



Evaluation of Norwegian Development Support to Zambia (1991 - 2005)

**Evaluation Report 4/2007
Executive Summary**



Norad

Norwegian Agency for Development Cooperation

P.O. Box 8034 Dep, NO-0030 Oslo

Ruseløkkveien 26, Oslo, Norway

Phone: +47 22 24 20 30 Fax: +47 22 24 20 31

Layout and print: Lobo Media AS

ISBN: 978-82-7548-273-5

Executive Summary

Background

This is an evaluation of Norwegian development cooperation with Zambia between 1991 and 2005. The context for the evaluation is a perception of the ineffectiveness of aid to Zambia in general, and Norwegian aid in particular, in addressing the continuing, and at times deteriorating, levels of poverty in the country. The evaluation team was asked to explore power relations within Zambia and between donors and Zambians with a view to answering the following questions:

- How do power relations within Zambia and amongst the donor community affect the scope for achieving pro-poor outcomes through development cooperation?
- How do power structures at different levels of Zambian society influence the potential of aid to reduce poverty?
- How do domestic and international power relations in Zambia affect the outputs of Norwegian-financed pro-poor interventions?

The evaluation, which was carried out between May and October 2007, had two phases; a study of power structures and development cooperation as related to Zambia and three case studies of Norwegian support to wildlife management, transparency in financial management and agriculture in Northern Province.

Approach

The evaluation tries to bring together the DAC evaluation criteria of relevance, effectiveness, impact and sustainability with an analysis of formal and informal power and political structures. The criteria is used to examine why the objectives of aid policies and development cooperation may have been undermined by formal politics, informal networks of actors and personal interests, leading to lack of progress in achieving sustainable development and poverty reduction.

To do this, the team examined different forms of documentation: policy statements, project documentation, existing evaluations of Norwegian and other donor programmes, studies commissioned by donors and academic studies. In addition, interviews were held with a variety of key stakeholders, including those who had been active in Zambia in the 1990s. Focus group discussions were carried out as part of the case studies.

Power Structures

Ideally aid is used in the ways outlined in locally owned development-policy documents and strategic plans; it augments domestic funds and supports initiatives that strengthen formal institutions and empower local populations so that government and citizens work together within a comprehensive, consistent, and well-articulated national policy and framework to generate economic growth and to distribute gains equitably to alleviate poverty. This model can fail for a large number of reasons and in various ways. The aim of this analysis of political power and structures is limited though, to exploring only one of these – the ‘logic’ of Zambian politics, the way it has changed over the course of three regimes, and how it has impacted aid effectiveness. Here we focus on the Zambian elite because they have been relatively unrestrained by citizens until recent years.

In explaining why the political system may operate in ways detrimental to development and the poor we have taken a cue from political scientists writing about Zambia who have labelled the nation ‘a neopatrimonial’ state. We examine the evidence that Zambia does fit this model, which indicates a tendency towards the centralisation of power in the hands of a president and a small group of elite, who as ‘big men’ sit atop their own clientelist networks and are dependent on him and his access to state resources. They are rarely held accountable by a

(relatively) weak civil society or by formally constituted but under-funded representative and watch-dog institutions that are prone to ‘capture’ by those they are supposed to be holding accountable. Into this accountability vacuum donors have stepped, trying to hold governments to account through aid conditionalities and by writing policy themselves. We conclude that, overall, this provides a good explanation of Zambian power relations during the period of the evaluation. However, there have been changes over the latter part of the period which point to a fragile move towards a more rational-technical state with a stronger developmental agenda.

The choice of development models used by Kaunda, Chiluba and Mwanawasa has been influenced by donors, contemporary economic theories and African-nationalist agendas, and by each man’s desire to stay in office, leading to their use of public resources and the advantages of incumbency. In due course all three adopted economic liberalisation and structural reform as national policy, but each regime demonstrated a reluctance to implement some of their key provisions. In general this is because *implementing* – as opposed to *writing* – policies can actually undermine the imperatives or ‘logic’ of clientelist politics. This is not to say that the failure to reduce poverty or consolidate democracy can be blamed solely on Zambian politics, for international economic factors, vacillating donor demands, and regional politics also have an impact. But domestic political systems and structures are key in affecting the way national resources are allocated, including how meritorious and incorruptible the civil service is, whether capacity building is prioritised and how strong the media and watch-dog agencies are

In the absence of a strong political-party system, an independent parliament and watchdog organisations, NGOs, community-based and faith-based organisations have increasingly formed ‘the only serious issue-oriented political opposition in the country’. That said, the bulk of the rural population -- more isolated, impoverished, and uneducated – appears to have remained marginalised, under-served by the state, and voiceless. A strong and vibrant media has also developed over the years, and has at times held the government to account.

During the last forty years the overall structure and functioning of Zambia’s political system has changed slowly, and this has affected the course of development and the ways in which aid could be used. Donors are beginning to understand that because transformation has to be generated domestically by deeply rooted forces their impact can be marginal at best. It is important that they put aside a purely normative approach and include political-economy analysis to support their interventions.

International Donor Assistance

Throughout the period of the evaluation, Zambia has been one of the major aid recipients in Africa. For the earlier period, in the 1990s, multilateral donors, and in particular the IFIs, were the most important donors. However, since 2001 bilateral flows have more than doubled, while multilateral flows have fallen to 11% of the total by 2005.

In the 1990s, development cooperation programmes were negotiated on a one-to-one basis with government, and there was little formal attempt to coordinate assistance amongst donors except through the Consultative Group meetings, which started in the mid-1980s and focused on macroeconomic and structural policy reforms. Some donors did act together on certain issues, such as the constitutional changes banning Kenneth Kaunda from standing in the 1996 elections. Governance became a much more prominent element of donor dialogue from the late 1990s onwards.

The dynamic of donor engagement with the Zambian government has changed since 2001. The CG process had a hiatus over the election period, and in September 2002, the Nordic Plus countries met in Helsinki and agreed to push forward a joint harmonisation process in Zambia. This was taken forward by the embassies in Lusaka, and the “Harmonisation in Practice” initiative, HIP, was started, which has, in turn, led to the process for the Joint Assistance Strategy for Zambia. Over time, this alignment process has incorporated more agencies, including the multilateral agencies, the WB and the UN system, and is now known as WHIP, the Wider Harmonisation in Practice. It remains to be seen whether, as some stakeholders fear, harmonisation and the need for consensus will constrain those donors prepared to take a stronger stance on issues of governance.

Norwegian Development Cooperation

Zambia has been one of Norway's partner countries over the evaluation period. Most assistance has been given on a government to government basis, though this has fallen from almost 95% at the beginning of the period to a low of 69% in 2001 with concerns over the election, rising back to just under 80% in 2005. Assistance to local NGOs rose to 20% of the total in 2001, but now Norwegian NGOs receive over 15% of assistance, though this is often disbursed to local NGOs. Since 2000 education, agriculture, environment/wildlife, health - basically HIV/Aids related,, financial management and good governance have been the main sectors receiving support.

Norwegian development policy has evolved since 1992, when the concept of recipient responsibility was introduced. There has been more emphasis on working with the private sector and civil society, on improved donor coordination and on support to MDG achievement. Currently Norway is gradually reducing the number of sectors with which it is involved to two or three per country, plus budget support.

Norway's engagement with Zambia has been a combination of policy dialogue, and project and programme support using a number of different partners and modalities.

An analysis of the policy dialogue from the 1990s, looking at minutes of consultation meetings between the two governments, plus CG meetings, shows that this was focused very much on macroeconomic issues. Norway was not unusual in its concentration on issues of liberalisation and privatisation. There was little room for discussion around the principles of economic policy, only on the implementation. Discourse analysis reveals a recurrent emphasis on the believed technical correctness of such policies and, insofar as problems are identified, these are located within the realm of tardy implementation. Overall there was a tendency to depoliticise economic issues, and address political objectives, such as the fight against corruption, separately, leading to potential incoherence between objectives.

Modalities of assistance changed over the period, with a move away from projects towards greater support to government sector programmes. Examination of support to NGOs and UN initiatives show that there have been considerable problems of sustainability as projects have faced difficulty in integration within wider government service delivery systems.

The case studies show that, over the period of the evaluation, there has been pressure on projects to adopt a more centralised management model. An analysis of the eleven projects included in the evaluation leads to the possibility that harmonisation is leading to a concentration on the two big players, government and donors, at the expense of CSOs and NGOs. The place for third parties at the development cooperation table is becoming smaller, and more contested. The effect on the space for pro-poor development cooperation is difficult to assess, but may end up with more importance on policy dialogue.

Development Assistance, Poverty and Power Structures

The analysis of the power relations indicates that there have been no obvious champions of the poor in national government, at least since the Kaunda period. Donors have had two major formal channels with government for influencing this: through policy dialogue and through direct funding of projects with poverty alleviation as a major objective.

Policy dialogue was focused on the macro-economy for much of the 1990s, and very much at a technical level, though with concerns arising towards the end of the period about governance. The development of the PRSP as a policy instrument by the IFIs created an opportunity for civil society to engage more directly with government and also with donors, but the line ministries did not, in general engage with or 'own' the process. When Zambia moved to the FNDP, as opposed to the PRSP as a planning framework, the involvement of the line ministries increased considerably but the process caused frustration at the provincial and district level.

The evaluation team found that Norway, in line with the approach taken by other donors, has tended to focus on technical issues in its formal dialogue with government. It has been cautious in addressing issues which could be seen as overtly political, where the legitimacy of its engagement could be challenged. Rather it has focused more on building capacity for

Zambian organisations, both within government and with civil society partners, in the expectation, or perhaps the hope, that this will both build challenges within the system to abuse and will develop champions for the poor.

In this respect Norway has taken a similar approach to other donors. Insofar as international donor personnel analyze the political element of economic reform, they tend to do so from the perspective of ‘strengthening the domestic constituency for reform’, promoting ‘country ownership’ of reform programmes, and creating the conditions through which governments can ‘build consensus’ for reform. The actual content of reform – based as it is on assumptions of a single, ‘correct’ approach – is often assumed to be beyond argument, and the task of politics is simply to persuade people of the merits of implementing reform. Poverty reduction becomes depoliticised, and there is some evidence that poverty reduction lacked both national and international political prioritization in Zambia.

Norway as a Donor

The perception of Norway as a donor is often difficult to distinguish from a perception of the Scandinavian donors as a whole, who are seen as supportive, in part because of their history of support to Zambia as a frontline state in the past. There is little knowledge in Zambia of the precise nature of Norwegian support currently.

Norway is seen as a flexible and generous donor, though there was a perception that Norway was not as rigorous in its approach as other donors, focusing more on process and less on results and impacts. Perceptions of how well Norway has encouraged greater ownership of projects are mixed. Views have been expressed that projects started in the 1980s and early 1990s were very much seen to be designed by expatriate organisations and consultants with limited input from Zambians themselves. This perception has changed as Norway’s projects have both become more aligned to national approaches and support has moved more towards either sector approaches, or larger multi-donor projects.

The issue of ownership is more difficult to disentangle. This is largely because for many of the larger projects the relevant question is not is there national ownership, but *whose* ownership within Zambia. For some projects, this is an issue of layers within the hierarchy – there may be ownership at national level, but much less at the level of implementation, and even less at the level of the ultimate intended beneficiaries. In the area of support to improved financial governance, it is more difficult to pin down ownership in these terms. Rather the various projects are seen as supporting reformers within government, who have a vision of a more self-reliant Zambia, free from corruption, and are therefore promoting a joint agenda with donors and these reforming elements.

Norwegian support appears to score well on relevance. Analysis of policy documents, including MoUs, indicates that Norwegian development support to Zambia has become more aligned to Zambian policies and strategies over the years. There is evidence of greater consultation within Zambia on areas of mutual concern, and over the years there has been more assistance given in the form of sector and budget support. The recent process of alignment has taken this a step further, with Norway delegating support in some areas through other development partners.

The evidence on effectiveness is more mixed. A relatively poor level of monitoring during implementation has reduced project effectiveness, and Norwegian support has been most effective in delivering intermediate outcomes such as capacity development and institutional strengthening.

The evidence from the case studies on impact and sustainability show that much depends on the effectiveness and robustness of the government organisations involved in the projects. Support to the Auditor General’s Office appears to have had positive impact, but it is too early to comment on sustainability.

Conclusions

Norwegian aid to Zambia shows a similar pattern to that of other donors, in that it went through the same processes of emphasis on firstly macroeconomic stability and structural adjustment in the 1990s, followed by a focus on governance, but in an apolitical manner,

emphasising reform of state institutions. For the most part bilateral donors have moved in the same direction, though at times at different speeds. Recent initiatives on harmonisation are reinforcing this tendency and also now bringing in the multilateral donors and IFIs into one process with the bilaterals.

There has been success on the macroeconomic front, in part due to external factors. The focus of dialogue has moved to governance issues, again with some success. There appears to be some Zambian effective demand for improved governance, not just in civil society organisations but also at technical and political levels within government. Such reform as has taken place has been within the constraints arising from the strongly centralised and personalised nature of power in Zambia, and as such they are rather fragile in nature. However they are an important step in the direction of developing a technical-rational modern state, rather than a patrimonial one.

To support the development of a modern democratic state in Zambia, Norway could take the following actions:

- Improving its own understanding of the political context of Zambia.
- Supporting the further development of formal checks and balances in political life.
- Funding capacity building in support of decentralisation.
- Including civil society in the harmonisation process.
- Increasing support to local NGOs rather than through Norwegian organisations.
- Encouraging intellectual and public debate on political issues and on poverty reduction.

Norad

Norwegian Agency for
Development Cooperation

P.O. Box 8034 Dep, NO-0030 OSLO

Visiting adress:

Ruseløkkveien 26, Oslo, Norway

Telephone: +47 22 24 20 30

Fax: +47 22 24 20 31

postmottak@norad.no

www.norad.no

No of copies: 400

February 2008

ISBN 978-82-7548-273-5

