of periodical city newsletters focusing on municipal affairs. Seven such exploratory meetings were held with the following: Victoria Falls Municipality, Cities of Bulawayo, Gweru, Kwekwe, and Mutare, and the Municipalities of Chinhoyi and Bindura. Formal project proposals and CSO grant applications had been received from five of the Publicity Associations by the close of the quarter.



- CSO sub-grants awardees in Chipinge, Mutoko Gwanda, Masvingo and Kariba continued implementing approved activities and drawing on the grant funds in line with sub-grant agreements.
- Three LGSP local authorities, namely the Municipality of Gwanda, Municipality of Victoria Falls and Municipality of Bindura, held participatory Turnaround Strategic Planning workshops during the quarter. Turnaround Planning is a pre-requisite for accessing concessionary loan funding provided by the Central Bank through the Parastatals and Local Authorities Reconstruction Program (PLARP).
- The Technical Assistance Team focusing on the Promun Financial Management Package completed its task in the Municipalities of Chinhoyi, Kariba, Chitungwiza, Bindura and Victoria Falls as well as in the City of Mutare. This was a difficult task to execute and the team deserves commendation for the hard work and long hours it undertook to complete the work. In a few of the local authorities, however, the system could not be fully executed because of the need to bring in the software support firm, Burco, to make adjustments to the computer program. The team would also have wished to make follow up review visits to all nine sites who benefited from the technical assistance, but will not be able to do so due to budget constraints and the imminent completion of the UI contract on July 15, 2005.
- LA/Stakeholders Workshops were facilitated by UI staff to review the 2005 budget performance for the Chipinge Rural District Council. While the review was being completed in line with previously agreed-upon procedures between the council and stakeholders (i.e. to review quarterly budget performance), the council clearly wanted to take the opportunity to address problems they were encountering in collecting council charges based on the new budget. The workshop also provided a forum to discuss the need to reduce/develop agreed-upon processes into a social contract, the ultimate step in the Turnaround Action Planning (TAP) process. It was agreed that this step would be taken in the near future.
- A similar quarterly budget review workshop was held with Kariba Municipality during the quarter.
- The City of Bulawayo held a workshop facilitated by UI and attended by a wide cross-section of stakeholders to craft a Citizens Charter. The process was successfully completed with the participants agreeing to establish an inter-departmental team to sift through the data generated at the workshop and produce the first draft Charter for further consideration by stakeholders.
- During this quarter the LGSP Team also had the pleasure of having Mr Bruce Purdy, a highly experienced consultant with a long history of working on similar programs for UI, come from the United States to briefly work with us on several administrative and organizational issues. During his TDY, Mr. Purdy assisted the LGSP Team develop a time table of field and close-out activities for the remaining program period and assisted the Team with presenting this information to and obtaining agreement from USAID. Mr. Purdy also facilitated a working session for all UI consultants to reflect on program experiences and lessons learned for incorporation into the Final Program Report.
- UI accompanied USAID to each of the participating local authorities to discuss completion of the UI contract on July 15, 2005. The meetings were a follow-up to a letter on the same topic written by the USAID Mission Director and were designed to make LAs and local CSOs aware of the status of the

program. All the local authorities expressed disappointment that the contract was coming to an end before they had fully deepened their respective activities.

II. PROGRESS OF MAJOR ACTIVITIES

The period immediately following general Parliamentary Elections, which took place on 31 March 2005, was tense but remained peaceful. The main opposition political party, which lost the election, was disputing the results and it had been assumed that there could be some of unrest arising from the dispute. However, after a short period of unease the opposition party appeared to have decided to resort to challenging the results in the courts rather than engage in street demonstrations. The macro-economic front continued on a downward trend throughout the quarter. Fuel shortages resurfaced resulting in long queues at fuel stations. Basic commodities disappeared from supermarket shelves and prices generally soared. The periodic quarterly monetary policy review statement by the Reserve Bank Governor was made and but brought about little or no meaningful relief being offered.

Soon after the monetary policy review statement, the government embarked on a massive "clean-up" exercise code-named "Operation Murambatsvina/Restore Order". The operation, involving the police, saw the demolition of informal trading stalls, backyard shacks and other informal settlements especially in the urban centers. The Operation destroyed the homes and livelihoods of 700,000 people and indirectly affected an additional 2.4 million people, according to a report by the UN envoy who undertook a critical review of the operation. Local authorities, who are normally the custodians of by-laws, do not appear to have been involved in the initial stages of the operation but were drafted in as the operation progressed. "Operation Restore Order" was retrogressive in as far as it did not involve participatory decision making at the local government level. As a result, some of the shelters for residential and informal trading purposes were destroyed even in our LGSP local authorities, although some formal agreement existed between the local authority and local users.

In spite of all this demand for Program support from participating local authorities remained high throughout the quarter. More requests for inclusion in the program were received from local authorities and these were regrettably turned down.

The three main areas of focus mentioned in the last quarter continued to dominate in this quarter as well:

- Strategic and/or Turnaround Plans.
- Promun Technical Support and
- CSO Sub-grants.

The Ministries of Local Government, Public Works and Urban Development and of Finance, participating local authorities, local CSOs and the Urban Councils Association were advised, through a letter from USAID dated June 1, 2005, of the imminent ending of the UI contract, as planned. An inventory disposition plan has been developed and forwarded to USAID for approval. Any documents that UI is expected to leave behind will be delivered to USAID/Zimbabwe, which will distribute these in accordance with their regulations.

The following is a more detailed analysis of progress made in relation to LGSP major areas of focus in this quarter:

Improved Communication / Information Flows Between LAs and Their Stakeholders

- Meetings were held with the local authorities of Bulawayo, Gweru, Kwekwe, Mutare, Chinhoyi, Bindura and Victoria Falls together with their respective Publicity Associations to work out plans for sustainable publication of regular local newsletters covering municipal affairs. By the end of the quarter five substantive project proposals had been received from some of the Publicity Associations. However, it was deemed not feasible for UI to award and monitor sub-grants activities for these projects in the time remaining before program close-out. It will be proposed that the applications together with sufficient funds to cover the proposed grants be forwarded to USAID for possible processing.
- Turnaround Planning workshops held for Municipalities of Gwanda, Bindura and Victoria Falls during the quarter provided an opportunity for the respective councils to share critical information on their operation with stakeholders.
- Chipinge Rural District Council and Kariba Municipality held quarterly budget review sessions with stakeholders where operational information was shared and feedback was given on the current year's budget performance.
- The Masvingo/Great Zimbabwe Publicity Association and the Resource Centre in Kariba are receiving CSO grants with the objective of improving communication and participation in Masvingo and Kariba respectively. The two CSOs have been playing key roles in disseminating information on the operations of their respective LAs. MGPA has also launched a website and will soon be publishing a regular newsletter covering municipal issues.
- The City of Bulawayo's Citizens Charter, when complete, will undoubtedly serve as an invaluable source of information for the residents on the type and level of services they can expect from their council. The workshop which was held to "brainstorm" on this topic was in itself a form of information dissemination.

Strengthening the Legislative Framework of Local Governance

This component of the Task Order was allocated low priority in the current work plan because of lack of support and enthusiasm on the part of the Ministry of Local Government. Events in this quarter whereby the central government appears to have usurped LA powers by leading the so-called "Operation Restore Order" vindicate this view. There are several other examples of government actions that suggest a further move towards centralization rather than decentralization. Legislative reforms proposed by progressive forces like the Urban Councils Association (UCAZ) and the Working Group on Municipal Finance have been frustrated by lack of commitment on the part of the Ministry of Local Government.

Local CSO Capacity Development

- A significant amount of time was spent on preparatory work for the proposed grants for local newsletters by Publicity Associations. As mentioned earlier, once the concept had been agreed upon between USAID and UI, meetings were organized with relevant interest groups in seven of the target local authorities. Preliminary project proposals were received from five Publicity Associations but grants were not awarded due to imminent contract close-out. UI's intention is to forward the proposals to USAID for their consideration.

Chipinge Urban Residents Association utilized all its sub-grant allocation by Q1 2005. This CSO remains a shining example of a local level community-based CSO that has been successfully supported by the program from a nascent background to an articulate advocate of community development. Chipinge Town Council has expressed satisfaction with the constructive way the CSO has been working together with the Council. UI is proud to have been party to building this relationship. We are confident it will last.

- The Chipinge District - Manicaland Development Association (MDA), the sub-grant recipient working in Chipinge RDC, has finally produced a detailed report of civic awareness activities they have undertaken after being awarded the grant. It would appear that after utilizing the initial grant installment MDA continued undertaking the approved civic awareness campaigns using its own resources. The financial report accompanying the above-mentioned report shows that they have spent more money on civic awareness activities than the total grant allocated to them.
- Mutoko Residents Association (MRA) failed to submit the necessary progress reports in order to access further grant funding. The failure seems to have been occasioned by capacity constraints on the part of the CSO leadership. As a result the unused funds have been re-allocated to other CSOs as shown in Attachment 2 to this report. See Attachment 2.
- Mutoko Informal Traders Association (MITA) submitted a progress report and activity plan, which qualified it to receive the second of four installments provided for in the grant agreement. The remaining grant funds have also been re-allocated. Refer to Attachment 2.
- The two sub-grantees in Kariba, namely Kariba Incorporated Residents and Ratepayers Association (KIARRA) and Kariba Resource Center (KRC) have performed very well during this quarter. Both fully and ably implemented agreed-upon activities in their respective sub-grant agreements and were fully paid all the grant funds allocated to them.
- The Masvingo/Great Zimbabwe Publicity Association (MGPA) has fully utilized all grant funds. In addition they have developed a website for the City of Masvingo and are nearly ready to produce periodic newsletters and bulletins aimed at enhancing LA/stakeholders information flows.
- On the other hand, the Masvingo United Residents and Ratepayers Association (MURRA) has not yet signed a sub-grant agreement. They have, however, held an election to choose a new executive committee, which is in conformity with pre-conditions submitted to them by UI/USAID. It is recommended that MURRA be one of the CSOs for USAID's future consideration.



- Finally, Gwanda Agenda have done an excellent job in forming residents' associations in Gwanda Municipality. They have also been holding public meetings to discuss developmental issues relating to Gwanda town. Gwanda Agenda had fully drawn down its grant funding by the end of the quarter.

A summary of the status of each CSO grant is attached as Attachment 2 below.

Local Authority Capacity Development

Quarter 2 activities with regard to local authority capacity development include:

- Technical Assistance on the Promun Financial Management Package in the City of Mutare and the Municipalities of Kariba, Chinhoyi, Chitungwiza, Victoria Falls and Bindura.
- Facilitating the drafting of Turnaround Plans for the Municipalities of Gwanda, Victoria Falls and Bindura.
- Facilitation of quarterly LA/Stakeholders budget reviews for Chipinge Rural District Council and Kariba Municipality.
- Facilitation of a workshop to draft the Citizens Charter for the City of Bulawayo.

Improved Participation of CSOs in LA decision-making processes: Turnaround Action Plans (TAPs)

Quarter 2 activities with regard to Restructuring or Turnaround Action Plans (TAPs) include joint policy planning and/or implementation activities by the councils and their stakeholders. Several LA capacity building activities listed in earlier sections also qualify as progress toward completing TAPs. These include:

- Participatory Turnaround Planning Workshops for the Municipalities of Gwanda, Victoria Falls and Bindura.
- LA/ Stakeholders budget review workshops for Chipinge Rural District Council and Kariba Municipality.
- Participatory drafting of the Citizens Charter for the City of Bulawayo.

Performance Management System Development

Participating LAs are continuously urged to incorporate performance monitoring mechanisms for each planning instrument they produce. The principal instruments used by all the LAs to date have been the



annual budget, the strategic plans and Turnaround Plans. The response on this topic has been reasonably positive, but there is a clear need for further training for both the LAs and civil society organizations on performance management at the operational level. This training is a long-term and significant investment beyond the terms of this program.

Other Activities

UI recently held a meeting with Mr. Stephen Chakaipa, Head of a newly-formed Department of Local Governance, at Midlands State University (MSU) to explore the possibility of the department becoming the repository of suitable LGSP materials for future access by students, researchers, practitioners and other interested parties. Mr Chakaipa informed UI that his department, which started operations this year, offers studies leading to a Bachelor of Science honours degree in Local Governance Studies. The broad aims of the program are to:

- Develop and equip students with the requisite skills to effectively and efficiently discharge their duties in the field of Local Governance.
- Inculcate in students the need for a sustainable Local Governance system that underpins local and national development.
- Provide a platform for research into Local Governance issues and provide home-grown solutions to challenges encountered.

As a new department, and the only one of its kind in the country, it is not well endowed with current study materials. Mr Chakaipa was therefore very receptive to the idea of having the department become the repository for the LGSP materials. As the UI contract ends, UI proposes that **USAID consider** providing suitably packaged materials documenting activities, experiences and lessons learned by the program to the Department of Local Governance of the MSU.

Program Administration

During the quarter, USAID/Zimbabwe's Mission Director wrote letters advising Ministry of Local Government, Ministry of Finance, UCAZ, participating local authorities and local CSOs advising them that the UI contract was ending on July 15, 2005, as planned. This was followed-up by field visits to each LA by teams comprising USAID and UI staff to explain the implications.

As the news of the contract end date spread around participating local authorities appeared to rush in some requests for UI support for some of their projects, with the intention to beat the deadline. Regrettably, many of the requests had to be turned down.

Regarding other areas of program administration, numerous program budget adjustments and alignments were proposed and approved, an inventory disposition plan was drafted and submitted to USAID for approval. An outline of the Final Report contents was agreed with the CTO and logistical aspects of contract close-out were discussed and procedures agreed.



III. DELIVERABLES AND REPORTS

Project deliverables during the quarter were the following trip reports:

- Report/s on a series of exploratory meetings held to establish whether City Publicity Associations could handle municipal newsletters for the cities of Bulawayo, Gweru, Kwekwe and Mutare and the Municipalities of Victoria Falls, Bindura, and Chinhoyi – April 15 to May 12
- Gwanda Municipality Turnaround Strategy Plan Workshop – April 25 and 26
- Victoria Falls Municipality Turnaround Strategic Plan Workshop – April 26- 29
- Bindura Municipality turnaround Strategic Plan Workshop – May 9-12
- Chipinge Rural District Council Quarterly Budget Review Workshop – May 17-20
- Victoria Falls Municipality Turnaround Strategic Plan Launch Meeting – June 8& 9
- Kariba Municipality Quarterly Budget Review Workshop – June 15- 17
- City of Bulawayo Citizens Charter – June 21 & 22

IV. PROBLEMS OR DELAYS AFFECTING THE TASK ORDER PERFORMANCE

The full-time staff understandably became more concerned about their future, as the end date drew close. Uncertainty about severance payments from UI at the end of the contract exacerbated the concern which seemed to affect commitment and enthusiasm. It should be noted, however, that the majority of the staff deserve to be commended for persevering and rendering strong technical support throughout the program..

V. WORK PLANNED FOR THE NEXT REPORTING PERIOD

This report covers the Task Order period up to fifteen days before the contract termination date. There are several programmatic and administrative issues scheduled for the remaining period, including:

- Writing the Final Program Reports and ensuring that deliverables are met.
- Packaging Program reports to make them user friendly.
- Terminating leases, service contracts, and paying service providers.
- Paying staff and obtaining release letters.
- Arranging the movement of inventory to a central point at USAID ready for distribution as per USAID approved disposition plan.

VI. SPECIFIC ACTION REQUESTED

None.