

Zambia
Development
Agency

Privatization House
Nasser Road
P.O Box 30819
Lusaka
ZAMBIA

Privatisation & MFEZ
Tel: +260 1 220177
+260 1 223859
Fax: +260 1 225270

Zda

Investments
Tel: +260 1 254214

Exports:
Tel: +260 1 228106

Small Enterprises:
Tel: +260 1 222176

TERMINAL REPORT

Implementing Agency: ZIC/ZMM-GT

Project Title: Support to the Coordinating Secretariat of Zambia - Malawi – Mozambique
Growth Triangle.

Project No: Perez – Guerrero Trust Fund Project INT/03/KO1/A/95/ 99

Project Start Date	
Original:	2004
Actual:	2004

Project End Date	
Original:	2008
Actual:	2009

Total Project Budget (US\$): 63,000
Core Resources (US\$):
Donors (US\$): 63,000

Reporting Period: 2004-2009
Submission Date: July, 2010

1. EXECUTIVE SUMMARY

The Zambia - Malawi – Mozambique Growth Triangle (ZMM-GT) initiative was conceived by UNDP and endorsed by the Governments concerned, to harness the resource endowment of the ZMM-GT area and transform the sub-region into a dynamic growth area through greater private sector participation and improved infrastructure, with the objective of poverty reduction through job creation. The ZMM-GT was designed to complement and support the implementation of other regional integration initiatives such as COMESA and SADC, by demonstrating concrete results more rapidly gained through cross – border cooperation and implementation of practical grass roots initiatives. The UNDP / OPS executed the pre - feasibility study of the initiative, which covered such key areas as agriculture, transport, communications, mining, fisheries and agro- industry.

As a follow – up to the inception meeting in Malawi in November 2000 at which the above - mentioned prefeasibility study was presented and endorsed by the three governments, the Government of Zambia, on behalf of the three governments of Malawi, Mozambique and Zambia, requested the Foreign Investment Advisory Service (FIAS) of IFC and the World Bank to conduct a study of the ZMM-GT with the objective of providing assistance in defining the policy priorities, function , role and structure of the Coordinating Secretariat, drawing upon international best practice and the identified priorities and opportunities of the ZMM-GT. . The study was undertaken within the context of project entitled “Strategy and Business Plan for the Establishment of the ZMM-GT ” which was to facilitate the establishment of the Coordinating Secretariat of the ZMM-GT and provide support to the same, to consolidate and nurture the private sector – government relationship. This project, which was under the execution of UN Economic Commission for Africa, concluded in the first quarter of 2003.

Thereafter a project of proposal entitled “Support to the Coordinating Secretariat of the ZMM-GT was submitted to the UNDP SPECIAL UNIT for TCDC, which approved a Perez-Guerrero Trust Fund grant for the project in the tune of USD 70,000.

The purpose of the project was to strengthen the capacity of the Coordinating Secretariat to develop bankable projects as well as to produce and disseminate information on the ZMM-GT and its stakeholders.

Key results achieved include:

Strengthened capacity of the Secretariat, which enabled it to implement research project on the identification of commercial and investment opportunities of the ZMM-GT with IDRC support; study of infrastructural complementarities and challenges, with JICA support; publication and launch of the book entitled "ZMM-GT. A private sector - public sector partnership (PPP) for sub – regional development with support from USAID and African Centre for Economic Growth; successful consultations with the three governments and private sector on the completion of the railway linking the three countries to the port of Nacala in the east coast of Mozambique; production and wide dissemination of brochures, books and policy briefs on the ZMM-GT and its main stakeholders; establishment and registration of Zambia Northern Province Chamber of Commerce and Industry, in consultation with Office of the President and the private sector; adaption of the growth triangle concept in the Great Lakes region, in consultation with UN/AU International Conference on the Great Lakes Region.

The main challenges faced had to do with constantly and continuously interacting across the countries. And in the face of inadequate resources this proved to be a binding constraint. Another challenge faced was mobilization of resources required for projects and initiatives, especially private sector resources.

The key lessons learnt are that governments , private sector and civil society need to be sensitized regularly on the synergy effects that can be derived from the process and practice of economic integration through a project like ZMM-GT. Similarly, sustained efforts and consultations are required to transform political communities to political deeds to facilitate an enabling environment for development.

2. BACKGROUND AND PURPOSE

The project "Support to the Coordinating Secretariat of the ZMM-GT" submitted by Zambia Investment Centre was approved in the second quarter of 2003 by UNDP SU/TCDC as PGTF project INT/03/K01/A/95/99 Implementation of the project started in 2004.

The development objective of the project was to contribute to the promotion of regional cooperation and economic integration in Africa through the ZMM-GT. More specifically, the project was to strengthen the Coordinating Secretariat (CS) in its capacity to implement its business plan with emphasis on development of bankable projects and production and dissemination of information on the ZMM-GT and its main stakeholders.

The purpose of the project was to strengthen the capacity of the Coordinating Secretariat of the ZMM-GT with the view to develop bankable projects and produce and disseminate information on the ZMM-GT and its main stakeholders.

3.0 ADMINISTRATIVE AND OPERATIONAL ISSUES

3.1 STAFFING

Under the terms of agreement among the three member countries, Zambia was assigned to host the Coordinating Secretariat of the ZMM-GT. To this effect, the Government of Zambia

designated the Zambia Investment Centre (ZIC, now part of Zambia Development Agency (ZDA) as the initial host for the Secretariat. The Secretariat was staffed by one Senior Policy Advisor, a Project – Assistant and interns as well as UN and TICAD Volunteers . In addition, ZIC provided specialized personnel to assist the Secretariat, namely for accounting and finance related matters and for information technology (IT) support.

3.2 PROCUREMENT

Procurement of stationery, office equipment and related spare parts was done through the ZIC.

3.3 OPERATIONS

Preparations and approval of work plans and acquisition of resources for implementation of activities were generally timely.

3.4 M & E ACTIVITIES

Monitoring visits were undertaken especially in the border areas of Zambia and Malawi, where the railway linking the two countries was being constructed.

RESULTS NARRATIVE

Outputs and Outcomes

In line with the objectives of the project as elaborated in the project document the following outputs and outcomes were attained:

As outputs a number of projects were developed which include “Strengthening the Small-scale Mining Industry within the Growth Triangle “. With the ZMM-GT’s broader objective of poverty alleviation and job creation, this project looks at ways of strengthening the small scale mining industry in its managerial, technical and organizational capacity through an integrated approach.

(b) “Assessing the integrated sub – regional potential for the widespread introduction and application of appropriate renewable energy technologies within the ZMM-GT. “The project seeks to facilitate the widespread introduction and use of innovative and appropriate renewable energy technologies (RETs) required to address specific development issues obtaining on the ground (environmental issues, energy - deficiency, employment creation).

(c) “Commercial and Investment Opportunities of the ZMM-GT. The project studied the main features and scope for cooperation in the ZMM-GT, investment climate and legal frameworks of the countries, infrastructure financing, commercial and investment opportunities within the ZMM-GT.

(d) “Socio - Economic Realities and Infrastructural constraints of the ZMM-GT.

(e) Production, launch and dissemination of the book entitled “ZMM-GT – A Public Sector – Private Sector Partnership for Sub- regional Development.

(f) Development of a Policy Document entitled “Contributing to Integration and Good Governance in Southern Africa.:The Experience of ZMM-GT ” presented at the UNDESA and American Society for Public Administration organized International Conference on “Transforming Governance in a World without Boundaries,” in Portland ,Oregon, USA.

(g) Development of ZMM-GT website and Production / Reprinting of booklets (common questions asked about the ZMM-GT), publications (Walking the Vision: The story of a UNDP initiated sub regional programme; ZMM-GT and its linkages with other initiatives such as Nacala Corridor, NEPAD, SADC and COMESA.

The outcomes of the project include the following:

Two of the above – mentioned project proposals” Commercial and Investment Opportunities of the ZMM-GT “and “Social- Economic Realities and Infrastructural Constraints of the ZMM-GT, “received support from IDRC and JICA, respectively. This facilitated the implementation of the projects whose reports were widely disseminated among the three countries and their private sectors. Recommendations contained in the said reports served as inputs into the policy making process of Zambia’s public - private - partnership initiatives which was approved in 2007. Similarly both Mozambique and Malawi have taken into account in their investment policy reforms the issues constraining doing business and effective and efficient cross - border trade in their relevant border regions.

The direct beneficiary groups included men and women small medium scale operators, cross – border traders and the general populations in the border areas.

Enhanced level of understanding and awareness of the ZMM-GT goals, rationales and objectives built and maintained among government officials and the private sector. Positive perception of Governments’ willingness and commitment to sub – regional and cross - border cooperation as well as implementation of practical grass roots initiatives – all designed to complement and support the implementation of the regional integration initiatives such as COMESA and SADC. Furthermore, there is increased coherence and coordination in the policy, regulatory and legal framework that constitutes the policy environment for the private sectors participation in economic growth. Factors that led to meeting the above – mentioned outputs and outcomes included a clear vision and outcomes and consistent – direction of the ZMM-GT provided by both government and Secretariat . In addition, the Secretariat’s capacity to produce and disseminate information on the project was a major contributing factor .The pressure on local partner organizations as regards coordination of multi – country project led to delays in implementation.

RISKS:

The programme design assumed that over-all macro – economic and macro - political framework in the three countries will remain stable. This assumption has been proved right and as such there was no risk in that regard.

ASSUMPTIONS:

The assumption that the government would contribute financial resources and human resources (on secondment to the Secretariat) did not materialize.

CROSS – CUTTING THEMES:

The project built on the Fourth World Conference on Women, Beijing 1995, that address among others, Women and the Environment, recommending integration of gender concerns and perspectives in policies and programmes for sustainable development. The project also took into consideration the provisions of the Convention on the Elimination of All Forms of Discrimination against Women; and Expanding opportunities for women's voice, including encouraging the private sector to promote greater participation of women.

5.0 KEY DEVELOPMENT – DRIVERS

The key activities that were undertaken during the project included capacity strengthening of the Secretariat - in terms of project / programme development and effective partnership building between the public and private sector, creating strategic alliances and network of economic operators within and outside of the ZMM – GT, providing policy advice on cooperation among the three countries, in terms of identification of comparative advantage, demand – driven approach in programming South - South cooperation; Sub-regional cooperation within the larger framework of COMESA and SADC.

6.0 Soft Assistance:

Advice was provided on management of partnerships, regional integration and project management issues.

7.0 PROJECT PERFORMANCE - MAIN CHALLENGES

The key constraints and challenges experienced have to do with inadequate funds and insufficient transformation of political commitments into political. Deeds and physical project undertakings. Consistent consultations with relevant governments have made some progress, but this progress is slow. The other challenge experienced was the setting up of new institution in Zambia called Zambia Development Agency (ZDA), of which Zambia Investment Centre (ZIC) became part. This process, to a certain degree, slowed down the implementation momentum of the project.

8.0 KEY LESSONS LEARNT

One of the key lessons learnt as regards the success of any cross- border arrangement or framework is for the participants and promoters to be politically committed to the endeavour. Leadership plays a very vital role, too. The level of passion, commitment, appreciation and dedication demonstrated in the early years of the project could not be maintained over time for a number of reasons, the major one being the challenge, at the regional level, to a regional development bank to move beyond traditional private sector “window” and explore flexible , innovative mechanisms for public – private partnerships, to generate investor interest and confidence in sub – regional projects; and to find effective ways to link technical projects information on the ZMM-GT opportunities to the investment decisions of enterprises and investors (i.e. market sub – regional projects).

With specific reference to this project "Support to the Coordinating Secretariat". The key lessons learnt are that the project had to use interns and UN Volunteers to facilitate the implementation of the activities envisaged in the project. Furthermore, the temptation of "Institution building, the development of an elaborate intuitional framework, involving frequent multi- country consultations and endless discussions should be avoided, as this can lead to "fatigue" especially among the private sector operators. Another lesson learnt is that in order for a Secretariat serving as a public - private sector organ to ensure implementation of initiatives should have sufficient funding for operational, programmatic and project needs.