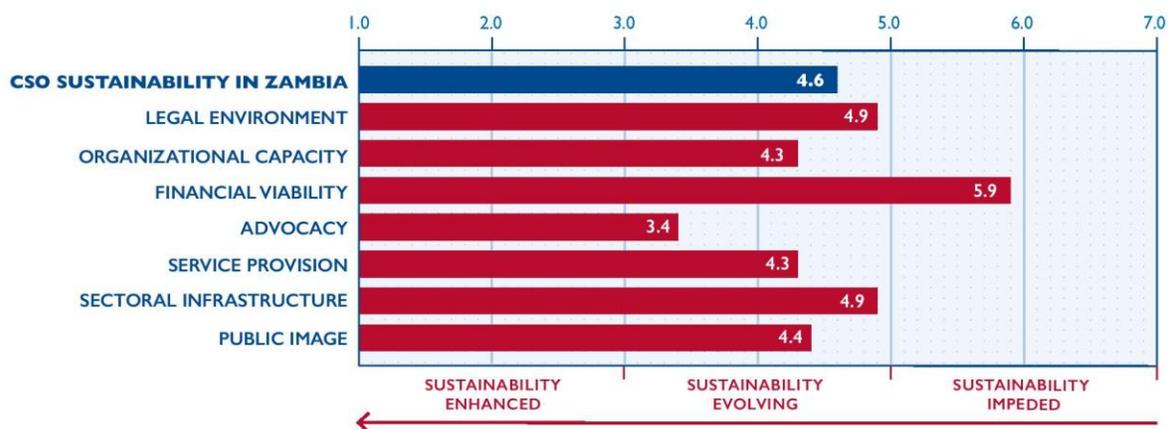


ZAMBIA

Capital: Lusaka
Population: 16,445,079
GDP per capita (PPP): \$4,000
Human Development Index: Medium (0.588)
Freedom in the World: Partly Free (55/100)

OVERALL CSO SUSTAINABILITY: 4.6



Zambia’s political environment was mixed in 2018. After highly contested general elections in 2016, relations between the dominant parties, the Patriotic Front and United Party for National Development, remained tense. Extended preparations for a national dialogue to reconcile all political parties and introduce electoral reforms took place under the auspices of the Zambia Center for Interparty Dialogue and three church bodies, the Evangelical Fellowship of Zambia, Council of Churches in Zambia, and Zambia Conference of Catholic Bishops. After many delays, the national dialogue was slated to begin in early 2019.

Zambia’s economic growth was positive during most of 2018, closing at 3.9 percent, compared to 3.7 percent in 2017. Nevertheless, Zambian households and businesses suffered from an increase in the cost of living caused by growing foreign and domestic debt, limited national reserves, declining copper prices, widening trade deficits, and rising energy costs. The poverty rate continued to be high at 54 percent, and the level of income inequality was very high at 0.69 on the Gini index.

The 2018 CIVICUS Monitor, which measures the state of civil society around the world, rates Zambia’s civil society as “obstructed.” According to the Monitor, Zambia’s civil society is large but challenged by limited capacity, a high dependence on donors, and the authorities’ imposition of legal and practical constraints on the full enjoyment of fundamental rights.

Against this background, CSO sustainability was unchanged in 2018. Enhanced use of social media helped improve CSOs’ organizational capacity, and advocacy was slightly stronger as many CSO coalitions and alliances conducted successful advocacy campaigns. CSOs’ service provision improved slightly as CSOs responded more effectively to community needs, especially with health care such as HIV/AIDS treatment. Public recognition that CSOs are a source of reliable information on a number of issues boosted their public image. The legal environment and sectoral infrastructure for CSOs did not change in 2018, but their financial viability declined slightly as donors continued to reduce funding.

The Registrar of Societies indicated that 22,574 organizations were registered in 2018 under the Societies Act, including social movements, community-based organizations (CBOs), faith-based organizations (FBOs), and international CSOs. Although this figure represents a dramatic increase from the 12,000 organizations registered in 2017, it should be noted that the registry is not very accurate and is assumed to include duplications. An additional 1,000 CSOs are registered under the Non-Governmental Organizations (NGO) Act. According to a survey by the Zambia Council for Social Development (ZCSD), Lusaka Province has the highest concentration of CSOs, followed by North-Western and Western provinces. Luapula and Northern provinces have the fewest CSOs.

LEGAL ENVIRONMENT: 4.9



The legal environment for Zambian CSOs was unchanged in 2018. Most CSOs register with the Registrar of Societies under the Societies Act or, less commonly, with the Patents and Companies Registration Agency under the Companies Act. Although the NGO Act of 2009 was suspended in 2015, CSOs still sometimes register under the act, either because they lack knowledge of the law, registration with it is required by funding agencies, or the registering organizations are pro-government and want to legitimize the law. Both the Societies Act and the NGO Act allow organizations to apply for exemptions from registration.

The requirements for registration are relatively straightforward, and most CSOs register fairly easily. However, rural organizations can find it difficult to pay

the costs of registering, including for travel to provincial centers and requirements such as fingerprints. The state has the power to dissolve CSOs if it is in the “public or national interest,” but this did not happen in 2018. In case of dissolution, CSOs have recourse to judicial appeal.

The government launched a new NGO policy in 2018, which CSOs helped to draft. The policy addresses the challenges of developing a responsible relationship between state and non-state actors in national development and provides a general framework for the coordination and facilitation of CSOs’ operations. CSOs regard the new policy as efficient, effective, and transparent. Implementation of the policy, which had been waiting for approval since 2016, is the first step toward repealing and replacing the NGO Act of 2009, which CSOs oppose as unconstitutional and liable to open the door to the exercise of arbitrary governmental authority. In 2018, the government set up a committee that includes CSOs under the Ministry of Community Development and Social Services, which will prepare for the eventual repeal of the law. In the meantime, the NGO Act remained in force in its current form.

CSOs reported that the laws and regulations governing the sector continued to be implemented inconsistently in 2018, especially in the case of governance and advocacy organizations. Some CSO coalitions, such as the Grand Coalition on the Campaign for a People Driven Constitution in Zambia, Civil Society Constitution Agenda (CiSCA), and Human Rights Defenders Network (HRDN), did not register or apply for exemptions from registration and operated without interference. However, the government sometimes used the Public Order Act and Penal Code to prevent demonstrations, protests, and other gatherings, thereby suppressing freedom of assembly. For example, in September, the police refused to issue a permit to a coalition of CSOs led by ZCSD and Alliance for Community Action for a demonstration on the day that the national budget was presented to the National Assembly. The coalition managed to obtain the permit after appealing to the Minister of Home Affairs, but since the permit was granted on short notice, the protest’s effectiveness was undermined. In October, clergy and staff of the Center for Trade and Policy Development (CTPD) and Consumer Unity Trust Societies (CUTs) were arrested under the Public Order Act in Ndola, Copperbelt Province, when they attempted to hold discussions on the debt crisis and 2019 national budget. Freedom of expression, especially regarding the presidency, also remained constrained both by the Defamation Act and the Penal Code in 2018. For example, in January, the Mongu Magistrates Court sentenced a medical doctor working at Luampa Mission Hospital in Western Province to three years in prison on three counts of defaming the president. In November, the Supreme Court of Zambia sentenced anti-corruption campaigner Gregory Chifire to six years’ imprisonment on contempt of court charges after Chifire called for an investigation into a possible case of judicial corruption.

The law provides non-profit-making bodies with exemptions on excise duties, value-added tax, and income tax. The exemptions are recommended by the Ministry of Community Development and Social Services and issued at the discretion of the minister of finance. Although international CSOs regularly receive exemptions, domestic CSOs, especially those that focus on advocacy, do not. However, CSOs report that, depending on the nature of grant agreements, donors may pass their tax exemptions on to their local partners. For example, because a project supported by the European Union (EU) and Embassy of Sweden was exempted from taxes, the local implementing

partner, the Non-Governmental Coordinating Council (NGOCC), did not pay taxes on the funding that it received for project activities. Corporate donors and individuals are entitled to tax deductions on their donations.

CSOs are free to engage in fundraising campaigns and receive foreign funding. They may engage in profit-making activities provided they register as businesses. CSOs may operate social enterprises, although the practice is uncommon among Zambian CSOs.

Lawyers are few and mostly located in Lusaka. While some lawyers are familiar with CSO-related laws, they charge fees that are beyond the reach of many organizations. The Law Association of Zambia (LAZ) encourages its members to provide services to CSOs pro bono or at subsidized rates.

ORGANIZATIONAL CAPACITY: 4.3

CSOs' increased effectiveness in using the internet to reach their audiences in real time helped improve their organizational capacity slightly in 2018.

Many CSOs seek to involve their constituencies through community capacity-building initiatives, advocacy platforms, and the integration of members into their programs. For example, in June 2018, CSOs hosted Alternative Mining Indaba, which serves as a counterpart to the government's annual meeting of investors in mining. At the meeting, communities affected by mining operations were able to express their concerns to the government, mining companies, and other stakeholders and work with CSOs to identify areas for intervention. However, CSOs sometimes struggle to meet community expectations, which can undermine their efforts to build constituencies. Since their activities vary depending on the availability of funding and the earmarking of funds for pre-defined activities, CSOs are not always able to respond effectively to emerging community needs. For example, because of funding restrictions in 2018, CSOs issued media statements but otherwise were unable to respond immediately to cases of human rights violations and a lack of key social services.



Most well-established CSOs have defined visions and mission statements, which they adhere to and use as the basis for strategic planning. For example, Civil Society for Poverty Reduction (CSPR), Women for Change (WFC), and ActionAid Zambia (AAZ) have strategic plans that inform their decision making and measurements of success. Strategic plans are also useful in soliciting donor funding, although donors' preference for project-based funding usually prevents CSOs from fully implementing their plans. For example, NGOCC, Zambia Civic Education Alliance, Jesuit Center for Theological Reflections (JCTR), and Transparency International Zambia (TIZ) were able to implement only those activities in their plans that received funding in 2018. Small and start-up organizations often do not have strategic plans, especially since they are not a prerequisite for registration. For example, Governance, Elections, Advocacy, Research Services (GEARS), a newly formed advocacy organization, does not have a strategic plan and focuses mainly on raising project-based funding in line with its mandate.

Most CSOs report that they have well-defined management structures, with clear divisions of responsibilities between boards and staff. But actual practices vary widely. For example, some CSOs have executive boards that also function as secretariats. Similarly, most CSOs have written procedures and policies to guide their financial operations, but in practice, these procedures and policies are often violated. Although most well-established CSOs maintain relatively sound internal and external controls, some CSOs struggle to be transparent, mainly because most donors tend to be interested only in project implementation and do not invest in organizational governance.

Most CSOs find it difficult to retain permanent staff because of insufficient financial capacity, including the lack of pension schemes, which are a draw for potential employees. Since many CSOs go without funding for months and even years, staff turnover tends to be high. In 2018, for example, ZCSD had to let some employees go because of cutbacks in funding. Succession planning is weak. CSOs sometimes offer staff members opportunities to develop their skills, but trained staff often leave their organizations for better opportunities with the government,

international CSOs, or more prosperous domestic CSOs. Many CSOs engage volunteers or interns to implement activities, since they require fewer resources. For example, a volunteer managed one of CSPR’s core programs on economic empowerment and sustainable livelihoods in 2018, because the organization lacked funding to hire paid staff.

CSOs’ ability to use social media tools to engage the public in advocacy and other campaigns improved in 2018. Internet services are widely available, and most CSOs in urban centers have access to the internet at their offices or in public internet cafes. CSOs find internet-based communications a cheaper and faster way to reach audiences than meetings, letters, or printed materials. CSOs rely largely on Facebook, WhatsApp, and Twitter to network and campaign. As donor support does not always cover the procurement of new and modern office equipment, a number of CSOs have coped by using old computers upgraded with modern software.

FINANCIAL VIABILITY: 5.9



CSOs’ financial viability deteriorated slightly in 2018. Although the CSO sector continued to rely heavily on foreign donors, Zambia’s status as a lower middle-income country has reduced the number of donors in the country, thereby affecting the availability of funding for local CSOs. Donors that had been key supporters of CSOs in previous years, such as the embassies of Norway and the Netherlands, remained closed or operated through other country missions or intermediate support organizations (ISOs) in 2018. In addition, some donors have changed their priorities and reduced the level of funding available to CSOs, especially advocacy organizations. For example, in a shift in funding approaches, the EU and Embassy of Sweden, which had channeled funding to human rights and governance organizations through the Zambia Governance

Foundation (ZGF), began to pass funds to local CSOs through ISOs such as AAZ, NGOCC, and TIZ in 2018. This approach allowed more CSOs to access funding, but grant amounts tended to be smaller. Donor funding usually has limited flexibility, which prevents CSOs from responding quickly to emerging needs.

Many local CSOs lack multiple or diverse sources of funding. CSOs working in human rights and governance rarely raise funds from local sources, such as the government, businesses, philanthropic foundations, or individuals. In 2018, some CSOs working in health, such as the Churches Health Association of Zambia (CHAZ), and organizations associated with the Ministry of Community Development and Social Services, including the Zambia Alliance of Persons with Disabilities and the Zambia Center for Interparty Dialogue, received government grants for their operations. CSOs focused on the care of orphans, education, and water and sanitation, including borehole drilling and the provision of cholera and chlorine kits, occasionally receive government funding or benefit from corporate social responsibility programs sponsored by Trade Kings, Zambian Breweries, MTN, Airtel, Zamtel, and other companies.

The capacity of CSOs, especially advocacy organizations, to raise funds is limited. Some CSOs such as CSPR try to obtain support from their constituents through membership fees, but the amounts they raise are minimal, and members are generally willing to pay membership dues only in exchange for benefits. The use of internet-based technologies to raise funds, including crowdfunding platforms, is still unexplored by Zambian CSOs.

CSOs are reluctant to engage in profit-making activities, as they may be deemed to violate the law unless organizations are registered as businesses or social enterprises. CSOs owning property, such as NGOCC, Caritas, and many FBOs, may earn revenue from rentals. A few organizations generate income from the sale of services, products, and goods. For example, Musika, a CSO focused on agriculture, sells chicken, pork, and other farm products to raise funds for its operations. Several CSOs, including CTPD and CSPR, have set up research units that offer paid services. Social enterprises are rare among Zambian CSOs, but the ZGF has begun to pioneer such initiatives, which are still in the early stages.

The government rarely engages CSOs to provide services. Among the few CSOs providing services to the government are Policy Research Monitoring Center (PMRC), Indaba Agriculture Policy and Research Initiative (IAPRI), and Musika, which have contracts to conduct research.

Most CSOs have relatively well-established financial management systems. Larger organizations, including NGOCC, ZCSD, Women’s Lobby, and Zambia Civic Education Alliance, use software such as Pastel, QuickBooks, and Sage. However, inadequate funding and erratic revenues prevent most smaller CSOs from fully implementing their financial systems, updating their software, or hiring reputable independent firms to carry out external audits. In some cases, funders support audits of specific projects or may contribute to institutional audits.

ADVOCACY: 3.4

CSO advocacy improved slightly in 2018, with coalitions and alliances undertaking a larger number of effective joint campaigns. This development helped offset persistent doubts among CSOs about the possibility of joint advocacy work as the country’s political polarization grew more pronounced.

Mechanisms for collaboration between CSOs and policy makers exist at the central and local levels, although they are not well defined or effectively exploited. The central government has discretionary authority to consult with CSOs, but there is no law that compels it to do so. In most cases, the government prefers to work with CSOs that it perceives as politically supportive.

At the national level, CSOs are included in the multi-stakeholder National Development Coordinating

Committee, the apex body for coordination of the National Development Plan (NDP). Before an NDP or targeted national policy is developed, CSOs may propose an alternative plan or strategy to feed into the government’s planning process. CSOs also take part in cluster advisory groups and their technical committees, which are part of the NDP process. For example, TIZ, NGOCC, and other organizations with good relationships with the government participate in the cluster advisory group on governance at the Ministry of Justice. At the local and provincial levels, CSOs contribute to district development coordinating committees and provincial development coordinating committees, which are structures for implementing the NDP. CSPR coordinates CSOs’ participation in these mechanisms. The Seventh NDP, which covers 2017 to 2021, emphasizes the need for CSOs to be involved in its implementation, although in practice most CSO involvement takes place only at the request of responsible ministries.

CSOs use a variety of informal mechanisms to hold the government to account, including TIZ’s Corruption Perception Index, CSPR’s Budget Execution and Service Delivery Barometer, petitions, demonstrations, and public campaigns. However, the effectiveness of these tools is debatable. CSOs and the public seem slow to take advantage of the opportunities that they offer, and the government attempts to discredit these mechanisms and the organizations that use them.

In 2018, CSOs continued to conduct broad-based advocacy campaigns aimed at shaping public opinion and legislation. Prominent efforts included ZCSD’s and CiSCA’s involvement in a review of the Public Order Act and constitutional and electoral reforms; monitoring of local by-elections by Domestic Elections Monitoring and Observation Groups (DEMOGs), an alliance of CSOs; and work on gender-related legal reforms by NGOCC. Other advocacy included the campaign of the Alliance for Community Action on perceived corruption in the government’s procurement of fire trucks; Zambia Tax Platform’s contribution to government tax reforms; CBNRM’s successful push for bans on plastic bags and smoking in public places; and the work of CTPD on trade and CSPR on poverty reduction. CSOs also engaged in public awareness efforts to strengthen Zambia’s participation in the Extractive Industries Transparency Initiative on mining revenue. CSOs usually conduct limited consultations with communities when choosing their advocacy targets.



Initiatives to promote a more favorable legal and regulatory framework for the CSO sector continued in 2018. Following the launch of the new NGO policy, CSOs disseminated the policy and, at the provincial level, conducted consultative meetings to discuss the policy and the need for a user-friendly legal and regulatory framework to enhance CSOs' sustainability and engagement in national affairs. The meetings were coordinated mainly by the NGOCC, ZCSD, and AAZ. CSOs led by the Media Institute for Southern Africa and Zambian Bloggers opposed the government's introduction of new cyber laws without consulting with CSOs.

SERVICE PROVISION: 4.3



CSOs' service provision improved slightly in 2018, thanks to their growing responsiveness to community needs, especially those related to HIV/AIDS treatment and other health issues.

CSOs provided services in a variety of fields in 2018, including health, education, relief, housing, water, energy, economic development, environmental protection, governance, and empowerment. For example, AAZ built a community girls' boarding hostel and drilled boreholes in Western Province. WaterAid Zambia built ablution blocks in schools, drilled boreholes, and provided technical support to the Ministry of Water Development. CHAZ worked on the final year of projects related to HIV/AIDS, which were funded by \$85.7 million in funding from the Global Fund to Fight AIDS, Tuberculosis, and

Malaria.

The goods and services that CSOs provide usually reflect the needs and priorities of their communities. However, funders sometimes dictate that CSOs offer goods and services that do not address the priorities of beneficiaries. In 2018, almost all donor calls for proposals were thematically focused and specified objectives that CSOs' proposed activities must help achieve. Hence most CSOs shaped interventions to meet donor objectives rather than community needs in a bid to access funds. Some CSOs undertake baseline surveys or collect other data and recommendations to inform their decisions about needed services. Important sources of information include the JCTR's monthly Basic Needs Basket and data on women's participation in decision making collected by NGOCC and Zambia National Women's Lobby (ZNWL).

Most CSOs provide goods and services to beneficiaries beyond their memberships. For example, water points and other community facilities developed by CSOs usually benefit a large pool of residents. IAPRI, PMRC, ZNWL, Zambia Institute for Policy Analysis and Research, and Christian Churches Monitoring Group share their reports and analyses with a range of interested stakeholders, including other CSOs, academia, businesses, religious institutions, and the government. CSOs usually distribute their publications and offer services such as workshops and expert analysis free of charge and without discrimination on the basis of race, gender, ethnicity, sexual orientation, or political affiliation.

CSOs rarely recover costs related to service provision. Since they are regarded as non-profit-making, it is unusual for CSOs to charge fees for their services, sign contracts, or create social enterprises. In addition, any effort to recover costs may conflict with arrangements with funders.

The government generally appreciates the work of most CSOs, especially those that provide services, since they are seen as supplementing the government's efforts. The Seventh NDP recognizes the role of CSOs in national development and outlines steps for involving the sector.

SECTORAL INFRASTRUCTURE: 4.9

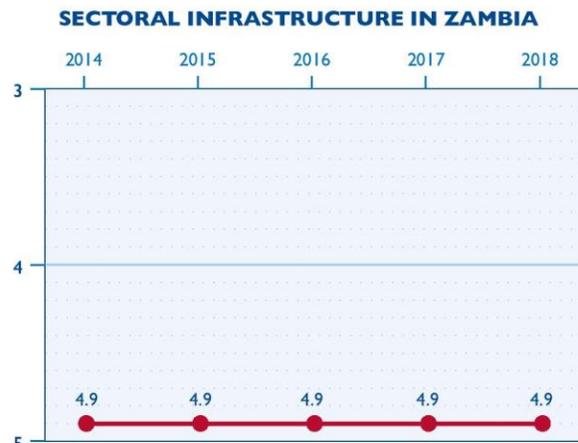
The infrastructure supporting CSOs did not change in 2018. A number of well-established CSOs, such as Restless Development, Caritas, JCTR, NGOCC, CSPR, and TIZ, operate resource centers. Most centers offer reference libraries and internet services for use by researchers, students, and the public. These centers are mainly located in urban areas and have limited capacity to meet CSOs' needs, since they tend to lack up-to-date information and digitized research facilities such as e-libraries.

International and local ISOs, including AAZ, WaterAid Zambia, Musika, NGOCC, and Oxfam in Zambia, re-grant donor funds to address locally identified needs and projects. In new programs in 2018, NGOCC provided sub-grants to more than eighty member organizations to promote gender equity and human rights, and AAZ funded more than thirty organizations, including social movements, for projects in human rights and social accountability. Under their Joint Country Program, DanChurchAid, Norwegian Church Aid, and Christian Aid re-grant funding to local partners for projects focused on such issues as extractive industries, public financial management, gender, and economic empowerment. Other local CSOs are sometimes included as co-applicants or beneficiaries in ISOs' joint proposals to donors. ZGF awarded few grants in 2018 because of its donors' shift to providing funding for sub-granting to NGOCC, ActionAid Zambia, and TIZ.

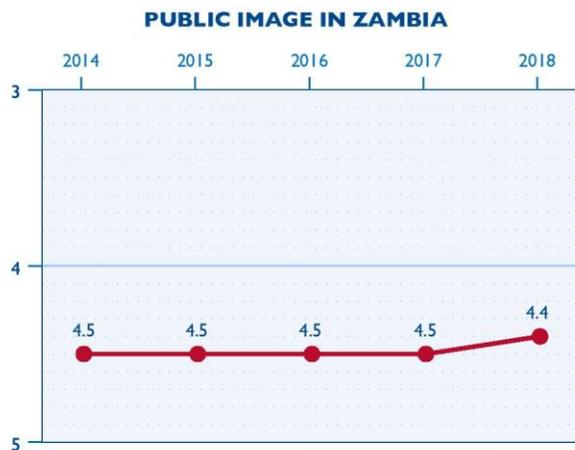
CSOs share information with each other and work together towards common aims, such as legal reform, gender-related goals, or poverty eradication. Although in the last several years, CSOs were perceived to be—and in many situations were—seriously disjointed in their efforts, they began gradually to pull together again in 2018. Loose networks and coalitions that facilitate cooperation include CSPR, CTPD, CiSCA, and Oasis Forum. These groups typically have secretariats to coordinate their operations. The CSO sector promotes its interests through organizations such as the Council of NGOs in Zambia, which was established under the NGO Act with the mandate of encouraging self-regulation, capacity building, and coordination of CSO activities.

The CSO sector in Zambia has capable management trainers. A few ISOs provide access to training and technical support. The main ISO, ZGF, now charges fees for training services, which makes them accessible only to organizations that can afford them. This change was caused by the departure of some of ZGF's donors in 2017 and 2018 and ZGF's effort to be less reliant on donor funds. Other training is ad hoc and offered at the request of donors or CSOs with dedicated funding. Networks and coalitions offer their members limited training when donor resources for that purpose are available. CSOs need advanced specialized training in areas such as strategic management, financial management, fundraising, and volunteer management, but this is rarely available. The Zambia Institute of Directors provides training in corporate governance.

CSOs worked in a number of formal and informal partnerships with the government, private sector, and media in 2018. For example, Musika cooperated with the private sector to develop social enterprises focused on pig farming; PMRC offered technical research support to the Ministry of Finance; NGOCC addressed gender-based violence in collaboration with the Ministry of Gender; and TIZ reviewed the anti-corruption strategy put forth by the Anti-Corruption Commission. MISA Zambia and the Zambian Bloggers worked with the Ministry of Information on the access to information and cyber-security bills.



PUBLIC IMAGE: 4.4



CSOs' public image improved slightly in 2018 as they were consulted more often as leading voices on a number of issues, especially public debt and legal reforms. Because of the government's inertia in providing timely information and the misinformation posted on many social media platforms, CSOs served as trusted and reliable sources of analysis, especially if their work was backed up by studies and research. For example, CUTs, CTPD, JCTR, CSPR, AAZ, and Oxfam produced policy papers to inform debate on public debt in the absence of government data.

CSOs continued to receive coverage in government-controlled and private media at local and national levels in 2018. Service-providing CSOs are usually covered positively in private and government-controlled media,

while CSOs working on governance, democracy, and human rights are covered positively by private media and negatively or not at all by government-controlled media. Independent media that covered critical viewpoints could experience threats and indirect censorship, according to the U.S. State Department's 2018 Report on Human Rights Practices in Zambia. Coverage appears in both traditional and online formats. The majority of independent online media are privately owned and cover both advocacy and service-providing CSOs. In certain instances, depending on their biases, media outlets may publish misinformation to convey negative or positive assessments of the role and nature of CSOs. This tendency is averted when CSOs' place paid coverage to be reported or advertised as given, which is a common practice.

The public has a mixed perception of CSOs. People who support the ruling party accuse some advocacy CSOs of acting as surrogates for the opposition or as agents of imperialism, while people who support the opposition have positive perceptions of some advocacy CSOs but accuse those that support the government's agenda of being appendices of the ruling party. Overall, the public tends to misunderstand the concept of CSOs but is supportive of their activities.

The business sector and local and central government officials also have mixed perceptions of CSOs. Some companies openly support CSOs engaged in service provision, such as Habitat for Humanity and World Vision, but are reluctant to work with advocacy CSOs for fear of losing government contracts or jeopardizing their relationships with their boards. The government similarly has more positive perceptions of service-providing CSOs than advocacy organizations. Both the government and businesses rely on CSOs as community resources and sources of credible information and expertise. Government officials sometimes officiate at CSOs' events, including report launches, commemorative events, and policy panel discussions.

A number of CSOs raise awareness about their activities and promote their public image. Many CSOs develop productive relationships with journalists to encourage positive coverage, and they effectively use social media platforms, such as WhatsApp, Facebook, and Twitter, for public outreach. PMRC, IAPRI, CTPD, Hivos, and several other organizations organized media awards in 2018 to recognize the efforts of the media to highlight their work, especially on national policy.

Some larger CSOs, including JCTR, CSPR, NGOCC, and Caritas, operate in a transparent manner, conduct independent financial audits, share their annual reports and financial statements with the Registrar of Societies and other CSOs, and post their reports on their websites. In a bid to enhance CSO transparency and accountability, the Council of NGOs in Zambia has urged CSOs to adopt a code of ethics, which is being drafted under its auspices.

Disclaimer: The opinions expressed herein are those of the panelists and other project researchers and do not necessarily reflect the views of USAID or FHI 360.