Republic of Zambia

Ministry of Education,
Science, Vocational Training and Early Education

MUTUAL ACCOUNTABILITY FRAMEWORK

BETWEEN

THE GOVERNMENT OF THE REPUBLIC OF ZAMBIA

AND

THE COOPERATING PARTNERS IN THE EDUCATION AND SKILLS DEVELOPMENT SECTOR

11th September 2012
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1.0. INTRODUCTION

This MUTUAL ACCOUNTABILITY FRAMEWORK (MAF) is made this........ day of .........................., 2012 BETWEEN the GOVERNMENT OF THE REPUBLIC OF ZAMBIA (hereinafter referred to as GRZ) acting through the MINISTRY OF EDUCATION, SCIENCE, VOCATIONAL TRAINING AND EARLY EDUCATION (hereinafter referred to as the Ministry) and the CO-OPERATING PARTNERS (the African Development Bank (AfDB), the Government of Ireland, the Government of Japan, the Department for International Development (DfID) of the Government of the United Kingdom, the United States Agency for International Development (USAID), the United Nations Agencies and any other party that may subsequently become a signatory to the MAF) to contribute towards the funding and implementation of the National Implementation Framework, 2011-2015 of the Ministry's programmes defined in the Education and Skills Development Chapter of the Sixth National Development Plan, 2011-2015 (SNDP) (hereafter referred to as NIF III).

I. WHEREAS the Government of the Republic of Zambia (hereinafter referred to as GRZ) and CPs will ensure that respect for human rights, democratic principles, the rule of law, good governance, transparency and accountability, which govern the domestic and international policies of the Signatories, serves to provide the basis for this MAF.

II. WHEREAS GRZ committed itself to the Universal Declaration of Human Rights of 1948 including Article 26 which stipulates that everyone has the right to education. GRZ has also committed itself to the Convention on the Rights of the Child. Furthermore, GRZ has recognized the need to address the needs of the Zambian people in the field of education and training and committed itself to the objectives of Education for All (EFA) and the Millennium Development Goals (MDGs).

III. WHEREAS both GRZ and CPs are committed to the National Policy on Education and Skills Development.

IV. WHEREAS the Paris Declaration (2005), the Busan Partnership Framework for Effective Development (2011), the Aid Policy and Strategy of Zambia (2011) and
the second Joint Assistance Strategy for Zambia (JASZ II), characterized by support and procedures for a single sector policy, expenditure programme, donor commitment of funds, mutual accountability and management for results and exchange of information, provides the basis for this MAF.

V. WHEREAS the NIF III must be aligned with the key national reform policy and processes, such as the decentralisation reform, public sector reform and public expenditure and financial management reform.

VI. WHEREAS development of the capacity and competence of GRZ and local level institutions will constitute the foundation for the successful implementation of NIF III.

VII. WHEREAS GRZ has committed itself, to the extent possible, to annually increasing the percentage of GDP devoted to the Education and Skills Development Sector as indicated in the SNDP.

VIII. WHEREAS CPs have committed themselves, to the extent possible, to provide predictable financial and technical assistance to NIF III in line with the Paris Principles as requested by the Ministry, to be confirmed, within the bilateral arrangements between GRZ and each individual CP.

IX. WHEREAS, existing bilateral agreements remain in force, new agreements will be, to the extent possible, aligned to the principles of the JASZ II and this MAF.

X. WHEREAS NIF III will be implemented by GRZ through the Ministry, providing political and financial commitment and leadership, policy and legislative support, in co-ordination with other line Ministries, non-governmental, private and community providers of education.

XI. WHEREAS NIF III as the Implementation Framework of the Education and Skills Development chapter of the SNDP will be put into operation through successive Annual Work Plans and Budgets (hereinafter referred to AWPBs).

XII. WHEREAS the Ministry will be responsible for the monitoring and assessment of the implementation based on the sector priorities, approved indicators, targets and
utilisation of GRZ and CPs' financial resources according to the Ministry's cycle of planning, budgeting and monitoring.

XIII. WHEREAS CPs will endeavour to establish bilateral arrangements that are compatible with the spirit and provisions of this MAF and will refrain, as far as possible, from setting provisions in their bilateral arrangements and the Joint Financing Agreement which contradict or diverge from the spirit or the provisions of the MAF. If there is any inconsistency or contradiction between the provisions of the MAF and any of the bilateral arrangements, the provisions of the bilateral arrangements will prevail.

XIV. WHEREAS this MAF does not constitute an international treaty or any other legally binding document. To the extent that the MAF is inconsistent with the laws, policies or commitments of any Signatory, such laws, policies or commitments will prevail.

Now therefore the Signatories have reached the following shared recognition:

2.0. PRINCIPLES OF PARTNERSHIP

2.1. GRZ and CPs recognise and reaffirm the principles of alignment and harmonisation as outlined in the Paris Declaration on Aid Effectiveness, which provides a basis for strengthened governance and ownership, and improved performance as a result of reduced transaction costs and increased donor coordination.

2.2. GRZ has endorsed the Joint Assistance Strategy for Zambia (JASZ II, signed in November, 2011), which is the CPs' joint response to the SNDP, guided by the Aid Policy and Strategy of Zambia.

2.3. The partnership between GRZ and CPs will be guided by the Ministry's management and co-ordination guidelines.

2.4. All activities to be carried out by the Ministry, with the support of CPs, will be consistent with the approved goals and objectives of NIF III.
2.5. The Ministry reserves the right to refuse funds for expenditures that are inconsistent with the policies, practices and working cultures of the Ministry and GRZ.

2.6. The Ministry and CPs will endeavour to ensure that information on all relevant interventions in NIF III (including new initiatives, requests for financial and technical assistance made by GRZ, appraisals, implementation and progress reports, technical assistance reports, and evaluation reports) is made available to GRZ and other CPs.

3.0. RESPONSIBILITIES AND COMMITMENTS OF THE MINISTRY

3.1 The Ministry will, to the extent possible, be responsible for ensuring relevant and appropriate inter-ministerial co-ordination in the education sector policy dialogue and participation in the Sector Advisory Group (SAG) and other key fora as appropriate.

3.2. The Ministry will endeavour that the funds allocated to the education and training sector will be used to finance jointly decided activities as defined in the SNDP, NIF III and subsequent Annual Work Plans.

3.3. The Ministry will, to the extent possible, strengthen preventive measures to eliminate the misuse of all resources (financial, human and physical). In addition, the Ministry will require that staff and consultants assigned to NIF III will not make use of their positions for self-benefit, for the benefit of the stakeholder or against stakeholders. They will not accept or demand any gratification as a consequence of their job. The Ministry will timely inform CPs of any circumstances (including any type of misuse of funds or irregular procurements) which interfere or threaten to interfere with the successful implementation of NIF III.
4.0. RESPONSIBILITIES AND COMMITMENTS OF CO-OPERATING PARTNERS

4.1. CPs intend that their financial support to NIF III will be provided through a variety of modalities, which are defined in this MAF.

4.2. Co-operating Partners Co-ordinating Committee (CPCC) will be the overarching, formal coordination forum for CPs for all sector dialogue, and will be used to prepare all relevant sector issues and to decide upon a position to be presented to the Ministry in the joint coordination committees.

4.3. Membership to the CPCC will be open to any bilateral or multilateral agency contributing to NIF III and the roles (lead, active and background) of CPs have been defined in the management and coordination guidelines.

4.4. CPs will require that staff and consultants assigned to the Ministry will act in accordance with ethical principles.

5.0. MANAGEMENT AND COORDINATION OF THE EDUCATION AND SKILLS DEVELOPMENT SECTOR

5.1. Programme management and implementation will be the responsibility of the Ministry embedded in the regular management and administrative structures.

5.2. The management and coordination structures will operate within the framework of GRZ laws and regulations.

5.3. It is envisioned that the cooperation between the Ministry and CPs will be organized in defined structures, which include members from the Ministry, CPs and other stakeholders.

5.4. The specific terms of reference for the joint co-ordinating committees are defined in the education and skills training sector management and coordination guidelines. A review of the terms of reference can be done as necessary.
6.0. **FINANCIAL ASSISTANCE**

6.1 CPs will, to the extent possible, provide timely, transparent and comprehensive information on aid flows so as to enable the Ministry to record external funding to the sector in the GRZ budget. Further CPs will, to the extent possible, endeavour to (a) provide indicative commitments of aid over a multi-year framework and (b) disburse aid in a timely and predictable fashion according to jointly decided schedules. The Participants understand that some CPs may not be able to meet these goals due to the constraints of their respective budgetary cycles.

6.2. Funds committed from CPs for the financing of expenditures will be aligned, with the three funding modalities described in paragraphs 6.3 - 6.5.

6.3. **Sector Budget Support** (SBS) will be channelled through the Treasury but earmarked for the education sector, or linked to the achievement of specific outcomes, as decided between GRZ and CPs. The SBS funds will be disbursed to the GRZ account in the Ministry and used towards activities defined in the AWPBs as guided by the strategic priorities of NIF III.

6.4. **Pool Support** will be channelled to the Ministry and deposited in a common bank account, under the control and management of the Ministry. The funds will be used towards activities defined in the AWPBs as guided by the strategic priorities of NIF III.

6.5. **Project Support** will be earmarked and deposited in separate bank accounts under the control and management of the CP or their representative and/or the Ministry. The earmarked funds will be used towards activities defined in the AWPBs as guided by the strategic priorities of NIF III. The modalities of the specific projects will be guided by the relevant Project Document.
7.0. TECHNICAL ASSISTANCE

7.1. The Participants intend that support to capacity development will be an integral feature of the CPs' harmonized and aligned assistance to the Ministry.

7.2. Where possible, Technical Assistance (TA) funds should be included in the regular GRZ budgets, i.e. on-budget and reflected in the AWPBs.

7.3. The Ministry will assume leadership in the design and implementation of the procedures for TA procurement, contracting and management using GRZ systems.

7.4. The Ministry, in line with the Aid Policy and Strategy of Zambia and JASZ II, prefers Full TA pooling, under which TA is contracted and supervised by the Ministry. The Ministry will also recognize Un-pooled TA, under which TA is contracted and financed by individual CPs, including projects, based on the principles of 6.5.

8.0. PLANNING, BUDGETING, REPORTING AND MONITORING

8.1. The Ministry will follow jointly decided guidelines on financial management, procurement and reporting and in accordance with GRZ's fiscal year and procedures for technical reports, financial reports and audits. Those funding agencies with projects will be required to submit all technical and financial information to facilitate timely production of AWPBs and quarterly and annual reports.

8.2. The Ministry will prepare successive AWPBs in line with the GRZ planning and budgeting cycle, and linked to the GRZ Medium Term Expenditure Framework. The Ministry will ensure that all CP-supported activities are included in the AWPBs.

8.3. Technical and financial reports from the Directorates and Units at Headquarters, Provinces and Boards will be submitted through the respective institutional arrangements to the Ministry Headquarters on a quarterly basis.
8.4. The Ministry will produce semi-annual and annual consolidated technical and financial reports for submission to relevant stakeholders. The semi-annual technical and financial reports will be submitted to the SAG for endorsement and to the Ministry's Top Management Team for final approval. The Ministry will ensure that all CP-supported activities are included in the technical and financial reports.

8.5. As far as possible, the Ministry and CPs accept to use commonly defined interrelated sets of indicators and targets in the monitoring of the performance of NIF III as indicated below:
   a) SNDP key indicators – narrowly defined for overall monitoring of the SNDP;
   b) Performance Assessment Framework (PAF) indicators – guiding general budget support disbursements under the Poverty Reduction Budget Support (PRBS);
   c) The NIF III PAF – broadly defined indicators for monitoring access and participation; quality and relevance; efficiency; and equity.

8.6. The definition and review of the indicators and targets will be initiated by the Monitoring and Evaluation Technical Committee (METC) and endorsed by the SAG for final approval by the Ministry's Top Management Team.

8.7. The Ministry, CPs and other stakeholders will jointly review, organize and conduct annual reviews to assess progress of NIF III implementation according to the AW/PB.

8.8. There will be a Mid-term Review to assess performance. There will also be an End of Term Review in the last year of NIF III.

9.0. FINANCIAL MANAGEMENT

9.1 All funds of NIF III will be managed under the Integrated Financial Management Information System (IFMIS) in line with Public Finance Act No. 15 of 2004 or any subsequent Act promulgated to replace the said Act.
9.2. In all cases of unexpected and unplanned expenditures, such expenditures should be in support of activities and/or investments consistent with the objectives and priorities of NIF III.

9.3. The Ministry will maintain accounting systems, accounts and records in accordance with sound financial management practices, to reflect the operations, resources and expenditures in respect of implementation of NIF III.

9.4. The Ministry will share information with respect to the accounting systems, accounts and records with CPs on a regular basis. The Ministry accounts will be subjected to internal and external audits.

10.0. DISBURSEMENTS BY CO-OPERATING PARTNERS

10.1 Expenditures to be financed under NIF III for any given year will be defined and jointly decided in the approved AWPB for that year.

10.2 CPs will endeavour to provide timely financial and technical assistance to NIF III in line with the Paris Principles as requested by the Ministry, to be confirmed within the bilateral arrangements between GRZ and each individual CP.

10.3 Funds committed by CPs will be disbursed, to the extent possible, in a timely and predictable fashion according to decided schedules in designated bank accounts according to the funding modalities.

10.4 The disbursement of funds from CPs to the Treasury through Sector Budget Support (SBS) will depend on criteria to be defined between Ministry of Finance, MESVTEE and CPs.

10.5 The disbursement of funds from CPs to the Sector Pool Account will be based on the following documents:

a) Technical and financial reports as indicated in 8.4;
b) Cash flow statement and the liquidity needs forecast;
c) Consolidated national AWPB;
d) Performance against jointly decided indicators.
10.6 The release of funds will take into account the liquidity needs forecast to guarantee a minimum liquidity position to cover at least six months of expenditure and will take into account un-utilized funds from the previous disbursement.

10.7 The release of funds from CPs to projects will be based, to the extent possible, on the following criteria:

a) Costed activities (including technical assistance where applicable) defined in the Ministry AWPB at the relevant operational levels;

b) Semi-annual technical and financial reports.

10.8 In the event of unsatisfactory performance on NIF III implementation, the participants will review the situation and CPs may withhold disbursements to the programme or take any other action mutually consented. However, an individual CP may also withhold disbursements on the basis of the provisions of applicable bilateral or other agreements, laws, regulations, or policies.

10.9 Prior to the execution of any such withholding of disbursements or other actions, CPs will endeavour to inform the Ministry in a timely manner that this action may occur and will specify remedial actions which must be taken by a specific date in order to avoid disruption to the programme and service delivery.

10.10 CPs may suspend payment or demand repayment of all or parts of the funds transferred in the event of failure to meet the requirements stipulated in Article 9 of this MAF, or if it emerges, either from the reports referred to above or from some other source, that the funds are not being used or have not been used for the implementation of the programme.
11.0. DISBURSEMENTS FROM MINISTRY HEADQUARTERS TO OPERATIONAL LEVELS

11.1 Release of funds from the Ministry to Directorates, Units, Provincial Offices, Boards and public universities should be timely and regular in order to ensure efficient and effective implementation of the programmes and activities.

11.2 Funds will be allocated to Boards based on approved resource allocation criteria and funding formulae and based on the approved AWPBs and Financial and Procurement Guidelines.

11.3 The Permanent Secretary will approve the release of funds to public universities, the individual Boards and Provincial Offices.

11.4 The procedures for the release of funds by the Ministry to the Boards are stipulated in the GRZ Financial and Procurement Guidelines.

11.5 Subsequent disbursements from the Ministry to the Boards and Provincial Offices will take into account un-utilized funds from the previous disbursement.

12.0. MODIFICATIONS TO THE MAF AND HANDLING OF DISAGREEMENTS

12.1 The procedures outlined in this MAF will be subject to review by the Ministry and CPs as the need arises.

12.2 Any modification of the provisions and operational modalities of this MAF may only be made by joint decision in writing between the Signatories.

12.3 Upon any CP's written request and written acceptance of such provisions already approved between the Ministry and CPs in this MAF, the Ministry may authorize, in writing as an appendix to this MAF, a CP to become a Signatory for the purposes of this MAF.

12.4 An individual CP may withdraw from this MAF at any time but should give 6 months written notification to the Ministry and other CPs.

12.5 Without prejudice to the foregoing paragraph, funds already committed and disbursed by a CP, which has indicated its withdrawal, will not be
affected by such withdrawal. However, as to the funds already committed but not yet disbursed, CPs' bilateral agreements will be observed.

12.6 Should any dispute, difference of opinion or disagreement arise regarding the meaning or interpretation of the provisions of this MAF which cannot be settled within the established joint coordination committee structures, then the Participants will endeavour to resolve such dispute or disagreement through a mutually approved mediator.

13.0. CLOSURE OF PROGRAMMES

13.1. NIF III will be deemed complete in 2015 and will be formally closed by December 2016. Closure of NIF III will be in accordance with guidelines and procedures approved between GRZ and CPs.

14.0. LEGAL STATUS

14.1. This MAF is subject to the availability of funds by the Participants. The Participants further specifically acknowledge that this MAF is not a commitment of funds, nor does it constitute a legally binding commitment by any Participant or create benefits to any third party.
15.0. SIGNATORIES

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Title: Minister
For the Ministry of Education, Science, Vocational Training and Early Education
Date: 11/09/12

Name: Freddie Kwesiga, Ph.D.
Title: Resident Representative
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Date: 11/09/12

Name: Patrick McManus
Title: Chargé d’Affaires
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Name: Akio Egawa  
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Title: Head of the Department for International Development  
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