



KIVU INTERNATIONAL

KIVU INTERNATIONAL POLICY INFLUENCING IMPACTS: THE DFID FUNDED ZAMBIA ACCOUNTABILITY PROGRAMME

CONTEXT

Kivu designed and implemented the inclusive economic growth component of the DFID-funded Zambia Accountability Programme (ZAP) between 2016 and 2019 (c. £1million p.a.). The aim has been to **increase effective government accountability on economic policy issues**. To achieve this Kivu has partnered closely with Zambian civil society including: interest groups, think tanks, advocacy organisations, local communities etc. We have worked with our partners to both (i) identify issues with scope for improved government accountability, and (ii) also to design and implement effective strategies, suitable for the local context.

Achieving meaningful improvements in accountability, and influence on government policy, is challenging in any context. However, Kivu's work in Zambia has had several notable successes. This note sets out how the partnership between Kivu and local organisations – combining with Kivu's expertise in policy influencing with local partners' understanding of *how change happens* in Zambia – has achieved impact.

KIVU'S ROLE

Kivu's role involves both (a) building the capacity of our local partners and (b) developing and implementing overall influencing strategies. To increase the **capacity** of local partners Kivu goes beyond simple training and instead adopts an intensive mentoring and "learning through doing" approach. And when **developing overall influencing strategies** Kivu has, drawing on local insights, asked four key questions:

- 🍌 **What issue has the potential for change?** This has included assessing the level of government demand for ideas on policy change – or the potential to shift demand and hold government to account. Some issues we have worked on are "strategic issues" where concerted policy influencing efforts ran over years (for instance on agriculture and macroeconomic policy) and some were more reactive responding to short-term opportunities (for instance on tax reform).
- 🍌 **What overall influencing strategy to adopt?** We then developed bespoke and politically informed overall policy influencing strategies to navigate the political context: Where does power really lie on this issue? What analysis and evidence is needed to influence key decisionmakers? What balance of "insider" and "outsider" advocacy is required to influence change? What mix of elite-level and bottom-up advocacy? When are the key "influencing moments" that advocacy needs to target?
- 🍌 **Which local partners can influence change?** We brokered coalitions and partnerships between influential coalitions of Zambian organisations who together could have the power to influence change. These coalitions could be large and formal, or small and short-term depending on the policy issue.
- 🍌 **When is the best moment to improve government accountability and influence policy?** Policy influencing is often all about timing: Kivu supports its partners to plan strategically around "windows for influence", but also be prepared to respond to opportunities that suddenly open up politically.

The output is highly regarded by DFID Zambia, scoring an A+ in consecutive annual reviews. The programme has strengthened the capacity of the Zambian policy influencing community: local partners' policy influencing skills have been transformed and the ability to hold policy makers to account substantially improved. Some of our partners have, for example, moved from being largely academic to 'change orientated' think tanks with an increased focus on using research to inform and influence meaningful policy change. Through the development of coalitions and alliances we have also brokered relationships between organisations to strengthen their collective voice.

There have been several demonstrable impacts on policy and examples of improved accountability. The remainder of this note details some of these.

POLICY IMPACT CASE STUDIES

(1) RAISING SALIENCE ON GOVERNMENT DEBT

Policy issue: High and damaging government debt.

Nature of the policy influencing challenge: This was an example of an issue which mattered but which was low salience – it was not being prioritised by decision-makers: while the economic case for action on debt was clear, there was no political imperative to act. There was no meaningful accountability for government decisions to increase levels of debt. The balance of political incentives in favour of continued borrowing, which the ruling party saw as being useful to fund an economic populist agenda and extract rent.

Policy influencing strategy adopted: Our strategy was to change the underlying political calculation of the ruling party – that public awareness of debt was low implying there was no *political* penalty for accumulating higher debt. This required a salience raising campaign which sought to raise concern among influential groups and the electorate more generally and reflect it back to key decisionmakers. Kivu convened an influential and broad coalition of organisations unprecedented in Zambia to make arguments about the negative effects of higher debt on Zambians' everyday lives. This coalition went *beyond* the "usual suspects" and included church leaders, business leaders, young Zambians, CSOs and research organisations. Different partners conducted complementary influencing activities – some more "insider" and some more "outsider". Insider voices included the church and business community intervening behind closed doors, while outsider work included substantial use of social media and uniting work across partners under a common brand (#DebtConcernsMe).

Impacts: Addressing Zambia's debt challenge is a long-term challenge and will require sustained action over years. Kivu's work with partners as part of ZAP contributed to changing public views (survey data showed levels of awareness of debt rising from c30% to c60% between 2017 and 2018) and pressured government into confronting the scale of the issue and take some corrective steps. Our partners, who are now experts and established voices on debt will continue to advocate on the issue in the future.

(2) PREVENTING IMPLEMENTATION OF DAMAGING TAX CHANGES

Policy issue: Kivu's partners were highly sceptical of a government proposal to shift from VAT to a sales tax. We recognised, however, that it would be hard to overturn the policy given the strong and senior (Presidential) political momentum behind the changes.

Nature of the policy influencing challenge: The challenge here was to stop a bad policy idea, which was poorly thought through and if enacted would have severe negative effects on the Zambian economy and its people.

Policy influencing strategy adopted: The overall strategy was to (a) discredit the proposed reform and (b) offer alternative policy options. However, overcoming the political opposition required a phased approach. Kivu and our partners first concentrated on generating evidence on the likely negative impact of sales tax to delay implementation. This required framing around the politically salient government concerns of inflation and jobs, using a mix of insider and outsider advocacy to demonstrate the likely severe consequences of the sales tax on the economy. This pressure helped delay the introduction of the sale tax. Then a change in finance minister created an opportunity to advocate for the full abandonment of the proposed policy. The new finance minister was known to have doubts about the sales tax, so in order to exploit this Kivu and its partners developed policy proposals intended to improve VAT, which gave the minister an alternative reform to sales tax.

Impacts: The proposed tax change was first delayed and then abandoned. In place of the move to a sales tax the government introduced reforms to VAT that had been recommended by Kivu's partners.

(3) SECURING PRO-POOR ENERGY TARIFF REFORM AND SETTING THE AGENDA FOR LONGER-TERM ENERGY SECTOR REFORM

Policy issue: Reform of electricity tariffs, in order to help attract increased private investment into the sector.

Nature of the policy influencing challenge: Badly designed energy subsidies are regressive, costly and undermine private investment in the sector. The policy solution is relatively clear: higher “cost-reflective” tariffs. But the issue is highly political: the sector is hampered by a bloated state-owned power company which is a source of patronage and energy subsidies are popular amongst an influential group of voters.

Policy influencing strategy adopted: The policy influencing strategy here has been incremental and responsive. Local partners have produced timely and highly political relevant work which has, over a two-year period, nudged policy in the right direction. Kivu chose to work with a combination of local partners, some closely linked to the ruling Party and some adopting a more “outsider” approach. For example, a well-connected local partner (PMRC) advocated for tariff reform which protected the poor. And another (CUTS) published and disseminated evidence of the regressive effect of some policy options under consideration. Partners have engaged in formal policy consultation processes, but more importantly they have exploited their networks and engaged directly with policy makers.

Impacts: In 2017, PMRC successfully advocated for increased subsidies, while proposing measures to limit the impact on the poor which were adopted by government. In response to an ill-judged proposal for tariff reform from the government in April 2019, CUTS produced evidence to demonstrate the potential impact on the poor. This led to government thinking again and, in line with CUTS' recommendations, taking the politically more difficult action to reduce ZESCO costs and protect the poor. Longer-term reforms are now also back on the table as the energy legislation has been reintroduced. This included PMRC recommendations to attract investment by strengthening energy sector regulation.

(4) REFORM OF AGRICULTURAL SUBSIDIES

Policy issue: Reform to the traditional agricultural subsidy regime (FISP), which was “top down” and state controlled: it was costly to deliver, undermined by rent-seeking, poorly targeted and ineffective in raising smallholder farmers’ productivity and income.

Nature of the policy influencing challenge: This is an example of a policy influencing challenge which necessitates understanding the *political barriers and blockers* to change.

Policy influencing strategy adopted: The overall strategy adopted was to develop *politically and technically* viable policy solutions and then actively advocate for them over a sustained period. We worked through a core local partner, IAPRI, who were well connected and technically strong. They had an idea for what to replace FISP with – an e-voucher which would put the subsidy in the hands of farmers to decide what they wanted to spend it on. But a technical argument alone was never going to be enough: IAPRI also had to work politically and negotiate considerable vested interests. This involved identifying champions within government to push reform forward and partnering with other interests, including the farmers and grain traders.

Impacts: The e-voucher was at one stage rolled out to all parts of Zambia, creating an estimated 23,000 direct jobs and leading to 15% fiscal savings. More recently it has come under pressure from vested interests and been scaled back. Kivu has advised local partners to adapt policy influencing efforts accordingly.

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