From Sector Wide Approach to General Budget Support: The Impact of Political Shift in the Education Sector in Zambia

SUZUKI Takako*

I. Introduction

Recent development literature often links between donor support and development programmes (Norad, 2004). Number of failure of independent efforts experienced until 1980s led us to recognise the needs for collective efforts to tackle development issues. Simultaneously, poverty was getting considered as the most significant development issue to be addressed since 1990s. Reacting to these movements, Millennium Development Goals (MDGs) were set to reduce poverty in 2000. In order to work on holistic targets such as poverty, collective efforts were required in various fields.

Along these global paradigm shifts, several international high level committees were called to set up the environment for donor harmonisation and encourage alignment to improve aid effectiveness in order to meet greater impacts on development. In 2002, Monterrey Consensus appealed to ensure ODA effectiveness through partnership and harmonisation (United Nations, 2003). In 2003, Rome Declaration on Harmonisation reaffirmed the importance of harmonisation at various levels to improve development effectiveness decreasing transaction costs and promoting ownership of recipients with alignment to local country context (OECD/DAC, 2003). These global consensuses were reinforced with specific concepts by the Paris Declaration in 2005. International commitments for harmonisation and alignment were reaffirmed because international communities were convinced by the consensus which aid effectiveness would increase the impact in reducing poverty and accelerating to achieve MDGs (OECD/DAC, 2005).

The Paris Declaration does not restrict aid approaches and modalities but it

*Assistant Professor, Graduate School of International Cooperation Studies, Kobe University.

insists that the harmonisation and alignment are necessary across all aid modalities. We need to select the possible best aid tool according to addressed issues and country context just as to select any other methodological tools. The criteria for selection are to improve aid efficiency and then to gain better development results. Development literature often discusses about aid approaches because we need to select the best ones for better results.

After years of discussions and experiments, Programme Based Approach (PBA) became popular (Hirosato and Kitamura, 2007). PBA is to be away from entirely stand-alone projects led by donors but to seek for the success of a total program set by recipients in higher and larger framework (Riddell, 2002). According to her, PBA is defined differently by each donor, but its common feature is a long-term outcome-based policy framework through partnership and dialogue with harmonisation and coordination among stakeholders, and it covers a wide range of strategies including sector-wide approaches, program-based approaches on cross-cutting issues and general support for poverty reduction strategy.

Sector Programme (SP) is a form of PBA making a joint approach to a single sectoral issue within the scope of a sector. This concept is currently well known by the name of Sector Wide Approach (SWAP). Instead of implementing individual short-term projects, a set of human resources, funds and materials is invested into a single holistic pragramme with longer time framework within a sector (DFID, 2008a).

General Budget Support (GBS) is also a form of PBA but it has a wider scope, addressing a holistic development across sectors. GBS means a contribution to the overall national budget aiming to help implementation of the poverty reduction strategy and to accelerate process of MDGs (Ibid).

In Sub-Sahara Africa, SPs were introduced widely since the late 1990s (Sasaoka, 2000). As the issue of poverty is the most serious in this area, collective approach has been implemented in number of countries. Seven Northern European countries strongly supporting budget support invested from 25% to 66% of their ODA in Africa in 2004/2005 (OECD, 2007).[i]

One of the current phenomenons in this area is a remarkable movement from a sector support to a general support. GBS can overview a whole country across sectors. On the other hand, de-linking from particular sector becomes an issue. Some donors and sector ministries in recipient countries are questioning about this movement because total funding to a sector would be decreased and technical assistance would hardly influence in the sector dialogue (Norad, 2004).

This paper aims to reply to this question investigating how this political movement in aid approaches from SWAP to GBS affects a targeted sector, and describing the impact of the current political change in the education sector in Zambia as a case study. First, the discussion held in development literature is reviewed. Second, Zambia is selected as a case, and its chronological process in the education policy is described. Third, how its political concern is shifted and how the shift affects the development implementations are analysed based on two-year working experience in Zambia in 2004-2006 and a week follow-up research conducted in Zambia in August/September 2008.

Ⅱ. Discussion on sector and general supports

The selection of aid approaches is strongly connected to the debate on what is the most effective tool against poverty reduction (Norad, 2004). In this criterion, traditional individual projects were getting criticised in1980s. Projects were traditionally designed, delivered and evaluated by individual donors, often outside of the national framework of recipient countries. They created high transaction costs of the local government because they required separate preparation, documents, evaluation, and manpower. Traditional projects were criticised that it has a limitation to develop local capacity, and to encourage country ownership and initiatives. That is why poverty is hardly reduced despite great amount of investment. In other word, aid effectiveness of traditional projects without harmonisation is very low.

The concept of Sector Wide Approach (SWAP) has been emerged from beneficial components extracted out of success and failure of traditional projects (Yoshida, 2001). SWAP became popular in the mid 1990s (Norad, 2004). It was emerged out of a health programme model held by consortium approach in Bangladesh in 1975, and eventually defined by each donor and formed in various models since 1996, including Sector Investment Programme (SIP) of the World

Bank, Sector development Programme (SDP) of EC and Sector Programme Support (SPS) by Sweden (Sasaoka, 2000).

SWAP has been succeeded to promote better results compared with stand-alone projects. Harold and his associates (1995) defined SWAP with the following six features to be incorporated: (a) sector-wide in scope covering both capital and current expenditure, (b) a single sector strategy and policy framework, (c) local stakeholders with commitments and ownership, (d) all main donors' participation, (e) common implementation arrangements and (f) local capacity rather than long-term technical assistance.

In some cases, resources from individual donors are put into a single bank account for as a common pool fund to be used for a joint purpose. Sometimes it is called an earmarked common fund to be used for a particular subsector programme/project for a common purpose of interested partners. Other times, the common fund is called Sector Budget Support (SDS) and used for a whole sector programme aiming to achieve objectives within a particular sector (DFID, 2008a).

Reviews of SWAP show the better results than stand-alone projects in capacity development of the government to plan with increasing understand of their own problems, and to implement programmes through their own flow channels and structure (Norad, 2004). World Bank considers that earmark direct funding is the best option and generally provides a sector support in deferent forms such as Sector Adjustment Loan and Investment Projects and Budget Support.

On the other hand, SWAP, as a holistic and broad approach, is criticised because the capacity on the ground is difficult to be developed by SWAP and implementations cannot follow timely and expectedly in practice. SWAP emphasises on policies and systems, but schools and classrooms are our final targets. Thus the central reforms and schools must be strongly linked (Yoshida, 2001). Sasaoka (2000) recommends projects to be used complementally to develop capacity of local stakeholders.

Moreover, success of SWAP tends to be limited within a sector. Cross-cutting issues and poverty reduction are beyond a sector and require even wider framework. SWAP is also criticised for removing responsibility on the sector from the government to professional SWAP management team, as evaluations pointed out that SWAP centralised the use of resources and created cumbersome financial and administrative systems outside the local system (Norad, 2004).

Responding to the criticism against SWAP, with the needs and expectations for more aid effectiveness, General Budget Support (GBS) became prominent since late 1990s (OECD, 2006). Between 1994 and 2004, OECD countries invested more than four billion US dollars (about 5% of their aid) in the form of GBS (University of Birmingham, 2007). GBS strengthens local budget process with fungible funds, shifting sector-earmarked funds to non-earmarked budget support (Norad, 2004). GBS addresses a holistic development across deferent sectors. GBS should be considered as support to various sectors instead of a particular (Foster and Fozzard, 2000). GBS can specifically promote four areas: (a) growth for poverty reduction, (b) improvement of financial management systems, (c) capacity management of the government through the improvement of the aid management system, and (d) improved policy environment through the new approach (Nilsson, 2004).

Some agencies are already shifted their main focus from SWAP to GBS because they consider that GBS is the more flexible and more valuable support to reduce overall poverty (Norad, 2004). DFID has a clear policy commitment to use GBS more than any other aid modalities when the local environment is suitable as the case of Tanzania (DFID 2008b; Norad, 2004). It is because GBS can support implementations of the overall poverty reduction strategy, while SWAP helps only a particular sector strategy (DFID, 2008a). Sweden is also likely to transfer funds from sector to GBS (Norad, 2004). EU Commotion is increasing general budget support (Oxfam, 2008).

We can see more and more movement toward GBS but here is an argument that this movement led development partners to de-link the dialogue and funding to a sector (Norad, 2004). Donors providing GBS has a risk not to provide any substantial support to a priority sector and key MDGs because SWAP is to be linked to the sector issue dialogue and GBS is to macroeconomic issue dialogue. Some donors and sector ministries in recipient countries argue that total funding to a sector would be decreased and technical assistance would hardly influence in the sector dialogue.

Some evaluation reports conclude that GBS can made positive effects on social sector results. OECD evaluation for ten years in seven countries indicates that an effective way to strengthen the public financial management in developing countries and in particularly, it helps to prioritise areas for expenditure and improve access to health and education (OECD, 2006). According to an evaluation done by DFID, more coherent policy dialogue and strong-flow-effects are available through GBS. While SBS limits only achieve partial results, GBS can directly strengthen sector process complemented with cross-sectoral view. GBS funding provides more fungible resources to the national budget, and more resources are allocated to social sectors and flowing to better service delivery, and then it expanded access to the service (DFID, 2008b). EC report also points out that GBS achieved to positive results in health and education as the government increased budget allocation to these sectors in eight funded countries (Oxfam, 2008).

On the other hand, OECD report warns that GBS should be introduced only gradually (OECD, 2006). DFID report admits that GBS has little influence on issues deeply rooted in recipient countries and GBS as a long term funding instrument for scaling up strategy so that results in practice are difficult to be recognised (DFID, 2008b). This report concludes that this is why many agencies consider the parallel use of a limited number of SBS. EU Commotion would continue both spectral and general budget support and the Netherlands also combine both. For example, 30% of total budget support is allocated to GBS, 20% goes to the judicial sector and 50% is to the education sector in Uganda, while Sweden increases consideration that a combination of both in the same country is inefficient (Norad, 2004).

This is a highly debated topic and some would anticipate this movement (Norad, 2004). About expenditure, some concludes that GBS helps to prioritise areas for expenditure, particularly in health and education (OECD, 2006; DFID, 2008b). Is that true? About development outcomes, does GBS really strengthen sector process and are development brought down to the ground? EC report recommends GBS to be tied to development outcomes (Oxfam, 2008). However, is it possible without working through the sectoral process which happens through line ministries? OECD evaluation recommends building capacity of sectoral levels is necessary for the success of GBS (OECD, 2006). We can see that sectors are keys to obtain results in practice. However, is it possible to develop their capacity when sector dialogue is delinked? Experience in Ghana suggests that truly local initiative cannot be guaranteed only after some years of SWAP implementation (Yoshida, 2001). Then is it possible to manage GBS, which is even broader framework than SWAP, by local initiatives and ownership? Thus this study aims to contribute to this debate presenting the case of Zambia describing what has been happening and examining the influence of the current movement from SWAP to GBS in the education sector. The following sections will describe the chronological transition of the sector policy and implementations.

Ⅲ. Prior to Sector Plan 2003-2007

Education For All (EFA) world conference was held in Jomtien in 1990. Partly influenced by the international movement in education, Zambia clarified its national policy in education. 'Educating Our Future' in 1996 indicated the policy vision toward education including accessible quality life-long education for all. In order to reach its goals, Integrated Education Sector Investment Programm (ESIP) was conceived based on partnership and coordinated and effective use of internal resources across four line ministries (MOE, 1996). Subsector education programmes were implemented under Basic Education Sub Sector Investment Programme (BESSIP) from 1999 to 2003, assisted by several donor agencies.

Although BESSIP was not fully SWAP, it promoted programme approach as a high priority. MOE and international development agencies started to work together and embarked to address the needs of grades 1-7 as a common target. For this common target, nine components were established and the common basket (pool) was getting considered as a preferred financial model. BESSIP promoted spirits of co-ordination and harmonisation, and developed a culture of systematic planning of programmes, with regular joint meetings, report writing and guidelines to ensure effective monitoring and planning of the nine components within the BESSIP programme (Nyangu, 2005).

In practice, however, each donor individually supported stand-alone projects with limited time and scope framework. A number of bilateral agencies allocated their own consultants in the Ministry of Education. For instance, DFID was implementing Primary Reading Project to develop curriculum and teacher training in English and mathematics. Denmark emphasised curriculum development and textbook procurement systems. The Netherlands focused on teacher quality. Norway and Germany supported Southern province, and Ireland in Northern province. USAID promoted school health/nutrition and distance education. UNICEF supported disadvantaged children including girls, out of children and those at community schools. Japan assisted in construction of basic schools by grant aid from 1998 to 2007 and sent experts to the Ministry (Suzuki, 2006).

These projects brought great impacts on access and quality of education in each targeted area. However, the impact of these projects is questionable in ownership and sustainability (Nyangu, 2005). As projects are often opaque and unpredictable, the governments cannot grasp a whole picture of the sector in inputs, process and impacts. High transaction costs were created as each donor requires different formats of documents in different timing. Their evaluation missions arrive in the country whenever they like regardless the convenience of the country. Zambians hardly had initiative in the project framework, and consequently they merely feel ownership in what they are commanded to do. This weakened the leadership, accountability and capacity of delivery of the government. Donor agencies also did not know exactly what others were doing in the same sector so that programmes were often overlapped in the basic education sub sector.

IV. Sector Plan 2003-2007: Individual assistance to a whole education sector

In 2000s, education became more considered and incorporated in the context of poverty reduction. In the Poverty Reduction Strategy Paper (PRSP), the government clearly stated that health and education were top priorities (Ministry of Finance and National Planning, 2002). Education is considered within the national policy framework rather than as a single sector.

In 2003, Ministry of Education (MOE, 2003a) set Education Sector Strategic Plan (SP2003-2007) based on Educating Our Future, PRSP (2002-2004) and a report on restructuring and decentralisation of MOE. Although its main concern is basic education (G1-9) accompanied with Free Primary Education (G1-7), all other subsectors including high school, early child development, higher education and special education are also treated as significant targets. Cross cutting issues such as HIV/AIDS are also significantly considered. In other words, this single plan covers a whole education sector. It consists of 12 major programmes and 42 sub programmes being coherent within the line functions of the Ministry (Nyangu, 2005).

Recognising the inefficiency of individual efforts after years of experience in BESSIP, major donors in the sector such as DFID, the Netherlands, Norway and Ireland took initiative to shift aid policy in the sector. They decided to stop individual projects and instead, they proposed to put individual fund into a single bank account, and conduct education programmes along a single education policy plan. To develop and implement SP2003-2007, MOE adopted a SWAP followed by three funding modalities: direct sector support funds (pool funds), designated support funds (earmarked funds) and other support funds (MOE, 2003b).

The government of Zambia and 8 donor agencies (DFID, Finland, Denmark, Netherlands, Norway, Ireland, UNICEF and WB) agreed to implement jointly the education programmes, signing Memorandum of Understanding (MOU) as a set of guidelines to move into a SWAP in February 2003 (MOE and eight agencies, 2003). By the end of SP, the total of ten agencies signed, as Canada and EC signed later. Sweden decided to retreat from the education sector but shifted to focus on the health sector. Although Germany, USAID and Japan did not sign, they continued to support the sector with other support funds respecting the MOU (Suzuki, 2006).

Through MOU, a total sector budget for a single sector plan and a common consensus with open communication are promised. Four joint committees are established to manage the sector jointly. Any information should be shared among the government and all donors. Planning, reporting and monitoring process is to follow the fiscal year and formats of the government.

SP made a significant progress in educational achievements between 2003 and 2007 (MOE, 2008). Gross enrolment rate for Grades 1-9 increased by 8.7% and net enrolment rate did 39.4%. Progression rates from Grades 7 to 8 increased from 49% to 54.54% (target 70). Enrolment of children with special needs (G1-9) increased from 1% to 5.6% (target 5). Retention rate for girls from Grades 1-9 increased from 82% to 97.11% (target 100). Completion rates increased from 65% to 90.66% (target 86) for Grades 1-7. Net enrolment of high school increased from 9.4% to 24.55% (target 25). Progression rates from Grades 9-10 increased from 26% to 38.71% (target 35). Open and distance learning is improved by 2006.

Learning achievement seems less evident than access but slightly improved from 34.3% to 38.5% (target 50) in numeracy and from 33.2% to 34.5% (target 50) in English literacy at Basic education. Pupil/textbook ratio became 1.9:1 at basic school and 2.2:1 at secondary (target 2:1). Pupil/teacher ration became 36:１at Grades 5-7, despite 75:1 at Grades 1-4 (target 45), and 19:1 at high school (target 27).

Administratively, the decentralisation policy was introduced and district levels obtained substantial autonomy. MOE improved teacher recruitment systems. Government budget allocated to the sector increased. All stakeholders share any information and work jointly and accordingly in the sector. Off course it was not perfect and there are many issues. Resource flow and implementations were often delayed because of several reasons. Learning achievement is not so improved compared with the targets. However, all directorates of the Ministry, all of administrative levels, donor agencies and civil societies worked together toward one sector plan promoted effectiveness in many ways.

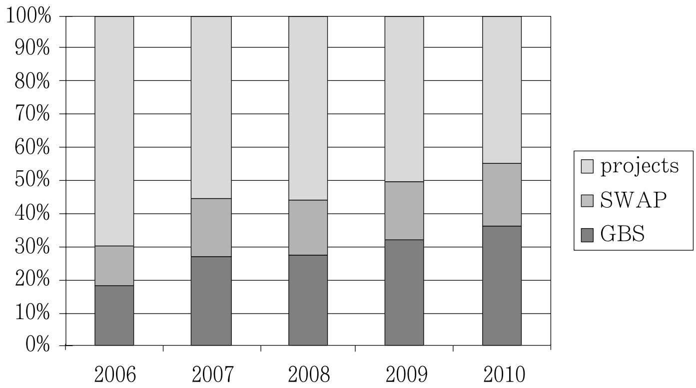
V. National Implementation Framework 2008-2010: Education sector to the whole nation

By the time the Education Sector Plan is over, a new wave of political movement came over. Fifth National Development Plan (FNDP) 2006-2010, a new national policy, was established in 2006 to become a prosperous middle income country by 2030 with the strategic focus on economic infrastructure and human resource development. Education is included in Chapter 16 as a prioritised key sector to promote economic and social development with equity, mentioning the needs for greater investment in the sector to improve quality education and fulfill the right to education. It promises a minimum allocation of 20.5% of the total annual budget for the sector (Republic of Zambia, 2006).

In order to support FNDP in alignment, Joint Assistance Strategy for Zambia (JASZ, 2007-2010) was agreed by the government of Zambia and sixteen cooperative partners.[ii] It indicates the agreed aid policy how to support FNDP jointly improving aid effectiveness. They met to share the following five commitments: (a) respecting ownership using Zambian systems, (b) alignment of cooperative partners' country strategies including resource allocation within Zambian planning cycle, (c) harmonisation with common aid delivery, (d) result focus oriented support, and (e) mutual accountability for the total national development (Republic of Zambia and sixteen cooperative partners, 2007).

Although this aid policy does not define aid modalities in detail, it clearly mentions a preference for GBS because it is the preference of the government of Zambia, and SWAP as an additional option in particular sectors. Figure1 shows the moving tendency of funding modalities in grant aid intended by donors from 2006 to 2010 in Zambia. The figure in 2006 is a real disbursement of all donors and others are projections based on Medium Term Expenditure Framework (MTEF) and revised plans of individual donors except Japan.[iii] We can observe

Figure 1 ODA grant disbursements (2006) and projections in Zambia



Source: Table 3 in JASZ 2007-2010.

the constant growth of GBS, while SWAP seems to keep the certain portion. In 2006, the portion of GBS (US$145.2 million) in the total grand aid ($788.3) was about 18%, while projects ($548.8) shares about 70%. In 2010, GBS may become up to $211.4 and about 36% of the total grants and its share will be doubled from 2006. GBS was only about one quarter of projects in 2006 but they became almost same portion by 2010.

Following FNDP, MOE established National Implementation Framework (NIF, 2008-2010) for the education sector in 2007. To support NIF, the new MOU for NIF was signed by the government of Zambia and eleven agencies (DFID,

Table 1 Funding modalities of cooperative partners in the education sector

	BESSIP1999	SP2003	NIF2008
MOU signatory countries or major donors in BESSIP	The Netherlands Ireland UK Norway	The Netherlands Ireland UK Norway Denmark EC UNICEF WB *Finland* *Canada*	The Netherlands* Ireland* UK Norway Denmark EC UNICEF WB *USA* *Japan* *AfDB*
Projects	all	Japan USA UNICEF WFP VVOB	Japan USA UNICEF WFP VVOB *WB*
Sector direct budget support	none	The Netherlands Ireland Denmark USA *UK* *Norway* *EC* *Finland* *Canada*	The Netherlands Ireland Denmark USA *United Nations*
General direct budget support	none	none	*EC* *UK* *Norway*

Notes:* Leading donors.
Source: Chireche (2008).

Denmark, Netherlands, Norway, Ireland, UNICEF, WB, EC, AfDB, USA and Japan) in April 2008 after MOU2003 was expired in March.

The most significant deference from MOU2003 is that the new MOU includes four funding modalities. While the previous MOU includes three modalities such as direct sector support funds, designated support funds and other support funds, this MOU added general direct budget support. During SP period, nine partners invested to a sector direct budget but only five partners in NIF 2008 (Table1). The major donors such as EU, UK and Norway stopped the sector budget support because they shifted to GBS. The rest of major donors, The Netherlands and Ireland are also planning to move toward GBS. Canada and Finland decided to retreat from the sector because they shifted their main focus on other sectors. On the other hand, projects obtained their own right, despite SP did not officially admit them.

We can see the movement of focus from the support by sectors to the support for the whole national policy level. This change is not only in financial modalities but also in technical assistance and management of the sector. JASZ defines three roles of donors: Lead, Active and Background partners (Republic of Zambia and sixteen cooperative partners, 2007). In each sector, the line Ministry and donors should select one or two leading donors who represent other donors supporting the sector. Instead of all donors to discuss and negotiate with the government as it was done during SP period, lead partners work on the sector on behalf of others. Among other donors, some donors can be active partners to support Leads. Other donors should be background partners who support the sector rather silently.

In the education sector, the Netherlands and Ireland were selected as Leads. They are surely direct budget supporters. Other four donors (Denmark, Japan, USA and UNICEF) became Active partners. Other donors became Background partners and some appoint particular donors to represent them. For instance, the World Bank supports the education sector in the terms of financing, but no technical advisors attend the meetings, asking Denmark to represent for the Bank. In this way, direct technical assistance at the sector level is getting shrunk.

VI. Impacts on the sector

According to literature, GBS can made positive effects on social sector, strengthening the public financial management with strong-flow-effects. GBS funding provides more resources are allocated to social sectors and flowing to better service delivery (DFID, 2008b; OECD, 2006; Oxfam, 2008).

In Zambia, all interviewees in the line Ministry claimed that the allocation of the national budget to the education sector decreased, although FNDP promises a minimum allocation of 20.5% (Republic of Zambia, 2006). The total amount of the national budget to the education decreased. The national target is 4.4% of GDP, but in reality, only 3.68% was allocated in 2008. The discrepancy between planned and actual budget was 106 trillion Zambian Kwacha (about 30 million yen) (Chireshe, 2008). As an instant solution, Ireland and others have been bridging the gap but this gap is a substantial problem (according to the interview held in Sep. 2008).

However, observing the amount of capital education budget from 2004 to 2008, the total amount of capital education budget has been increasing (Table 2). The amount of internal resources allocated by the Ministry of Finance and National Planning has been increasing, especially after 2007. Even though we have to consider interest and exchange rates, the amount has certainly increased as the figures in 2007 and 2008 are almost double of 2006. This is probably due to increased GBS. The total amount of the national budget must be increased by GBS. Thus we can conclude that GBS brought more resources into the sector as intended.

On the other hand, SWAP in education is definitely shrinking, despite the

Table 2 Capital education budget in Zambia (Zambian Kwacha ,000)

sources	2004	2005	2006	2007	2008
national budget*	190,517,150	253,253,853	388,767,654	605,965,336	640,000,000
pool	175,252,286	260,021,334	178,252,285	279,715,650	223,032,000
designated	n/a	93,329,965	54,569,430	20,808,384	n/a
other	6,274,000	73,337,318	81,218,465	113,239,050	n/a
total	372,043,436	679,942,470	702,807,834	1,019,728,420	863,032,000

Notes:* This figure is without personal emoluments.
Sources: AWPB2004-2006; Chireshe (2008).

Table 3 The investment to the education pool fund by donors (Zambian Kwacha ,000)

donors	2004	2005	2006	2007	2008
A	43,164,000	49,470,000	43,164,000	89,129,900	99,200,000
B	20,196,000	34,550,091	20,196,000	44,411,200	81,032,000
C	53,460,007	73,225,824	53,460,007	65,600,000	0
D	26,700,000	43,650,000	29,700,000	9,042,550	0
E	15,840,000	14,878,830	15,840,000	28,782,000	0
F	9,900,000	33,950,000	9,900,000	38,950,000	26,000,000
G	4,620,000	2,425,000	4,620,000	3,800,000	4,000,000
H	1,372,279	7,871,589	1,372,279	0	0
I	0	0	0	0	12,800,000
Total	175,252,286	260,021,334	178,252,286	279,715,650	223,032,000

Note: The figure of EC is not included as it is considered as designated fund in this table.
Sources: AWPB2004-2006; Chireshe (2008).

projections presented in Figure1. In 2007, 30.57% of the education budget was a sector pool (Chireshe, 2008). Sector pool still shares one third, but eight donors investing into the sector pool during SP period became five. The amount of the pool fund is decreasing as Table 3 shows. The year 2008 is still a shifting period between two different policies and many things are not determined yet, but we can predict that it may be decreasing more and more because more and more donors will probably shift to GBS. When the two biggest sector poolers move to GBS, the sector pool could be decreased to less than 20% of today. This decrease could be replaced by GBS, but Table2 indicates that the increase of the internal budget is smaller than the decrease of the external resources between 2007 and 2008. Thus it is not certain if GBS can completely replace SWAP.

The more significant issue is, however, not the financial amount but the implementation process. Another issue pointed out by the interviewees is the timing of the disbursement due to problems in the national budgeting system. There is a constant discrepancy between financial plans and actual allocation. The actual disbursement is not based in the plan because the budget is finalised in February/March so that only the rest of the year, for seven/eight months, can be disbursed. The timing of the disbursement and the amount is ad-hoc and MOE cannot predict it. During SP period, a sector direct budget came from donors with certain buffers so that the timing of the disbursement was better. This indicates that the national system is not completely ready to deal suddenly and rapidly increased funds.

The issue of the implementation process is not only at the national level but also within the sector, as sector dialogue is getting de-linked. All of the ten signed donors as well as Japan and USA were equally active during SP, but only six donors are currently active. Two donors completely retreated from the sector. The UK, Norway and EC have decided to stop sending technical advisors and no longer have their representatives attended donor meetings. The Netherlands, Lead, also intends to shift its sectoral representatives from natives to local staff (according to the interview held in Sep. 2008).

When the direct involvement in the sector is less, there are a few concerns in the sector. First, it takes more time to make a plan with less technical dialogue. MOE initially thought FNDP and NIF were enough for the education policy and plan, but it was unclear what exactly to implement so that new Education Sector Plan (up to 2015) was decided to be created in June 2008. There was no plan created yet in September 2008. Its implementation will be certainly started after it is completed so that there will be some time blank until actual plan is ready to be followed by implementations. Second, donors are de-linked in the implementation process so that individual activities may not be observed carefully. Even during SP, the most significant issue in SWAP was resource flow from the top to the bottom and actual implementations and reporting. The capacity to deal tremendously increased resources cannot be built for only five years. Third, projects are officially recognised in the new MOU and wider partnership is promoted with NGOs, civil societies and universities. More stakeholders involve, more individual projects could be implemented than SP period. When the process is not carefully observed, the transaction cost might increase. Fourth, GBS supporters often support paying for recurrent costs. When only Leads decide policies without discussions, more resources could be spent for recurrent costs. Currently about 90% of the government budget is spent for personal emoluments, while 68.13% of the sector pool is for infrastructure (Chireshe, 2008). As GBS will be a part of the government budget, the resource spent for capital development might be decreased.

Ⅶ. Conclusion

This paper aimed to investigate how the political movement in aid approaches from SWAP to GBS affects the education sector in Zambia as a case study. According to literature, GBS can made positive effects on social sector. It strengthens the public financial management with strong-flow-effects. GBS funding provides more resources allocated to social sectors and brings better service delivery, and then it achieves to positive results in education as the government increases budget allocation to the sector (DFID, 2008b; OECD, 2006; Oxfam, 2008).

In Zambia, the allocation of the national budget to the education sector seems to be increased but it has not reached at the political wish of 20% allocation yet. The total amount to the sector budget is slightly increasing. However, the amount of the sector pool is decreasing due to the political movement from SWAP to GBS by donors. If the current two biggest sector poolers move to GBS, the sector pool could be decreased to less than 20% of today. This decrease could not be completely replaced by GBS, because the increase of the internal budget is smaller than the decrease of the external resources between 2007 and 2008. Thus GBS funding may not be able to provide more resources to social sectors as intended.

This is, in fact, understandable because SWAP has been mainly held only in education and health sectors and other sectors have been straggling with fewer resources for last years. When this traditionally restricted fund within the social sectors can be opened to all sectors, the fund can be flow into others. Additionally, the disbursement is delayed because of the problems in the national systems. This indicates the national systems to handle large amount of resources and deliver timely for effective implementation in each sector is not well developed yet.

The shift of focus from sectors to the national level is occurred not only in finance but also in technical assistance. This shift brought de-linking in the sector dialogue. This study concludes that de-linking in the sector dialogue caused the following four issues. First, when the direct involvement in the sector is less, it takes more time to make a plan and consequently implementations delayed. Second, donors does not involve in implementation process so that individual activities may not be observed jointly. Third, projects are officially recognised in the new MOU and wider partnership is promoted. More stakeholders involve, more individual projects could be implemented than SP period. When the process is not carefully observed, the transaction cost might increase. Fourth, more resources could be spent for recurrent costs and the resource spent for capital development might be decreased, as GBS will be a part of the government budget, especially when only limited donors decide policies without dialogue.

These results reveal that the system and the capacity to deal tremendously increased resources have not been built yet at both national and sector levels. Some experience of SWAP certainly developed the capacity at the sector levels through a dynamic dialogue and led successful educational results. However, when any new innovation is introduced, only five-year experience is not enough to move forward to the higher degree such as national policy/budget, delinking from the sector dialogue and skipping several capacity developmental stages. GBS with full initiative of the recipient countries can be ideal but we need more time and experience through SWAP before reaching it.

SWAP is somewhere between GBS at the national level and projects on the ground. It is important to work jointly having a single goal sharing same visions in order to holistic development. However, the national policy and plans are often far from the real world. To make policy practical, we need to work on the ground sharing developing process, but if we work too closely in the field without holistic and common vision, individual efforts have a limitation in a long term and an extended scope. Thus we need a balance between a planning with wide scope, and implementations close to the real practice. The real development and significant change are to be occurred in the field as a real world. National level is very distant from the grassroots level. An individual grassroots level activity tends to end up as a stand-alone activity without wider vision. The sector level stands well balanced in the middle between the national and field levels.

The success of SWAP in the education sector during SP2003-2007 demonstrated that the sector level was well balanced between the national policy and the field level to follow the implementation and resource flow process. The sector policy is directly linked with the national policy. At the same time it can be realistic to implement in the real world because they have a common visible target. When we work jointly, we need to have a dialogue on something concrete. In the national level, a target is called 'education' which is very vague and abstractive. In the education sector, education can be seen as a school building, teachers, students and textbooks. They are visible and touchable. They are easily shared by all interested stakeholders.

Thus this study concludes with two political options. First, moving completely to GBS is too hasting, skipping many developmental stages. Sectoral dialogue is necessary in Zambia. Instead of shifting to GBS, we should to continue to work on improving the way of implementations and effective resource flow within SWAP funds and technical assistance. Second, even if we move forward to invest GBS working on the national level financially, we should continue the sector dialogue to discuss about how to flow collective resources at the national and sector levels down to the bottom at districts, schools and classrooms. It is because, after all, if real development does not happen in practice, aid effectiveness becomes very low.

Notes

i The percentage of ODA invested in Africa by each country is as follows: 66% of Ireland, 44% of the Netherlands, 42% of the UK, 40% of Denmark, 33% of Norway, 31% of Sweden and 25% of Finland.

ii The sixteen partners are Canada, Denmark, Finland, Germany, Ireland, Italy, Japan, the Netherlands, Norway, Sweden, the United Kingdom, the United States, the African Bank, the European Commission, the United Nations Development System and the World Bank.

iii Japan cannot provide any provisional figures for the following years because its fiscal system is based on a single year plan. Japan generally adopts project modalities and the amount of its grant projects is high. Therefore, if Japan invests for projects in the following years, the percentages of modalities may notably change.

References

Chileshe, J (2008) Overview of the education sector in Zambia, JICA, Lusaka.

DFID (2008a) Poverty Reduction Budget Support, a DFID policy paper, London.

DFID (2008b) Scaling up Basic Services: Effects of budget support on social sector results, DFID Africa HD Advisors' Report, London.

Foster, M and Fozzard, A (2000) Aid and Public Expenditure: A Guide, Working paper 141, Overseas Development Institute, London.

Harold, P. and his associates (1995) The Broad Sector Approach to Investment Lending: Sector Investment Programs, The World Bank, Washington, D.C.

Hirosato, Y. and Kitamura Y. (2007) "An Integrated Model of International Cooperation to Basic Education in Developing Countries: Prospects of Achieving Education for All Goals through Capacity Development" Journal of International Development Studies, vol.16, no.2, pp.5-20.

Ministry of Finance and National Planning (2002) Zambia Poverty Reduction Strategy Paper, Republic of Zambia, Lusaka.

Ministry of Education (1996) Educating Our Future, Lusaka.

Ministry of Education (2003a) Strategic Plan 2003-2007, Republic of Zambia, Lusaka.

Ministry of Education (2003b) National Implementation Framework, Ministry of Education Strategic Plan 2003-2007, Lusaka.

Ministry of Education (2004) Education Sector Plan: Annual Work Plan and Budget 2004, Lusaka.

Ministry of Education (2005) Education Sector Plan: Annual Work Plan and Budget 2005, Lusaka.

Ministry of Education (2006) Education Sector Plan: Annual Work Plan and Budget 2006, Lusaka.

Ministry of Education (2008) Review of Ministry of Education Sector Plan 2003-2007, report for Joint Annual Review meeting, Lusaka.

Ministry of Education and eight agencies (2003) Memorandum of Understanding concerning the Ministry of Education Sector Plan 2003-2007, Lusaka.

Nilsson, M (2004) Effects of budget support: a discussion of early evidence, Review of General Budget Support Programmes, SIDA.

Norad (2004) From earmarked sector support to general budget support - development partners' experience, Norway.

Nyangu, N. (2005) Sector wide approach (SWAP): Case study for the education sector. A presentation paper for the workshop on 5th National Development Plan, Lusaka.

OECD (2007) Geographical Distribution of Financial Flows to Aid Recipients 2001/2005: 2007 Edition.

OECD/DAC (2003) Rome Declaration on Harmonisation, OECD/DAC High Level Forum, Rome.

OECD/DAC (2005) Paris Declaration on Aid Effectiveness: Ownership, Harmonisation, Alignment, Results and Mutual Accountability, OECD/DAC High Level Forum, Paris.

OECD Development Assistance Committee (2006) Evaluation of General Budget Support: Synthesis Report, DAC Network on development Evaluation.

OXFAM (2008) Fast forward: How the European Commission can take the lead in providing high-quality budget support for education and health, Oxford.

Riddell, A. (2002). Synthesis Report on Development Agency Policies and Perspectives on Programme-Based Approaches, Paper prepared for the Forum on Accountability and Risk Management Under Program-Based Approaches, Organized by the Learning Network on Program-Based Approaches, Ottawa.

Republic of Zambia (1996) Investing in Our People: Integrated Education Sector Investment Programme, Policy framework, Lusaka.

Republic of Zambia (2006) Fifth National Development Plan 2006-2010, Lusaka.

Republic of Zambia and sixteen cooperative partners (2007) Joint Assistance Strategy for Zambia (JASZ) 2007-2010, Lusaka.

Sasaoka, Y. (2000) Thinking about Aid Transformation in Africa-Tasks and Issues of Sector Programme (SP)-, JICA Kokusai Kyoryoku Kenkyu vol.16, No.2, pp.49-55.

Suzuki, T. (2006) Education sector in Zambia and Japanese assistance, a final report to JICA Zambia office, Lusaka.

United Nations (2003) Monterrey Consensus of the International Conference on Financing for Development 2002, Monterrey.

University of Birmingham (2007) Evaluation of General Budget Support: Note on Approach and Methods, Birmingham.

Yoshida, K. (2001) Sector-Wide Approach -Lessons from Critical Review of Ghana Basic Education Sector Improvement Program-, JICA Kokusai Kyoryoku Kenkyu vol.17, no.1.