NURTURED FROM ABOVE AND GROWING FROM THE ROOTS: SOCIAL FUNDS AND DECENTRALIZATION IN ZAMBIA AND MALAWI

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ABSTRACT

This paper focuses on two specific social funds, those in Zambia and Malawi, to consider the possible contribution of social funds to decentralisation of government administration. Both social funds have a strong commitment to the community signified in direct disbursement to the community. Both social funds are hesitant regarding proposed mergers with comprehensive decentralisation programs. The Zambian social fund has already decentralised its procedures to a considerable degree and it is a role model in this respect, though it has a cautious commitment to further decentralisation depending upon the each district’s capacity. The Malawian social fund is not such a powerful catalyst for organisational change as it is confronted with much stronger residues of authoritarianism. However, like the Zambian fund, it is an effective and cheap mechanism for delivery of social infrastructure. We argue for grafting decentralisation on existing institutions –for example through social funds procedures- instead of embarking on comprehensive decentralisation programs.
1. INTRODUCTION

“Generalizing about the institutional impact of social funds projects is difficult because the projects vary widely in their country conditions, objectives and design, and nature and scale of activities, and because of changes in these factors over time.” Social Funds: assessing effectiveness. (World Bank, 2002 p. 31)

“Social funds are for government what Research and Development departments are for private corporations” (Representative of Zimbabwean Social Fund at WB workshop on social funds June 2002)

This article does not seek to provide generalizations about the effects social funds necessarily have, but shows the beneficial outcomes for decentralisation that can result from administrative procedures used in some social funds. Those outcomes are not automatically similar as will be shown in the comparison between the Zambian (MPU, renamed Zamsif in 2000) and the Malawian social fund. (MASAF). In one crucial respect, however, the two social funds operate in a similar environment: there is a policy to decentralise government administration in both countries. Within this policy there are strong pressures to integrate social funds in the new district administration where power is devolved to local political processes. According to this vision, social funds should be channelled through district development funds and distributed at the district within the framework of a district plan.

The social fund in Zambia is open to this policy, although in such a gradual manner as to verge on scepticism. It has designed a trajectory along which a district can move towards decentralisation. Unrestricted allocation of resources at district level from a district development fund is the fifth and highest stage to be attained by a small minority of districts in the near future. In Malawi there is open hesitation on the part of the social fund to disburse in such a manner to the district level.1

This scepticism on the part of social fund management is in sharp contrast with the strongly held convictions on the beneficial effects of merging social funds into decentralisation programmes held by some others. For example: “In the absence of a decentralisation framework, social funds are unlikely to reach their greatest potential, though ironically they can make an important contribution to jump-starting a broader decentralisation process” (Parker and Serrano, 2000: p.xii). A deeper criticism sees no particular benefits to social funds, questioning the advantages in service delivery of social funds over regular government departments. According to this view, direct support integrated in public sector reform –for example a decentralisation program- to the governments is more relevant and efficacious than working through social funds (Tendler, 2000).

These differing perspectives are one just aspect of widely different approaches to decentralising decision making. The nature of policy making differs considerably between decentralisation programs and social funds. Paradoxically, decentralisation programs tend to

1 ‘Regarding MASAF, the major reason for hesitancy at the moment is to do with capacity at district level for financial and program accountability at the district. You have heard about local governments that eat money intended for communities. It is not surprising therefore, that we agree on everything (with the decentralization programme), except channelling funds into the District Development Fund’. (Communication from Mr. M. Kajumi, MASAF19/10/2000) The opposite view for case for integration of MASAF into the decentralisation programme is found in Schroeder (2000).
be centrally conceived and designed. They aim at a comprehensive reform of the government administration and argue that certain preconditions must be fulfilled—the availability of human and fiscal resources especially—before it can be meaningfully implemented. Decentralisation policies have been on the agenda for decades. But implementation failure is pervasive, which is often blamed on political resistance (Hirschmann, 1999; 293-94; Olowu and Wunsch, 1995; Tordoff, 1994).

Whereas decentralisation programs start with designing organizations, the design of social funds arises mostly in practical action. Social funds have often originated as a response to a pressing need that has to be reacted to (World Bank, 2002). In the course of implementation adaptations are made and the structure evolves. The character of social funds is not primarily designed within the organisation, but through networking, with extensive consultation among social funds and frequent recourse to consultants. Decentralisation programs increasingly adopt such approaches, but policy making remains much more concentrated within decentralisation secretariats in the capital. Whereas decentralization programs want to legislate decentralised administrative practices into existence, decentralised administrative practices arise in social funds out of a continuous interaction with the realities faced in conducting operations.

In this contribution, we do not doubt the values that decentralisation programmes champion: speed of decision-making, better information on local circumstances, and space for the voices of the citizens or clients. However, we argue that the experience of these two particular social funds shows that decentralisation can be gradually built up by social funds through the administrative procedures they use. There is added working through social funds instead of through conventional government channels, even if the latter are committed to reform. Meaningful decentralisation does not need to wait for or be integrated in a comprehensive reform of the administration. Indeed there may be another way to decentralization: growing organically on administrative procedures instead of being legislated into existence. Parts 2 and 3 of the paper elaborate this argument for the case of Zambia and Malawi respectively and Part 4 concludes.

2. ZAMBIA: MPU/ZAMSIF AS A CAUTIOUS, BUT EFFECTIVE CATALYST FOR DECENTRALIZATION

2.1 MPU/Zamsif, democratization, civil society and public sector reform

The origins of MPU are in the latter days of the one-party era against the background of controversy about the effectiveness of structural adjustment. (Kydd, 1998; Wulf, 1998). In the years following independence, Zambia built up a social welfare system of free education and free healthcare. But with the economic decline, which began in the mid-70s, maintaining and operating this system was increasingly hampered by lack of funds. At the same time, economic livelihoods were becoming ever more difficult to sustain. The public sector was not a source of employment as it had been, and real wages were falling. The gradual abolition of price controls made goods more easily available, but at a higher price. The establishment of Micro Projects by the European Union, and subsequent addition of World Bank support, must be seen against this background, with the project explicitly seen as been a response to the social costs of adjustment and an attempt to increase the political acceptability of those policies.

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2 Zambia adopted an adjustment programme from 1985-87, which was very publicly abandoned by President Kaunda and marked by the revaluation of the kwacha (see White and Estrand, 1994).

3 The debate on the causes of the decline is beyond the scope of this paper. We note that the fall in the copper price and the inappropriate policy response to that fall (seeing it as temporary and so borrowing to smooth consumption), laid the basis of the problems that followed throughout the 1980s (see White and Estrand, 1994).
But by the year 2000 concerns about structural adjustment were not mentioned by people involved in MPU. Rather democratization –the reintroduction of multi-party politics and the subsequent change of government – was seen as being of prime importance. Grassroots activists in particular, saw sub-projects and MPU’s procedures as a product of a changed political culture. These feelings can be paraphrased as: “In the second republic (one-partyism), we expected government to do things for us. We were depending on handouts. Now we realize that we got to work ourselves to improve service provision”.4 It is such sentiments that lead us to see MPU as being clearly embedded in a process of political change.

As we detail elsewhere in this paper, MPU has been instrumental in fostering civil society at the grassroots. But relations with the national NGO community are less warm. Representatives of the NGO community were invited to sit on the steering committee of MPU but they quickly lost interest as the steering committee seemed merely to act as a rubberstamp, especially once social fund procedures became more decentralised so that subprojects are effectively approved at local level. Two other factors have contributed to the strained relationship. First, in the past decade NGOs have been primarily interested in microcredit, which MPU considers outside its competence. Most importantly, the NGO community believes that they would be a more effective channel for the resources that are put through MPU. Not only does MPU continue to be well-funded, but its procedure of direct disbursement to communities from the social fund denies NGOs a role as intermediaries.

Zambia’s NGO community is politically vocal, which may be another reason for the distance between NGOs and the social fund, since MPU is perceived as politically neutral. It is not associated with presidential initiatives, or with programmes of the ruling party. The non-political nature of the space created for community initiatives may well be a factor behind their success. Both communities and civil servants saw politics as potentially disruptive. For example, a director of a District Health Board appreciated the supportive role of an MP who only showed interest in a particular sub-project once it was underway and not before. Her support was thus not seen as meddling, or trying to claim responsibility for bringing the project to the people.5

Local authority elections have been held twice after the reintroduction of multi-partyism, though elected local authorities still have rudimentary tasks. Councillors had played no role in the sub-projects we visited.6 This finding is consistent with the Zambian consultations with the poor for the 2000 World Development report (PAG, 1999). Discussing trust of institutions: “two groups mentioned him [the councillor] but none of them ranked him, as they thought he was not even worth ranking” Some MPs were appreciated more positively, but there also: “the youth and the two men’s groups were not even willing to rank him as they were very displeased with him” (ibid.: 52).

ZAMSIF has been working through decentralized political structures on the district level. The proposed change is however critically different from before: elected councillors will allocate funds from the District Development Fund. The introduction of this change was seen as a risk by MPU staff. They are well aware of the changing environment and are concerned to avoid a confrontational situation. For example: “The politicians will be too proud to come to us. We will have to go to them to convince them of what we have got to give”.7 The hope was to be

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4 This is not an exact quote, but such sentiments were expressed by headmasters, teachers, village officials, SF staff and others met during fieldwork.
5 Interview Mrs. Y.Z. Haamboli, District Director of Health, Namwala.
6 Nor were they found to have played a role in the communities covered by the community surveys (Gupta Kapoor and White, 2002).
7 Mr. Cosmas Mambo, co-ordinator of MPU/WB, in a workshop on changing from MPU to Zamsif.
able to replicate the earlier experience with district civil servants, sensitizing politicians in a similar way to participatory procedures and the benefits that can flow from a social fund. More unpredictable are the effects at the level of communities, where politics is still associated with divisiveness.

Public sector reform has been on the Zambian policy agenda since the 1980s, but has had greater emphasis since democratization. This makes sense as reform is seen as necessary for both democratisation and decentralisation:

> “the old process, which was designed for centralized, bureaucratic, rule-driven government, will not be able to handle the demands placed upon the executive branch of government by the increasingly empowered civil society”  (Garnett *et al.*, 1997; p.78)

But public sector reform has stalled in Zambia. Civil servants fought retrenchment in the courts and won. By contrast, MPU realises in practice the values implied in civil service reform. It is a lean organisation that is in the first place enabling local initiative. It has however not been designed as part of civil service reform and nor is there any evidence of it being seen as a model for such reform.8

In summary, MPU has evolved in the environment of democratization and public sector reform. Although not designed as part of either policy, the organization has evolved in this context. Its non-political nature and perceived distance from party political programmes may be a major explanation for the success of MPU. The social fund is not part of the public sector reform programme, but embodies important policy goals of that programme.

### 2.2 MPU and decentralization

*Decentralization in Zambia: persistent stagnation.*

The structure of provincial and district administration is a long-standing issue in Zambia. Under the one-party system attempts to dominate the administration were common. For example, in 1968 the post of District Governor was established. He was head of UNIP at local level as well as of the government in the district. Integrated Local Government was promulgated in 1981. An elected council was placed in charge of the district, and a council of district heads of department established who are responsible to the elected body. The major tool of co-ordination was to be the budget and a development plan. UNIP’s attempts to exercise control through this structure largely failed. Line ministries remained independent and answered to the hierarchical chain of command back to Lusaka. Integrated budgets and plans were not formulated. The politicians were isolated. They might have prestige, but they did not have authority. (Chikulo, 1982;1985; Mukwenya 1992)

The return to a plural political system saw further changes. A Local Government Act promulgated in 1992 allowed for pluralism at the local level and local council elections have been held two times in the period 1991-2000. However, the local council has had little authority. Its activities have been restricted to managing some markets, advising on road maintenance and – which is often a core activity- running a bar and a guesthouse. An attempt has been made to bring the departments under central government and those under the council together. The secretary of the council is supposed to function as chief executive of the whole

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8 In the words of one civil servant: “MPU is a programme that is hard to criticize”. Nevertheless there was some jealousy towards MPU amongst other civil servants saying their offices could also perform so well if they were as well-resourced, including the higher salaries enjoyed by MPU employees. Striking in this comment is a stress on the amount of resources and not on the way resources are applied. The use of resources makes MPU however a potential model for civil service reform.
district. District Development Officers are placed in the councils who are expected to 
overview the whole of government activity in the district. The major co-ordinating organ is 
the District Development co-ordinating Committee (DDCC), which has as its core the 
departmental heads of the various departments. The District Administrators were added to this 
structure in September 1999. These are political appointments, made by the president. Their 
function is similar to the District Governor in earlier days: like these Governors, the DA has 
much status but little actual, formal authority.

Thus, despite changes on the surface, the situation throughout the late nineties remained 
remarkably similar to the situation in the one-party state. There is a centrally appointed 
politician with few clearly circumscribed powers. There are locally elected councillors who 
control a small organisation, which is marginal in government activity. The departmental 
heads meet in the district development and planning committee, but remain primarily 
responsible to their ministerial chain of command. It is a common opinion among donors that 
government resists a real transfer of power to the district (see Box 1). Thus government 
appears to be undermining the possibility of obtaining the beneficial effects of 
decentralisation. Yet, as we will argue in the next section, there is much more space for 
manoeuvre in Zambia’s administration to realise the values inherent in decentralisation than is 
often assumed.9

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9 A radical decentralisation policy paper was submitted to cabinet in 1999 but has not been acted upon. 
This is not regretted within, for example, the ministry of local government. There a much more gradual 
approach than the one advocated by the donors (and adopted in Malawi) is preferred. Interview Mr. S. 
Banda, permanent secretary and Mr. Matenga, principal economist, Ministry of Local Government and 
Housing.
Box 1: The disappointment with decentralization

A monitoring report of the GTZ financed District Development Project Southern Province (DDP-SP) considers that the assumptions to produce outputs were no longer met as: “GRZ commitment to decentralization is further deteriorating… No progress can be observed with regard to financial decentralization… In short DPP-SP is supporting a decentralization policy which is not consistently designed, co-ordinated and implemented by GRZ” (DDP-SP, 1999; 5).

Cisneros summarised the feeling in the donor community concisely: “There are two very clear opposite trends in Zambia towards decentralization. Whereas most of development and investment programs that are run by external donors, are trying to empower and strengthen the democratically elected District Councils, some line agencies and MPU do not believe the councils are ready to take responsibilities yet” (2000: 8).

According to Fay and Chaponda, the situation is even more disappointing: “most recent initiatives have weakened rather than strengthened local government. Most local government responsibilities are still under control of the central ministries or have been taken back given the poor performance of Councils” (1999: ii).

**MPU and decentralisation: from implementing agency to being a catalyst for changing organisational culture.**

Originally the MPU staff reported slow progress in implementation and frequent delays in disbursements. These implementation difficulties were considered technical in nature and solutions focused on the technical quality of building. For example: “Communities should appoint a building foreman/contractor; building designs and procurement procedures were standardised” (SRP, 1993; p.5-6). Over the years, there has been a shift from these technical considerations towards social factors and working with communities has become central in MPU’s discourse: “MPU needs to clearly define its objectives so that the relative importance of creation of infrastructure to community capacity building is clarified to all those involved” (SRP, 1995 p.19).

The social fund’s role shifted from judging or policing implementation to supporting implementation through education and training. The project-launch workshop in the community became the critical event in implementation. However all elements in the project cycle –also the policing ones like identifying and monitoring projects- become increasingly participatory events: “appraisal should be an exercise in community participation, community education and development” (SRP, 1995 p.19). The incentive structure for MPU staff shifted also from a mere concern with output: “the evaluation of the MPU’s approach to staff management is based on how consistently staff meet the expectations of the communities they serve and how well the service is delivered” (SRP, 1995 p.21). This shift led to results. Implementation improved already drastically in the following year. Sub-projects started to be completed faster than they were approved: 150 projects were completed and 118 approved (SRP, 1996 p.25).

Initially MPU was heavily centralised with all applications having to be sent to Lusaka. As an initial step toward decentralisation in 1992 the post of Regional Officer was established in each region, and these officers were later given an assistant. Communities were now able to apply in the provincial capital. The next step toward decentralisation consisted of overtures from MPU to the district administration to become involved. Initially these were not always successful: “one of our lessons from the first year and a half of implementation is that the
District Councils are not able to provide regular supervision for the majority of our projects” (SRP 1993; p6).

In the mid nineties the idea of co-ordination through large meetings of departmental representatives and politicians in a district was revived but without widespread success: “Despite the Cabinet Circular 1 of 1995, few districts have established effective DDCCs, which meet regularly. The DDCC’s have not been given clear authority to co-ordinate the sector programs which will report to their ministries” (SRP 1996; p.21). However, alongside disappointment there are exhortations to persevere: “At district level, district workshops should be held to explain MPU procedures and define roles. The relevant district staff should attend workshops”. (SRP 1995; p.21). A year later results from these efforts were visible: “all districts are now participating fully in District Desk Appraisal meetings. The DDCC’s are becoming more organised and the desk appraisal committee functions are now being taken over by the DDCC or its Planning sub committee” (SRP 1996; p.19). By the following year, MPU was beginning to recognise its catalytic role in decentralisation: “the MPU has contributed to the establishment and strengthening of the DDCCs but the progress is patchy… Most MPU offices are now located in Provincial Planning Unit offices and the RO’s always travel with a PPU member of staff”. (SRP, 1997; p.22).

A year later management of the sub-project cycle was fully in the hands of district staff in some districts.\(^\text{10}\) By the time of our fieldwork in 2000 we found as a rule district staff actively involved in management of MPU’s sub-project cycle, with the Regional Officer of the social fund in a back-stopping role. Staff from the district office are responsible for assisting communities in preparing applications and for conducting both desk and field appraisal of sub-projects, with the social fund officer participating in the latter as something of an observer.

MPU’s perception of itself has thus changed over time as its methods of operation have evolved. It has gone from assessing success in technical terms to measuring performance against social achievements in community mobilisation. Similarly it has gone from being an agency which works independently from other government departments to one working with or through government departments, especially at the local level. It grafted its procedures on the government system. It is thus striking that Fay and Chaponda (1999) wrote about the DDDC: "Most important, was the view that its lack of legal and financial powers makes the DDCC irrelevant. Indeed, the DDCC lacks funds to effectively implement and monitor projects taking place in the district” (1999: 29). Yet by providing resources for community-level activities MPU developed an effective institution, the District Appraisal Committee (DAC, a sub-committee of the DDCC). MPU changed from being an implementing agency to a catalyst for organisational change.

**Decentralisation and MPU: introducing decentralised procedures in a centralised administration**

MPU has considerably decentralised its operations, moving many of its operations to the district level. Originally all budgets had to pass through the steering committee of MPU in the capital, but from 1998 onwards project appraisals were approved on a no objection basis. That is partly a consequence of the growth in operations, as this makes detailed control much more difficult. In 1998 they dealt with 668 applications and launched 174 projects. Thus working through, rather than alongside, the district administration might be seen as something of a necessity. However, the social fund could also have pressed for an increase in staff as its workload increased. The opposite is the case; MPU is lightly staffed. At headquarters two engineers and an accountant form the major staffing component. Outside the capital, thirteen

\(^{10}\) “Some districts are able to conduct field appraisal without extra input from MPU” (SRP, 1999; p.3).
regional officers are posted at provincial headquarters who, with their assistants, have to cope with more than fifty districts.

However, some central controls were retained while decision-making in MPU/Zamsif was progressively decentralised. These were mostly in the form of established procedures. The project launch workshop became a major participatory event, but at the same time it was recommended that “an Implementation Manual should be developed and issued to all projects, which contains the contents of the project launch workshop” (SRP 1995: 19). Only one central check on costing remained, which is meant to be technical in nature and is done by specialists (engineers). A global look at the figures provides a check against possible collusion between suppliers and project committees.

Controls above the district level are hardly referred to, so that social fund procedures are correctly seen as decentralised. That does not mean an absence of controls at district level and below. Administrative procedures in MPU have many checks and balances built into them. Communities have first to apply to the District Advisory Committee (DAC) to become eligible for funding. There may then be already contact with the District Administration as they sensitise communities to the possibilities of MPU. Sometimes the District Administration helps communities to fill in the application forms. The first test is then a desk appraisal by this committee. If they pass this test, it is followed by a field appraisal. The major test in the field appraisal is whether the subproject commands widespread support in the community. That is effectively a first check on community leadership. The project committee should be seen to be democratically elected, and it must demonstrate the capacity to mobilise the community, notably the community contribution. If the result is positive, this is followed by a technical appraisal containing a building plan and a budget. It is at this stage that MPU’s own staff, the Regional Officers, starts to play a major role. The final check on costing is carried out on headquarters in Lusaka.

Next a technical supervisor or contractor is chosen. That is done at the district offices. The project committee meets with the building supervisor of the local authority and other technical specialists, for example the person responsible for school building and maintenance in the Ministry of Education. The project committee chooses, but the district officers have a right of veto. Once the contractor is chosen, he recruits skilled labour. These procedures guard against pressures to appoint local people irrespective of their qualifications.

Information about the project and its implementation is thereafter spread as widely as possible in the community during the project launch workshop. The first tranche of the grant is disbursed to the project committees, which receives training in project management. The project committee supervises the contractor. The building foreman in the local council does most monitoring of the implementation, assisted by the district departmental officer concerned, e.g. health, education etc. The regional officer of the social fund is also involved in the monitoring but on a less frequent and intense scale than the district staff. As the portfolio of social fund financed sub-projects grows the district officials can spend much of

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11 It is said that the latter cannot be decentralised without compromising the World Bank’s accounting requirements.
12 In some sub-projects we visited the project committee was made up of members of the PTA, although this is generally not permitted. The case studies in Kapoor and White (2002) give mixed findings on whether committees are elected or nominated.
13 The largest part of this is in kind usually in the form of bricks and building sand. Where district officers are involved they will not organise the field appraisal (which the social fund Regional Officer attends) until this requirement is met.
14 Interviews Mr. Maheriona, District Education Officer, Monze and Mr. Mwiya, Building officer, Ministry of Education, Choma.
15 We do not deal in this paper with the community-level participatory processes surrounding the sub-project. For a discussion of these see Gupta Kapoor and White (2002).
their time in supervising these projects: an education buildings officer in Namwala district estimated this work took half of his time. Asked if that did not interfere with his job he replied “this is my job. Before the social fund there was nothing to do and I sat and read the paper. Now with the social fund there are buildings and work for me to do.”

The procedures developed by MPU are thus an intricate pattern of checks and balances. At the sub-project level there are several authorities controlling each other. The contractor is supervised by the project committee as well as by the district officials. They both can refer to the regional officer of the social fund. The project committee may have representation from, but is not allowed to overlap completely, with another committee such as the PTA. People involved in the sub-projects see such controls, especially the close monitoring of the implementation, as a prime reason for their success. It is an example of management by exception: only if things go wrong are higher authorities called upon.

Comparing MPU with other programs promoting decentralisation: fewer pitfalls and more results

We have argued that MPU has created a channel through which de facto decentralisation is occurring, despite a de jure lack of progress on the policy front. This apparent success may deflect attention from alternatives that have higher returns, such as direct support to a wide-ranging decentralisation. Therefore we compare three programs of the last type with MPU.

The first example of donor support for decentralisation is situated in Zambia’s southern province where German development aid (GTZ) supports nascent local authorities. This project is primarily geared towards capacity building, in particular developing planning skills. Priority was given to data collection as the foundation for a Strategic District Development Plan. Techniques such as writing log-frames and Objective Oriented Participatory Planning Systems (OOPS) were developed. There was a component for small projects generated from local communities administered through the council.

A comparison of this project with MPU shows the following contrasts:

<table>
<thead>
<tr>
<th>GTZ</th>
<th>MPU</th>
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<tr>
<td>Priority to capacity at the district.</td>
<td>Priority to capacity in the community</td>
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<tr>
<td>Priority to the elected council.</td>
<td>Priority to village leadership.</td>
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<tr>
<td>Priority to planning</td>
<td>Priority to implementation</td>
</tr>
<tr>
<td>Technical planning skills</td>
<td>Intelligible and working procedures.</td>
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<tr>
<td>Tangible local output secondary</td>
<td>Tangible local output primary.</td>
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</tbody>
</table>

Secondly, the UN system has been a strong promoter of decentralisation in Zambia through the United Nation’s Capital Development Fund (UNCDF). It operates in the Eastern Province of Zambia. This programme also pays attention to capacity building in conjunction with the Dutch association of local authorities. The main UNCDF program has two elements: the creation of District Development Funds under control of local authorities and the creation of a new tier of government in between villages and district called Area Development Authorities to bridge the distance between council and local communities. The latter are grafted on traditional authorities like headman and chief.

The District Development Funds are not menu driven and expect to generate projects from below at the initiative of communities. However, local authorities have difficulties in producing project proposals. Those that emerge usually have as their goal the generation of

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16 We rely here, apart from on documentation, on an interview with Mr. Chalo Mwimba, planning officer stationed by GTZ at Choma district council.
17 Interview with Mr. Chilulufya, district planning and implementation advisor UNCDF/UNDP.
income for the local authority, such as a bar and a guesthouse. A comparison with MPU is as follows

<table>
<thead>
<tr>
<th>UNCDF</th>
<th>MPU</th>
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<tbody>
<tr>
<td>Local authority is focus</td>
<td>Local community is focus</td>
</tr>
<tr>
<td>Not menu driven</td>
<td>Menu driven</td>
</tr>
<tr>
<td>All purpose committees</td>
<td>Single purpose committees.</td>
</tr>
<tr>
<td>Main effort to reach district officers</td>
<td>Main effort to reach village</td>
</tr>
<tr>
<td>Lack of project proposals</td>
<td>Easy generation of project proposals</td>
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</tbody>
</table>

Thirdly there have been in Zambia major initiatives within sectoral ministries to decentralise. The first such initiative was started in 1991 by the Ministry of Health, which found its expression in the National Health Service Act of 1995. The district health system is the core of the health administration. The Ministry of Health has been redesigned in a set of contracting units called District Health Management Boards and Hospital Management Boards. The idea was to channel funds directly to these units through district basket funds in which donors would participate. Popular participation was introduced through Neighbourhood Health committees and Health Centre committees. These reorganisations seemed promising, but have been to limited effect. Authority and funds for personal emoluments and for drugs and supplies has never been devolved. “Although some ‘devolution of authority is being implemented, the overall “decentralised” authority to these Boards is yet to be given.” Most of the boards were after a short time dissolved for various reasons. (JIFMZ, 2001: 36). The main difference between past and present practices is that a more goal and results oriented approach has been introduced in the health service. The major reason for stagnation is that controls were not developed before power was handed over. The comparison with MPU shows:

<table>
<thead>
<tr>
<th>Decentralisation MOH</th>
<th>MPU</th>
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<tbody>
<tr>
<td>Aims to affect current and capital exp.</td>
<td>Only social infrastructure</td>
</tr>
<tr>
<td>Primary reform institutions</td>
<td>Primary reform procedures</td>
</tr>
<tr>
<td>Intention overrides implementation</td>
<td>Implementation is major concern</td>
</tr>
<tr>
<td>Failure because lack of controls</td>
<td>Effective controls lead to success</td>
</tr>
</tbody>
</table>

The innovations of MPU/Zamsif may be limited in scope, but they have resulted more in concrete administrative action, producing both more output (sub-projects) than the other schemes, and enabling district staff to engage in their day-to-day activities. MPU’s stress is on implementation and participatory procedures are grafted on these. Other initiatives start out more with objectives and ideals in mind and want first to create the conditions under which such objectives can be realised – but planning without resources can be an empty exercise which is at best fruitless and at worst demoralising.

3. MALAWI: MASAF, CAREFUL INNOVATION AMIDST A POLICY OF COMPREHENSIVE DECENTRALISATION

3.1 MASAF, Democratization, civil society and public sector reform

MASAF was established in July 1995, its design inspired by the Zambian example, and started operations the following year. It is a relative latecomer among social funds and did not grow out of concerns about structural adjustment. Rather, the story of MASAF is intertwined with political change in Malawi, with the social fund’s origins intimately connected to the change of government after the first multiparty elections in 1994. MASAF was seen as a part

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18 We rely here apart from on documentation on an interview with Mr. Rik Peperkoorn, sector specialist in the Royal Netherlands Embassy, Lusaka.
of the poverty alleviating strategy of the new United Democratic Front (UDF) government. Bakili Muluzi, the country’s president since 1994, has strongly identified himself with the social fund. Ministers and government officials regularly exhort communities to apply to MASAF. The UDF incorporated MASAF in their election campaign during the second election in 1999. Their manifesto was entitled Eradicating Poverty, with the logos of UDF and MASAF published side by side.\(^{19}\) In the manifesto, MASAF was depicted as a party achievement:

In contrast to MCP’s ‘top-down’ approach, the UDF government initiated the Malawi Social Action Fund (MASAF). MASAF is a rapid disbursement fund that is community led and partnership driven. It is a central pillar in the government’s poverty alleviation program. (UDF, 1999: 40)

However, the staff of MASAF dissociate themselves from party causes and see the institution as a neutral venue open to all political persuasions. At the social fund’s inception, MASAF intended to exclude projects initiated by politicians in order to be politically neutral. But they soon received projects instigated by opposition MPs from Northern Malawi. It may however be that politicians jumped on a bandwagon:

‘Communities in the North were quick to apply for MASAF funding from the onset despite politicians’ attempts to discourage them by saying MASAF was a UDF programme. It was not exactly the case that AFORD (Alliance for democracy, the main party in the North) MPs were supportive of MASAF from the word go. Northerners as a people, have themselves been very proactive in seeking assistance for development projects to the extent of ignoring the calls of their leading politicians to ignore MASAF for instance’. (M.W.J. Moyo. District Education Officer, Mzimba South).

The attitude of the opposition party mainly based in the centre of the country, MCP, towards MASAF was scathing at the start, labelling the social fund as the new thangata (a form of bonded labour in colonial times). However, this attitude has changed as the experience in the north has showed MCP members of parliament the possibilities of MASAF. In summary, although MASAF’s origins are rooted in political change and the ruling party takes credit for the agency, MASAF’s management tries not to be identified with the ruling party.

Despite the fact that MASAF is often branded as political, it is to the credit of the agency’s staff that it is judged pro- as well as anti- government. (MASAF and Hlatshwayo, 1999: 7). MASAF does succeed in keeping some distance from politics. MPs are allowed vaguely defined roles as facilitator and are not allowed to be on Community Project Committees (CPCs). Although MPs often wish to do so, they are not allowed to receive the first cheque during project launch. In the words of MASAF staff, politicians are welcome if they talk development and not if they talk politics.

Civil society is in Malawi in a nascent stage with and has no ties with MASAF. Until 1994 the single party (MCP) dominated virtually all associational life in Malawi. There has been tremendous growth of non-governmental organizations since 1994, though this is to a substantial extent driven by donor funding. In the words of a survey of non-governmental organizations that may qualify for support by MASAF:

The institutions which have been reviewed under the proposed sponsorship sub-projects are of varying levels of management and administration, as well as financial accountability. The institutions also provide various services.

\(^{19}\) The focus on poverty has itself been a break with the past since the previous regime denied that there was poverty in Malawi.
However, they all have one thing in common namely, that they all depend on donations for both their program and administrative operations. (Nandolo, not dated)

Public sector reform was initiated in the early nineties and consists of three elements - civil service reform, privatisation and decentralisation – though in none of these areas have the bold initiatives take yet borne fruit. Following the Chatsika report of 1995, civil service reform aims at a much smaller, better qualified and better paid civil service (Chatsika, 1995). There has been a little retrenchment, but the commissioning of a functional review of all government departments was the only concrete step taken by mid-2000.

MASAF has not evolved over time, but has been specifically designed as part of a poverty alleviation strategy. It operates in an environment where there is little associational life and bold intentions to reform the public sector remain stuck in implementation. It therefore has a mission that goes against the dominant administrative culture.

3.2 MASAF and decentralization

The story of decentralisation in Malawi: radical change.

After independence Malawi retained the main features of the colonial administrative structure: a clear hierarchical line existed from the District Commissioner to the Regional Administrator to the Office of the President and Cabinet. The District Development Committee, composed of all departmental heads in the district, to which some politicians were added, was grafted onto this structure as a means of co-ordination. Local authorities – the district councils – had only residual functions.

Decentralisation was on the agenda immediately following the change of government in 1994. In 1996 a commission proposed the integration of the district administration under local authority. Government accepted this recommendation, but did not follow up with action: local council elections were regularly postponed. The national decentralisation policy was approved in 1998 and implementation of the policy came on the agenda after the 1999 national elections. A local government act was passed in 1999 and a decentralisation secretariat, supported by UNDP, set up. Local authority elections took place in the last quarter of 2000.

Some reorganisation of the structure of government preceded the local elections. Firstly, the district administration was renamed the District Assembly and supposed to integrate line ministries, district administration and the local authority. The office of District Commissioner became the Chief Executive of the District Assembly. District Assembly is also the name of the elected authority. As well as elected councillors, all MPs as well as the traditional authorities and members of special interest groups are non-voting members of the Assembly. A District Executive Committee (DEC) comprised of all departmental heads is supposed to act as an executive. All districts in Malawi have a district development fund, provided for by the United Nations Capital Development Fund (UNCDF).

Decentralisation policy in Malawi is radical, intending to thoroughly transform the administration. Local authorities are meant to have autonomy in financial and personnel matters. Besides their own sources of revenue, they are awarded a statutory right to 5 per cent of nationally collected revenue. An integrated district budget and a district development plan are meant to be the principal means of co-ordination, and councillors will have a say in personnel matters, especially in appointing the chief executive. This is however still more plan than reality. As a review of public sector reform noted end of 1999: ‘Local authorities in place’ but ‘full operation of decentralised structures’ was to be introduced in a ‘phased manner’. No concrete plan was in place to carry this out (Lungu and Mugore, 1999; 8).
From this perspective it appears logical that MASAF funds should be channelled into the district development funds and that the district administration will manage the distribution and implementation of projects. However, at the time of our fieldwork (August 2000) there was a marked reluctance on the part of MASAF to commit themselves to that. This can be seen as a normal reaction during administrative reform where institutions cling to their established identity. MASAF’s experience in working with the district administration shows however that other considerations should be taken into account.

The story of MASAF and decentralisation: strains and retreat.

The design of MASAF’s procedures resembles strongly those of Zambia’s MPU/Zamsif. It was intended that the funding of community sub-projects would be administered primarily through government personnel at the district level rather than by MASAF staff. The District Executive Committee is responsible for field and desk appraisal. District Teams (DTs) from the appropriate departments are meant to be in charge of implementation. Technical officers at the district are supposed to monitor implementation. MASAF has a Public Works Programme (PWP) besides the program funding community projects (CSP, Community sub programme). The Public Works Programme provides a safety net for the poorest through providing employment in public works. The CSP disburses funds directly to the community, whereas the PWP disburses through the district administration. However, the intention to work through the district administration did not result in the synergy found in the Zambian case (see Box 2).

<table>
<thead>
<tr>
<th>Box 2 Stress and strain between MASAF and district administration.</th>
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</table>

The following opinions are taken from MASAF documents. Similar opinions on MASAF are expressed by district staff. Authoritarianism and concomitant lack of collegiality have left strong residues in Malawian administration and is to be found in the district administration as well as in MASAF.

Government institutions although perceived relevant, are considered unsatisfactory in their performance. This is particularly so with members of DEC and in a few cases the District Commissioner. Other government institutions are mentioned, not because they have any direct relevance, but because they disrupt MASAF development activities... A few members of DEC particularly the CDA, DDO, ADC know how CPCs are supposed to operate although they rarely visit them. (Malawi Institute of Management, 1997: 49 and 53)

DECs contribution towards desk appraisal cannot be under-estimated: MASAF funded projects are indeed appraised at the district level by members of the DEC. However, regular project monitoring by DEC members on their own remains a problem due to resource constraints mentioned above. The main bottleneck with DECers is that they have no operational budget of their own. (Mkamanga, 1998: 28)

Creation of uneasy and often hostile relationships between members of PWP participating communities on the one hand and District Teams on the other is one of the two major negative impacts of PWP. (Malawi Institute of Management, 1997: 84)

The main concerns in this respect (collegial management approach) can be summarised as to comprise of attitudinal problems, lack of project ownership by some District Teams, coupled with unsteady Government’s recommendation towards the programme cost. (Zgovu et al., 1998: 90)
MASAF reacted to their disappointing experience with district staff by extending their own staff. Originally, it intended to have only a skeleton staff in the field. MASAF created 12 administrative zones, an area in between Malawi’s 3 regions and 27 districts. After an evaluation in 1998, it was however decided to appoint a technical supervisor in each district. Originally zone managers dealt with all MASAF programmes, but four separate zonal managers for the PWP were appointed in 2000. These were civil engineers, implying that the problem was thus defined primarily as technical. Attempts were made, however, to train and sensitise the District staff. We found also situations – for example in Mchinji - where district staff considered it normal to participate in MASAF’s work. Strains and tensions were however clear. The big stumbling block remains finance. District Teams are supposed to do their work as part of the government contribution to MASAF. However, “district teams felt that the MASAF PWP was simply preying on their already narrow and over-stretched resource base” [SOURCE??]. Experience has thus given little reason in to expect a smooth co-operation between MASAF and district government staff. In the course of its operations, MASAF has therefore moved from a hands-off approach towards a much more hands-on approach to management.

*Comparing MASAF with other implementing agencies: the added value of direct contact with communities*

Unlike MPU in Zambia, MASAF is not functioning as a catalyst for organisational change and can therefore not be fruitfully compared to other organisations promoting decentralisation. MASAF is better seen as an implementing agency that uses more participatory procedures than others. An evaluation of MASAF has therefore to compare MASAF with other implementing agencies in order to ascertain the added value from MASAF’s procedures. School building is the obvious field for comparison. It involves the lion’s share of the CSP component of MASAF and several agencies build a similar number of schools. On the outside it is impossible to identify a particular school as built by MASAF. We do not have the information to compare the various programs with respect to cost, but are able to make general statements on the effectiveness of the differing procedures. The outstanding feature in MASAF’s procedure is disbursing directly to communities. MASAF attempts to involve the district administration, but is primarily geared to the grassroots.

The Education Project Implementation Unit (EPIU) in the Ministry of Education uses procedures that are almost opposite to those of MASAF. It builds schools without any participatory procedure, nor with involvement of the district administration. Construction is carried out by large contractors and supervised by a central unit in the Ministry of Education. At the time of our mission, EPIU was implementing an ADF (African Development Fund) funded project whose main component was the construction of ten full new primary schools across the country, each with sixteen classrooms. The location of the schools is a matter for the Ministry of Education, which situates on the basis of need. These schools tend to be situated in urban areas such as district headquarters. They therefore fulfil a particular niche in demand: areas where the community is difficult to organise and where there is a core of relatively highly educated people. The primary concern in EPIU is with building quality and they argue that constructing a small number of high quality schools is better than building many schools of mediocre quality. We identify the following differences with MASAF:

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20 This is not the case in Zambia, where the standardised design and lack of other donors operating on the same scale make “Micro-projects schools” a notable feature of the landscape.

21 We have seen IDA/EPIU schools under construction in Chikwawa and Mulanje. Mr. Boniface Dulani conducted also interviews at the EPIU in Blantyre.
EPIU                                         MASAF
No participation in location       In response to community demand
Large building contractors        Small contractors and community input
Few schools                              Many schools
Located in urban settings             Mostly located in rural settings
Primacy of building quality         Primacy of community base..

The British Council/DFID (Department for International Development) sponsored school building project is another relatively small project that is radically different from MASAF.22 About one hundred primary schools were built in Malawi divided among all districts. Within districts sites were targeted with the help of the DEC and the DDC at areas where there was under provision. These are all junior primary schools, as these are considered more crucial in child development than others are. Building was managed by local contractors under set conditions, e.g. equal pay for men and women. The contractors were helped with cash flow and management. At the outset three different designs using different material were used and one of them was adopted after considering the results. The schools were completed within the planned period at lower cost than originally budgeted. The money left was not sufficient for a national program. Therefore it was decided to move to a poor district (Chiradzulu in the southern region) and see what could be done there. First the schools in the district were mapped. The results were a surprise to district staff, teachers and the donor: there was no shortage of schools. It was better to rehabilitate schools than build new ones. Policy development characterised the project from the beginning and in the duration of the project there was generally a move from hardware to software. The message became: “a well-managed school is a good school”. School committees were identified as crucial in the management of the schools and an attempt was made to develop their capacity, for example, the introduction of the attendance register to be managed by teachers and community. Training in preventive maintenance was another. A third field was improving the quality of teachers: trained teachers were trained to train the untrained teachers. A comparison with MASAF is as follows:

<table>
<thead>
<tr>
<th>DFID</th>
<th>MASAF</th>
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<tbody>
<tr>
<td>Targeted on need</td>
<td>Targeted on community demand.</td>
</tr>
<tr>
<td>Capacity building contractors.</td>
<td>Local contractors and community input</td>
</tr>
<tr>
<td>Limited number of schools</td>
<td>Large number of schools</td>
</tr>
<tr>
<td>Aimed at poor communities</td>
<td>Aimed at poor communities</td>
</tr>
<tr>
<td>Stress on software in education</td>
<td>Hardware project without policy development</td>
</tr>
<tr>
<td>Aims at innovation in design</td>
<td>No innovation in design</td>
</tr>
</tbody>
</table>

The British Council/DFID project is a policy making project and that is a fundamental difference as compared to other school building projects: it developed new approaches to education while implementing the school building project. These innovations have spread among other agencies. For example, UNICEF (United Nation’s Children Fund)/NORAD (Norwegian Agency for Development) are working on attendance registers; the EPIU project intends now to train school committees and develop training for untrained teachers by their trained colleagues. A focus on policy making instead of on implementation leads to different criteria in evaluation. For example: overhead is to be kept low in implementation oriented projects. Results in an innovative, policy oriented programme, have however to come from overhead spending. Such programs tend to be small as that helps to oversee consequences of experimentation, whereas standard routines save time if large volumes have to be constructed.

22 We have not visited any of the schools built under this program. The DEOs however often initiated discussion of this program. In Lilongwe we interviewed Mr. Charles Nato at the British Council at the end of his four years with the project.
MASAF is an implementation agency, which finances the construction of large volumes, characteristics it shares with the IDA (International Development Association) financed Primary Education Project (PEP). PEP is a big program initiated in the wake of the 1994 elections, which promised free primary education. It envisaged building 1,600 classrooms, of which 600 were to create 75 new schools and 1,000 were expansions on existing sites. PEP has however a chequered history: as of mid-2000 only 500 classrooms were completed; after September 1999 all construction stopped while 97% of the loan was disbursed; new funds were needed to get PEP going again and the final output was revised downwards to about a 1,000 classrooms. Throughout the country one can find unfinished structures left by PEP. The problems which PEP ran into are partly caused by bad management –probably fraud- which would harm any project, but these problems were also caused by a lack of participatory structures.

The project was administered from a project office –Education Development Management Unit- in the Ministry of Education in Lilongwe, and funds were disbursed to large contractors. The latter provided concrete slabs and a roofed steel structure. They also supplied the building materials to complete the project. The community was expected to take on the task from there onwards, but they were not prepared and not supervised. It was actually not very clear what the community should do. The community contribution in PEP was “not specified but a lot of labour inputs are required to match the technology being used” (Mkamanga, 1998: 16). The last refers to the cladding of the structures with compressed soil bricks. The cladding itself was relatively easy as the bricks could be slotted together without cement.

However, “there are far too many shells, standing without cladding. The planning of this activity has to go hand in hand with the planning and construction of the shells” (Schou, 2000: 7). One reason for that was the scarcity of the hydroform machine to compress soil blocks. If the machine arrives, then mobilisation of labour –a strong point for community participation- is not crucial. The machine requires only two people to operate. In one community we saw one completed block of PEP classrooms besides several incomplete ones. The machine to make blocks had been taken away before they finished making sufficient blocks for all the structures. Our comparison is as follows:

<table>
<thead>
<tr>
<th>PEP</th>
<th>MASAF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Targeted administratively</td>
<td>Targeted on community demand</td>
</tr>
<tr>
<td>Large contractor and community</td>
<td>Local contractor and community</td>
</tr>
<tr>
<td>Large number of schools</td>
<td>Large number of schools</td>
</tr>
<tr>
<td>New technology</td>
<td>Standard technology</td>
</tr>
<tr>
<td>Poor completion rate</td>
<td>Relatively high completion rate</td>
</tr>
<tr>
<td>Hardware only</td>
<td>Hardware only</td>
</tr>
</tbody>
</table>

MASAF is most closely related to the UNICEF/NORAD\textsuperscript{23} and EU/MPU\textsuperscript{24} programmes. All three programmes require the community to contribute in bricks, sand and stone. The UNICEF/NORAD school-building program combines an element of targeting on isolated areas with community mobilisation and disperses funds through the district administration. The UNICEF/NORAD school building program targets on need. They first try to identify, in collaboration with the district administration, the least accessible areas with the least educational facilities. Thereafter they proceed with community mobilisation. The funds to the

\textsuperscript{23} We have not interviewed administrators in charge with the UNICEF/NORAD programme. We based our conclusions in the first place on the situation we found in Chikwawa. The completion rate was particularly problematic there (five out of twenty seven complete), but this may not be typical.

\textsuperscript{24} We observed quite a number of completed EU/MPU projects on sites where there was as also a MASAF project. Our impressions were supplemented by an interview in Lilongwe.
local contractor are disbursed through the district administration. This disbursement often did not reach the community and many UNICEF/NORAD schools are not completed.

<table>
<thead>
<tr>
<th>UNICEF/NORAD</th>
<th>MASAF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target on need first</td>
<td>Led by community demand</td>
</tr>
<tr>
<td>Local contractor and community</td>
<td>Local contractor and community</td>
</tr>
<tr>
<td>Limited number of schools</td>
<td>Large number of schools</td>
</tr>
<tr>
<td>Standard technology</td>
<td>Standard technology</td>
</tr>
<tr>
<td>Problematic completion rate</td>
<td>Relatively high completion rate</td>
</tr>
<tr>
<td>Software component</td>
<td>Hardware only</td>
</tr>
</tbody>
</table>

EU/MPU uses the same procedure as MASAF until implementation: procurement and supervision of contracting is done from the centre. The completion rate is high and the program aims at a mass volume of school buildings. EU/MPU is gradually building more Community Secondary Schools/Day Secondary Schools. It is for MASAF difficult to work on such projects, as there tends not to be a clearly identifiable community to disburse to.

EU/MPU insists like MASAF on a community contribution, but it does not disburse to the community.

Compared to other school building schemes, MASAF is less innovative and does not pay as much attention to capacity building in the communities and schools (software) as other projects. If MASAF is seen as an implementation agency for a mass of school buildings of an acceptable standard, then MASAF is successful - especially in comparison with PEP. In the same time as had been given to PEP, MASAF built the amount of classrooms that PEP failed to build (1,600). Involvement of the district administration in disbursement did not lead to more efficiency in UNICEF/NORAD schools. MASAF finances a large volume of output with a lean administration (10 per cent of costs) using more participatory procedures than similar programs. This combination is not equalled among the other agencies involved in school building.

4. CONCLUSION: HOW SOCIAL FUND PROJECTS CAN SUPPORT DECENTRALISATION BETTER THAN DECENTRALISATION PROJECTS CAN

This article does not intend to generalise, but to show the differing consequences of two quite similar social funds. One should not postulate a machinelike relationship between organisational design and outcomes. MPU/Zamsif and MASAF operate in very different environments resulting in major differences in their functioning. MPU/Zamsif and MASAF have, however, one crucial element in common that is essential to their operations: the grassroots community is paramount. Disbursement directly to the community is the hallmark of the way they operate. The major differences between these social funds and other national programs hinge on this aspect. It also colours their approach to decentralisation. Decentralisation is not an end in itself -as it may sometimes become in programs purely aimed at administrative reform- but decentralised procedures are used to achieve better service provision in the community. A comparison of their operations is given in Table 1.

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25 It is telling for the Malawian situation that the civil service overwhelmingly prefers the EU procedures over MASAF because they do not like disbursement to the community.
## Table 1 Comparative evaluation of decentralisation in MPU/Zamsif and MASAF

<table>
<thead>
<tr>
<th></th>
<th>MPU</th>
<th>MASAF</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contribution to civil society</strong></td>
<td>Seen by beneficiaries as an integral part of a new political culture. It does not carry a high political profile and is therefore not unambiguously identified with either ruling party or president. Beneficiaries appreciate MPU’s own specific non-political character.</td>
<td>Associated with political change, democratization. Long standing authoritarian government and lack of associational life is a big influence in the environment. The social fund struggles to develop a non-political profile. Is associated with president and ruling party.</td>
</tr>
<tr>
<td><strong>Nature of decentralization policy</strong></td>
<td>Persistent failure to decentralize, but within the bureaucracy there is a commitment to gradual, piecemeal change. MPU anticipated further decentralization by rebranding as ZAMSIF and the intention to work in a gradual manner through district development funds.</td>
<td>Government embarked on a comprehensive decentralization policy. MASAF is passive towards it and management is skeptical whether it can be realized.</td>
</tr>
<tr>
<td><strong>Experience with district administration</strong></td>
<td>Increasing reliance on decentralized procedures within the district administration. Catalyst for organizational change. MPU procedures in project appraisal through the district administration are utilized by other organizations.</td>
<td>Procedures were designed to work through the district administration. Collaboration with the district administration is however difficult. Increasing reliance on personnel of social fund.</td>
</tr>
<tr>
<td><strong>Comparison with other programs</strong></td>
<td>There are a number of projects promoting decentralization in Zambia. They all have a tendency to stress on planning and building capacity before devolving actual power. MPU stresses implementation and capacity to work with decentralized procedures is built up during implementation.</td>
<td>MASAF is increasingly an implementing agency working alongside the government. Its main activity is school building and there are several programs to build schools in Malawi. MASAF compares well as an agency that builds a large volume of classrooms meeting quality requirements.</td>
</tr>
</tbody>
</table>

The major difference between MPU/Zamsif and MASAF is therefore that the first is not only an implementation programme, but also a catalyst for organisational change. That should not overlook the fact that MPU is also an effective implementation unit. MPU/Zamsif has an even lower overhead than MASAF: a detailed review of administrative costs showed that the average administrative costs over seven years was 9%” (SRP 1999; p.8) A comparative evaluation of primary school building programs concluded:

“In terms of the impact measured by the provision of new class rooms and staff housing the community-based approach employed by the MPU has made by far the largest impact having completed school infrastructure projects in more than 920 communities and providing approximately 2150 classrooms and 1550 staff houses since inception in 1991….The other programmes using the community-based approach do not have the same institutional capacity as MPU and are constrained by the inertia and top-down approach of government structures responsible for implementing the programmes.” (Group 5, 2000; p.37)
The demonstration effects of MPU/Zamsif’s procedures are readily apparent. For example, the fund’s project appraisal procedures at the district are widely used by other implementing agencies. In Malawi, the British Council/DFID program is a much more obvious source of organisational innovation than MASAF. MASAF has been –despite drawbacks26– much more effective than other institutions at community mobilisation. It is therefore seen as an example, especially for other primary school building programmes. There is as yet little evidence of organisational learning from MASAF- especially as direct disbursement to communities is so controversial- but potentially there may be significant effects on, for example the PEP programme.

Social funds may receive recognition for their potential contribution as implementing agencies, But critics argue that they undermine rather than support capacity development at the local level. At the very least there remains a persistent belief that a comprehensive program of decentralisation is superior to the contributions that a social fund can make. Yet, the hesitations of social funds to commit themselves to such programs give crucial insights in the nature of decentralisation.

Firstly, successful decentralisation may be dependent upon establishing effective -preferably few, indirect and retrospective- controls. MASAF is keen to work together with the Decentralisation Secretariat in Malawi. MASAF aimed from the beginning to devolve as much decision-making as possible on the district administration. MASAF refuses however to disburse to the District Development Fund and continues to insist on direct disbursement to the community for reasons of accountability. MASAF disburses clearly earmarked funds to the community and it is possible to check whether the cement, corrugated iron etc. has been bought or not. Preferably there is no need to take recourse to that, but in case of difficulties it is possible to trace the money clearly. Disbursement to a District Development Fund offers much greater opportunities to divert funds as is experienced in other primary school building programs.

MPU is a learning organisation (World Bank, 2000a), keen to innovate. It has therefore latched onto new initiatives for administrative reform, particularly devolution to more empowered district councils. Its re-branding as the Zambian Social Investment Fund (Zamsif), with a wider and more ambitious appeal than Micro Projects Unit. “A critical part of Zamsif activities will be its efforts to gradually build capacity and hand over responsibilities to local government authorities” (World Bank, 2000b: 22). The fund will consist of two segments: the community investment fund and the district investment fund. The first will continue to fund infrastructure as has happened in MPU up till now, albeit that there is room for experiment outside the menu that has been developed. It will widen project selection and appraisal, envisaging sub-projects in, for example community based care for AIDS victims, or natural resources management. The district fund is under the control of the district council, leading to a wider focus than one community. Ultimately, the district council is expected to design, select and fund progress on its own. That is the fifth and highest stage of a phased approach.

It would be wrong to see Zamsif as an unfettered commitment to decentralisation. The MPU experience has taught it to keep and develop strategic controls as a complement to decentralisation. Costing, for example, is still done at headquarters. The rich experience in administrative innovation has not led to the development of a blueprint which should fit all situations, but more to an approach that depends on learning by doing:

26 In Malawi, we found many more projects where the project committees had fallen apart before final completion of the project. Neither did we find a surge to establish maintenance committees like in Zambia.
“in a more traditional sector program, the Bank would have required that an overall decentralization strategy is developed prior to investing in capacity building. This project takes a more pragmatic approach, since the experience shows that better performing districts can take on more responsibility and improve their management in the absence of a formal policy” (World Bank, 2000b; p.17)

The absence of a formal policy is often seen as a major obstacle to realise decentralisation of government’s functions. The results of implementing comprehensive formal policies to decentralise are however disappointing. Chambers (1974) has aptly summed up the results of early attempts to decentralise in East Africa:

“When the dust has settled however, the staff of the department are usually to be found sitting at the same desks in the same offices doing the same work. The appearance of change on paper is not matched by a change in working realities” (1974: 26)

Numerous reasons have been advanced for disappointments and political obstruction is the most frequently mentioned one. But the nature of policy making is an equally plausible culprit. The policy making surrounding decentralisation is intimately related to the quest for pure rationality in decision making. For example, Parker and Serrano, who plead for subsuming social funds in a comprehensive decentralisation programme, write:

‘Social funds that do not work through a comprehensive local planning process miss the opportunity to discuss tradeoffs among competing investment within a local government jurisdiction. Projects are approved on a case-by-case basis with little or no consideration of broader development plans and priorities’ (Parker and Serrano, 2000, p.12)

A formal comprehensive policy may seem much more consistent than the fragmented approach surrounding the work of social funds. The absence of such a policy has however advantages as it opens the possibility to gather information on the consequences of particular alternatives chosen before further implementation. The pleas for a multipurpose local authority overlooks great gains that can be made through these various organically growing experiments: the learning experience is much richer if a diversity of experiences is allowed rather than that a central design is carried out. The absence of seemingly consistent and comprehensive policies created an environment that is particularly suitable for a learning organisation such as MPU/Zamsif. That can be made clear in a comparison of the MPU/Zamsif approach with the overall approaches to decentralisation:

<table>
<thead>
<tr>
<th>ZAMSIF approach</th>
<th>Overall decentralisation approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building capacity upon experience</td>
<td>Creating first preconditions: capacity</td>
</tr>
<tr>
<td>Differential approach in areas</td>
<td>A national approach</td>
</tr>
<tr>
<td>Release controls over time</td>
<td>Create decentralised controls first</td>
</tr>
<tr>
<td>Following and leading demand</td>
<td>Ideal of purely demand led</td>
</tr>
</tbody>
</table>

Such learning through the operation of social funds may open up new avenues of looking at decentralisation. The comprehensive decentralisation programmes are stuck in a mould: the example of Western style local authorities where power is devolved on an elected council is seen as the only form of true decentralisation. That has to be legislated into existence and the “all or nothing approach” gets bogged down when “all” proves unattainable. The experience of social funds points to a more organic way of building decentralised administration. For example in Zambia many committees with more or less representation of the local community are springing up, partly inspired by MPU/Zamsif. For example, the WASHE (Water, Sanitation and Health Education) project combines representation from various departments...
like Water, Health and Community Development as well as representation from PTAs to represent the community. It comprises of committees at the district (WASHE-D) as well as at village level (WASHE-V) The program has not only an educational complement, but also an infrastructural one: drilling bore-holes and constructing pit-latrines. The decentralisation programme in the Ministry of Health foresees an important role for neighbourhood health committees. Experiences with these committees will provide a basis for further development of decentralisation policies in a strategic manner: searching for the critical variables and concentrating policy on that.

A comparative evaluation of administrative practices can be criticised as comparing sub-optimal idiosyncratic situations. The alternative – comparison to a hypothetical optimum situation- can however lead to unwarranted idealising of situations that cannot occur. The fallacies of searching for pure rationality have been widely documented in the literature, but seem to be forgotten in writing about contemporary decentralisation in Africa. This can be clarified by showing how the experiences of these two social funds bear out important insights in the general theoretical literature on organisations and public administration (Box 3).

**Box 3 The learning approach of social funds and organisation theory**

The impossibility of designing organisations in a totally consistent manner is central in the work of Herbert Simon and the Carnegie school of organisation theory (Simon, 1958). The importance of gaining information through concurrently embarking on several alternatives—social funds- instead of fixing on one, as in the case of comprehensive programs of decentralisation, can be found in Dror’s classic study of policy-making (Dror:1973; 142-43). Those who bemoan the lack of order and structure in, for example, Zambian public administration may consider pleas for diversity like the above one and even more the following classic case for diversity and unplanned self organization:

“If there is no duplication, if there is no overlap, if there is no ambiguity, an organization will neither be able to suppress error nor generate alternate routes of action. In short, it will be most unreliable, sluggish, as we now say. Accordingly, it would be far more constructive, even under conditions of scarcity, to lay aside easy slogans (such as full decentralisation) and turn attention to a principle (redundancy) which lessens risks without foreclosing opportunity” (Landau, 1969; p.356)

The following quotation from a classic article in public administration seems to have been written to defend the case for social fund procedures:

“Perhaps a system of public administration composed of a variety of multi organizational arrangements and highly dependent upon mobilizing clientele support will come reasonably close to sustaining a high level of performance in advancing the public welfare” (Ostrom and Ostrom, 1971 p.212)

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