



# Support Models for CSOs at Country Level

Zambia Country Report

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## Zambia Country Report

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**Project:** Support Models for CSOs at Country Level  
**Client:** Norad, on behalf of Nordic+ Donor Agencies  
**Period:** April-August 2007

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## **Foreword to the country reports**

This report on country level support modalities to civil society is one of a total of six similar studies conducted in Bangladesh, Ethiopia, Guatemala, Tanzania, Zambia and Zimbabwe between April and July 2007.

The study was carried out by Scanteam, a Norwegian consulting company, on behalf of a donor group consisting of Canada, Finland, Ireland, Sweden, the UK and Norway. The findings were later elaborated and merged into a synthesis report, describing general trends and challenges in current direct support to Civil Society Organisations in the South, through various modalities. The synthesis report is published together with the country studies.

Specific views and arguments in this report are attributed to Scanteam and not to the donors.

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# Contents

|   |           |
|---|-----------|
| <b>Acronyms and Abbreviations .....</b>                                   | <b>ii</b> |
| <b>1 Background and Introduction .....</b>                                | <b>1</b>  |
| 1.1 Study Coverage and Methodology .....                                  | 1         |
| 1.2 Acknowledgements and Disclaimer .....                                 | 2         |
| <b>2 Civil Society in the National Context .....</b>                      | <b>3</b>  |
| 2.1 National CSO Policy and regulation .....                              | 4         |
| 2.2 Civil Society's participation in the Zambian development process..... | 5         |
| <b>3 Support to Civil Society in Zambia .....</b>                         | <b>7</b>  |
| 3.1 Strategic framework for civil society support.....                    | 7         |
| 3.2 Support Models in Use.....  | 8         |
| 3.2.1 Direct Support.....   | 8         |
| 3.2.2 Support through Intermediaries .....                                | 9         |
| 3.2.3 Joint Support Models .....  | 10        |
| 3.2.4 Summing up on models .....  | 10        |
| 3.3 Activities supported .....  | 11        |
| 3.4 Harmonisation, Coordination and Alignment .....                       | 12        |
| 3.5 Partners' Views of Each Other .....                                   | 13        |
| 3.5.1 Donor Views .....   | 13        |
| 3.5.2 CSO Views .....   | 13        |
| <b>4 Different Support Modalities .....</b>                               | <b>16</b> |
| 4.1 Unilateral Direct Support Modality .....                              | 16        |
| 4.2 Intermediary Support Modality .....                                   | 17        |
| 4.3 Joint Support Modalities.....   | 19        |
| 4.4 Risks .....   | 22        |
| <b>5 Findings and conclusions .....</b>                                   | <b>24</b> |
| <b>Annex A: List of Informants .....</b>                                  | <b>26</b> |

## Acronyms and Abbreviations

|       |  |
|-------|--|
| CS    | Civil Society  |
| CSO   | Civil Society Organisation                           |
| CSPR  | Civil Society for Poverty Reduction                  |
| EC    | European Community                                   |
| ECZ   | Electoral Commission of Zambia                       |
| GTZ   | Germany's Technical Cooperation Agency               |
| JAS   | Joint Assistance Strategy                            |
| NGOCC | Non-governmental Organisation Coordination Committee |
| PRSP  | Poverty Reduction Strategy Paper                     |
| SAG   | Sector Advisory Group                                |
| UNDP  | United Nations Development Programme                 |
| USAID | US Agency for International Development              |
| ZEF   | Zambia Election Fund                                 |
| ZNAN  | Zambia National Aids Network                         |

## 1 Background and Introduction

Norad, Norway's Development Cooperation Agency, contracted Scanteam on behalf of "Nordic+" donors Canada, Finland, Ireland, Norway, Sweden and the UK, to review the experiences in six countries of different models for supporting civil society.

The *purpose* is to contribute to the development of a strategic policy framework for Nordic+ support to a vibrant, pluralistic and democratic civil society. The *aim* is to identify and analyze different support models, while the *objectives* are to (i) review possibilities for improving direct support to NGOs/CSOs through country level support models; (ii) shed light on constraints and possibilities of different types of support models, and (iii) increase outreach to a wider range of civil society organisations and reduce transaction costs.

This Country Study Report on Zambia is thus one of the six separate studies that will form the empirical foundations for the overall report.

### 1.1 Study Coverage and Methodology

The methodology applied for the country studies is described in the overall Synthesis Report for this study. There the final summary of quantitative trends in the selection of support models and some of the key features will also be presented.

Some of the main issues concerning the data collection are the following:

- Methodology used in the field studies include in-depth interviews with key donor personnel and CSOs. Those with first hand knowledge of the support models in question were prioritised. For this reason, few government representatives have been interviewed. Questionnaires were sent out by email, and a follow-up survey was distributed after the drafting of the country reports. In addition there have been meetings for debriefing at the end of the field work as well as seminars and focus group discussions held. Emerging findings were presented and commented on at the final debriefing and comments included in the country report. The study team (minus national consultants) have conducted three internal workshops during the study to discuss methodology and findings.
- An important part of this study is to review and further develop terminology and categorization of support to civil society. The data collection instruments have been simplified and adapted as the study progressed. Comprehensive questionnaires and Conversation guides were developed prior to the field work, based on a desk study of key documents. The existing categories of support models were not sufficiently clear. Terminology has been further developed during the course of this study. Based on lessons learned in the field and the need for simplification and reduction in scope, a final matrix with a few key features linked to civil society support models was sent out to the Nordic+ embassies in the six countries. The response rate from the embassies to the quantitative part of the data collection has been low for all countries involved.
- This study only looked at support models at country level and does not include funding of NGOs/CSOs from the donor head offices. Nor did it cover funding which is channelled through international NGOs (INGOs), unless the Embassy used an INGO locally as an intermediary channel.

- Furthermore, the study did not attempt to measure the effectiveness of the CSOs in relation to the chosen support model – that is, it did not look at results at community or target group level. The assessment of the quality and impact of the respective support models relied on information from CSO staff and donors.
- Finally, the CSO perspectives included in the study is limited to the organisations receiving support from Nordic+ countries, since the main focus is on experiences with the different support models. The scope of the study did not allow for a comprehensive analysis of the CSO community at large and the views of those not receiving Nordic+ funding.
- The donor perspective on support models is dominant in all country studies as per the Terms of Reference and early meetings with the Nordic+ donor group in Oslo. There are a number of other studies dealing with the CSO perspective on civil society ⇔ donor relations in general<sup>1</sup>, but the team agrees with comments received to the draft reports that the study would have benefited from with a more thorough analysis of the CSO perspectives on the different support models<sup>2</sup>.

## 1.2 Acknowledgements and Disclaimer

The Zambia country study took place from 4 to 15 May 2007. The focal donor in Zambia was the Finnish Embassy, and the team would like to thank the Chargé d'Affaires, the drivers and staff, and especially Ms. Anne Kanene, who ensured that the field visit was an efficient and productive one. The consultants met with some twenty CSOs as well as all of the Nordic+ donors (all six are present in Zambia; UK, Ireland, Canada, Sweden, Finland and Norway), USAID, the EC, the World Bank, the Netherlands Embassy, GTZ, relevant government authorities and the National AIDS Council.

The donors and CSOs all readily shared relevant documentation, in addition to being constructive and very open during the long interviews that the team put them through. The environment surrounding the extended development cooperation in Zambia is very positive, though there were some challenges receiving all the data requested. The final report is thus missing empirical data in some fields, which had led the study to be somewhat less conclusive than was hoped for.

The conclusions and recommendations are the sole responsibility of the consultant, including any factual mistakes or misunderstandings the report may contain.

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<sup>1</sup> See synthesis report for further discussion and references.

<sup>2</sup> CSOs interviewed were asked about their views on support models, but in general their responses were of a more general character than directly linked to the comparative strengths and weaknesses of the different models.

## 2 Civil Society in the National Context

Zambia is ranked among the poorest countries of the world, currently ranked as 164 of 177 countries on the UNDP Human Development Index. The majority of the population of almost 12 million lives in the rural areas, but more and more people are relocating to urban areas. Almost three quarters of the population are living below the poverty line. Life expectancy at birth is among the lowest in the world, at approximately 38 years, and almost all the social indicators verify the desperate situation the country finds itself in.

After independence in 1964 the country was ruled for almost thirty years by President Kenneth Kaunda. Elections in 1991 brought an end to one-party rule, and with the election in 2001 the ruling party candidate Levy Mwanawasa was elected. The new president launched a far-reaching anti-corruption campaign in 2002, which resulted in the prosecution of former President Frederick Chiluba and many of his supporters in late 2003. The prosecution of Chiluba still is a huge issue in the country, but it has boosted the current Government and its efforts to rid itself of corruption even though progress has been slow. The country has a relatively stable political climate, though the executive is much stronger than Parliament, and one of the discussion points is the need for a new constitution.

The elections in 2006, including the work of the Electoral Commission of Zambia (ECZ), were more open and consultative than ever before. International observers and local monitors were of the view that the Elections were well managed and there were no major malpractices. 2006 Elections were an important step ahead to enhance democracy in Zambia. The ECZ has shown commitment in continuing with the same approach and has already clear plans how to implement recommendations of the evaluations and the observation missions. Civil society was acknowledged as a key stakeholder in the process by the ECZ, donors and observers.

International support amounts to more than USD 900 million a year, and it is organised mainly to assist in the implementation of the Fifth National Development Plan through sector and budget support. Donors and the Government have developed a Joint Assistance Strategy (JAS), which includes a detailed matrix, laying out the coordinated efforts of donors and Government alike. The actual work is conducted in the Sector Advisory Groups (SAGs) and in technical sub-groups. The civil society was not involved in setting up this system, but they are invited into the relevant SAGs and/ or technical sub-groups.

Zambia has a relatively short history when it comes to civil society engagement in social matters and discourse around governance, development of democracy and human rights. Under the first republic, from independence to 1991, there were few organisations operating in the country and they were either international NGOs, faith based, trade unions or the scouts movement. Most of these organisations focused on service delivery in various sectors.

After the 1991 election and the introduction of a multi-party system, the number of organisations mushroomed. Most of these newly formed CSOs were dependent on donor funding from the outset. The development has continued under the new Government (2001) and although some of the organisations have matured, they are still dependent on external funding to survive.

There has been and still is some mistrust between Government and certain elements of civil society, but the environment is mostly one of mutual understanding and acceptance. This may be because the Zambian civil society mostly acts in accordance with Government policies and is not overly critical.

On 17 June the Zambian authorities presented a draft of a new NGO-bill to Parliament. The process has not been participatory and the content was not disclosed before it was put before Parliament. The working group for governance, human rights and gender presented its conclusions to Parliament in early August.

The Draft Bill envisages a tighter control of NGOs, both Zambian and international. CSOs have reacted strongly to both the process and the content of the draft Bill.

Most actors believe that a better system is needed but it is especially the suggestion of a Minister appointed Board to manage the NGOs that has made the civil society react. The Board is to have ten members, but only two of them from civil society. The Board would be able to make decisions when at least six members are present

The draft Bill could in many ways be used to curtail CSOs, and in particular those that play an important role as critical voices in the societal development discourse. The CSOs believe among other things that the draft Bill will decrease the Right to Assembly and therefore goes against the Constitution.

The timing of the draft Bill puts it in the middle of the present Constitutional review process. The tension between the authorities and civil society actors is fairly high, and the President has lately argued that civil society does not belong at the table when the Constitution is reviewed.

## 2.1 National CSO Policy and regulation

To date, Zambia has no comprehensive legislation that addresses the role of civil society. It is widely felt that the disparate pieces of legislation with a bearing on the operations of civil society are archaic and out of step with the needs of a democratic society. Although the right of association is guaranteed in Part III of the republican constitution, it is felt that several pieces of enabling legislation serve to undermine the enjoyment of this right. Cap 119 (1958), for example, is the principal legislation providing for the registration of societies. The same legislation also regulates the operations of political parties, which many activists do not consider to belong to civil society proper. The main objection to this law is that it accords excessive powers to the Minister of Home Affairs and the Registrar of Societies that are detrimental to the smooth operations of civil society. The minister, for example, can unilaterally decide to deregister an organisation without proffering any reasons.

Section 4(1) of Cap 116 (1966) is of particular relevance to this study. This law requires that any organisation receiving assistance from a foreign government or agency must first get written approval from the President. In practice, this requirement has not been enforced, but it can not be taken for granted that this will always be the case. The Public Order Act (1955), enacted to, among other things, regulate public processions, meetings and demonstrations, is widely considered retrogressive and incompatible with existence of a democratic society.

In view of the above, there have been calls for comprehensive legislation addressing the role of civil society. In 1997 government tabled a draft NGO national policy and invited NGOs to

contribute to drafting an NGO bill. But when government published the draft NGO bill, NGOs objected on the grounds that it did not reflect what was discussed, and that it was more tilted towards control rather than creating an enabling environment. As a result the process stalled and only resumed in 2005 when government again invited NGOs to contribute to a draft NGO bill. The NGOs responded to this challenge by drafting their own code of conduct to promote self regulation. The Ministry of Community Development and Social Services as host ministry for civil society has been working with the Ministry of Justice to spearhead this process, but so far nothing conclusive has been accomplished.

As indicated above, all organisations should be registered with the Registrar for Societies and there are formal requirements for registration and also for reporting and accounting to be followed. The Registrar cannot be said to have a good and updated overview of the CSO universe and it struggles to keep up to date with the formal requirements. It was said that the Registrar has more than 20,000 organisations registered, which is a considerable over-estimate of the currently active CSOs in Zambia. Legally some CSOs should be registered with relevant Councils or statutory bodies: youth organizations need to register with the National Youth Development Council, organisations for the disabled with the Zambia Agency for Persons with Disabilities, and others with the Zambia Council for Social Development, though this is often not observed.

All organisations wanting to register need a “letter of recommendation” from the relevant line ministry under which they would want to operate. This, and the fact that they have to report on annual returns, ensure accountability to a certain degree. In addition, CSOs also have to register with provincial sub-offices of the Ministry of Community Development and Social Services in the regions in which they intend to conduct work.

## 2.2 Civil Society’s participation in the Zambian development process

The Zambian civil society organisations are mainly divided into ones who provide services, and ones who advocate on behalf of particular stakeholder groups or issues.

The ones who provide services have been doing so for a while and are generally accepted as the most mature of the CSOs. Advocacy groups generally have some way to go before they can actively contribute to and challenge government policies and implementation. There are some exceptions, where well developed networks and individual organisations are responding to the donor and Zambian need for civil society oversight of the government’s usage of the budget and sector support given. These tend to among the donor favourites.

It is nonetheless fair to say that civil society, at least in Lusaka, has become more influential after having cooperated in conducting some very useful campaigns since the election in 2001 where they played a pivotal role in ousting Mr. Chiluba and supporting Mr. Mwanawasa. During this first coordinated campaign, Oasis Forum – an alliance of the three biggest church bodies, the NGO Coordinating Committee (NGOCC), and the Law Association of Zambia – was founded. It has since become one of the strongest advocates for constitutional changes.

Network organisations, and in particular NGOCC, the Zambia National Aids Network (ZNAV) and the Civil Society for Poverty Reduction (CSPR), but also some individual organisations, have carved themselves a relatively large part of the support to civil society.

Since both technical and administrative capacity among CSOs is quite variable, donors tend to flock around the large and seemingly capable ones.

It is difficult to assess the quality of the broader civil society in Zambia, since a large part of the support from donors goes to Lusaka based networks or large organisations. It would be fair to say that in the new aid architecture established in Zambia, smaller organisations have to be part of networks to stand a chance of gaining support for their programs. This is an important challenge and one the report will return to.

## 3 Support to Civil Society in Zambia

The Zambia situation is very close to what could be called a “normal” developing country in terms of the way the “western” donors behave and the government and civil society structures the way they receive the support.

### 3.1 Strategic framework for civil society support

All of the Nordic+ countries are present in Zambia. They have the same type of strategic framework for civil society support. There are overall policies, developed by their respective Ministry of Foreign Affairs or Departments/directorates of development assistance. These are normally fairly broad and of course are not tailored to the particular circumstances of the individual country, so they lack specificity in terms of results, models and practical approaches. These strategies do therefore not provide specific directions at country level, except that they tend to specify sector (such as health or education) or field (i.e., human rights, gender) focus.

In Zambia, there are a number of government plans and documents that guide donor support: the Fifth National Development Plan, the Poverty Reduction Strategy Paper (PRSP), the "Vision 2030", National HIV and AIDS Strategic Framework (2006-10) and other sector plans, and the Joint Assistance Strategy. For all the donors, there is a large degree of local autonomy and responsibility regarding their support to civil society. This means that the actual approach can vary: while the EC has clear rules and regulations, for example, USAID focuses a lot on Results and so chooses models largely based on the ability to identify, collect and verify these. However, all the donors have their locally developed CSO support strategies, but the degree of detail and specification of expected results differs considerably. There is usually clarity on sphere of activities to support – deriving from the overarching strategies prepared by head offices – but there tends to be relatively little said about programme objectives, sector level objectives, indicators, model choices and performance measurement.

All of the Nordic+ embassies/ agencies state that they face the same challenges when it comes to administrative capacity to follow up on support to civil society. The only two agencies with field staff left are USAID, which has quite a large operational staff/ project support unit, and GTZ, which still seconds personnel as part of their capacity building support to civil society. The trend for some years has been to cut down on staff with focus on cost-efficiency. The main reasons stated by donors for a change in approach to supporting civil society are head office initiated ones. These are to cut cost and slim down Embassies and agency representation in Zambia, coupled with the pressures for harmonisation, coordination and alignment as put forward in the Paris declaration.

The Zambian context, the political environment and civil society has not explicitly “demanded” a changed approach by donors, and so one can conclude that the change has been supply-driven more than anything else.

As in many other developing countries, the civil society “sector” in Zambia is receiving a steady influx of foreign funds, and the sector is increasing in size and competitiveness. There are two main reasons for this change, according to the informants. The first is the

instrumental approach of the donors, where CSOs are used as agents to reach donor development objectives, whether this is poverty reduction related and monitored against the MDGs, or more general democracy, human rights and good governance based.

The other is to strengthen civil society as an objective in itself, though this is usually not well spelled out and operationalized – it is often an objective that is considered achieved if support is provided to advocacy groups and alternative delivery channels.

The competition among CSOs is seen to have led to improved organisational capacity and competence in important areas like accounting and financial management. But it also has some negative effects, as seen by donors and especially CSOs; organisations turn their focus, at least to a certain degree, to what they believe donors want at any certain point in time, often away from their core business. Another challenge, again according to informants from both civil society and the donor group, is the emergence of CSOs that seem to have been set up more to tap into the availability of donor funds rather than based on a commitment to achieving real results on the ground. But people in these CSOs have skills that are appreciated by the donors, such as proposal writing, project management, and results based management. The general problem of how donor funding may distort the CSO community, both by moving CSO objectives in the direction that donor money flows, and attracting "rent seekers", puts new obligations on the donors, since it is their actions and resources that are contributing to these phenomena. While the issues are recognised, there has so far been little done in terms of practical dialogue and collaboration to find answers. One of the questions is thus if different support models may contribute more than others in tackling these distorting tendencies, since the pressures on the donors to down-scale their own staff and reduce administrative and other transaction costs are not likely to disappear.

## 3.2 Support Models in Use

All of the Nordic+ donors use the three main categories of support models that the survey team prepared before going to the field. This typology was based on the previous studies that form the foundation for this study (see the Terms of Reference). The three categories are (i) unilateral direct support, (ii) support through an intermediary, and (iii) joint funding models<sup>3</sup>. Support can be given as core funding to the organisations or to specific projects.

### 3.2.1 *Direct Support*

Five of six Nordic+ donors still use the unilateral direct support to individual CSOs as one of the support models, although the trend is towards more and more joint and harmonised support. The exception in this case is CIDA which only uses the unilateral direct support model, mainly due to the small size of its civil society funding. The direct support from embassies and agencies to individual organisations is usually conducted on an annual basis

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<sup>3</sup> The typology has been further developed during the course of the study, and the three most important dimensions have been dichotomised as follows: i) Unilateral versus Joint support, ii) Direct versus Indirect support and iii) core versus project support. For a more in-depth analysis of these dimensions, see the synthesis report.

and through either Call for Proposals or through direct proposals to embassies/agencies. Table 3.1 provides some examples of unilateral direct support.

As can be seen, the support is used both to specific CSOs and for more general service delivery programmes. The support can be for particular projects that the CSO is implementing, or as more general support – termed "core funding" – that is provided to the CSO which in turn decides the specific activities to be funded, and which can also use some of the funding for its internal operations and overhead costs.

**Table 3.1 Direct Support Cases**

| Donor   | Name of organisation supported                                | Main activity of the organisation                           | Type of funding (core/ project)    |
|---------|---|---|------------------------------------|
| CIDA    | FODEP   | Service delivery and advocacy related to election behaviour | Mostly project, some institutional |
| CIDA    | SACCORD   | Service delivery and advocacy related to election behaviour | Mostly project, some institutional |
| CIDA    | Chipata Jungle Theatre  | Service delivery and advocacy, civil and voter education    | Mostly project, some institutional |
| Finland | Justice for Widows and Orphans                                | Advocacy  | Core                               |
| Finland | Zambia Association on Employment for People With Disabilities | Service delivery  | Project                            |
| Finland | Students partnerships worldwide Zambia                        | Advocacy and service delivery                               | Project                            |
| Norway  | Programme against malnutrition                                | Service delivery  | Core                               |
| Norway  | Matantale RIDE  | Advocacy and service delivery                               | Core                               |

### 3.2.2 Support through Intermediaries

Three Nordic+ countries use intermediary agents that are supported unilaterally. This is an "outsourcing" arrangement that acknowledges the fact that the donors themselves do not have the capacity to manage the funds effectively. There are essentially three groups of intermediaries used. The first category is Zambian organisations that have an umbrella capacity or mandate, such as ZNAN or NGOCC. The second group are international NGOs (INGOs) acting as strategic partners to a particular donor or group of donors. DIAKONIA, Norwegian Church Aid, Care UK and KEPA fall in this category.

The way in which these intermediaries are chosen and the reasons for these choices are important in the new aid architecture, and will be looked at below.

**Table 3.2. Support through Intermediaries**

| Donor             | Name of org supported | Main activity of org's sub-grantees  | Description of funding   | Number of CSOs thru intermediary |
|-------------------|-----------------------|--|--|----------------------------------|
| Finland           | UNDP                  | Support to the 2006 Presidential, Parliamentary and Local Government Elections | Project support to advocacy, promoting interest groups, servicing CSOs |                                  |
| Norway/<br>Sweden | NGOCC                 | Umbrella for member based organisations  | Core, service delivery, advocacy, capacity building of members         | Appr. 70 CSOs                    |
| Ireland           | ZNAN                  | Service delivery and advocacy, HIV/ AIDS                                       | Project and capacity building  | Appr. 140 CSOs                   |

### 3.2.3 Joint Support Models

All donors have been or are part of joint funding models. Most of these joint funds are channelled through an intermediary. These Joint Support Models are more formalized, with rules regarding allocation of funds, joint decision making processes etc. This model has particularly been used when it comes to service delivery in fields where the different actors can easily agree on what the activities should be, what the expected results are, etc. The model has therefore been used to support HIV/Aids activities, orphans and vulnerable children, and education.

The donors use the same procedures for joint support to civil society as for joint support to the government. The fund is normally governed by an agreement or a Memorandum of Understanding. There is normally one donor taking the “lead” in the cooperation while the others play the part of “silent” partners.

The managers of the funds are typically CSOs, and in particular network or umbrella CSOs since these have the networks and already have the function of mobilizing resources for their constituent members. Two of the main ones are the NGOCC (Non-governmental Organisation Coordination Committee) in the field of gender and women’s rights, and the CSPR (Civil Society for Poverty Reduction) covering poverty monitoring. In the last election, the donors created the joint Zambia Election Fund (ZEF), for which a private company was engaged to manage all support to civil society engagement with the election process.

**Table 3.3. Joint Support Cases**

| Donor                           | Name of organisation supported      | Main activity of the organisation’s sub-grantees                               | Description of funding   | No of CSOs reached through joint funding |
|---------------------------------|-------------------------------------|--|--|--|
| Finland/<br>Norway/ UK          | PC Marketing                        | Support to the 2006 Presidential, Parliamentary and Local Government Elections | Project support to service delivery                            | Appr. 20 CSOs                            |
| Norway/<br>Sweden/ (and others) | Zambia National Aids Network (ZNAN) | Service delivery and advocacy, HIV/ AIDS                                       | Core, service delivery, advocacy, capacity building of members | Appr. 140 CSOs                           |
| Norway,<br>Sweden,<br>Finland   | Transparency International Zambia   | Service delivery and advocacy, good governance/ HR                             | Core   | Not known                                |
| Finland,<br>others              | Zambia Land Alliance                | Membership, advocacy and service delivery                                      | Core   | Not known                                |

### 3.2.4 Summing up on models

The pre-definition of the model universe seems to have been relatively accurate. All of the donors felt comfortable using the models and their sub-categories to classify their support to CSOs (see table 3.4 that summarises the classification for the support from three of the Nordic+ donors).

All of the Nordic+ donors state that they are definitely moving towards a more harmonised and joint approach to civil society support. This change is not driven by stated civil society preferences, nor by explicitly stated donor objectives for support to civil society since the latter in general are not that specific. The main driving force seems to be a HO need for cost-

efficiency and reduced costs at Embassies and agencies. For sectors that are non-controversial both for civil society and donors, various forms of joint support is already dominant. Unilateral direct support is still used, but often to fund organisations that have a political mandate of some sort, or carry out advocacy activities that challenge government actions or policies. The donor's need for better information and closer dialogue with the CSO in question is obvious, since the donors are also running a risk, and hence the additional direct costs seem to be accepted.

**Table 3.4 Support Models – Total for Canada, Finland and Norway**

|   | No of CSOs Supported through Model |
|---|------------------------------------|
| Unilateral Direct support to NGO/CSO, core funding                                | 4                                  |
| Unilateral Direct support to NGO/CSO, programme/project funding (output oriented) | 12                                 |
| Direct support through Embassy's own CSO funds                                    | 6                                  |
| Unilateral Support through intermediary: Umbrella CSO (sector/theme support)      | 0                                  |
| Unilateral Support through intermediary: International NGO (in-country)           | 1                                  |
| Unilateral Support through intermediary: UN agency                                | 1                                  |
| Unilateral Support through intermediary: Regional body                            | 0                                  |
| Unilateral Support through intermediary: National Govt. entity                    | 0                                  |
| Unilateral Support through intermediary: Local Govt entity                        | 0                                  |
| Unilateral Support through intermediary: Private enterprise                       | 0                                  |
| Unilateral Support through intermediary: Research organisation                    | 0                                  |
| Unilateral Support through intermediary: Foundation (with Board)                  | 0                                  |
| Joint Fund (with board) (Basket Fund)   | 0                                  |
| Joint Fund through intermediary - Umbrella CSO (sector/theme support)             | 3                                  |
| Joint Fund through intermediary – INGO  | 3                                  |
| Joint Fund through intermediary – Private enterprise                              | 2                                  |

### 3.3 Activities supported

In Zambia, with a functioning public sector for social service delivery, and donor support for government budgets and plans, funding for service delivery through CSOs is normally given as gap-filling only by the Nordic+. Most of the support is now focused on advocacy and serving CSO membership or group interest, but in terms of funding it is split fairly evenly between service delivery, and advocacy/ serving membership or group interests.

All but two of the donors give mostly core/ budget support to CSOs and their activities, based on a strategic plan in the present situation. The two others give mostly project support for particular activities. Even these two – CIDA and Finland – want to move towards core/ budget support because it is seen to give a more sustainable impact on the CSOs, their projects and beneficiaries. Capacity building forms part of most of the support donors give, either as independently funded activities, as part of project support or as part of core support.

Non-financial support is neither important nor much used in Zambia. Some moral support is given, while one or two of the donors state that they are willing to share important information with civil society.

### 3.4 Harmonisation, Coordination and Alignment

The principles of the Paris Declaration on Aid Effectiveness are ownership, alignment, harmonisation, managing for results and mutual accountability, together with the concept of coordination among donors. These are well known and often referred to when discussing civil society support in Zambia. The concept of alignment is, however, challenging both donors and CSOs.

*Coordination* among donors has improved over the last few years. Donors have organised themselves along sector lines, and meet regularly to discuss developments in the specific sector, support to specific organisations, who should support what, new players and news on CSOs already in the funding loop. Some donors also meet on a “macro”-level, with their heads of missions, to discuss overall development in the country and ways forward.

Zambia is in a good position for this work since the support to government is structured under the Joint Assistance Strategy framework. Several informants from both sides noted that the development of the JAS structure has become more formalised. This has led to less informal information sharing and interaction. For the CSOs, the question is if this formal structure is the best for the support one wants to provide to civil society. Donors state that the room for informal contact has shrunk dramatically over the last few years and this development, perhaps seen as good for government support, raises some challenges for support to civil society.

*Harmonisation* among donors is clearly easiest in the joint models, since by definition there are formal rules for behaviour. In several of the cases in Zambia, the joint models have developed into full-fledged and completely harmonised funding “baskets” governed by written agreements among donors. This is an important point and a good development since joint funding without a complete commitment from all donors to the principles of these models can have adverse effects on CSOs, as recognised by all parties. Having said that, the system where a lead donor take the responsibility for a joint fund, often quite large, puts a heavy responsibility on the lead and its capacity, procedures and monitoring of the fund.

Harmonisation can also be done with unilateral direct support, though this takes some work on the side of the donors. Most of the Nordic+ countries and some of the other donors believe they could agree on joint proposal templates and reporting requirements without going into formal joint support models. It would make the life of CSOs supported individually by many donors a lot easier, and the effects of the support could potentially be much larger.

*Alignment* is the most difficult concern to transfer to civil society support. Civil society almost by definition consists of organisations with different agendas that in principle should be driven by constituency interests. Some of the CSOs in certain “sectors” in Zambia have gathered around a common agenda, such as the gender/women’s rights with NGOCC as the focal actor, and Zambia Election Fund which structured the CSOs engaged in the election process. These joined-up sets of CSOs clearly enable donors to align their support to their

objectives – though the question is if it is in fact the reverse that is happening: that CSOs line up behind and thus align with an agenda that the international community has designed. In the best of worlds, there has been an interactive dialogue that has ensured that both parties understand fully the others' perspective, and that there is an agreed-upon agenda that both sets of actors have arrived at. In that case, the alignment reflects a mutual interest in the defined objectives – such as the free and fair elections for the ZEF. So the alignment principle can be translated into meaningful results on the ground, as long as the dialogue is truly participatory, and the CSOs do not feel they are simply being pushed into assuming implementation roles in order to access donor financing.

### 3.5 Partners' Views of Each Other

It was notable that the donors and the CSOs have quite different perspectives on some of the issues that have arisen as a result of the changes in the aid architecture.

#### 3.5.1 Donor Views

Having an overview over the CSO environment, and keeping it through changes and developments, have always been a main activity at embassies and agencies. Most donors still believe they have a good overview of the CSO universe – at least of the organisations eligible for funding – but admit that it has become more difficult because of less staff and different areas of focus for the ones left. Only the EC maps the civil society in a systematic way, while the rest of the donors use informal and unstructured ways of keeping abreast of the developments and changes. The EC is bound by regulations and this drives them towards a more formal attitude towards the civil society. Donors admit that quite a lot of the information comes from CSOs that already receive funding or from inter-donor discussions on strengths and weaknesses of individual partners.

All of the donors interviewed state that they have a relatively good dialogue with civil society, and especially the recipients of their funding. The dialogue takes different forms in the different phases of the programme/ funding cycle. There is normally extensive dialogue surrounding the planning phase, whether it is project, programme or strategic plan-formulation. There are also examples of donors involving civil society in their own planning. Sweden's development agency invited a number of CSOs as participants to their most recent strategic planning session, as has the Irish embassy. It is in fact the multilaterals – UNDP, the EC and the World Bank – that are leading the way in inviting contributions from CSOs to their country programming and country assistance strategies. The bilateral donors, including the Nordic+, are lagging here.

The dialogue through the implementation phase becomes more sporadic and depends a lot on the donors' ability and capacity to monitor and follow-up. The dialogue picks up again when CSOs report to donors at the end of a cycle.

#### 3.5.2 CSO Views

CSOs interviewed had generally a less benign view of the process and situation. They agree that the last three years have seen a distinct shift towards harmonization of civil society support. But this has led to less general dialogue and consultation with CSOs. Donors have instead focused their interaction on fewer CSOs, in particular larger and better known ones,

and network or "apex" organisations. This means that both information and funding is channelled through a reduced number of CSOs, virtually all based in Lusaka.

The pooling of funding is viewed with mixed feelings. It is clear that the reporting on both use of funds and results achieved is now streamlined, and therefore appears less costly to all parties. CSOs now only have to provide one consolidated statement to the focal donor, who then distributes this to the other donors supporting that particular pool. CSOs were also concerned about the "joint decision making" in joint or basket funding, because a conflict or misunderstanding with one donor could result in loss of funding – in practice losing the support from all the donors in that basket.

Joint funding is seen to be better geared to help organizations pursue strategic objectives that are consistent with their mandates. A joint fund is more strategic and targeting annual plans, so it is experienced as being more stable and predictable over the medium term.

But there is a general feeling that overall funding to civil society has been reduced. There are two sets of exceptions. In the first place, priority sectors like HIV/Aids and those focusing on poverty reduction have seen an increase in their funding. The other exception is some of the larger, more professional organisations that are able to attract more funding.

This overall reduction in funding is in part attributed to increased pooling to the public sector. But it may also be that CSOs that are supported under a joint fund become less visible and thus have less ability to argue for and make clear their needs and results.

The increased attention to accountability, on the other hand, has led to increased demands on CSOs' administration. While the *number* of reports is reduced, the demands on quality and comprehensiveness of reporting have increased, so the overall burden may be greater.

The joint support modalities, either through intermediaries or pooled funding, have also tended to increase the *share* of funding that is for activities/projects. This is in line with the increased attention to results, where funding is more targeted in order to produce measurable results. This has led to less core funding and less support for capacity building and other forms of non-financial support. CSOs find themselves having to operate more as commercial entities, competing for funds on efficiency grounds. Project funding carries a component of administrative financing that usually ranges from 5 to 20% of total costs, which most organisations view as inadequate.

This situation has become more difficult when donor funding goes through an intermediary, because the intermediary gets most of the overhead. The CSOs are seen as implementers that are expected to carry out the programmes without any hitches, yet do not get an overhead that can finance longer-term organisational capacity building. In some cases this also sets up an adversarial relationship between the umbrella CSO/intermediary and the national CSOs that are supposedly the partners in the programme.

This picture is somewhat different for the large, more professional organisations. They have in fact seen an increase in core funding, including more long-term commitments. The trend as seen from the CSOs is thus one of increased differentiation in terms of funding structure and policies: the larger, more professional or network organisations are coming closer to the

donors and getting larger and more untied funding. The network CSOs then turn around and are more project and results focused when channelling funds to CSOs that implement.<sup>4</sup>

Non-financial support, though insignificant in monetary terms, was viewed as critical. Training and capacity building in particular was said to go a long way in helping CSOs cope with their workload. In instances where volunteers and development workers were seconded to CSOs, these were appreciated as a way of accessing expertise that could only be acquired at exorbitant costs on the labour market. Furthermore, donor participation in CSO planning and annual review meetings was seen as invaluable in providing important support as well as improving the mutual understanding.

Regarding dialogue, CSOs interviewed mostly say that they do not believe donors know enough about the CSOs, the ones that are “good”, the ones that have a real constituency, and the ones that only “write good proposals”. For lack of this dialogue, most CSOs also do not have an overview of which donors provide support in which fields. The only CSO that noted that it had an organised database, was ZNAN regarding donors who fund activities in the HIV/Aids field.

The donor-CSO dialogue is also perceived as more of a monologue by the CSOs. Information streams from civil society to donors along both formal and informal channels. They feel that they are asked to provide considerable information about themselves, their activities, results, short-comings, and their assessments of the general sector, environment, and relations to the authorities. In return know relatively little about donor thinking, donor strategies, the shifts that are taking place, and how the donors are thinking about CSOs in the future aid environment.

There is little sharing of experiences and mutual identification of "best practices" when it comes to civil society cooperation and support. Donors and CSOs admit that this gap ought to be addressed better, but all expressed great interest in developing this area which everybody saw as potentially vital in the further development of the collaboration.

Overall, the CSO community experiences the dialogue as being more streamlined both in terms of content (results focus) and channels (more through umbrella or network CSOs), being perhaps more professional in terms of financial and results reporting, but reducing their access to information and dialogue, reducing the forms of support, and making the overall interaction more contractual and "commercial".

Overall, there is a sense that there is a lack of structured dialogue that provides CSOs with possibilities to provide feed-back and question the donors. While individual relations may be good, this is too *ad hoc* and is not conducive to more comprehensive and mutual accountability.

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<sup>4</sup> While the logical conclusion of this trend might be a concern on the side of CSOs that this may result in some form of hierarchy and thus fragmentation within the CSO community, this particular issue was not raised, but may be worthwhile for the parties to look at, if in fact the trends noted above appear correct

## 4 Different Support Modalities

Below are the considerations that donors have when assessing the different support modalities, followed by the comments received from the CSO community.

### 4.1 Unilateral Direct Support Modality

#### Strengths

Donors believe that one can expect a high level of **financial and also results accountability** when providing unilateral direct support. **Accountability** is in general rated much higher than for the joint and intermediary models, and the reasons are the closer and direct contact donors have with their partners in such a model. The **quality of dialogue** with civil society is rated as much better as well and for the same reasons.

A number of donors felt that **strategic direction** was helped by this modality because it was possible to include this in the dialogue with the CSOs. This meant they felt that the larger objective for civil society support in terms of diversity, pluralism and vitality could be addressed well. This meant that the concern for **diversity** in civil society would also be good since it could be included as an explicit variable when considering the support.

The CSO community is more sceptical to this line of thinking. One view is that donors are narrowing down the focus to their own particular agenda, and that this reduces rather than enlarges the diversity.

This disagreement is probably a function of how one defines the diversity dimension. Donors see the diversity in large part in terms of alternative and opposing views to official policy, with a capacity and credibility that can challenge the official approach. Donor support has been important to ensure that this form of accountability has been improving, and at the same time the donors have then taken on some of the risks and costs of this support by maintaining their direct and visible support – something that provides important non-financial support to those CSOs (but also opens them to accusations of being instruments for donor interests and concerns).

#### Weaknesses

Donors note that they do not have good guidelines or criteria for the selection of CSOs to support, neither do they have clear strategies to guide these decisions. It is then often down to the advisor at the embassy/ agency or their supervisor or manager to make such decisions.

This is reflected in the relatively low rating donors give to **transparency in selection and monitoring** under the direct models. It is also relatively clear among donors that the **time-use** and transaction costs are higher under this type of model than under joint or intermediary models, both for the donors and for the partners in civil society.

**Table 4.1 Strengths and Weaknesses of Direct Support Modality**

| Quality indicators                            | Assessment/ratings on the indicator  |
|---|--|
| Transparency                                  | Less good than the other models, few clear procedures (except Call for Proposals/ EC and others)         |
| Financial accountability                      | Good, direct control   |
| Results accountability                        | Better than the other models, direct control   |
| Time use                                      | Not good, relatively high both for donor and recipient   |
| Strategic                                     | Good, complete control of “activity” in relation to objective  |
| Harmonisation                                 | Not good, but not for lack of potential. Donors agree that this could and should be done.                |
| Dialogue with CS                              | Very good, close and participatory dialogue  |
| Outreach                                      | Difficult to evaluate, could be both, probably less in volume than the other models but more qualitative |
| Diversity                                     | Good, diversity ensured through direct selection   |
| Donor alignment to recipient objectives (new) | Good, donors can relate and align to one agenda  |

## 4.2 Intermediary Support Modality

Five of the six Nordic+ donors use intermediary agents also for the support they individually give to civil society. The use of intermediaries takes different forms and is justified differently by different donors. Some of the donors principally use the intermediaries because they do not see the role of an embassy/ agency as “grants managers” but rather that of giving strategic direction and overall analysis. Some donors use intermediaries because they do not have the resources and capacity at the embassies/ agencies to follow up on all the CSOs themselves, and some again use them because the intermediaries have specialised skills useful for the sector or types of CSOs they are supporting.

### Strengths

Both **transparency** and especially **accountability** is relatively well taken care of when using intermediary agents. This is because the intermediary agents are selected partly because of their capacity and competence in managing finances and funds, but also because they normally have relatively good procedures in place for the selection of sub-grantees. The sub-grantees selection process is normally not as open as in the joint model (see below), but many of the intermediary agents do operate with public procedures for announcing funding opportunities, and some use Calls for Proposals.

When it comes to **time-use** and **transaction costs**, the donors, interestingly enough spend less time using this model than they do in the joint models. This is because the dialogue with an intermediary is less time consuming than the one with a number of donors, according to the donors themselves. Whether this is good or bad is a relative question since the transaction costs have to be incurred by someone. In this case the intermediary agents take most of the costs, according to donors using them, and the sub-grantees in the civil society

should benefit accordingly. This latter point is sometimes disputed by the CSOs, as they have to deal with the intermediary who may not always know them that well.

Most intermediaries have systems and templates for proposals and reporting, as well as monitoring and evaluation frameworks. The CSOs benefiting from the grants provided should therefore not have to relate to more than one system (though if the CSO gets funding through several different channels, which is sometimes the case, they of course still need to respond to each separate funding channel).

Other relative strengths in using a model involving an intermediary are the **quality of dialogue** with civil society and the **outreach**. The intermediaries handle from 20 to 150 partners or sub-grantees each. There are obvious differences in the degree of contact that the intermediary is able to have with each of the sub-partners, in part as a function of the number. But the Zambian organisations and INGOs have in any case much better capacity to handle this number of relations than the donors do themselves. The intermediaries also have their ears closer to the ground and have a better overview of what is going on than would an embassy/ agency, and so can follow the principle of outreach further than could donors. But this depends on what kinds of intermediary has been selected (national CSO, INGO, private firm), these actors' own capacities, mandates and interests; their interest or contractual obligations to reach out; the degree to which they are interest representatives on behalf of civil society and CSOs, or have their own objectives and business interests.

## Weaknesses

The production and monitoring of **results** is a challenge in this model since the intermediary is not the direct implementer, and thus depends on reporting from the individual CSO. The intermediaries find themselves in the position of having to quality assure the performance of others, and this may be a complex role if they at the same time are an apex and thus supportive body for these same CSOs. Their ability to act as an independent verifier, and monitor and evaluate results may be compromised, not least of all by the fact that it is the intermediary that in the first place approved the project proposal and provided the funding, and thus in principle is now to monitor and report on whether the selections made in fact were good ones!

Who monitors the quality of the “services provided” by the intermediary, who quality assures the relevance, effectiveness, sustainability and impact of the sub-grantee CSOs in the field, and what are the mechanisms for feedback (negative or positive) on the intermediary and the sub-grantees are some of the critical questions that need to be addressed when using this model, since structurally there are weaknesses and concerns that were raised by some of the informants.

One downside to this system noted by several is that the intermediary agents normally have a defined core business deriving from their mandate which is different from being a funds manager. The role as intermediary is thus an additional activity. This can pose dilemmas both for the organisation in question, its network partners, and the donors since it creates a competitive environment where the “networker” now focuses a lot of its time and energy on awarding and managing funds.

When it comes to **harmonisation** it is fair to say that there is potential for good practices in this model, and across intermediaries, as long as the donors agree. But this potential remains to be fully exploited in the case of Zambia, according to several donors.

**Table 4.2 Strengths and Weaknesses of Intermediary Support Modality**

| Quality indicators                            | Assessment/ratings on the indicator   |
|---|---|
| Transparency                                  | OK, often less rigorous than in joint models  |
| Financial accountability                      | OK, as above  |
| Results accountability                        | Better than joint models, but M&E still difficult, distance to actual work in the field   |
| Time use                                      | Reduced for donors after initial selection and preparation, more for intermediary. Potential for reduced time use for CSOs, but uncertain |
| Strategic                                     | Good, can focus on sectors, specific objectives   |
| Harmonisation                                 | OK, potential, but not reached yet  |
| Dialogue with CS                              | Not great, better than in joint but still reduced frequency and quality   |
| Outreach                                      | Difficult to evaluate, could be both  |
| Diversity                                     | Not good, probably unifying   |
| Donor alignment to recipient objectives (new) | Uncertain, normally the intermediaries does not work towards a common agenda for their sub-grantees                                       |

### 4.3 Joint Support Modalities

#### Strengths

All the Nordic+ donors have funded CSOs through a joint support modality (as noted under section 3.2.1, CIDA is currently only using direct support, but was a partner in the ZEF for the elections). All of the donor informants were happy with the joint support cases implemented so far, and external evaluations support the positive impression. The joint support models in Zambia are basket funds managed by an intermediary like ZEF or ZNAN.

The **transparency** of this modality is regarded as very high when it is a board managed fund, or an independent intermediary like in the case of ZEF. Here the processes and procedures surrounding the model are rigorous and developed in coordination amongst donors. When an intermediary CSO is used, the question of transparency becomes less clear and donors have less control over and confidence in the model.

The **financial accountability** is also assured, according to donors, where an independent intermediary manages the fund due to the same rigorous systems and procedures. Again, when an intermediary from the civil society is given the role, things are less certain since the rules and regulations adhered to by the CSO might not be as well-developed as with a board or independent intermediary. In addition the CSO might have less independence as such, already being part of the civil society structure.

The **time-use** is high in the initial phase. Donors spend considerable time on coordinating amongst themselves and in agreeing on guidelines, procedures etc for the fund. The

intermediary agent must also spend time understanding donor expectations and setting up systems and getting the fund operational.

As the fund starts implementing, time-use will be relatively high for the lead donor, while the silent donors will spend much less time. The lead donor role is agreed between the donors on the basis of sector interest, usually in line with the Joint Assistance Strategy that is already developed, and general interest in being part of civil society support. There is limited evidence as of yet to claim reduced transaction costs on behalf of the recipients, but there should be potential in the model.

The joint support models are generally considered **strategic** since they (at least potentially) have explicit objectives and activities that are agreed to. One question in this connection is whether a choice of support modality by itself can be strategic (using more joint models as an aim in itself) or whether the strategic direction should be related to which modalities serve the objectives the best (joint, intermediary or direct support to reach the objectives). This analysis requires that the donors state more clearly the objectives for their support to civil society.

Joint models are largely in line with Paris Agenda principles, since their overarching objectives will tend to be taken from national strategies and plans. One CSO, FAWEZA, noted that part of the funding it received from UNICEF contained an agreement signed by UNICEF and the government, where the UNICEF role is clearly aligned to Government priorities. FAWEZA thus receives funding directly, and then essentially implements components of the UNICEF-Government agreement. ZNAN noted that its activities are derived from the National HIV/AIDS Strategy, which was jointly worked by Government and CSOs, and is funded by donors. TIZ gets part of its funds from a donor fund set up by the Government Anti-Corruption Commission, while CSPR relates its funding to the Poverty Reduction Budget Support that donors are providing to Zambian authorities. The **alignment** principle is hence being addressed through the larger Government-CSO-donor linkages that exist, and the funding for civil society is thus part of a larger financing framework. A CSO concern, however, is that the funding that in this way "trickles down" to civil society is relatively meagre, and that it is in part dependent on the benevolence of the Government. If the authorities want to close the tap, the alignment argument can be used for this purpose.

The joint support models are good for furthering the **harmonisation agenda**, since the joint fund's procedures have to be adhered to by both donors and CSOs. Depending on the comprehensiveness and quality of the fund's rules and instruments, there may be clear guidelines or standards for funds application, financial and results reporting, etc.

The basis for this is a well-developed Memorandum of Understanding (MOU) between the donors and key stakeholders that should guide the processes, procedures and expectations of donors prior to implementing the workings of the fund. Such a document ought to – but does not always, according to some donors – include indicators for measuring results, information on a baseline since without this the monitoring and evaluation framework is less operational.

Some of the civil society sub-sectors, or specific issues like elections or constitution, have developed common agendas with which they meet donors as a group with common – if sometimes slightly vague and high-level – objectives. Informants believe there is an

important potential for increased effectiveness in donor-civil society cooperation when civil society and donors can clarify objectives and the results framework for such joint funding modalities.

## Weaknesses

According to all the stakeholders involved, there is an increased focus on **results** in the various support mechanisms in Zambia. The joint models have a challenge in ensuring quality assurance when donors are removed from monitoring and assessing impact of the funding made available. This issue was raised in connection with the use of intermediaries, and is of course the same or even more pressing in this case, where there in principle are formal rules and roles that drive the modality. The question is how to ensure that the funds managers carry out their fiduciary and results responsibilities according to expectations. The possible role conflicts must be addressed, and the incentives for proper performance should be transparent to all.

Ideally, CSOs that receive money have real constituencies or beneficiaries that monitor quality and results, but this is not always the case, or these actors are not able to play such a monitoring role properly. One solution may be to constitute independent organisations or private companies as management agents, as was done when a private company was contracted as the funds manager for the Zambia Elections Fund.

CSOs involved in the ZEF see weaknesses in this approach, however. The model worked well for the donors since it reduced the burden of having to deal with so many applicants and monitor their use of funds. This requires a high degree of impartiality, professionalism and trust on the side of the implementers, however, which some CSOs claim was not present. This could have been addressed if there had been an independent board overseeing the performance of the firm, but this was not done.

Another challenge is to verify the degree to which CSOs supported are in line with donors intentions and objectives (gender, regional composition, etc). These kinds of issues often require a more immediate and permanent participation in the processes taking place in the fund which the donors no longer are part of. The **quality of dialogue** between donors and the civil society is reduced when joint support models are being used – inevitably and intentionally. But the donors recognise some of the inherent downsides to this.

The degree of **outreach** and **diversity** can be affected by this model in both positive and negative directions. While there is a danger that funds managers may limit the range of CSOs that receive support – the unit cost to the manager of having a smaller, more homogeneous, physically more proximate "clientele" is clearly lower – the overall response seems to be that this is not happening. Network organizations like ZNAN are to the contrary seen as good at identifying a wider universe of partners that can contribute to the HIV/Aids programme, and thus have professional reasons and incentives for expanding beyond the rather limited number of organisations that donors on their own would be likely to reach.

**Table 4.3: Strengths and Weaknesses of Joint Support Modality .**

| Quality indicators                      | Assessment/ratings on the indicator   |
|---|---|
| Transparency                            | Good, system is rigorous  |
| Financial accountability                | Good, system is rigorous  |
| Results accountability                  | Can be problematic due to potential conflicts of interest on the side of the funds manager. Different solutions can be found to this, but is an issue that needs to be addressed as potentially a structural problem in this funding model  |
| Time use                                | Increasing for both donors and recipients at first, potential for scale effects   |
| Strategic                               | Good, if the modality is a strategic direction in itself  |
| Harmonisation                           | Good, joint templates for planning and reporting, and the donors also have joint rules for their obligations  |
| Dialogue with CS                        | Not good, reduced frequency and quality between donors and civil society  |
| Outreach                                | Difficult to assess, but on the whole seems to be better than direct support models   |
| Diversity                               | This varies depending on the objective of the joint fund. Fund guidelines can address this to the extent this is required   |
| Donor alignment to recipient objectives | The examples given by CSOs seem to show that this is good, but that the alignment may also act as both a straight-jacket on CSOs – they have to essentially line up behind Government policies and priorities – and may also make CSO funding more vulnerable to claims by the authorities that the CSOs are not focusing on the Government-donor agreed objectives |

#### 4.4 Risks

A number of risks were mentioned by some of the informants regarding working with civil society in a developing country. The support models handle these risks differently.

The most commonly noted risk is the **financial or fiduciary** risk of handing over donor funds to organisations that have weaker administrative and financial management capacities, and whose legal status may make it difficult to re-claim funds that are lost or mis-spent. This risk is higher in countries that are notorious for corruption, or where legal systems are poor and thus the ability to ensure redress through the courts are too expensive, too slow or too cumbersome to make this a viable avenue. The donor community has worked a lot on the issues of fiduciary risk in connection with budget and sector wide support to the public sector, so the issue is well known and a number of analytical tools have been developed to capture the risk<sup>5</sup>.

<sup>5</sup> The greatest form of fiduciary risk the donors run is in connection with budget support – both because the amounts of funding involved are so great, but also because the donors' ability to track use of funds and the results from the funds are so indirect and are totally reliant on the use of the host country's own public finance management systems. The international community has therefore developed a carefully crafted set of analytical tools in the form of the Public Expenditure and Financial Accountability (PEFA) indicator set. This is used by the partners to assess the quality and solidity of a country's PFM. PEFA reviews are now becoming annual joint exercises in a number of countries. The PEFA secretariat, which is hosted in the World Bank, expects that by the end of 2007, around 80 countries will have done a first PEFA review, establishing a country's baseline with regards to PFM. – The lessons from the PEFA system coupled with more traditional "due diligence" analyses

There is what can be termed **project or results risk**, where the implementing body is not able to fulfil its legal obligations, including in cases where it wants to. This might be due to lack of capacity – which could worsen due to issues such as loss of skills because of "brain drain" or HIV/Aids – or lack of realism when planning so that insufficient resources were set aside to ensure timely implementation within budget constraints. It may be due to more pernicious factors such as intentional misrepresentation, or that an organisation has taken on too many tasks. This latter is to be expected in an environment where CSOs have to compete for tasks, where there is therefore considerable uncertainty regarding the probability of receiving the funds requested or winning the project contract, leading CSOs to enter several competitions simultaneously and suddenly ending up with more tasks than expected.

A third form could be termed **structural risk**, which is a function of how the relations between the actors are organised. One form that has already been alluded to is the possible role conflicts intermediary CSOs might find themselves in when taking on the management task in addition to their own core mandate. The most obvious case of this form of risk would be if the CSO is not just an umbrella organisation but might itself be an implementer and is given the intermediary role exactly because it is *primus inter pares*. The objectivity in the allocation mechanism would be an issue. The problem may be down to individuals, who are both sitting on allocation bodies but also have a personal interest in assuring funding to particular potential partners, for such benign reasons as having worked in that organisation before, or having an interest in what that particular organisation does, or the region where that organisation works.

Finally, some informants noted the **reputational and political risk** donors may be running by providing CSO funding. In some cases this risk is calculated, when donors support funding to advocacy groups that are in opposition to the authorities on issues like human rights, good governance etc. In other cases, a donor's "reputation" may be affected by the fact that certain CSOs receive funding due to the structure of the relations: the donor is often not directly involved in deciding which CSO is allocated monies, but will be tainted by any problem that may arise from that particular CSO handling donor funds.

These issues are discussed more carefully in the Synthesis Report, building also on the issues that have come up in other country circumstances.

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could be a useful starting point for agreeing to a "PEFA-lite" check list for different kinds of CSOs/NGOs, for example as a function of the role the CSO is to play.

## 5 Findings and conclusions

Zambia is a “normal” developing country in terms of the cooperation between the three main actors of development cooperation, the Government and the public services, the civil society and the international donors. It also has a well-developed systems for governing this cooperation, at least the between the Government and the donors. The civil society consists of networks and umbrella organizations, larger, often urban-based CSOs (NGOs), CBOs and non-traditional CSOs (traditional chiefs etc).

The cooperation between the Government and the civil society functions relatively well, but there is still some suspicion between the actors. This is especially true when CSOs take on the role as advocates and monitors of public spending, and President Mwanawasa has stated his suspicion on several occasions. The line between political activity as conducted by civil society and partisan politics is less clear than in more mature democracies, and so suspicion on behalf of the ruling party is sometimes unavoidable, but nevertheless problematic.

This study has attempted to shed light on the different support models to civil society currently in use by the donors in Zambia, and how it affects civil society and its societal impact in general. The fact that none of the donors have spelled out clear and measurable objectives for their civil society support makes the assessment difficult, and models cannot easily be evaluated without knowing what they are intended to affect. The first recommendation therefore must be that donors themselves, either individually or in groups such as the Nordic+ donors, spell out clearer objectives for their support. The description and basic assessment conducted above may assist in this work.

Similarly the civil society in Zambia could do well to gather around some common causes, where applicable, and where constituencies have defined agendas. This would assist donors in aligning towards civil society objectives, and in coordinating efforts for greater efficiency and effectiveness.

Another issue is the dialogue between donors and civil society, an issue where the actors have very different perceptions on the quality. There is potentially an important upside in improving the dialogue, and steps should be taken to do so as soon as possible. The aid architecture in Zambia has already very formalized systems for Government-donor relations, but this might be too formal for civil society dialogue. Donors and civil society alike should attempt to find meeting places for development of programmes, sharing of good practices and quality assurance, ensuring an outreach beyond the formal systems in use today.

Donors as well could increase learning if they further develop their own coordination and discourse on civil society support, in formal and more informal networks. A handbook on civil society support and governance of it, developed in an inter-donor forum, could be one tool that would assist both efficiency, effectiveness, quality, impact and sustainability.

The study has identified a number of risks in the donor-CSO cooperation, and these should be addressed by donors and CSOs alike. There is admittedly mostly focus on risks for donors in this report, due to the lack of information on these issues from the CSOs interviewed, but most of the risks need to be dealt with by both parties, and so should be

discussed in common forums. Risks deserve responses, and it is therefore important that both donors and CSOs develop strategies that can mitigate and reduce risks. This can improve the cooperation and have great effects on both efficiency and effectiveness.

The use of an intermediary agent for managing either unilateral or joint funding is an interesting model which should be explored further. There are clear benefits to this model, as described above, but also challenges. These can be mitigated by choosing the “right” intermediary, and so the assessment made by the donor (or donors together) becomes important. Some of the intermediary agents seen, especially the ones that have other core business in addition to being managers of funds, may encounter issues of conflict-of-interest as intermediaries. Some examples, like the private company managing election funds, does not have this challenge, but may lack credibility along other dimensions of its relations to the CSO community. UN organizations may also have more independence but is sometimes seen as not delivering along other dimensions. There are hence a number of trade-offs that need careful consideration.

A last point is an intermediary model in use in many of the countries covered by this study, and also mentioned specifically by some of the donors in Zambia. A societal fund with the use of a board made up of “prominent, but independent” individuals elected to serve for a set period of time, and governed by transparent guidelines, might in its set-up mitigate some of the risks identified in the study. If the fund could diversify its funding between core support and more risky seed-funding, this could both support capacity development of proven players as well as reaching some of the less known but possibly important new voices in Zambian civil society.

## Annex A: List of Informants

### Embassies and Donor Agencies

**CIDA:** Mr. Pierre-Paul Perron, Head of Aid – Mr. Gregory Saili, Development Officer

**DFID:** Mr. Bruce Lawson McDowall, Department Head of Mission – Mr. Arthur Kalila, Programme Officer

**EC Delegation:** Mr. Juan José Villa Chacón, Attaché, Private Sector Development and Civil Society

**Finnish Embassy:** Mr. Jorma Swanto, Chargé d'Affaires - Ms. Anne Kanene, Programme Officer

**GTZ:** Mr. Markus Nuding, Senior Advisor – Ms. Daniela Dempf, Third secretary/German Embassy

**Irish Embassy/ Irish Aid:** Nuala O'Brien, Development Attaché

**Netherlands Embassy:** Ms. Judy Kumwenda, Policy Officer

**Norwegian Embassy:** Ms. Dorothy V. Hamuwele, Programme Officer

**Swedish Embassy:** Ms. Inger Jernberg, First Secretary

**USAID:** Mr. Jim N. Barnhardt, General Development Officer

**World Bank:** Mr. Jumbe J. Ngoma, Communications Specialist

### Public Officials

**Ministry of Community Development and Social Services:** Mr. Henry Nkhoma, Director, Community Development

**National Aids Council:** Mr. Terri Collins, Civil Society Advisor

### Civil Society Organisations

**FODEP:** Mr. Elijah Rubvuta, Executive Director

**FAWEZA:** Ms. Dorothy Kasanda, Executive Director

**ZNWLG:** R. Mukanda, Executive Director – Mx. L. Chikoti, Head of Finance

**TIZ:** G. Lungu, Executive Director

**CSPR:** B. Mpepo, Executive Director

**SACCORD:** L. Habasonda, Executive Director

**ZLA:** H. Machina, National Coordinator

**MISA-Z:** S. Kapumba, Information and Research Officer

**WILDAF:** R. Simfukwe, Programmes Manager

**ZNAN:** B. Kabwe, Monitoring and Evaluation Officer

**AVAP:** B. Tembo, Executive Director – D. Phiri, Accounts Officer – D. Mushitu,  
Programmes Manager

**CCJDP:** S. Mulafulafu, Executive Director

**ZNFU:** N. Ndambo, Deputy Exc. Director

**NGOCC:** V. Chikalanga, Gender and Analyst

The country reports constitute the basis for the synthesis report and its findings, conclusions and recommendations. Therefore, while each country report can be read separately, it could usefully be read in conjunction with the synthesis report and other relevant country reports.

**Support Models for CSOs at Country Level  
Synthesis Report**  
Norad Report 1/2008 Discussion

**Support Models for CSOs at Country Level  
Bangladesh Country Report**  
Norad Report 2/2008 Discussion

**Support Models for CSOs at Country Level  
Ethiopia Country Report**  
Norad Report 3/2008 Discussion

**Support Models for CSOs at Country Level  
Guatemala Country Report**  
Norad Report 4/2008 Discussion

**Support Models for CSOs at Country Level  
Tanzania Country Report**  
Norad Report 5/2008 Discussion

**Support Models for CSOs at Country Level  
Zambia Country Report**  
Norad Report 6/2008 Discussion

**Support Models for CSOs at Country Level  
Zimbabwe Country Report**  
Norad Report 7/2008 Discussion

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