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Questions and answers: Ambiguities in Zambia's social transfer programme

What is the social transfer programme all about?

The purpose of the programme is to direct cash contributions to families in the most difficult position. In particular, the beneficiaries have been single-parent families living in rural areas. Another aim of the programme is to develop and strengthen social security systems and expertise in Zambia's administration.

How were the ambiguities detected?

Finland, Sweden, Britain and Ireland, the donor countries, have been monitoring the implementation of the programme and its payments with reference to the original plan. The reporting and accounts by the responsible authorities in Zambia from 2017 proved insufficient, which together with the observations made during follow-up journeys raised the need to investigate the matter in more detail. The suspected misuse was confirmed when it turned out that some of the donations made in 2017 had not reached the families defined as the recipients of the aid.

How has the matter been investigated?

When suspicions were aroused, Finland, Sweden, Britain and Ireland insisted at the beginning of 2018 that the Zambian government and authorities should take steps to investigate the matter. After stricter demands from the donors and as the matter was broadly publicised in the Zambian media, the country has started official investigations into the matter. The minister responsible for the social sector has been dismissed.

How were the funds misused?

The suspicion is related to the payment of cash contributions. The details of the matter are not yet known. The Zambian authorities are investigating the matter.

What sums are we talking about?

The question is only of suspicion at this point, so we cannot verify the sums or their share of the whole programme. Finland and the other donor countries have paid the aid to the same basket, which also includes funds from Zambia's own budget. Zambia has covered 2/3 of the programme's costs. Therefore, it is challenging and time-consuming to find out the shares of different countries.

What will be done next?

Finland has informed the Zambian government that the funds already paid may not be used for the needs of the programme. There will be no further payments from the programme.

It has been agreed in official discussions with the Zambian government that the relations between our countries will be diversified, so that share of traditional development cooperation will gradually decrease and that of other, mainly commercial, cooperation increase.

Finland and the other donor countries are investigating the suspected misuse, while the responsibility for investigating the actual offences lies with competent authorities in Zambia. Their efforts will be supported.

What has been done in the social sector in Zambia with support from Finland?

The beneficiaries of the programme are the poorest and most vulnerable population groups, mostly single-parent families. Special attention in the support scheme has been paid to the position of women and girls. In practice, support has been provided as cash contributions directly to those in need. With the support, families have been able to refurbish their homes, buy domestic animals and help girls go to school.

Use of the funds is monitored

The purpose of development cooperation is to make itself unnecessary. Programmes should be sustainable so that after the assistance the countries and organisations receiving aid must be in a position to take care of things on their own. It is difficult to achieve this goal unless the systems of the countries and their operators are not used and thereby developed. The partner authorities often have poor financial administration capacity, which inevitably imposes risks on the operations.

The Ministry for Foreign Affairs carefully monitors the use of funds and constantly develops its risk management capabilities. Risks cannot be avoided, but they can be anticipated and controlled better.

For more information on monitoring and supervising development cooperation, see:

<https://um.fi/monitoring-and-evaluation-of-development-cooperation>