



REPUBLIC OF ZAMBIA

MINISTRY OF FINANCE AND NATIONAL DEVELOPMENT

# **EIGHTH NATIONAL DEVELOPMENT PLAN** 2022-2026

# 8NDP



“SOCIO-ECONOMIC TRANSFORMATION FOR IMPROVED LIVELIHOODS”

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Ministry of Finance and National Planning

P O Box 50062

Lusaka, ZAMBIA

Tel: +260-211-252395

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# **EIGHTH NATIONAL DEVELOPMENT PLAN (8NDP)**

**2022-2026**

*Socio-economic transformation for improved livelihoods*

## FOREWORD



The past few years have tested the resolve of people around the world and in Zambia. The COVID-19 Pandemic adversely affected supply chains and economic activity, as well as the general wellbeing of millions of people, and more tragically, resulted in the death of millions of people around the world. In Zambia, this was compounded by high debt levels, the result of which was low growth, and narrowing of resources available for developmental programmes.

In view of these developments, the challenges facing the people of Zambia in the next few years are enormous. We must as a nation ensure that we attain, and make national development the main priority, in the widest sense of the term. National development must go beyond growing the economy, which is an important pre-requisite, but also ensuring that our people, the Zambian citizens, in all parts of the country are at the centre of everything that we do. We must not only aim at ensuring growth for its own sake, but we will pursue growth that transforms the livelihood of the people, hence the theme of the Plan, **“Socio-economic transformation for improved livelihoods”**.

Even before we go into implementation of the Plan, we have already taken the initial steps, since coming into power in August 2021, to stabilize the economy, restore public confidence and strengthen democratic institutions. The key measures have targeted at addressing the debt problem, providing free education, scaling up social safety nets, and taking service delivery and resources closer to the people by increasing financing to constituencies. We are aware, however, that more must be done, and urgently. That is why I am glad that the Eighth National Development Plan (8NDP) has been formulated and launched in the first year of the new dawn administration's first term in office.

The 8NDP is the country's medium-term blueprint designed to unlock the country's potentials in all sectors of the economy for sustainable, holistic and inclusive national development. The Plan was developed with input from all relevant stakeholders, including the private Sector, local authorities, civil society organizations and our cooperating and development partners. For the first time ever in the history of the country, the ward level was also involved in the formulation of the Plan, and as with all Plans prepared since 2005, it aims at getting the country closer to its 2030 Vision of becoming a Prosperous Middle Income country. The Plan is a successor to the Seventh National Development Plan (7NDP), which elapsed in December 2021.

I am confident that through the four Strategic Development Areas identified in the Plan, namely: economic transformation and job creation; human and social development; environmental sustainability; and good governance environment, we will address the economic and social ills besetting our country. Additionally, through its robust monitoring and evaluation framework, as well as well-defined roles for all stakeholders, the Plan does respond well to the concerns by Zambians for a focus on results, sound monitoring and evaluation processes, as well as strengthened engagement between Government and all the people of Zambia.

What this entails is that the 8NDP will be implemented in an integrated development approach which is informed by the tenets of the Sustainable Development Goals which recognise that development is multifaceted and interlinked. This will also apply to financing for the Plan. For my Government, our philosophy will be to work with all stakeholders within and outside the country to create an enabling environment for the private sector to be a major engine of growth. We will also continue to invest in critical infrastructure such as power and alternative energy, rail and roads, and ensure macroeconomic stability, and to enhance the business and investment environment.

I call upon all Zambians to make this 8NDP their own, to seriously interrogate themselves on how best they might contribute to its realization and equally important, to hold the Government to account when things are not done in the right manner, in a constructive and positive spirit of nation-building. This is in line with our national principles and values. I, therefore, look forward to strengthened collaboration and partnership from all stakeholders as we move from Plan formulation to implementation.

Hakainde Hichilema  
**PRESIDENT OF THE REPUBLIC OF ZAMBIA**

## ACKNOWLEDGEMENTS



The Eighth National Development Plan is a nationally owned and comprehensive document that was formulated through a highly consultative and participatory process, involving stakeholders across all sectors. The consultations with various stakeholders were undertaken at all levels to develop consensus and establish ownership. I owe a special debt of gratitude to the Cabinet under the leadership of **His Excellency, the President of the Republic of Zambia, Mr Hakainde S. Hichilema**, who provided valuable guidance in terms of strategic direction and focus.

I would like to express my deepest appreciation and special thanks to all Zambians from all walks of life for their substantial conceptual contributions to the formulation process of the Plan. These include all Government line Ministries; provinces and districts; spending agencies; private sector institutions and civil society organizations; all media persons and institutions for the awareness-raising and information dissemination critical to this process. This made the task less difficult to accomplish. To the consultants, it gives me a sense of pleasure to acknowledge your invaluable contribution for your diligent work in shaping this document.

Special thanks are also extended to the cooperating and development partners for their unwavering financial and technical support. Lastly but not the least, I would like to extend my sincere gratitude to all members of staff in the Ministry of Finance and National Planning who participated in formulating this Plan for providing extensive personal and professional guidance.

Hon. Dr. Situmbeko Musokotwane, MP  
**Minister of Finance and National Planning**

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## ABBREVIATIONS AND ACRONYMS

|                 |                                                     |
|-----------------|-----------------------------------------------------|
| 7NDP            | Seventh National Development Plan                   |
| 8NDP            | Eighth National Development Plan                    |
| BoZ             | Bank of Zambia                                      |
| CAG             | Cluster Advisory Group                              |
| CO <sub>2</sub> | Carbon Dioxide                                      |
| COVID-19        | Coronavirus Disease 2019                            |
| CP              | Cooperating Partner                                 |
| CSO             | Civil Society Organisation                          |
| DDCC            | District Development Coordinating Committee         |
| ECE             | Early Childhood Education                           |
| FDI             | Foreign Direct Investment                           |
| FISP            | Farmer Input Support Programme                      |
| FRA             | Food Reserve Agency                                 |
| Gg              | Gigagram                                            |
| GRZ             | Government of the Republic of Zambia                |
| ICT             | Information and Communication Technology            |
| IMR             | Infant Mortality Rate                               |
| INFF            | Integrated National Financing Framework             |
| INRIS           | Integrated National Registration Information System |
| GDP             | Gross Domestic Product                              |
| GHG             | Green House Gas                                     |
| GIRs            | Gross International Reserves                        |
| KPI             | Key Performance Indicator                           |
| M&E             | Monitoring and Evaluation                           |
| MLGRD           | Ministry of Local Government and Rural Development  |
| MMR             | Maternal Mortality Ratio                            |
| MMS             | Management Monitoring System                        |
| MoFNP           | Ministry of Finance and National Planning           |
| MPSAs           | Ministries, Provinces and Spending Agencies         |
| MSMEs           | Micro, Small and Medium Enterprises                 |
| MTR             | Mid-Term Review                                     |
| MW              | Megawatt                                            |
| NDCC            | National Development Coordinating Committee         |
| NDP             | National Development Plan                           |

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|          |                                                               |
|----------|---------------------------------------------------------------|
| NTE      | Non-Traditional Export                                        |
| OAG      | Office of the Auditor-General                                 |
| PDCC     | Provincial Development Coordinating Committee                 |
| PPP      | Public-Private Partnership                                    |
| R&D      | Research and Development                                      |
| SADC     | Southern African Development Community                        |
| SCT      | Social Cash Transfer                                          |
| SDGs     | Sustainable Development Goals                                 |
| SDR      | Special Drawing Rights                                        |
| SOE      | State-Owned Enterprise                                        |
| SPS      | Sanitary and Phytosanitary                                    |
| STEM     | Science, Technology, Engineering and Mathematics              |
| TE       | Traditional Export                                            |
| TEVET    | Technical Education, Vocational and Entrepreneurship Training |
| TFR      | Total Fertility Rate                                          |
| U5MR     | Under-Five Mortality Rate                                     |
| UNCTAD   | United Nations Conference on Trade and Development            |
| US\$     | United States Dollar                                          |
| VAT      | Value Added Tax                                               |
| WDC      | Ward Development Committee                                    |
| ZamStats | Zambia Statistics Agency                                      |
| ZDHS     | Zambia Demographic and Health Survey                          |
| ZMW      | Zambian Kwacha                                                |
| ZRA      | Zambia Revenue Authority                                      |



## PART I: DEVELOPMENT CONTEXT



## 1. INTRODUCTION

The Eighth National Development Plan (8NDP) sets out Zambia's strategic direction, development priorities and implementation strategies for the period 2022 to 2026. This Plan is a successor to the Seventh National Development Plan (7NDP) that was implemented over the period 2017 to 2021 and the fourth in the series of National Development Plans (NDPs) towards the national Vision 2030 in which Zambians aspire to live in a prosperous middle-income nation. As the penultimate Plan, the 8NDP will play a pivotal role as a building block towards the attainment of the national vision.

The Plan is a critical vehicle to support the attainment of Zambia's international and regional commitments under various frameworks, including in the last decade of action towards the realisation of the Sustainable Development Goals (SDGs) and delivery on the Africa We Want, espoused in the African Union Agenda 2063. Others are the Southern African Development Community (SADC) Regional Indicative Strategic Development Plan (RISDP) and Common Market for Eastern and Southern Africa (COMESA). These frameworks, have helped in the formulation of the 8NDP.

The 8NDP takes cognizance of the country's developmental context, challenges and opportunities being faced towards actualising the Vision 2030. It has been formulated against the backdrop of a challenging economic situation exacerbated by the COVID-19 pandemic. The current state of development indicates persisting socio-economic challenges which include low diversification of the economy, high youth unemployment, high incidences of poverty and inequality, slow pace of decentralisation as well as low education outcomes, coupled with inadequate access to other social services. To overcome these challenges and attain the Vision 2030, the 8NDP introduces strategic interventions anchored on Economic Transformation and Job Creation, Human and Social Development, Environmental Sustainability and Good Governance Environment.

The Economic Transformation and Job Creation agenda will be the key Strategic Development Area of the Plan and aims at facilitating trade and increased investment by the private sector to increase production, value addition and diversification of goods and services. The key drivers for Economic Transformation and Job Creation will be the agriculture, mining, tourism, and manufacturing sectors, supported by strategic interventions in the energy, transport, and water development sectors. In addition, investments will be facilitated in information and communication technology (ICT) and science and technology to support digital transformation and innovation as key enablers under this strategic development area. Investment in skills development will also be key to the Economic Transformation and Job Creation agenda. All these interventions will contribute to the creation of decent jobs, particularly for the youth.

The other strategic development areas will ultimately support the country's economic transformation agenda. To this end, investments will be made towards the creation of a human capital reserve, coupled with interventions towards the eradication of poverty and inequality as well as reduction of socio-economic disparities among regions. The strategic development area on environmental sustainability will involve the mainstreaming of green interventions, including climate change adaptation and mitigation measures. Notable will be the development of climate resilient infrastructure across all sectors for sustainable development. The Government will also implement interventions that will provide a conducive and enabling socio-economic environment for Economic Transformation and Job Creation.

The strategic development areas of the 8NDP were arrived at through a review of the of past performance and consultations with stakeholders in regard to the persistent development issues across different sectors of the economy, including their causes and key actions required to address them. By implementing the identified actions, it is expected that the developmental bottlenecks will be addressed to enable the country to attain its medium and long-term objectives. The change process envisioned in the Plan is shown in **Figure 1**.

**Figure 1: The Change Process Envisioned in the Plan**



Building on the success and lessons learnt from the implementation of the previous NDPs, and informed by the developmental challenges facing the country, the theme for the 8NDP is "Socio-Economic Transformation for Improved Livelihoods." The overall aim is to improve the efficiency and competitiveness of the economy to sustainably lift the living standards of the people. The theme emphasises the need to build and get back on track towards the realisation of the Vision 2030 through economic recovery, stabilisation and steady growth, coupled with interventions in the social sectors to realise the socio-economic transformation that will ultimately uplift the livelihoods of the Zambian people.

A key intervention to accelerate the attainment of the development objectives in the Strategic Development Areas (SDAs), will be the full implementation of decentralisation by devolution. This will result in the transfer of functions, fiscal and other resources as well as ownership and responsibility of decision-making from the central government to the local government level.

## 1.1 THE DEVELOPMENT APPROACH

The 8NDP was formulated in line with the provisions of the National Planning and Budgeting Act No. 1 of 2020 and the National Planning and Budgeting Policy of 2014. The legal and policy framework provides for a coordinated and integrated national development planning and budgeting process that is participatory, responsive and results oriented.

The Plan builds on the multi-sectoral integrated development planning approach introduced in the 7NDP. This approach goes beyond articulating sectoral and provincial interventions by ensuring that there is horizontal and vertical integration and convergence in the execution of interventions across sectors and provinces. Further, this approach creates and enhances existing synergies among the different stakeholders and sectors, and increases the general effectiveness of programme budgeting, implementation and reporting. This approach also provides a framework for the domestication of international and regional multilateral and bilateral development strategies.

The formulation of the Plan used both the top-down and bottom-up approaches. On the one hand, the top-down approach entailed analysing the cause-effect of the country's developmental challenges and opportunities through research and extensive consultations. It also involved the setting, by policymakers, of the strategic direction for the country's development aspirations as well as the implementation of regional and international commitments. On the other hand, the bottom-up approach involved the provision of input by the public and private sectors, civil society organisations, including the youth, women, the aged, persons with disabilities and ordinary citizens into the strategic direction provided by policymakers. The academia and think tanks as well as cooperating and development partners, also participated in the formulation of the 8NDP. The stakeholders were engaged through in person and virtual meetings, roundtable discussions as well as solicited written submissions. This was done to achieve ownership of the Plan.

## 1.2 OUTLINE OF THE PLAN

The Plan is structured in five parts as follows: Part I provides the development context by highlighting the past performance and opportunities and challenges of Zambia's development; Part II presents the macroeconomic framework and policy objectives on which the Plan is premised. Part III highlights what it will take to move towards the Vision 2030 and encompasses the goal and the strategic objectives of the 8NDP. Part IV presents the strategic direction of the Plan. The implementation and coordination arrangements including the monitoring and evaluation framework of the Plan are discussed in Part V. Part VI presents the financing framework as well as the preconditions and risk management.

## 2. PAST PERFORMANCE

### 2.1. OVERVIEW

The scope of the past performance analysis covers the period 2006 to 2021, which incorporates the Fifth to the Seventh National Development Plans that were implemented towards the realisation of the Vision 2030. The reference period provides an opportunity to reflect on the progress made thus far, lessons learned from the implementation of previous NDPs and the emergent local, regional and global environment in which the country's development trajectory is contextualised. The review of past performance highlights the achievements scored, and the challenges faced in the implementation of previous NDPs. Further, it provides the baseline upon which the objectives and strategies of the 8NDP are hinged.

### 2.2. ECONOMIC PERFORMANCE

#### 2.2.1. Economic Growth

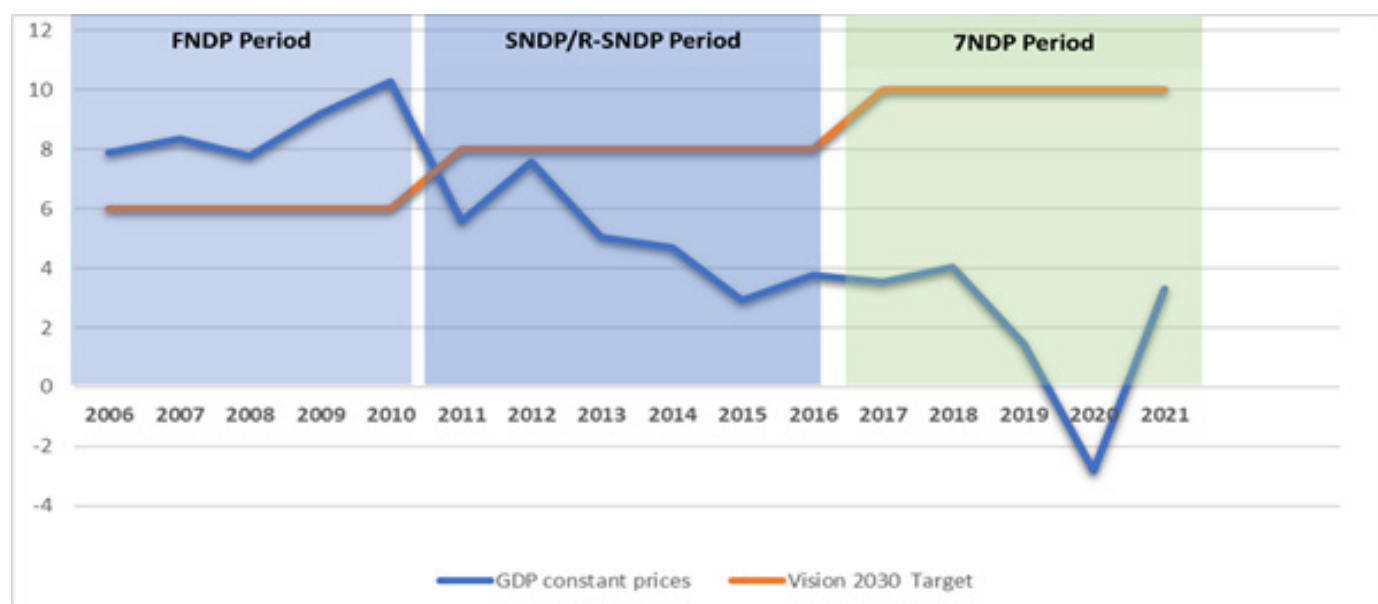
In the Vision 2030, the Government's objective is to attain and sustain an annual real economic growth rate of between 6 and 10 percent (**Figure 2**). During the period 2006 to 2010, annual real Gross Domestic Product (GDP) growth rate was favourable, averaging 8.7 percent, with the highest annual growth rate registered at 10.3 percent in 2010. Growth was mainly driven by the construction, transport, and mining sectors, spurred by increased investment in the mining sector.

Between 2011 and 2016, however, the economic growth rate slowed down, and averaged 4.9 percent. The growth was driven by ICT, wholesale and retail trade, as well as the construction sector. The ICT sector experienced significant structural growth due to the progressive migration from 2G to 4G technologies, and the resultant increased adoption rates, increased data usage and wider signal penetration rates, especially in rural areas. Growth in wholesale and retail trade was mainly driven by increase in consumption as well as import and export of manufactured food products as well as investment in retail outlets. The performance of the construction sector was mainly driven by increased public sector investment in infrastructure.

During the period 2017-2021, growth declined further with real growth rate averaging 1.4 percent largely due to unfavourable weather conditions which impacted the agricultural and energy sectors in the earlier years of the period. Another notable development was in 2020 when economic growth contracted by 2.8 percent, registering the first recession since 1998 (**Figure 2**). This was mainly due to the effect of disruptions in supply chains and containment measures associated with the COVID-19 pandemic on sectors such as tourism, construction, wholesale and retail trade as well as manufacturing. The situation was compounded by the country's worsening fiscal position resulting from increased borrowing on the domestic market which crowded out the private sector. In 2021, real GDP growth recovered to 3.6 percent, with the agriculture, manufacturing, energy, wholesale and retail trade as well as the ICT sectors driving growth. Mining output declined despite a pick-up in global economic activity and commodity prices.

The average real GDP growth of 5.2 percent attained over the period 2006 to 2021, falls below the Vision 2030 target of between 6 to 10 percent (**See Figure 2**). Growth will, therefore, have to be significantly higher over the next two Plan periods to attain the aspirations of the Vision 2030.

**Figure 2: Real GDP Growth (%) vs Targeted Growth (2006-2021)**



Source: Ministry of Finance and National Planning

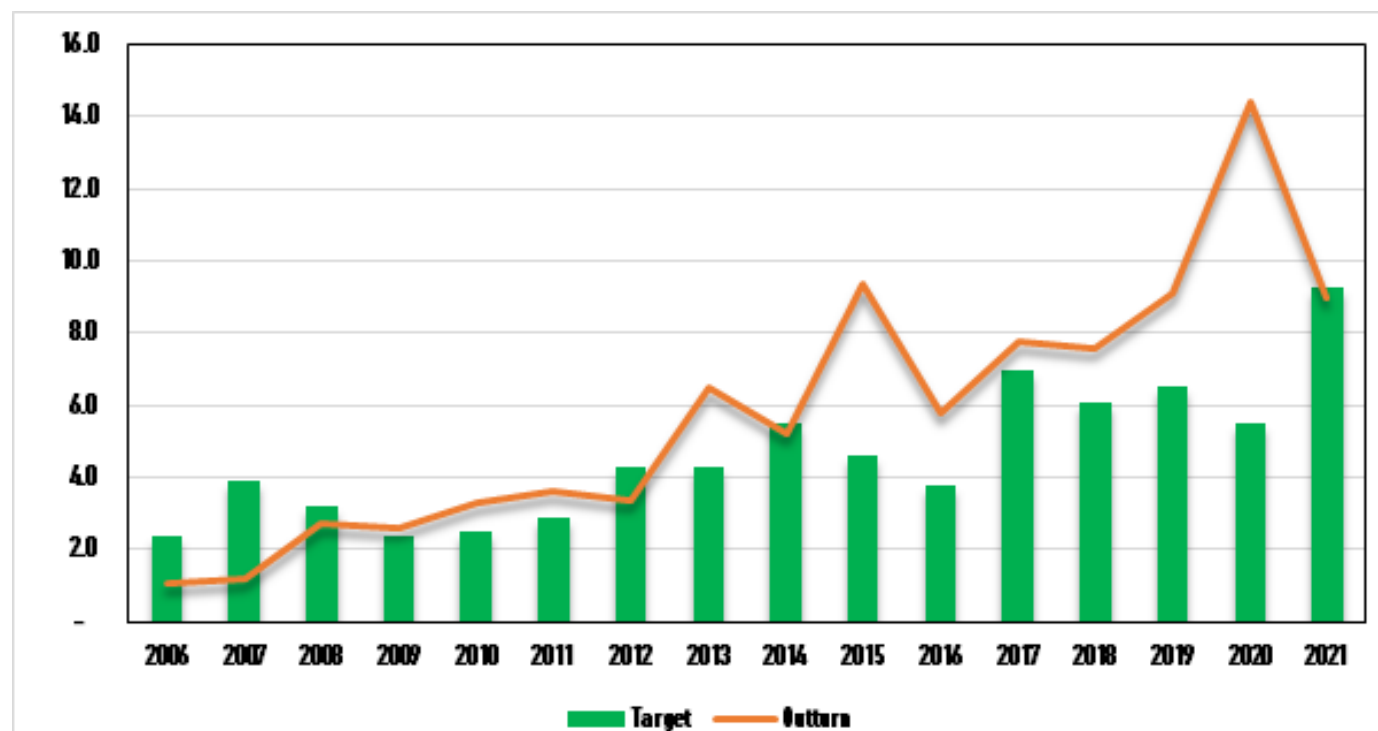
### 2.2.2. Fiscal Performance

Over the period 2006 to 2021, fiscal performance was characterised by a deterioration in the overall deficit from the FNDP to the 7NDP period (See Figure 3). During the FNDP period (2006-2010), the overall fiscal deficits were below target between 2006 and 2008, while in 2009 and 2010 the deficits were above target. The fiscal deficit during the FNDP period averaged 2.2 percent. In the earlier years of the Plan, this was attained due to relatively favourable revenue performance and expenditure policy which focused on poverty reduction. In the latter years, fiscal operations were affected by the global financial crisis. Total domestic revenue collections during the FNDP period averaged 17.5 percent, broadly in line with the target of 17.7 percent of GDP. Expenditure averaged 23.1 percent of GDP, against an average target of 23.8 percent of GDP.

During the Sixth National Development Plan (SNDP) period (2011-2016), fiscal policy was largely expansionary, with the Government increasing spending on infrastructure development, mainly roads and social infrastructure. In addition, public sector wages increased substantially, especially in 2012. Expenditure pressures also emanated from fuel subsidies, emergency power imports and increased debt service, following a pick-up in debt. Consequently, the fiscal deficit increased from 3.6 percent of GDP in 2011, reaching a high of 9.4 percent in 2015, before declining to 5.8 percent in 2016. Domestic revenue collections averaged 17.4 percent of GDP while expenditures averaged 25 percent of GDP.

During the 7NDP period (2017-2021), the overall fiscal deficit remained elevated, averaging 9.6 percent of GDP. The deficit was recorded at 7.8 percent of GDP in 2017 and rose to a peak of 14.4 percent in 2020. Preliminary estimates indicate a deficit of 9.0 percent of GDP in 2021. The high deficit was largely on account of expenditure pressures from higher than programmed expenditure on the Farmer Input Support Programme (FISP) and capital project financing. Higher than programmed interest payments on foreign debt also contributed to the high fiscal deficit.

**Figure 3: Fiscal Deficit as a Percentage of GDP (2006-2021)**



Source: Ministry of Finance and National Planning

### 2.2.3. Debt Position

In tandem with the increase in the fiscal deficit, the debt position of the country increased substantially over the review period. As a proportion of GDP, the public debt stock (domestic and external) significantly increased from 22 percent in 2006 to 119 percent in 2021. The stock of domestic debt (Government securities and bonds) increased to K193.00 billion by the end of 2021 from K6.24 billion in 2006. The rapid increase in the debt stock over the period reflected increasing recourse to domestic borrowing as external financing sources reduced. In addition, there was a sharp rise in domestic arrears, excluding fuel and electricity, which more than doubled to K45.5 billion at the end of September 2021 from K20.92 billion at the close of 2017. The pending bills were owed to road contractors, suppliers of goods and services, Value Added Tax (VAT) refunds and personnel related emoluments to public service workers.

On the external side, the debt stock increased from US \$961 million in 2006 to US \$1.1 billion at the end of 2010. The stock of external debt increased substantially from 2012, following the issuance of Eurobonds in 2012, 2014 and 2015. Consequently, the external debt stock reached US \$6.94 billion at the close of 2016. The stock increased further to US \$13.04 billion at the end of 2021. In addition, the Government had guaranteed external borrowing amounting to US\$1.53 billion, mostly for power projects in the energy sector.

These developments in external debt constrained the country's ability to meet its external sector obligations, and in October 2020, a decision was made to withhold debt service payments, except to multilateral institutions, pending restructuring of the country's external debt. The restructuring exercise will be a key precursor to successful implementation of the Plan. To maintain debt within sustainable levels, the Government will continue to engage its creditors to ensure effective dialogue on outstanding debt and will undertake periodic Debt Sustainability Analysis.

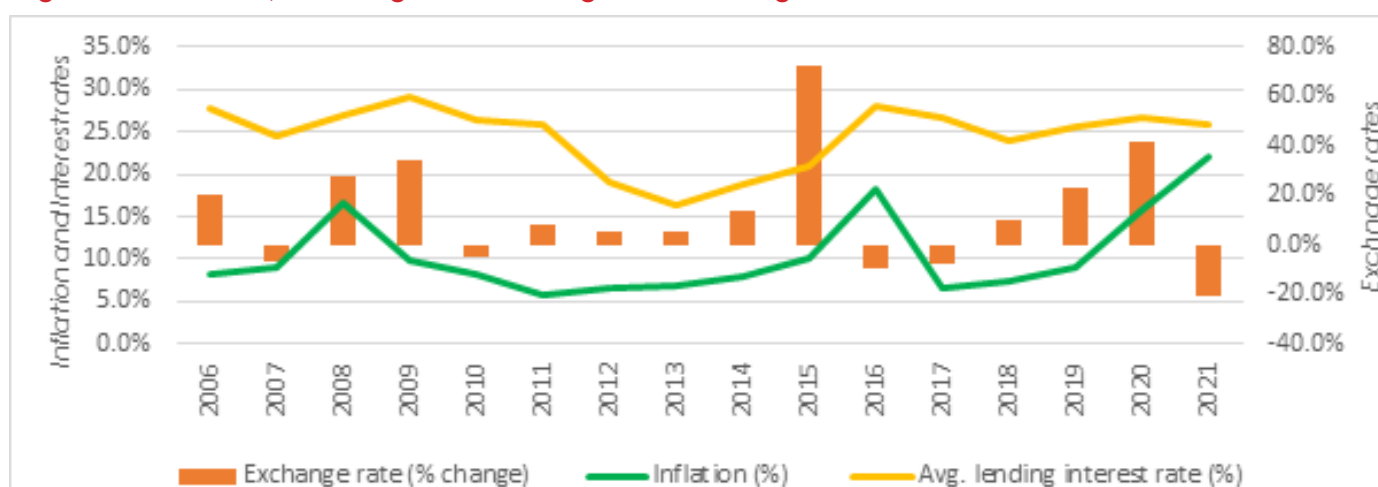
## 2.2.4. Monetary and Financial Sector Performance

During the period 2006 to 2021, inflation averaged 11.0 percent (**Figure 4**). However, this outturn was higher than the single-digit inflation envisaged in the Vision 2030. During the 7NDP period, inflationary pressures increased, and inflation averaged 12.0 percent, up from 9.2 percent during the SNDP period. The rise in inflation was on account of increased food prices arising from the adverse impact of erratic rainfall on agricultural output and the pass-through from the depreciation of the Kwacha. High food prices that characterised the review period were a reflection of structural bottlenecks in the agricultural sector, particularly the high dependence on rainfall, which tends to adversely impact crop production during periods of drought.

The Kwacha depreciated against the United States (US) dollar over the period 2006 to 2021. Between 2006 and 2010, the exchange rate averaged K4.24 per US dollar and depreciated further to an average of K6.75 over the period 2011-2016. During the 7NDP period, the Kwacha depreciated further to an average of K14.00 per US dollar. The economy's dependence on limited sources of foreign exchange earnings, imports for both production and consumption goods, as well as the reduction in foreign exchange earnings on account of lower copper prices, amidst elevated external debt service, largely explained the sustained depreciation of the Kwacha. Going forward, therefore, policies will be put in place to diversify foreign exchange sources and increase earnings.

As in previous NDPs, lending rates remained high during the 7NDP period. High yield rates on Government securities due to increased domestic borrowing, kept lending rates elevated at an average of 26.0 percent. The resultant high lending rates crowded out the private sector from the credit market, thereby constraining its productive capacity, job creation capabilities and development in general. The relatively high inflation during the review period also contributed to elevated lending rates. This outturn undermined the attainment of the Vision 2030 aspiration of improved access to affordable credit to support private sector growth. In this regard, reducing Government domestic borrowing will be one of the critical policy measures to free up resources for private sector credit and contribute to a reduction in lending rates. In addition, creating a stable macroeconomic environment reflected in low inflation will help in reducing lending rates to affordable levels.

**Figure 4: Inflation, Exchange Rate Change and lending Rates (2006 -2021)**



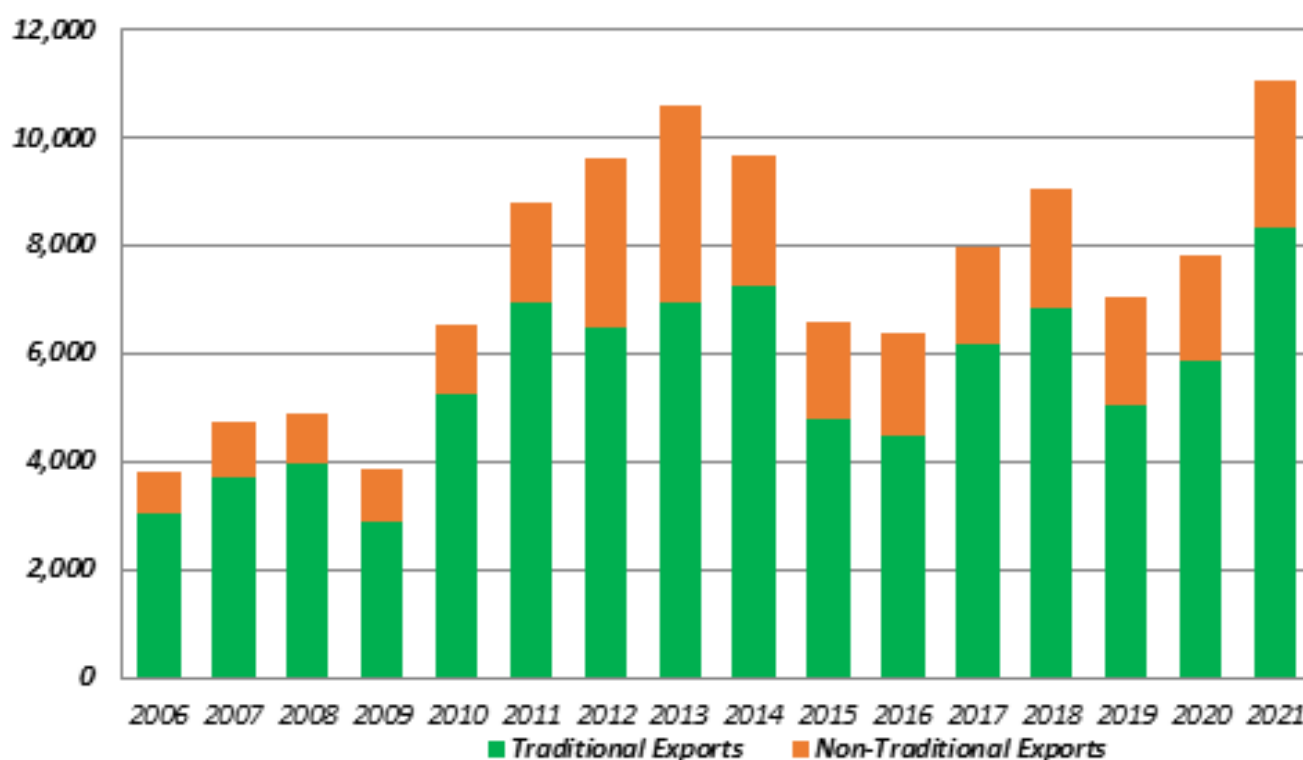
Source: Bank of Zambia

### 2.1.1. External Sector Performance

During the period 2006 to 2020, the performance of the external sector was generally favourable as an average current account surplus of 1.4 percent of GDP per annum was recorded. During the 7NDP period, the current account surplus rose to an average of 3.6 percent of GDP. The rise in net exports on the back of the increase in copper earnings largely underpinned the current account surplus.

Merchandise exports continued to be dominated by traditional exports, particularly copper, over the period 2006 to 2020 (Figure 5). Traditional exports accounted for an average of 75 percent of total exports with the balance coming from non-traditional exports such as sugar, cement and agricultural products. This reflects the country's narrow export base and the need to diversify the source of export earnings.

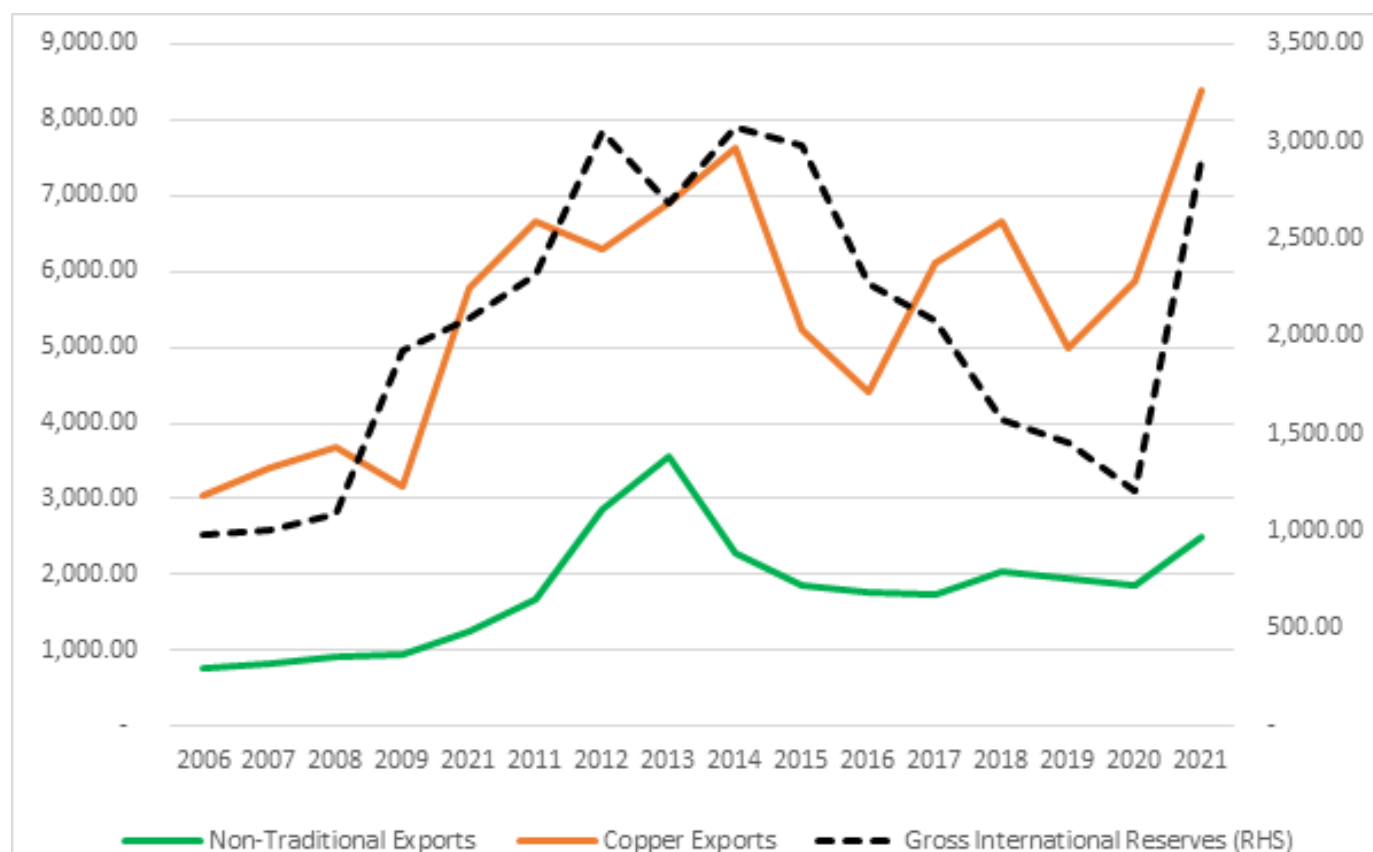
**Figure 5: Non-Traditional Exports and Traditional Exports (US\$'million)**



Source: Zambia Statistics Agency

Gross international reserves (GIRs) steadily increased between 2006 and 2014 (Figure 6). This was in part due to Zambia's attainment of the Highly Indebted Poor Country (HIPC) Initiative Completion Point in 2006 which resulted in significant debt relief that eased pressure on international reserves. Additionally, the issuance of three Eurobonds amounting to US\$3.0 billion increased GIR to an all-time high of US\$3.1 billion in 2014.

**Figure 6: Copper. Non-Traditional Earnings and Gross International Reserves (US\$' million)**

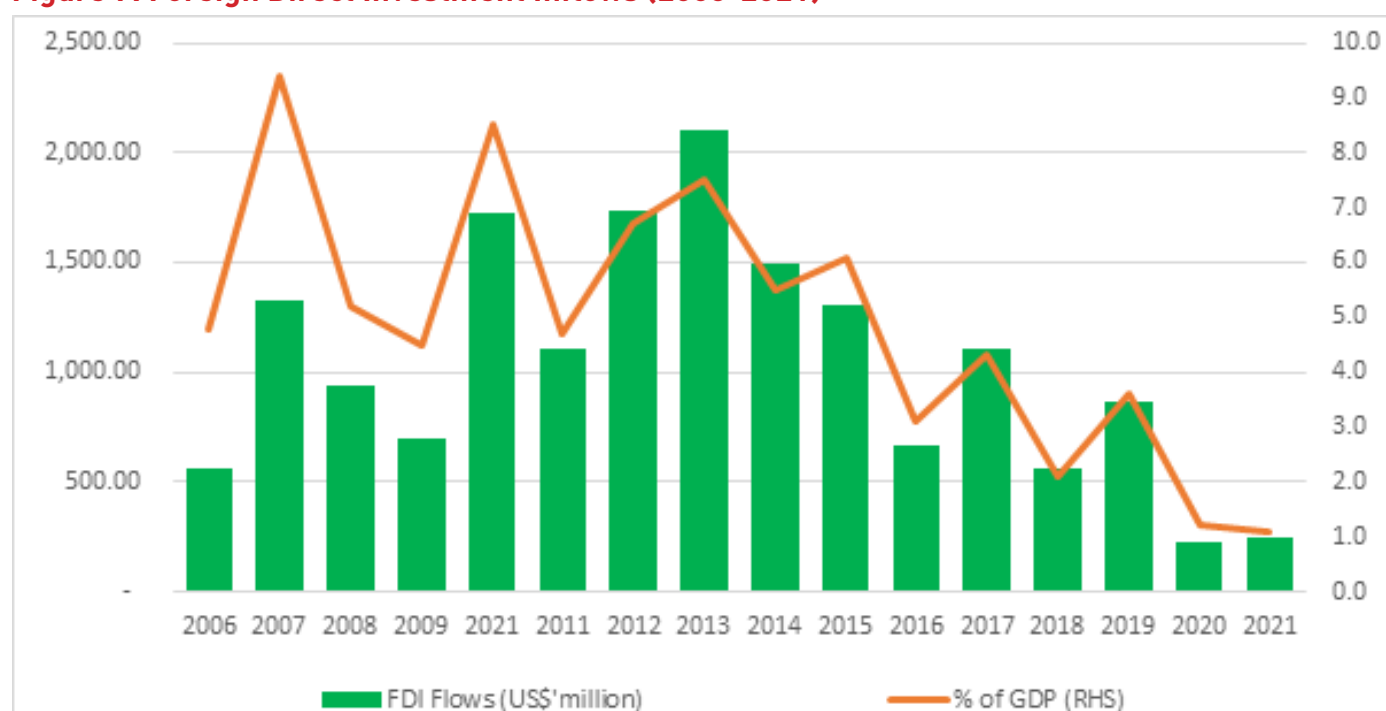


Source: Zambia Statistics Agency and Bank of Zambia

International reserves, however, declined steadily to US\$1.2 billion dollars (equivalent to 2.4 months of import cover) in 2020 from US\$2.1 billion (equivalent to 2.9 months of import cover) in 2017. The decline was mainly due to increased external debt service. In 2021, international reserves, however, rose to US\$2.8 billion (equivalent of 4.4 months of import cover). This followed the receipt of Special Drawing Rights (SDR) 937.6 million (equivalent of US\$1.3 billion from the International Monetary Fund). At 4.4 months of import cover, international reserves remain far below the Vision 2030's aspiration of at least 12 months of import cover. In this regard, there is need to step up efforts to enhance the accumulation of international reserves.

Foreign direct investment (FDI) inflows averaged US\$1.1 billion per annum between 2006 to 2021 (Figure 7). Mining continued to be the largest destination for FDI inflows. FDI declined steadily after 2013 largely attributed to changes in tax policy in the mining sector, volatile international commodity prices, particularly for copper, and the unfavourable macroeconomic environment. The concentration of FDI inflows in the mining sector calls for concerted efforts to attract investments in other key sectors such as manufacturing, agricultural and tourism sectors.

**Figure 7: Foreign Direct Investment Inflows (2006-2021)**



Source: Bank of Zambia

## 2.2.6. Employment and job creation

The unemployment rate reduced during the first seven years of the review period from 16.0 percent in 2005 to 7.8 percent in 2012. However, the trend was reversed thereafter with the unemployment rate rising to 12.5 percent in 2021. The unemployment rate among the youth was higher than the national average and showed an increasing trend over the review period. In 2021, the youth unemployment rate was estimated at 17.4<sup>1</sup> percent compared to 14 percent in 2005. The unemployment rate was also higher in urban areas than rural areas (Table 1). Further, disparities in gender were observed, with unemployment among females being higher.

**Table 1: Unemployment Rates (%) 2005-2020**

| Year  | Overall Unemployment Rate | Youth Unemployment Rate |      |        |       |       |
|-------|---------------------------|-------------------------|------|--------|-------|-------|
|       |                           | Both Sexes              | Male | Female | Rural | Urban |
| 2005  | 16.0                      | 14.0                    | 4.0  | 22.0   | 7.0   | 23.0  |
| 2008  | 7.9                       | 14.0                    | 14.9 | 13.1   | 5.5   | 36.0  |
| 2012  | 7.8                       | 10                      | 8.5  | 11.3   | 4.4   | 17.2  |
| 2017  | 12.6                      | 17.4                    | 16.2 | 19.1   | 15.7  | 18.5  |
| 2018  | 11.4                      | 16                      | 14.6 | 18.2   | 13.6  | 17.5  |
| 2019  | 12.8                      | 17.9                    | 17.4 | 18.6   | 17.6  | 18.1  |
| 2020  | 13.8                      | 19.9                    | 17.6 | 22.9   | 18.   | 20.8  |
| 2021* | 12.5                      | 17.4                    | 14.9 | 21.2   | 17.8  | 17.1  |

Source: Zambia Statistics Agency, Labour force Survey Reports

\*2021 Figures are preliminary

<sup>1</sup> The methodology for computation of employment statistics since 2017 was based on 2013 definition of the concept of employment which defines it as any work performed/to be performed for at least one (1) hour during a specified short reference period, to produce goods /services for others for pay/profit. The old standard for defining the concept of employment (1982 International Conference of Labour Statisticians) defines it as any work performed/ to be performed for at least one (1) hour during a specified short reference period, to produce goods/services for own use or for others irrespective of whether it is for pay/profit.

In addition, in 2005 employment was largely informal with rural areas having a higher rate of informal employment at 98.0 percent compared to urban areas at 65.0 percent. This pattern persisted with informal employment in rural areas recorded at 86.1 percent compared to 66.6 percent in urban areas in 2021 (Table 2).

**Table 2: Formal and Informal Employment (%) 2005-2021**

| Year  | Formal employment |       |       | Informal employment |       |       |
|-------|-------------------|-------|-------|---------------------|-------|-------|
|       | Total             | Rural | Urban | Total               | Rural | Urban |
| 2005  | 12.0              | 2.0   | 35.0  | 88.0                | 98.0  | 65.0  |
| 2008  | 11.0              | 4.0   | 29.0  | 89.0                | 96.0  | 71.0  |
| 2012  | 15.4              | 5.5   | 31.3  | 84.6                | 94.5  | 68.7  |
| 2014  | 16.1              | 7.8   | 27.6  | 83.9                | 92.2  | 72.4  |
| 2017  | 36.9              | 26.5  | 43.9  | 63.1                | 73.5  | 56.1  |
| 2018  | 31.6              | 18.5  | 39.7  | 68.4                | 81.5  | 60.3  |
| 2019  | 31.4              | 19.7  | 38.1  | 68.6                | 80.3  | 61.9  |
| 2020  | 26.2              | 17.0  | 30.9  | 73.8                | 83.0  | 69.1  |
| 2021* | 26.8              | 13.9  | 33.4  | 73.2                | 86.1  | 66.6  |

Source: Zambia Statistics Agency, Labour Force Survey Reports

## 2.3. HUMAN AND SOCIAL DEVELOPMENT

Between 2005 and 2021, Zambia recorded improvements in human development measured by life expectancy, access to learning and knowledge as well as standard of living. Zambia's Human Development Index improved to 0.584 in 2019 from 0.471 in 2005. This largely reflected the increase in life expectancy at birth to 63.9 years from 48.5 years. The average number of completed years of education of the Zambian population rose to 7.2 from 6.3 while the number of years a child of school entrance age was expected to spend at school increased to 11.5 from 10.9. In addition, Gross National Income per capita increased to US\$1,190 in 2020 from US\$720 in 2006.

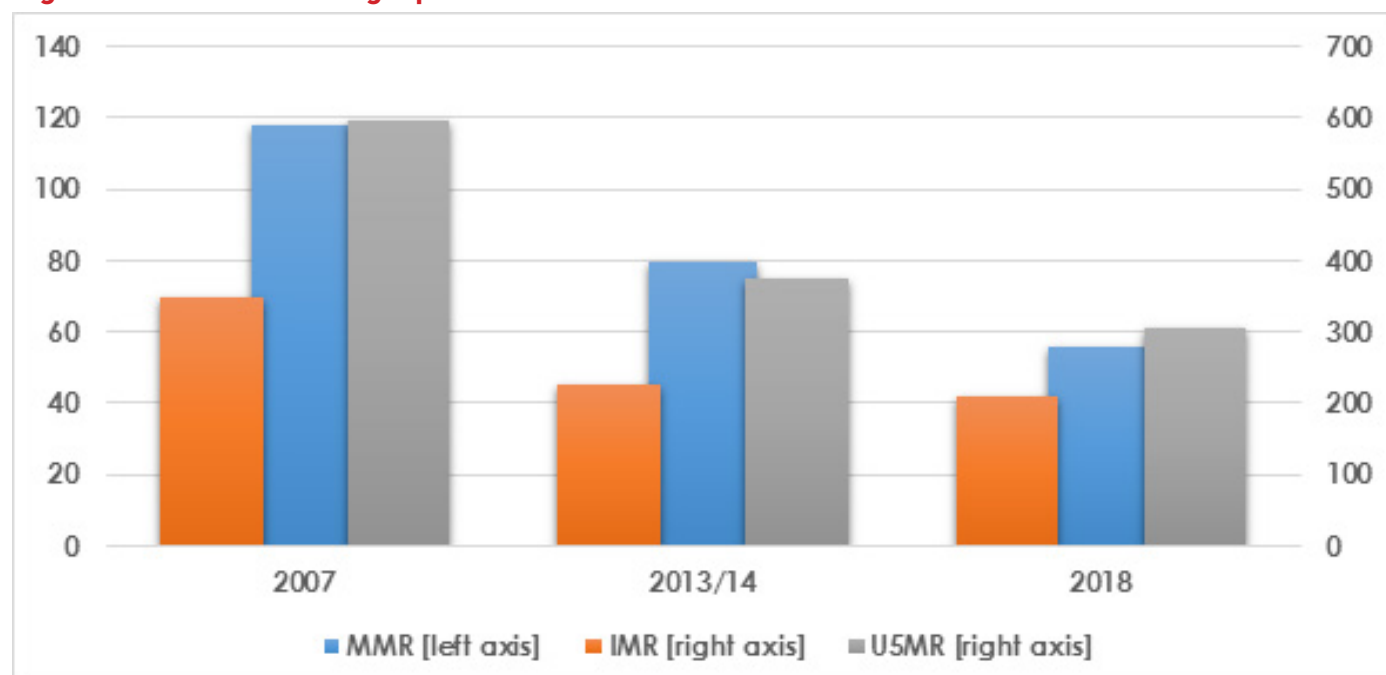
### 2.3.1. Population Dynamics

Population growth between 2006 and 2020 averaged 2.8 percent per annum. In 2010, the population was 13.1 million and was estimated at 17.9 million in 2020. Further, the population was higher in rural than in urban areas. The rural population was 7.9 million in 2010 and was estimated at 10.1 million in 2020. Over the same period, the urban population was 5.2 million in 2010 and was estimated at 7.8 million in 2020.

This high rate of population growth is attributed to the interplay between high fertility and reducing mortality. While the country experienced a slight reduction in the Total Fertility Rate (TFR) from an average of 6.2 births per woman in 2007 to 4.7 births in 2018, mortality rates reduced during the same period (Figure 8). Pregnancy-related mortality<sup>2</sup> reduced from 591 deaths per 100,000 live births in 2007 to 278 deaths per 100,000 live births in 2018. The Maternal Mortality Ratio (MMR) was 252 deaths per 100,000 live births in 2018. The Infant Mortality Rate (IMR) reduced to 42 deaths in 2018 from 70 deaths per 1,000 live births in 2007, while the Under Five Mortality Rate (U5MR) reduced to 61 deaths in 2018 from 119 deaths per 1,000 live births in 2007.

<sup>2</sup>Since the 2013-14 ZDHS, the current definition for maternal mortality was adopted, which excludes maternal deaths from accidents and injuries in the calculation. The calculation of maternal mortality in previous surveys, which includes these deaths, is now called pregnancy-related mortality. Under the new definition maternal mortality for 2018 stood at 252.

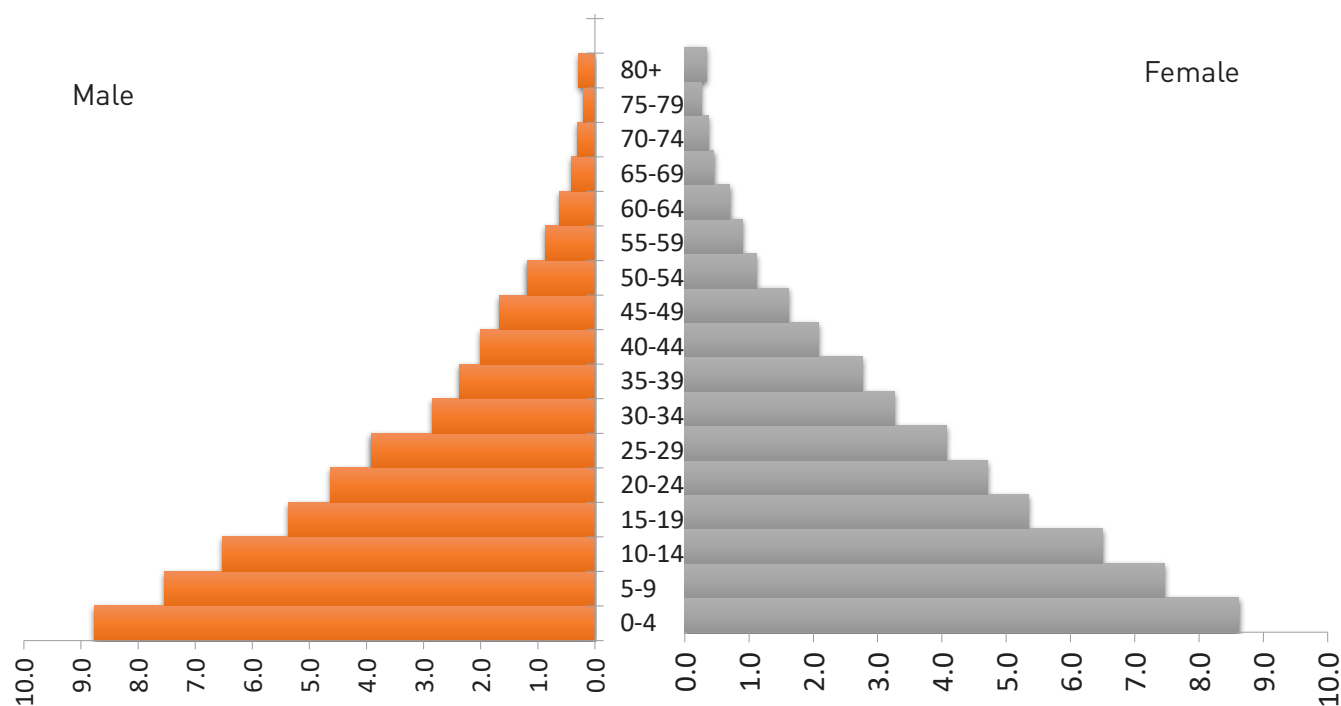
**Figure 8: Selected Demographic Indicators**



Source: Zambia Statistics Agency

The relatively high population growth rate for Zambia has culminated into a young population with about 46 per cent of the population aged below 15 years. Approximately 80 percent of the population are aged below 35 years. This implies that the child dependency ratio remains high at an average of 88 persons aged 0-15 years per 100 persons aged 15-64 years.

**Figure 9: Population by Age and Sex, Zambia 2021**



Source: Zambia Statistics Agency

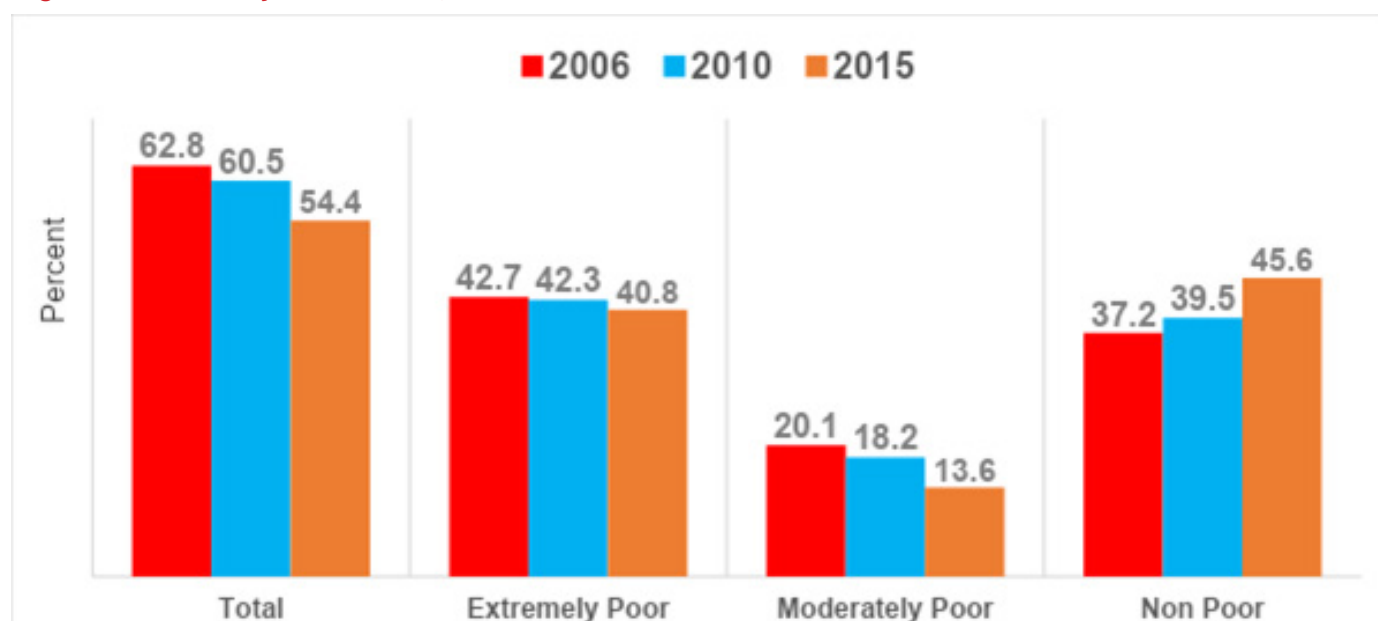
The population age structure is expected to remain relatively unchanged up to 2035, unless the implementation of interventions aimed at attaining the demographic dividend are put in place (Figure 9). To attain the demographic dividend, there is a need to prioritise strategic investments in human capital (health and education), as well as implement sound economic and governance policies, and sustain all necessary commitments for opening the demographic window of opportunity. This entails the prioritisation of investments aimed at creating opportunities and a supportive environment for innovation and entrepreneurship for the growing labour force, particularly the young people, people with disabilities (PWDs), and women.

### 2.3.2. Poverty and Inequality

Zambia still ranks among the countries with high incidences of poverty and inequality in Africa and globally. This is despite several interventions made in education and skills development, health, water and sanitation, job creation and empowerment of citizens. However, some reduction in poverty levels were recorded during the previous national development plan periods. Poverty levels in the period 2006-2015 reduced by 8.4 percentage points to 54.4 percent from 62.8 percent. This notwithstanding, extreme poverty or individuals whose consumption was less than the cost of the food basket only marginally improved to 41 percent from 43 percent of the total population.

Analysis by rural-urban residence indicates that poverty in rural areas remained higher at 76.6 percent compared to 23.4 percent in urban areas as of 2015. Extreme poverty was also higher in the rural areas at 60.8 percent. These persistently high poverty levels in rural areas were mostly attributed to inadequate nutrition, households' inability to afford agricultural inputs, low wages or salaries and lack of capital to start or expand own business. Figure 10 below shows poverty trends for the period 2006-2015.

**Figure 10: Poverty Trends (%), 2006-2015**



Source: Zambia Statistics Agency

The Multidimensional Poverty Index, which considers several elements of deprivation suffered by individuals in the areas of health, education and standard of living, improved to 44 percent in 2018 from 50 percent in 2014.

High levels of poverty were more prevalent among female-headed households compared to male-headed households in both rural and urban areas. According to the 2015 Living Conditions Monitoring Survey, poverty for female-headed households at 56.7 percent, was higher than for households headed by their male counterparts, at 53.8 percent. Among the factors contributing to gender disparities included inequitable access to education and productive resources such as land, household labour and benefits of empowerment programmes, among others. Additionally, female-headed households were more likely to experience cultural discrimination in access to education and other public services.

During the period under review, inequality in income distribution as measured by the Gini coefficient worsened due to the fact that growth was driven by industries that were not labour intensive. This relegated most of the labour to low paying informal jobs. Further, productivity in the agricultural sector, which was the mainstay of the rural population, did not improve, resulting in stagnation of incomes. At the national level, the Gini coefficient worsened to 0.69 in 2015 from 0.60 in 2006. Between 2011 and 2015, rural income inequality remained constant at 0.60 while urban income inequality worsened to 0.65 percent in 2015 from 0.60 in 2006. Given that growth was sluggish during the 7NDP period, it is expected that this trend would have remained the same at current, if not worse. There is, therefore, need to invest in labour intensive industries that create job opportunities as well as undertake interventions that improve productivity in key sectors such as agriculture and manufacturing, among others.

Access to social protection services such as food security packs, social cash transfers, and public welfare assistance for the vulnerable increased between 2006 and 2021. The number of farmer households supported with food security packs increased to 36,300 in 2021 from 28,527 in 2006. With regard to incapacitated households provided with social cash transfers, these increased to 880,539 beneficiaries in 2021 from 2,905 beneficiaries in 2006. The number of incapacitated households accessing in-kind support through the Public Welfare Assistance Scheme, however, reduced to 31,000 beneficiaries in 2021 from 151,731 beneficiaries in 2006 in part as a consequence of the expansion of the social cash transfer programme. Effective implementation of the social cash transfer interventions, especially targeting the extremely poor and vulnerable faced several challenges. These included poor targeting of beneficiaries, low integration of social protection programmes, intermittent release of funds to cash transfer beneficiaries and lack of an integrated automated Social Protection Management Information System. These need to be addressed going forward.

### **2.1.1. Education and skills development**

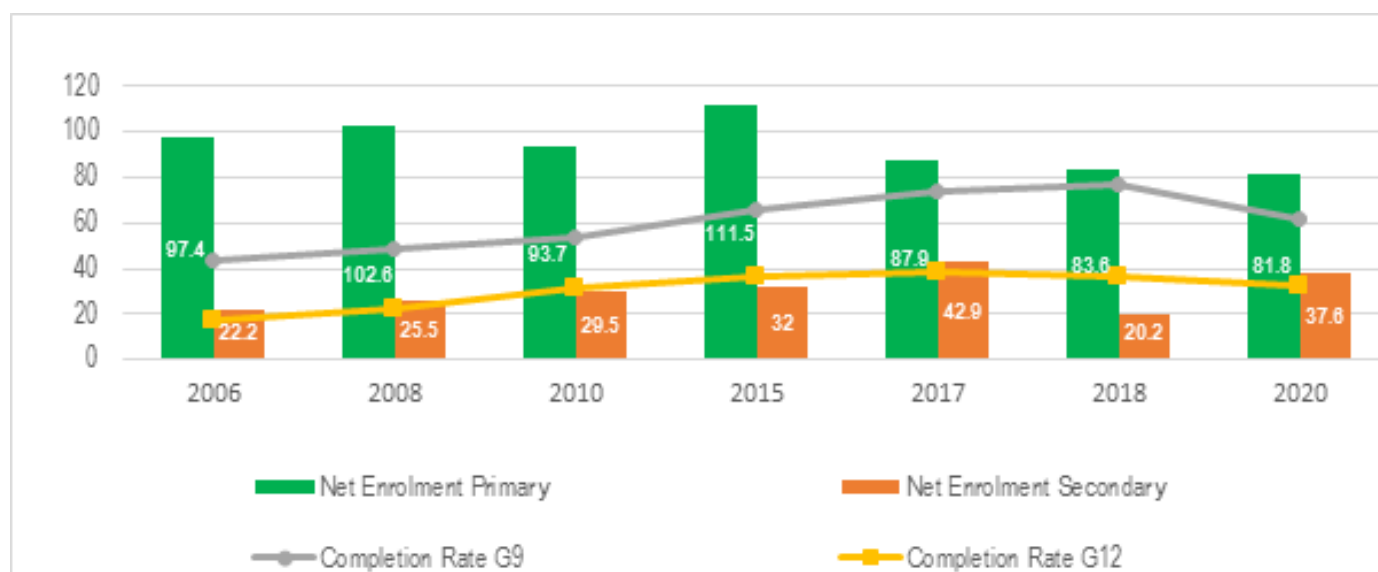
Achieving universal access to education as espoused by the Vision 2030 and the SDGs remained Government policy on education. In 2011, the Government integrated Early Childhood Education (ECE) into the mainstream education system. In 2014, Government introduced ECE centres in primary schools to create space for early learners and recruited 1,000 ECE teachers. As a result, enrolments increased from 47,317 pupils in 2011 to 258,616 pupils in 2020 while the ratio of teachers and caregivers was recorded at 1 to 80 pupils. Following the policy change, the Government became the largest ECE service provider accounting for 62.2 percent of the total enrolment in 2020. Notwithstanding the increase, the enrolment rate stood at only 11.2 percent of the total target population as of 2020. This is well below the target of achieving universal access to education.

The noted challenges included insufficient public spending for ECE activities, inadequate and inappropriate infrastructure and long distances to ECE centres, especially in rural areas.

Over the period 2005 to 2020, enrolments at Grade 1 level increased by 22 percent to 543,675 pupils from 444,300. Although Grade 1 entrants increased over the years, the average annual increase was 1.5 percent which is below the population growth rate of 2.8 percent, implying that a significant proportion of the target population remained outside the school system. In relation to gender, there were more female pupils accessing education at Grade 1 in that for every 100 male pupils enrolled, there was a corresponding 103 female pupils. The net enrolment rates at primary level reduced to 81.8 percent in 2020 from 95.8 percent recorded in 2006, thus threatening the achievement of universal access to education.

Secondary school net enrolment rates, though registering improvements from 23 percent in 2006 to 37.6 percent in 2020, still remain very low. The low enrolments at secondary school reflected the low number of school places at Grade 10 as indicated by the low transition rates for Grade 9 to Grade 10 that stood at 46.8 percent in 2020. The completion rates at grade 12 stood at 32 percent in 2020 from 17.7 percent in 2006 (Figure 11). This implied that less than one third of the young people in this category obtained sufficient functional literacy to allow them to have a productive life.

**Figure 11: Education Indicators and Progression Rates 2006-2020**



Source: Ministry of Education

It is also important to note that the quality of education, as measured by the pupil- teacher ratio, is a concern as there was an average of 56.5 pupils per teacher at primary school level and 26.1 pupils per teacher at secondary school level in 2020. Going forward, therefore, concerted efforts are needed to improve access to equitable education and retain the pupil population within the school system at both primary and secondary school levels as well as ensure improvement in the quality of education.

At the tertiary level positive strides were made in increasing access to higher education with good progress registered in the number of university training institutions which increased to 9 from 3, for public universities and to 54 from 3, for private universities as of 2020. This was also accompanied by improvements in the

proportion of learners in universities graduating in Science, Technology, Engineering and Mathematics (STEM) from 23 percent in 2016 to 30 percent in 2019.

Progress was also recorded in the provision of vocational skills through Technical Education, Vocational and Entrepreneurship Training (TEVET) institutions across the country. Skills training has the highest potential to capacitate the youth for employability, many of whom do not complete their primary or secondary level education. However, the challenge that remains is improving the quality of TEVET education. For instance, according to the 2020 Skills Survey undertaken by the Zambia Statistics Agency, 62.3 percent of the registered TEVET institutions were in grade three category, which is the lowest level in the grading system for quality, while 29.9 percent of the institutions were in grade two category. Only 7.8 percent were in grade one. This, therefore, requires the recapitalization of TEVET training institutions and reconfiguration of the way TEVET skills are delivered. Further, for effective skills development, there is need to incorporate skills training into the primary and secondary curricula, reconfigure the delivery of skills training in the local languages as well as provide a framework for lifelong training to build skills as is the case with most white-collar professions.

### **2.1.2. Health and nutrition**

Zambia's epidemiological profile has been characterised by the high prevalence and impact of preventable and treatable communicable diseases as well as the growing burden of non-communicable diseases (NCDs). Among the major factors leading to the high disease burden is the persistence of infectious diseases such as malaria, HIV and AIDS, pneumonia, and tuberculosis (TB). The increase in non-communicable diseases such as cancers, cardiovascular diseases and diabetes also contributed to the disease burden.

In terms of communicable diseases, the incidence of malaria decreased to 312 per 1000 population in 2018 from 408 per 1,000 population in 2014, while the TB incidence declined to 346 per 1000 population from 406 per 1000 population during the same period. Further, the HIV prevalence among women and men aged 15-49 years decreased to 11.1 percent in 2018 from 13.3 percent in 2014. Notwithstanding the decrease in communicable diseases, the disease burden remains high.

There are multiple risk factors for NCDs that show unfavourable levels and trends in Zambia. Obesity and overweight are important risk factors for hypertension, cardiovascular disease, and some cancers. The prevalence of obesity among women increased significantly from 22.8 percent in 2014 to 32.5 percent in 2017.

Key national health indicators such as infant mortality, under five mortality and maternal mortality, however, improved over the review period. The neonatal mortality prevalence reduced to 24 per 1,000 livebirths in 2013/14 from 34 per 1,000 live births in 2007, although it increased from 24 per 1,000 live births in 2013/14 to 27 per 1,000 live births in 2018.

The gains made were due to increased investments in health infrastructure such as the construction of general hospitals, specialist hospitals, and mini hospitals as well as health posts. Further, the population to doctor ratio improved to 5,900 per doctor in 2019 from 10,886 in 2016, while the population to nurse ratio also improved to 995 per nurse from 1,366. Additionally, interventions aimed at ensuring universal health access that were implemented, resulted in an increase in the proportion of eligible people covered by the national health insurance to 29 percent in 2020 from 3.9 percent in 2016.

However, challenges remained in the delivery of quality health services in respect of the need to ensure consistent supply of essential medical supplies and recruitment and placement of health personnel as well as effective management of non-communicable diseases. Rural communities continued to face challenges in accessing health services. This was mainly due to a low health-seeking culture among the communities, low health personnel to population ratio, long distances to health facilities, inadequate supplies of medical commodities, and inadequate numbers of specialists to deal with complex medical conditions.

The country equally made steady progress in various nutritional outcomes. Stunting for children under five years old reduced to 35 percent in 2018 from 40.1 percent in 2014. Underweight and wasting also reduced to 12 percent from 14.8 percent and to 4 percent from 6 percent, respectively. The multi-sectoral approach adopted in tackling nutrition through programmes such as micro-nutrients fortification and supplementation, especially during the first 1,000 critical days in the lifecycle of a child, contributed to the steady strides made during the review period.

Efforts aimed at increasing access to health care, enhancing the nutrition status of pregnant women, improving ante-natal practices and care as well as maternal health service delivery will continue to be undertaken.

### 2.1.3. Water and sanitation

The country made progress towards increasing access to water and sanitation. Improvements in the percentage of the population that had access to an improved water source increased to 72.3 in 2018 from 41.1 percent in 2007. With regard to sanitation, the percentage of households with access to an improved sanitation facility at national level increased to 54.4 percent in 2018 from 35.5 percent in 2007. In rural areas, access increased to 37.2 percent in 2018 from 17.3 percent in 2007, while in urban areas it increased to 77.7 percent from 70 percent over the same period. The improvement was attributed to consistent public sector investments in water and sanitation, coupled with support from cooperating and development partners (Table 3).

**Table 3: Access to Water and Sanitation (%) 2007-2018**

| INDICATORS                                                    | 2007 | 2013/14 | 2018 |
|---------------------------------------------------------------|------|---------|------|
| <b>Access to an Improved Water Source (Households)</b>        |      |         |      |
| Total                                                         | 41.1 | 64.7    | 72.3 |
| Rural                                                         | 19.2 | 46.9    | 58.0 |
| Urban                                                         | 82.5 | 89.6    | 91.8 |
| <b>Access to an Improved Sanitation Facility (Households)</b> |      |         |      |
| Total                                                         | 35.5 | 45.5    | 54.4 |
| Rural                                                         | 17.3 | 25.8    | 37.2 |
| Urban                                                         | 70.0 | 73.1    | 77.7 |

Source: Zambia Statistics Agency

In spite of the gains made in improving access to water and sanitation in urban areas, increasing unplanned settlements were a major drawback on the Government's efforts to provide safe water and adequate sanitation. There is, therefore, need to improve town and country planning and implement decentralisation that will entrench participatory planning with communities in various constituencies and wards.

#### **2.1.4. Governance environment**

During the review period, the foundation was set for the implementation of decentralisation. To this end, the 2004 Decentralisation Policy was reviewed in 2013 to provide a clear direction on the mode of decentralisation with identified functions to be devolved. The Constitution of the Republic of Zambia Amendment Act No. 2 of 2016 under Articles 162 and 163 further strengthened decentralisation through devolution.

In addition, the Local Government Act No. 2 of 2019 was enacted to provide a platform for citizen participation at sub-district level through the Ward Development Committees. This notwithstanding, the pace of transferring devolved functions to the local authorities was slow. Only HIV and AIDS coordination and the management of district aerodromes were devolved.

To improve the financial position of the councils as part of the decentralisation process, the Local Government Equalisation Fund was legislated in the Constitution of Zambia (Amendment) Act No.2 of 2016 and a Debt Management Strategy developed. During the period 2022-2026, focus will be on actualising decentralisation by devolution.

Zambia's ranking on the Corruption Perception Index worsened to 33 out of 100 in 2020 from 38 in 2013. To curb corruption, integrity committees were established and electronic payment systems for government services developed. Interventions to strengthen public finance internal controls were implemented. Further, measures were implemented to improve the efficiency in external audit processes and ensure timely audits and production of audit reports. Efficiency was enhanced through the development of the automated Audit Management System.

### **2.4. KEY LESSONS LEARNT**

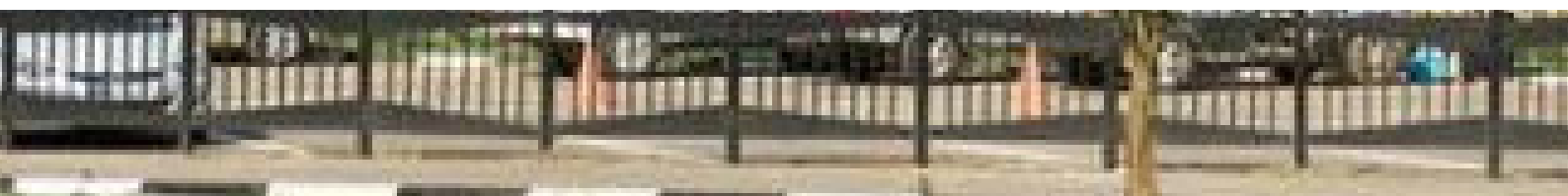
The review of the performance of previous NDPs provided valuable lessons that informed the formulation of the 8NDP. The following are some of the key lessons learned:

- (a) Actualisation of the decentralisation reform agenda is a necessary precondition for attainment of people-centred sustainable development.
- (b) Weak alignment of annual budgets to outputs in the National Development Plans makes it difficult to achieve the objectives and targets of the Plan;
- (c) To improve performance of the Plan, it is important at the inception of the Plan, to set realistic targets, given that it takes time for limiting factors, such as legislation, required financing, human resources and capacity enhancements to be actualised.
- (d) Incorporating key stakeholders in time throughout the Plan formulation process ensures ownership and contributes to successful implementation of the Plan;
- (e) Prudent fiscal management is critical for economic development;
- (f) Delay in undertaking of legal reforms, including the processing of legislation negatively affects the achievement of some Plan objectives;

- (g) Production of quality and timely statistical data as well as its use is important for effective monitoring and evaluation as well as informed policy decision-making;
- (h) A strong Monitoring and Evaluation (M&E) system is essential for timely tracking of progress as well for informing policy decision-making;
- (i) Rigorous project appraisal processes are critical to ensure value for money;
- (j) Targeting of programmes and projects to geographical locations and beneficiaries should be guided by demographic analysis and levels of deprivation; and
- (k) Lack of risk management frameworks in the public sector undermines the capacity to respond in a timely manner when risks emerge, thereby negatively impacting the attainment of development results.



## **PART II: MACROECONOMIC POLICY FRAMEWORK**



### 3. MACROECONOMIC POLICY OBJECTIVES

#### 3.1. OVERVIEW

The 8NDP was formulated against the backdrop of macroeconomic challenges worsened by the COVID-19 pandemic, leading to the contraction of the economy by 2.8 percent in 2020. However, in 2021, preliminary estimates indicated a real GDP recovery to 3.6 percent. Inflation declined to 16.4 percent at the end of 2021 from 19.2 percent at the end of 2020 against the medium-term target range of 6-8 percent. This was largely due to the appreciation of the exchange rate, partial dissipation of the shocks to food prices and improved supply of some food items, particularly maize. The fiscal deficit (including amortization) was 9.0 percent of GDP in 2021 compared to 14.4 percent in 2020 on account of strong revenue collections, despite expenditure exceeding the target.

Gross international reserves improved to US\$2.8 billion (4.4 months of import cover) from US\$1.2 billion in 2020 (2.4 months in import cover) mainly boosted by the general allocation of SDR 937.6 million by the International Monetary Fund. External debt, at US\$13.04 billion dollars or 72 percent of GDP, remained unsustainable.

#### 3.2. MACROECONOMIC OBJECTIVES AND POLICIES

During the 8NDP period, Government seeks to restore macroeconomic stability by raising real GDP growth as well as attaining fiscal and debt sustainability to improve the livelihoods of the Zambian people, especially the vulnerable. Attaining this will require strong policy action and the implementation of structural reforms.

Pursuant to the above, the macroeconomic objectives for the 8NDP period are to:

- Achieve an annual real GDP growth rate of at least 4.5 percent by 2026;
- Reduce the fiscal deficit to 3.6 percent of GDP by 2026;
- Maintain an annual domestic revenue to GDP ratio of at least 21 percent;
- Contain domestic borrowing to less than 4.7 percent of GDP;
- Dismantle domestic arrears and curtail accumulation of new arrears;
- Reduce and maintain inflation within the target range of 6-8 percent;
- Maintain international reserves of at least 3 months of import cover; and
- Reduce the external debt to 60 percent of GDP and ensure sustainability.

Table 4 highlights annual projections for key macroeconomic indicators over the Plan period.

**Table 4: Key Macroeconomic Indicators, 2022-2026**

| Key Performance Indicator                             | Baseline (2021)* | 2022       | 2023       | 2024       | 2025       | 2026       | Source of Statistics |
|-------------------------------------------------------|------------------|------------|------------|------------|------------|------------|----------------------|
| Real GDP Growth Rate (%)                              | 3.6              | 3.5        | 3.7        | 4.4        | 4.2        | 4.5        | ZamStats/MoFNP       |
| GDP at constant prices (ZMW millions)                 | 143,447.6        | 147,197.00 | 152,506.50 | 158,467.20 | 165,188.00 | 172,686.60 | ZamStats/MoFNP       |
| GDP at Market prices (ZMW millions)                   | 424,269.0        | 460,616.5  | 522,881.0  | 583,733.2  | 649,115.8  | 717,592.7  | ZamStats/MoFNP       |
| CPI inflation (% end period)                          | 16.4             | <10        | 6-8        | 6-8        | 6-8        | 6-8        | ZamStats/BoZ         |
| Domestic borrowing (% of GDP)                         | 7.7              | 5.9        | 5.6        | 5.8        | 5.9        | 4.8        | MoFNP                |
| Domestic revenue (% of GDP)                           | 23.6             | 21.2       | 21.8       | 22.3       | 22.9       | 23.0       | MoFNP                |
| Overall fiscal deficit (% of GDP)                     | 9.0              | 6.7        | 6.3        | 5.2        | 4.6        | 3.6        | MoFNP                |
| Gross International Reserves (Months of Import Cover) | 4.4              | ≥3.0       | ≥3.0       | ≥3.0       | ≥3.0       | ≥3.0       | BoZ                  |

\*Note that all baseline data is preliminary with the exception of CPI inflation and Gross international reserves

### **3.3. MACROECONOMIC POLICIES FOR THE 8NDP**

#### **3.3.1. Achieving Higher and Inclusive Growth**

The policy over the Plan period is to improve living standards as well as reduce poverty and inequality by creating conditions for strong and inclusive growth. This is anchored on Economic Transformation and Job Creation through the implementation of interventions to enhance production and productivity in the agriculture, tourism, mining and manufacturing sectors. Further, the Government will pursue an export-oriented economic transformation agenda.

#### **3.3.2. Fiscal Policy and Reforms**

To achieve fiscal sustainability, a combination of measures, including domestic resource mobilisation, debt restructuring and expenditure rationalisation, will be pursued. In this regard, the focus will be on reducing the pace of debt accumulation to attain long-term debt sustainability.

Key interventions on tax policy will include enhancing compliance while streamlining the tax incentives structure to support economic transformation. The capacity of local authorities will also be strengthened to enhance revenue collection.

Total expenditure (including amortization) is projected to reduce to 30.0 percent of GDP in 2026 from 33.9 percent in 2021, largely on account of significant reforms on subsidies, particularly in the energy and agricultural sectors, as well as rationalising spending on capital projects with emphasis on public-private partnership (PPP) due to fiscal constraints.

#### **3.3.3. Debt Management Strategy**

During the Plan period, the Government will revise the Loans and Guarantees (Authorisation) Act of 1969 to enhance transparency in debt management and provide for Parliamentary oversight in the contraction of loans. A Medium-Term Debt Management Strategy covering the period 2023-2025 will be developed for the country to return to sustainable debt levels. Under domestic debt, the focus will be on the issuance of longer-dated instruments, taking into account market conditions and costs to reduce the refinancing risk. With regard to external debt, the Government will seek to restructure debt under the auspices of the G20 Common Framework on Debt Treatment.

#### **3.3.4. Dismantling of Domestic Arrears**

The Government has prioritised the dismantling of domestic arrears and will, therefore, develop an Arrears Dismantling Strategy to be implemented over the Plan period. The Strategy will address the existing stock of arrears relating to personal emoluments, bills for consumption of public utilities, value-added tax (VAT) refunds, FISP, crop purchases under the Food Reserve Agency (FRA), pension benefits, awards and compensation, capital expenditure on civil works including road construction, as well as other suppliers of good and services. Further, arrears on fuel and electricity (debt to independent power producers and power imports) which are foreign currency-denominated will be addressed through this strategy.

The key measures of the strategy include increasing budgetary allocations to liquidate the arrears, undertaking debt and/or cheque swaps, debt refinancing and restructuring, as well as halting or slowing down the pace of accumulation of new arrears. The aim is to clear all domestic arrears within the medium to long-term.

### **3.3.5. Monetary and Financial Sector Policies**

During the Plan period, monetary and financial sector policies will aim at maintaining price and financial system stability which are critical to promoting sustainable growth. Monetary policy will continue to rely on the forward-looking monetary policy framework anchored on the Policy Rate as a key signal of the policy stance.

To ensure financial system stability, the Bank of Zambia will strengthen both micro and macro-prudential regulations and supervision to mitigate the build-up in vulnerabilities and risks to the financial system. In addition, a Deposit Protection Scheme and Problem Bank Framework will be implemented.

The Government will repeal and replace the Bank of Zambia Act of 1996 during the Plan period to strengthen central bank autonomy and enhance monetary policy credibility in line with the Constitutional (Amendment) Act No. 2 of 2016 and the adoption of the SADC Central Bank Model Law.

### **3.3.6. External Sector Policies**

During the 8NDP period, the Government will continue to promote exports as a strategy for long-term economic growth. In addition to increasing traditional exports of commodities such as copper, widening the export base of non-traditional exports will increase export earnings. This strategy will positively impact the country's international competitiveness, buttress the stability of the exchange rate and ensure current account sustainability. In this regard, focus will be on expanding export earnings from various sectors, especially mining, agriculture, manufacturing and tourism. Further, the Government will continue facilitating and formalising trade with neighbouring countries. With regard to the exchange rate policy, a flexible system will be maintained while mitigating excessive volatility.

To maintain reserves to at least 3 months of import cover, the Government will, in addition to promoting increased exports, continue with the policy requiring all mining companies to pay their tax obligations in United States Dollars. Further, the Bank of Zambia will continue to build up its stock gold bullion as part of the interventions to increase foreign reserves, through the purchase of locally-mined gold.

## **3.4. KEY REFORMS TO SUPPORT THE MACROECONOMIC OBJECTIVES**

Over the Plan period, the Government will implement the following reforms to achieve the set macroeconomic objectives:

- a) **Strengthen Public Finance Management:** This will be a central Strategic Development Area to restoring budget credibility, improving the efficiency of public expenditures, and supporting private sector-led growth. The goals of Public Finance Management are enhancing domestic resource mobilization, increasing the efficiency of public expenditure, halting the accumulation of arrears and improving fiscal transparency. The Government will also ensure adherence to the legal provisions

and guidelines on public investment management as well as enforce the penalty regime in both the Public Finance Management Act and the Public Procurement Act.

- b) **Establish a Fiscal Risk Management Framework:** In light of slowing growth, tighter fiscal conditions, and growing debt burden, the Government will closely monitor fiscal risks by developing a risk monitoring framework to anticipate expenditure pressures and revenue shocks.
- c) **Strengthen the Legal Framework for Public Private Partnership:** To leverage on public private partnership (PPP) financing for developmental projects, the Public-Private Partnership Act No. 14 of 2009 will be revised to, among others, strengthen the framework for managing fiscal risks, such as fiscal commitments and potential contingent liabilities. In addition, the management of unsolicited proposals and state-owned enterprise (SOE)-implemented PPPs will be improved. These changes are intended to support the delivery of cost-effective and sustainable infrastructure projects.
- d) **Undertake Farmer Input Support Programme Reforms:** To improve support for small scale farmers and create conditions for them to more effectively contribute to the growth of the agricultural sector, the Government will implement a comprehensive agriculture support programme beginning in the 2022/2023 farming season aimed at improving production and productivity. The scope of the comprehensive programme will include extension service support, access to finance, support to value addition, storage and logistics. It will also address the challenges experienced with the current Farmer Input Support Programme (FISP) which is cost-inefficient, falls short on effective targeting and equitable treatment of beneficiaries.
- e) **Undertake Energy Sector Reforms:** To improve performance of the energy sector, Government will implement reforms to remove the inefficiencies in the fuel supply chain by among others, supplying of diesel through the pipelines and procurement reforms to standardise supply contract prices. In the electricity sub-sector, reforms will focus on enhancing the operational efficiency of ZESCO including its cost structure.
- f) **Strengthen Performance of State-owned Enterprises (SOEs):** To ensure a return on investment and improve the contribution of SOEs to the economy, the Government will provide a clear policy and sound legal and regulatory framework on SOEs. The SOE Policy will be revised and a law enacted to strengthen institutional arrangements and adherence to best practices in corporate governance, thereby providing for their sustainable performance. Supervision and performance monitoring of SOEs and collaboration among relevant key stakeholders will be strengthened. This will ultimately improve the overall performance of SOEs and minimise fiscal outlays from the national treasury.
- g) **Strengthen Fiscal Decentralisation:** The design of the fiscal decentralisation architecture will focus on strengthening prudent utilisation of resources, domestic revenue mobilisation, debt sustainability, sub-national borrowing and provision of inter-governmental transfers that are sufficiently large and flexible to influence aggregate demand and service provision at the local level. Government will also develop effective mechanisms on revenue sharing between central government and local authorities.

These reforms will anchor the Extended Credit Facility Programme with the International Monetary Fund and assist the Government in the restructuring of external debt, resulting in improved investor confidence and availability of affordable international financing. It will also be expected to unlock financing from cooperating and development partners and enable the country to access concessional financing for budget support.



## **PART III: 8NDP TOWARDS THE NATIONAL VISION**

## 4. TOWARDS THE VISION 2030

### 4.1. OVERVIEW OF THE VISION 2030

Zambia aspires to become “**A Prosperous Middle-Income Nation by 2030**”. By 2030, Zambians look forward to live in a strong, dynamic, competitive and self-sustaining middle-income industrial nation, which is resilient to external shocks and provides opportunities for improving the wellbeing of all. The Vision coincides with the 2030 Agenda for Sustainable Development, which aims to end poverty, fight inequality and injustice and tackle climate change through the pursuance of the Sustainable Development Goals (SDGs). By 2030, the country should have made substantial progress towards the attainment of these global goals. The 8NDP, therefore, provides an avenue for catalysing the nation’s response to addressing the developmental challenges over the 2022-2026 period in the quest to attain the Vision 2030, SDGs and other regional and international commitments.

By the end of this decade, the economy is expected to be diversified with a balanced and cohesive industrial sector which has strong linkages in the primary, secondary and tertiary sectors. Technological proficiency should have been harnessed by optimising human and natural resources. Additionally, the country’s population, especially the youth should have strong entrepreneurial capabilities, be self-reliant, outward looking and enterprising, and be able to take advantage of the potential and available opportunities for socio-economic development.

Further, the country is envisaged to be economically, socially and politically integrated within the sub region, Africa and the rest of the world. Internally, a shared destiny, unity in diversity and patriotism will equitably integrate all citizens in a democratic governance system that is devolved to the subnational levels. The preservation of social, cultural and moral values of the Zambian society will also be key to attainment of the socio-economic development aspired for in the Vision 2030.

### 4.2. MOVING TOWARDS THE VISION 2030: WHAT IT WILL TAKE

Progress was made towards attainment of the socio-economic development objectives of the Vision 2030 during the implementation of the Fifth National Development Plan, Sixth National Development Plan/ Revised Sixth National Development Plan and Seventh National Development Plan. However, the progress achieved so far has not been sufficient to enable the country to realise the Vision. Therefore, there is need to accelerate progress, during the 8NDP period, through the implementation of wide-ranging reforms and interventions to build on the achievements of the previous NDPs and address the constraints impeding development. To this end, the following strategic development areas will be pursued in the 8NDP:

- a) **Economic Transformation and Job Creation:** Economic transformation will be anchored on industrialisation with a focus on value addition in agriculture, mining and manufacturing with strong local forward and backward linkages. Focus within the manufacturing sector will be on light manufacturing which is characterised by operations that have low capital requirements, are labour-intensive, and produce goods for final consumption. Priority will also be given to job-rich sectors such as tourism and agriculture. Further, focus will also be placed on the development of micro, small and medium enterprises (MSMEs) across all sectors as they have high income and job creation potential.

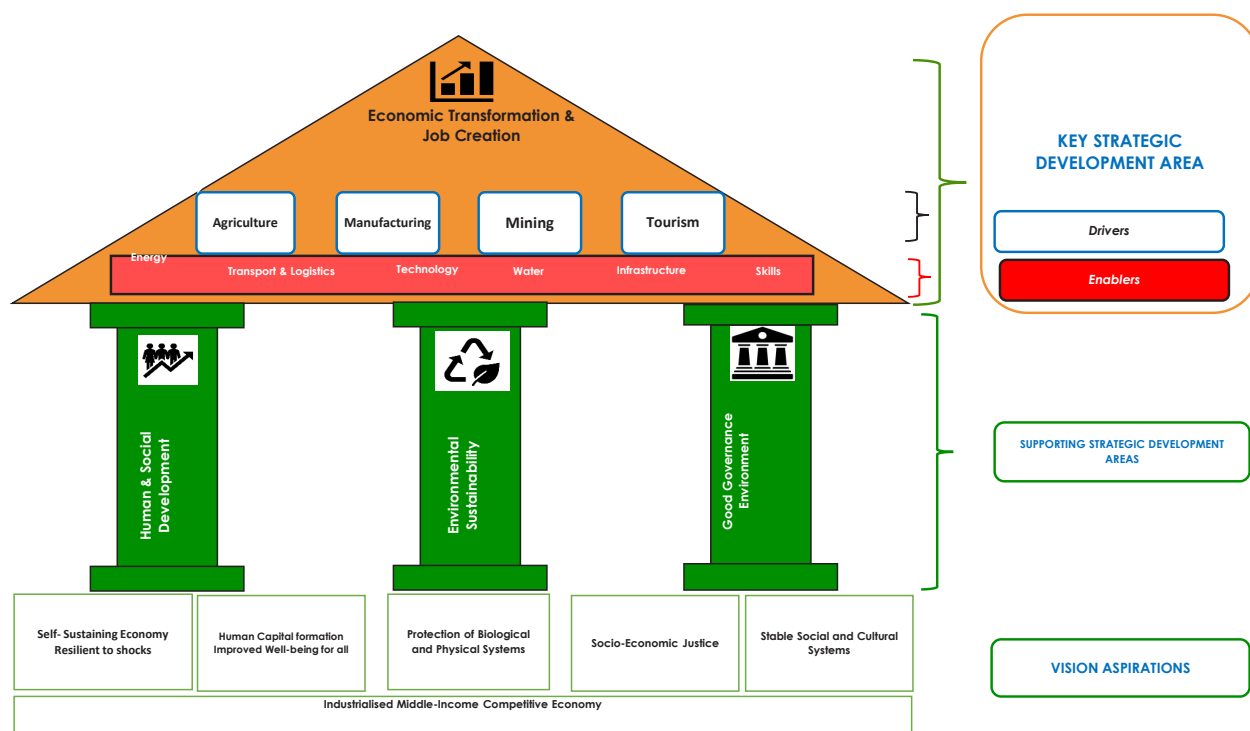
The economic transformation agenda will be led by the private sector while the Government will provide an enabling and supportive environment through the delivery of requisite policies, regulations and infrastructure. These interventions will result in increased productivity and the creation of

employment opportunities, especially for the youth and women. Further, the economic transformation agenda will ultimately build the economy's resilience to both external and domestic shocks.

- b) **Human and Social Development:** Human development entails having a well-educated, highly skilled and healthy labour force to propel Zambia to a thriving and industrialised nation as espoused in the Vision 2030. Thus, during the 8NDP period, interventions will focus on increasing access to, and improving the quality of education, health and water and sanitation, as well as enhancing social protection. This will contribute to reduction in poverty and inequality.
- c) **Environmental Sustainability:** In pursuit of the economic transformation agenda, it is imperative that development pathways are sustainable. This entails the sustainable utilisation of natural resources which are the basis for wealth creation, as well as building resilience to the adverse effects of climate change. Thus, the 8NDP prioritises measures aimed at promoting green growth, safeguarding the environment and natural resources, enhancing climate change mitigation and adaptation as well as strengthening disaster risk reduction.
- d) **Good Governance Environment:** Good governance entails creating a conducive environment characterised by participation, rule of law, transparency, accountability, consensus-building, responsiveness, equity and inclusiveness, effectiveness and efficiency. In this regard, the 8NDP will focus on improving the policy and governance environment as well as on promoting adherence to the rule of law and constitutionalism.

The strategic development areas of the 8NDP outlined above are set to drive the country towards the attainment of the Vision 2030 aspirations. Figure 12 shows the linkage between the 8NDP and the Vision 2030.

**Figure 12: Situating the 8NDP in the Vision 2030**





TRANSIT TANK 1

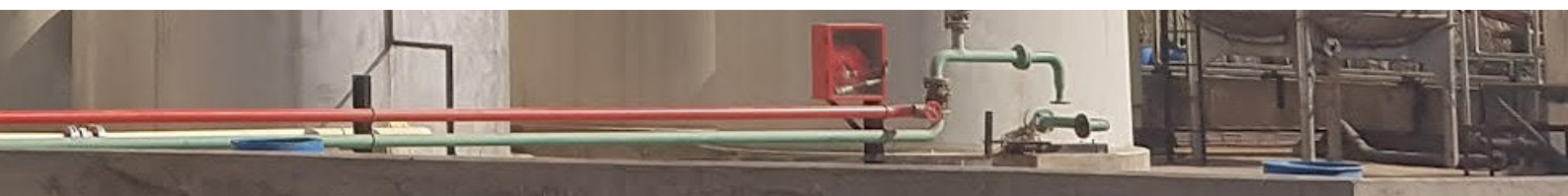
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## **PART IV: THE STRATEGIC DEVELOPMENT AREAS OF THE 8NDP**



## 5. STRATEGIC DEVELOPMENT AREA 1: ECONOMIC TRANSFORMATION AND JOB CREATION

### 5.1. OVERVIEW

The economy is characterised by low diversification and high unemployment levels. As evidenced by the top three sector concentration ratio as a percentage of GDP for the period 2017 to 2020, wholesale and retail trade, mining and quarrying as well as construction were the dominant sectors which accounted for almost 50 percent of GDP. The average contribution of the agriculture, manufacturing and tourism sectors to GDP, with high potential for job creation, was only 11.8 percent over the same period.

It is, therefore, the focus of the country to attain economic transformation that will be marked by advancements in industrialisation and economic diversification for sustained growth driven by agriculture, mining, manufacturing and tourism. It will entail shifting labour and other resources from low to higher productive activities between and within sectors. Ultimately this will increase employment opportunities for all Zambians. To ensure sustainable economic transformation and resilience of the economy, measures will be undertaken to transition Zambia to a modern green and resource efficient economy.

### 5.2. CURRENT SITUATION

Agriculture, mining, manufacturing and tourism are key drivers upon which the country's economic growth agenda is anchored. These sectors also account for a significant proportion of employed persons.

The agriculture sector provides livelihood to more than 70 percent of Zambia's population. In terms of performance, in the ten-year period between 2011 and 2020, agricultural growth averaged 0.4 percent while its share of GDP was 5.8 percent. Agricultural sector growth has been lower than the annual national population growth rate of 2.8 percent, yet it is the mainstay of a larger proportion of the population. Implicitly, the incomes of households that are dependent on this sector have been declining. Further, the sector is characterised by low productivity, limited mechanisation and is largely rainfall dependent.

Growth in the mining sector between 2011 and 2020 averaged 2.5 percent and its contribution to GDP averaged 14.8 percent. The sector, however, has been characterised by low diversification, limited exploration and exploitation, low participation and productivity of small-scale miners, high levels of informality and low value addition to mineral endowments, particularly in non-copper mining activities. Additionally, export diversification remains low, with traditional exports largely dependent on copper which on average accounts for more than 70 percent of total exports. This situation demonstrates the strong need to increase investments, especially for non traditional minerals as a means of transforming the economy and generating more jobs.

Over the 2011-2020 period, the manufacturing sector recorded an average growth rate of 4.8 percent, albeit with fluctuations, and its share of GDP averaged 7.2 percent. Strong performance of the manufacturing sector is an important indicator of both industrialisation and economic diversification. This is because of its strong linkages with primary sectors, such as agriculture and mining which are expected to stimulate growth. However, the sector is characterised by low-value manufactured products and rudimentary value and supply chains that are vulnerable to shocks. In the last decade, the sector has been dominated by

the food and beverage sub-sector which accounted for 32.5 percent of GDP, followed by base metals at 29.4 percent, giving a case for the need to transform the sector to manufacture high-value products. Thus, increased investment in manufacturing will promote strong backward and forward linkages with other sectors, which is a key catalyst of job creation.

The tourism sector grew by an average of 3.1 percent and its share of GDP was 1.5 percent over the 2011-2020 period. Tourism has begun to take prominence in the economy as one of the significant sources of employment, accounting for 15.7 percent of employment in 2019. However, the sector was one of the hardest hit by COVID-19 as a result of travel restrictions, resulting in a 26 percent contraction in the growth rate in 2020. There is, therefore, need to revive the sector by encouraging domestic tourism as well as addressing the challenges of low product diversification, low investment, poor infrastructure and the high cost of doing business.

### 5.3. CONSTRAINTS

Economic transformation requires a holistic approach to addressing the multi-faceted constraints that face key sectors of the economy. The major constraints to economic transformation and job creation continue to be low diversification and industrialisation, low citizen participation and low private sector competitiveness as well as access to affordable finance.

Diversification and industrialisation are constrained by inadequate infrastructure in economic sectors such as transport, energy, agriculture and ICT, especially in rural areas. This contributes to the high cost of doing business and ultimately affects productivity and the competitiveness of the economy. In addition, inadequate access to productive resources, especially low-cost financing, adversely impacts efforts to industrialise and diversify the economy at the desired rate. Further, limited research and development, coupled with low use of applied research and innovation have compounded the low rate of industrialisation and diversification.

Effective citizens' participation in economic activities is hampered by low savings rate, casualisation, poor credit culture, high cost of borrowing that limits access to finance, and inadequate capacities in the development of bankable proposals. Other challenges include lack of skilled labour such as low entrepreneurial and vocational skills as well as inadequate apprenticeship programmes for the youth. Despite the Government's efforts to address these constraints, poor implementation of empowerment programmes characterised by inadequate business support services and poor loan recovery, has hindered progress. This is exacerbated by high levels of informality, limiting access to auxiliary support services.

Policy inconsistency continues to be a constraint to private sector competitiveness. This has impacted long-term investment decisions by the private sector, especially in the mining and agricultural sectors, specifically in relation to taxation and export trade policies. Other constraints include high set-up costs, the multiplicity of regulatory fees and licenses, prolonged processes for accessing licenses and permits, land titling and electricity connection.

Weak market information systems also limit the ability of the private sector to fully take advantage of domestic and international markets. Inadequate uptake and failure to meet standardisation, quality assurance and sanitary and phytosanitary requirements, particularly in international markets, coupled with inefficiencies at key border posts, which result in delays in clearing goods, all negatively impact the competitiveness on the market.

To overcome these constraints, strategies and programmes aimed at achieving a diversified and industrialised economy, enhancing citizenry participation and promoting private sector competitiveness will be implemented during the 8NDP period.

#### **5.4. DEVELOPMENT OUTCOME 1: AN INDUSTRIALISED AND DIVERSIFIED ECONOMY**

Creation of a diversified and industrialised economy is a key development outcome of the 8NDP. To this end, the Government will implement a number of strategies. These will include increasing agriculture production and productivity, promoting mining of traditional and non traditional minerals, promoting value addition and manufacturing, promoting rural industrialisation as well as tourism diversification.

Other strategies will include enhancing generation, transmission and distribution of electricity, diversifying to other renewable as well as clean alternative energy sources, enhancing the management of petroleum products, improving transport and logistics, upscaling the provision of industry relevant skills, investing in applied research and development, enhancing digital capacity and strengthening management and productive use of water resources.

##### **Strategy 1: Increase agricultural production and productivity**

The Government will aim to increase production and productivity in the agriculture sector. To this end, the Government will create an enabling environment for private sector growth in the agriculture sector by providing a stable trade policy with emphasis on easing of restrictions on exports of agricultural commodities and facilitating access to finance. Additionally, a robust comprehensive agriculture support programme will be implemented beginning from the 2022/2023 farming season. The programme will encompass the provision of inputs through the electronic agro-input system to include extension service support, support for value addition, storage and logistics. Further, the programme will provide for better targeting and equity across beneficiaries. Tree crop production and irrigation development will also be promoted. To support increased production in the sector, research and development will be promoted, particularly in the development of improved varieties and breeds of crops including tree crops, livestock and fish.

To increase hectareage under production and enhance productivity, agricultural mechanisation will be promoted. The Government will also promote farm block development with special focus on diversification of crops and expansion of the livestock and fisheries sub sectors. The farm block concept entails the creation of specialised agricultural production and processing zones. Resettlement schemes will also be developed as centres for agricultural production.

Interventions in fisheries will aim at promoting investments for increased fingerling production and establishing and operationalising fish breeding and freezing centres, as measures to bridge the domestic fish deficit and expand into the regional market. Livestock production will be enhanced through establishing community-managed livestock service centres, provincial livestock insemination centres and veterinary laboratories. The Government will also devolve veterinary services to improve efficiency in the livestock sub-sector.

These interventions are expected to result in an agricultural growth rate of at least 10 percent per annum over the Plan period. Over the same period, agricultural exports are also expected to increase to above US\$2 billion by 2026 from US\$756.2 million in 2021.

## Programmes:

- a) Infrastructure development
- b) Agricultural mechanisation
- c) Enhanced farmer support
- d) Agroforestry and tree crops development
- e) Agribusiness development
- f) Irrigation development
- g) Fisheries and aquaculture development
- h) Research and development
- i) Livestock development
- j) Extension services support
- k) Early warning and surveillance systems
- l) Farm block and Resettlement Schemes development

## Strategy 2: Promote traditional and non-traditional minerals

Promotion of traditional and non-traditional minerals will be achieved through the opening of new mines and increasing production in existing ones. For copper, the aim is to increase production to 3 million metric tonnes by 2032. Exploration and exploitation of both mineral and petroleum resources will be promoted. This will contribute to diversification to other minerals such as gold, gemstones and manganese.

For the country to tap into regional and global markets and value chains, local beneficiation and value addition to minerals will be encouraged. This will be done through a national supplier development policy that will be developed to promote local value addition and participation of local players in the mining supply chain. Key to this will be the promotion of both domestic and foreign direct investment in the production of components for batteries, electric motor vehicles and renewable energies.

The Government will also encourage the formation of cooperatives among artisanal and small-scale miners as well as facilitate access to support services to enhance their productivity, including linkages to value chains. This will open up opportunities for the youth, men and women at community level to participate in mining value chains in a more formalised and structured arrangement.

With these interventions it is expected that by 2026, copper output will increase to 1.5 million metric tonnes from 868,000 metric tonnes in 2020. The value of mineral exports (excluding copper and cobalt) is expected to increase to at least US\$1 billion by 2026.

## Programmes:

- a) Mineral and petroleum exploration and exploitation
- b) Mineral tax and mining reforms
- c) Mineral beneficiation and value addition
- d) Artisanal and small-scale mining development

### Strategy 3: Promote value addition and manufacturing

To successfully diversify and industrialise, the Government will implement interventions aimed at accelerating growth in the manufacturing sector. Among them will be ensuring increased local content and investment for value addition to products from the agriculture, forestry and mining sectors as well as trade facilitation. Focus within the manufacturing sector will be on light manufacturing which is characterised by operations that are less capital intensive but more labour intensive. The value chains that will be prioritised include processed foods, engineering, wood and wood products, textiles, leather and leather products, metallic and non-metallic mineral beneficiation and value addition, and pharmaceuticals. The Government will also promote the development and operationalisation of multi-facility economic zones and industrial parks including through the provision of appropriate incentives.

With these interventions, the target is to attain an average growth rate of at least 5 percent for the manufacturing sector over the Plan period. The share of manufactured goods in total non-traditional exports is expected to increase to 55 percent in 2026 from 44 percent in 2020.

#### Programmes:

- a) Value chain development
- b) Market linkages
- c) Investment promotion
- d) Multi-facility economic zones and industrial parks
- e) Skills Training

### Strategy 4: Promote tourism growth

The Government will revamp the tourism sector and support its recovery from the COVID-19 pandemic, as it presents opportunities for job creation for local communities through activities such as traditional ceremonies, basketry, local cuisine promotion, curio-making, music and dance. The focus will be on the development of the Northern and Southern Circuits, particularly around Kasaba Bay and Liuwa National Park. This will be done through the development of infrastructure, coupled with a supportive regulatory and licencing framework to attract private investment. Further, the Government will promote the hosting of meetings, international conferences and events leveraging on recent infrastructure developments, such as the upgraded airports including the Kenneth Kaunda and Simon Mwansa Kapwepwe International Airports as well as increased hotels and conferencing facilities.

With these interventions, it is expected that the tourism sector will register an average annual growth rate of at least 4.5 percent over the Plan period, from an annual average of 3.1 percent recorded for the 2011-2020 period. The number of international tourist arrivals per year will be expected to increase to 3 million by 2026 from 501,606 in 2020. Visits to national parks and tourism sites by domestic tourists are targeted to increase to 100,000 and 300,000 from 22,720 and 90,370 in 2020, respectively.

### Programmes:

- a) Climate resilient tourism infrastructure development
- b) Tourism product development
- c) Tourism promotion and marketing
- d) Wildlife management

### Strategy 5: Improve transport and logistics

Improvements will be made in the transport and logistics sub-sectors, with the focus on positioning the country as a regional transport and logistics hub. This will be done through the maintenance, development, modernisation and integration of road, rail, air and water transport infrastructure. This will also contribute to the opening up of rural areas for development and enhancing participation of local communities in the economy. Among the key measures for the effective implementation of this strategy will be strengthening local-level capacities for planning and development of transport infrastructure. Further, the Government will take deliberate steps to ensure that at least 30 percent of bulk cargo is moved off the roads to the rail through improvements to rail infrastructure.

The volume of passengers and cargo transported by roads, rail and air are also expected to increase during the Plan period. It is expected that the transport and logistics sub-sector will register an average annual growth rate of 5.5 percent from an annual average of 0.6 percent over the 2011-2020 period.

### Programmes:

- a) Aviation development
- b) Road development and maintenance
- c) Rail development and maintenance
- d) Inland water development and maintenance
- e) Inland dry ports development
- f) Trade centre development
- g) Warehousing development

### Strategy 6: Enhance generation, transmission and distribution of electricity

In the electricity sub-sector, reforms will be implemented to make the sector more efficient and effective. Focus will be on increasing electricity generation capacity and promotion of alternative green and renewable energy sources as well as scaling-up rural electrification. The increase in the generation capacity will be anchored on the reforms that will be undertaken in the electricity sub-sector to attract private sector investments. Further, the operations of ZESCO Limited will be streamlined to promote efficiency and sustainability. As part of the diversification agenda, the Government will continue promoting investments in green and clean energy solutions to make the energy sector more resilient and supportive of industrialisation.

During the 8NDP period, investments will also be made to upgrade electricity transmission infrastructure in an effort to reduce transmission losses and promote trade in electricity. Some of the key projects to be implemented include the Zambia-Tanzania-Kenya (ZTK) interconnector, Zimbabwe-Zambia-Botswana-

Namibia (ZIZABONA) interconnector and an interconnector between Zambia and the Democratic Republic of Congo will be concluded during the 8NDP period.

Increased investment in the sector will result in an increase in electricity generation capacity to 4,457 MW by 2026 from 3,307.43 MW in 2021. The percent of renewable energy in the national installed electricity capacity, excluding large hydroelectricity generation, is expected to increase to 10 percent from 3 percent over the same period. Fifteen additional renewable energy off-grid projects will be developed by 2026 in addition to the 7 in 2021.

### Programmes

- a) Electricity generation
- b) Electricity transmission and distribution
- c) Energy efficiency promotion
- d) Off-grid energy solutions
- e) Green and renewable energy

### Strategy 7: Enhance the management of petroleum products

The Government will enhance the management of the petroleum sub-sector by investing in climate resilient infrastructure and implementing reforms aimed at reorganising the procurement and supply processes to ensure efficiency and sustainability. The Government will also promote the blending of petroleum products and biofuels to lower the cost of fuel.

The total fuel storage capacity will be increased to at least 550,000 cubic meters by 2026 from 401,348 cubic meters in 2021 and the percentage of biofuel in the national fuel mix is expected to increase to 20 percent by 2026.

### Programmes:

- a) Petroleum pricing and supply management
- b) Climate resilient petroleum infrastructure development
- c) Alternative fuel production

### Strategy 8: Enhance management and productive use of water resources

Sustainable investment in water resources development and management will help meet the rising demand and productive use of water, while safeguarding water security. Interventions will include water harvesting as well as ground and surface water resources management.

### Programmes:

- a) Transboundary water cooperation and benefit-sharing
- b) Water harvesting
- c) Groundwater resources development
- d) Water resources management

- e) Inter-and intra-basin water transfer
- f) Aquifer and water source protection

### **Strategy 9: Enhance digital capacity**

The integration of digital technologies into business processes will be key to enhancing efficiency and productivity for economic transformation. To advance the digitalisation agenda, the Government will continue with the roll-out of digital communications infrastructure, including the launch of a satellite. This will also ensure that citizens in rural areas are connected to socio-economic services through mobile phones and other electronic devices. Further, the Government will facilitate additional investments in building digital skills, especially among the youth to provide a sound foundation for innovation, including in science and technology. As a result, internet penetration is targeted to increase to 80 percent by 2026 from 52.9 percent in 2020.

#### **Programmes:**

- a) ICT infrastructure development
- b) Digital innovation and entrepreneurship development
- c) Digital skills enhancement
- d) Digital services promotion

### **Strategy 10: Promote applied research and development**

In pursuit of economic transformation through industrialisation and diversification, the Government will promote science, technology and innovation (STI) as well as applied research and development (R&D). A complementary strategy will be the promotion of science, technology, engineering and mathematics (STEM) in institutions of learning to build a critical mass of qualified human resource for R&D and leverage digitalization. The Government will also reform the institutional and coordination arrangements in R&D to enhance investments and the commercialisation of innovations. This will include putting in place measures to incentivise innovation. It is expected that these interventions will increase product development, productivity and contribute to competitiveness of the economy.

#### **Programmes:**

- a) Research and development
- b) Product development and commercialisation
- c) Intellectual property promotion and protection

## Strategies and Programmes

| Strategy                                                            | Programme                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Improve agriculture production and productivity                  | <ul style="list-style-type: none"> <li>a) Infrastructure development</li> <li>b) Agricultural mechanisation</li> <li>c) Enhanced farmer support</li> <li>d) Agroforestry and tree crops development</li> <li>e) Agribusiness development</li> <li>f) Irrigation development</li> <li>g) Fisheries and aquaculture development</li> <li>h) Research and development</li> <li>i) Livestock development</li> <li>j) Extension services support</li> <li>k) Early warning and surveillance systems</li> <li>l) Farm block and Resettlement Schemes development</li> </ul> |
| 1. Promote mining of traditional and non-traditional minerals       | <ul style="list-style-type: none"> <li>a) Mineral and petroleum exploration and exploitation</li> <li>b) Mineral tax and mining reforms</li> <li>c) Mineral beneficiation and value addition</li> <li>d) Artisanal and small-scale mining development.</li> </ul>                                                                                                                                                                                                                                                                                                     |
| 2. Promote value addition and manufacturing                         | <ul style="list-style-type: none"> <li>a) Value chain development</li> <li>b) Market linkages</li> <li>c) Investment promotion</li> <li>d) Multi-facility economic zones and industrial parks</li> <li>e) Skills Training</li> </ul>                                                                                                                                                                                                                                                                                                                                  |
| 3. Promote tourism diversification                                  | <ul style="list-style-type: none"> <li>a) Climate resilient tourism infrastructure development</li> <li>b) Tourism product development</li> <li>c) Tourism promotion and marketing</li> <li>d) Wildlife management</li> </ul>                                                                                                                                                                                                                                                                                                                                         |
| 4. Improve transport and logistics                                  | <ul style="list-style-type: none"> <li>a) Aviation Development</li> <li>b) Road development and maintenance</li> <li>c) Rail development and maintenance</li> <li>d) Inland Water development and maintenance</li> <li>e) Inland dry ports development</li> <li>f) Trade centre development</li> <li>g) Warehousing development</li> </ul>                                                                                                                                                                                                                            |
| 5. Enhance Generation, Transmission and Distribution of Electricity | <ul style="list-style-type: none"> <li>a) Electricity generation</li> <li>b) Electricity transmission and distribution</li> <li>c) Energy efficiency promotion</li> <li>d) Off-grid energy solutions</li> <li>e) Green and renewable energy</li> </ul>                                                                                                                                                                                                                                                                                                                |
| 6. Enhance the management of petroleum products                     | <ul style="list-style-type: none"> <li>a) Petroleum pricing and supply management</li> <li>b) Climate resilient petroleum infrastructure development</li> <li>c) Alternative fuel production</li> </ul>                                                                                                                                                                                                                                                                                                                                                               |
| 7. Enhance management and productive use of water resources         | <ul style="list-style-type: none"> <li>a) Transboundary water cooperation and benefit-sharing</li> <li>b) Water harvesting</li> <li>c) Groundwater resources development</li> <li>d) Water resources management</li> <li>e) Inter-and intra-basin water transfer</li> <li>f) Aquifer and water source protection</li> </ul>                                                                                                                                                                                                                                           |
| 8. Enhancement of digital capacity                                  | <ul style="list-style-type: none"> <li>a) ICT infrastructure development</li> <li>b) Digital innovation and entrepreneurship development</li> <li>c) Digital skills enhancement</li> <li>d) Digital services promotion</li> </ul>                                                                                                                                                                                                                                                                                                                                     |
| 9. Promote applied research and development                         | <ul style="list-style-type: none"> <li>a) Research and development</li> <li>b) Product Development and Commercialisation</li> <li>c) Intellectual Property Promotion and Protection</li> </ul>                                                                                                                                                                                                                                                                                                                                                                        |

## 5.5. DEVELOPMENT OUTCOME 2: ENHANCED CITIZENRY PARTICIPATION IN THE ECONOMY

Citizens' participation in economic activity is important to achieve economic transformation and job creation. However, citizen participation has been relatively low with few major locally-owned enterprises and businesses. Therefore, the Government will provide incentives for Zambians, including those living in the diaspora, to participate in the economy. Further, the Government will promote decent work, enterprise development and technical, vocational and entrepreneurship skills training while simultaneously ensuring that the 2.9 million or 30.6 percent financially excluded adult population is reduced. This will be done through the following strategies:

### Strategy 1: Promote local and diaspora participation in the economy

In view of the low participation of Zambians in the economy, there is need to implement interventions to enable the effective and inclusive participation in job and wealth creation. This will be done through encouraging local investments by reserving particular businesses for Zambians, improving access to low-cost finance, targeting citizens for preferential procurements and formalising the informal sector.

The Government will also strengthen the implementation of the Diaspora Policy to promote and facilitate increased remittances and investment. This will be done by addressing the high cost of remittances, providing comprehensive information on available opportunities in Zambia and providing an effective engagement framework that would allow the Zambians living abroad to actively participate in national development. These interventions will also have trickle-down effects on the employment and empowerment of the youth in all provinces, districts, constituencies and wards.

#### Programmes:

- a) Reservation scheme
- b) Preferential procurement
- c) Diaspora investment promotion
- d) Women, youth and persons with disabilities empowerment
- e) Informal sector formalisation

### Strategy 2: Promote enterprise development

Enterprise development is key for economic transformation and job creation. The Government will provide an enabling environment for formation of businesses and cooperatives, facilitation of mentorship and business services and promotion of access to domestic and external markets. Special focus will be given for the provision of access to finance for micro, small and medium enterprises and cooperatives. These interventions are aimed at contributing to decent job and wealth creation especially for the youth and women. Further, the Government will provide credit guarantee schemes and operationalise industrial yards.

#### Programmes:

- a) Small and medium-scale enterprises development
- b) Cooperatives development

- c) Business development services provision
- d) Enterprise development initiative
- e) Industrial yards

### Strategy 3: Promote technical, vocational and entrepreneurship skills

To support local participation in the economy, the Government will scale-up the provision of technical, vocational and entrepreneurship skills to support growth of enterprises. Further, measures will be put in place to incentivise the private sector in facilitating internships, mentorships and apprenticeships. The Government will also increase the disbursement of resources to the sub-national level to support women, the youth and persons with disabilities with skills development at constituency and ward levels.

#### Programmes:

- a) TEVET skills development
- b) Up-skilling and re-skilling
- c) Mentorship and apprenticeship

### Strategy 4: Promote Financial Inclusion

Increased access to, and usage of a broad range of quality and affordable financial services, particularly by women, youth, PWDs and the rural based population. This will include Small and Medium Scale Enterprises which are key in ensuring the participation of citizens in the economy. To this end, Government in the Plan period will provide an enabling environment to encourage financial service providers to develop innovative and customer centric products, including products that will attract low income earners to invest in capital markets. The enabling environment, coupled with the digital transformation agenda espoused in the Plan will lead to an increase in the provision of digital, mobile and agency banking services to underserved populations.

#### Programmes:

- a) Financial Education
- b) Rural Finance
- c) Capital Markets Development

| Strategies and Programmes                                    |                                                                                                                                                                                                                                                                         |
|--------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Strategy                                                     | Programme                                                                                                                                                                                                                                                               |
| 1. Promote local and diaspora participation in the economy   | <ul style="list-style-type: none"> <li>a) Reservation scheme</li> <li>b) Preferential procurement</li> <li>c) Diaspora investment promotion</li> <li>d) Women, youth and persons with disabilities empowerment</li> <li>e) Informal sector formalisation</li> </ul>     |
| 2. Promote Enterprise development                            | <ul style="list-style-type: none"> <li>a) Small and medium-scale enterprises development</li> <li>b) Cooperatives development</li> <li>c) Business development services provision</li> <li>d) Enterprise development initiative</li> <li>e) Industrial yards</li> </ul> |
| 3. Promote technical, vocational and entrepreneurship skills | <ul style="list-style-type: none"> <li>a) TEVET Skills Development</li> <li>b) Up-Skilling and Re-Skilling</li> <li>c) Mentorship and Apprenticeship</li> </ul>                                                                                                         |
| 4. Promote financial inclusion                               | <ul style="list-style-type: none"> <li>a) Financial education</li> <li>b) Rural Finance</li> <li>c) Capital Market Development</li> </ul>                                                                                                                               |

## 5.6. DEVELOPMENT OUTCOME 3: A COMPETITIVE PRIVATE SECTOR

A competitive private sector is needed to change the economic fortunes of the country to achieve socio-economic transformation for improved livelihoods. In this regard, the Government will promote product quality and competition as well as facilitate increased domestic and international trade, including access to finance for production and exports. The Government will also provide a predictable and favourable policy and regulatory environment, including streamlining regulatory and licensing procedures. Further, the Government will establish a holistic framework for public-private sector engagement.

### Strategy 1: Promote quality and productivity

To promote the competitiveness of Zambian products in local and international markets, the uptake of standards and quality assurance as well as adherence to sanitary and phytosanitary (SPS) requirements will be enhanced and relevant institutions will be strengthened. Additionally, Government will promote certification of organic products to enhance their competitiveness in the local and international markets. Furthermore, the Government will strengthen measures for fair competition in the domestic market and enhance consumer welfare to spur innovations and improve the quality of goods and services. Productivity improvement will also be promoted through the implementation of programmes such as Kaizen, which is proven to promote both quality and productivity. Government will strengthen the enforcement of labour laws to enhance compliance and decent work.

#### Programmes:

- a) Product standardisation and quality assurance
- b) Sanitary and phytosanitary compliance support
- c) Fair competition promotion
- d) Quality and productivity
- e) Decent work

### Strategy 2: Facilitate increased domestic and international trade

Facilitating access to domestic and international trade is important for private sector competitiveness. In this regard, the Government will implement measures to address trade related bottlenecks that impede private sector competitiveness. Measures that will be taken will include supporting small and medium-sized enterprises' production lines by facilitating linkages with larger local and regional value chains. To increase trade opportunities, the Government will implement trade facilitation measures, trade promotion and facilitate the provision of market information services for both the domestic and foreign markets. The Government will also digitize processes and regulatory requirements concerning trade facilitation and market information services.

#### Programmes:

- a) Coordinated border management
- b) Market information services
- c) Commodity exchange platform
- d) Inter-country Trade Centre establishment

- e) International cooperation and economic diplomacy
- f) Business regulatory environment

### Strategy 3: Improve access to finance for production and exports

29 Concerted efforts will be taken to ease access to affordable finance, especially for small and medium enterprises. This will include export trade finance, third party credit risk mitigation and enhancing development of capital markets to provide long-term finance. The private sector will play a key role in the development and provision of financial products to support production and trade. The Government will also strengthen the alternative investment market on the Lusaka Stock Exchange as a vehicle through which small and medium enterprises can access long-term financing.

#### Programmes:

- a) Credit guarantee scheme
- b) Capital markets development
- c) Impact capital investment
- d) Alternative finance promotion
- e) Trade finance
- f) Public-private sector joint venture promotion
- g) Zambia-foreign joint venture and partnership promotion

#### Strategies and Programmes

| Strategy                                                 | Programme                                                                                                                                                                                                                                                                                                                               |
|----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Promote productivity and product quality              | <ul style="list-style-type: none"> <li>a) Product standardisation and quality assurance</li> <li>b) Sanitary and phytosanitary compliance support</li> <li>c) Fair competition promotion</li> <li>d) Quality and productivity</li> <li>e) Decent work</li> </ul>                                                                        |
| 2. Facilitate increased domestic and international trade | <ul style="list-style-type: none"> <li>a) Coordinated Border Management</li> <li>b) Market Information Services</li> <li>c) Commodity Exchange Platform</li> <li>d) Inter-country trade centre establishment</li> <li>e) International cooperation and economic diplomacy</li> <li>f) Business regulatory environment</li> </ul>        |
| 3. Improve access to finance for production and exports  | <ul style="list-style-type: none"> <li>a) Credit guarantee scheme</li> <li>b) Capital markets development</li> <li>c) Impact capital investment</li> <li>d) Alternative finance promotion</li> <li>e) Trade Finance</li> <li>f) Public-private sector joint venture</li> <li>g) Zambia-foreign joint venture and partnership</li> </ul> |

## 6. STRATEGIC DEVELOPMENT AREA 2: HUMAN AND SOCIAL DEVELOPMENT

### 6.1. OVERVIEW

Human and social development is fundamental to inclusive development and is a catalytic ingredient to the transformation of the country. This includes addressing the vicious cycle of poverty, inequalities and vulnerability. It also entails providing equal opportunities for every citizen to develop to their full potential and effectively contribute to the development of the country. This strategic development area, therefore, addresses the need to develop human capacities, through investments and interventions in education and skills development, health and nutrition, water and sanitation. In addition, it aims at reducing poverty, inequalities and vulnerability.

### 6.2. CURRENT STATUS

The country has continued to register progress in service delivery for human development. With regard to education, the country has made strides in achieving universal primary education and gender parity. As at 2020 net primary enrolment rates stood at 81.8 percent as compared to 87.9 percent in 2017. Improvements have also been registered in the proportion of girls in school at primary level with the country attaining gender parity of 1.03 in 2020 compared to 1.00 in 2017. This means that in 2020, for every 100 boys enrolled in primary school, 103 girls were enrolled. At secondary level, in 2020 net enrolment stood at 37.4 percent compared to 42.9 percent in 2017. Gender parity stood at 0.94 in 2020 compared to 0.90 in 2017. This implies that in 2020 for every 100 boys enrolled at secondary level, 94 girls were enrolled.

As of 2020, the Government was the largest provider of ECE services and accounted for 62.2 percent of the total enrolment. The enrolment rate, however, was low at only 11.2 percent of the total target population, well below the target of achieving universal access to education. The pupil-teacher ratio at both primary and secondary education, a proxy for the quality of education, also registered improvements. A lower pupil-teacher ratio implies that the teacher spends more time with the learner. At primary level, the pupil-teacher ratio was 56.5 pupils per teacher in 2020 from 58.5 pupils per teacher in 2017, against the internationally acceptable threshold of 40 pupils per teacher. The pupil-teacher ratio, however, at secondary school, in 2020 was 26.1 pupils per teacher compared to 32.3 pupils per teacher in 2017, which was within the acceptable standard of 35 pupils per teacher. Nonetheless, transition, retention and completion rates remained low.

Under skills development, progress was made in increasing access to vocational and skills training through the construction of training facilities in selected rural districts. Further, the Government introduced the technical education, vocational and entrepreneurship training (TEVET) bursary scheme to encourage and increase the number of youths taking up skills training, especially females and PWDs for whom 30 percent and 10 percent, respectively, are reserved. However, more needs to be done to enhance access to TEVET as the 2020 National Skills Survey Report indicated a skills gap in the technical workforce in Zambia.

The industries exhibiting high numbers of skills gaps include wholesale and retail trade, repairs of motor vehicles and motorcycles, manufacturing, accommodation and food services activities, education, other services as well as agriculture, forestry and fishing. Further, Zambia's TEVET system requires an improvement in the quality of training offered. For instance, 62.3 percent of the registered TEVET institutions were in the grade three category, which is the lowest level in the quality grading system; 29.9 percent of the

institutions were in grade two; while only 7.8 percent were in grade one in 2021. The foregoing indicates the need to enhance access and quality of technical and vocational training in the country.

With regard to university education, while more universities have been established, there is a weak regulatory framework which has led to the compromise in the quality of university education. There is also inadequate qualified manpower to teach at tertiary level.

The country has made strides in improving the health status of citizens. The pregnancy-related mortality reduced from 398 deaths per 100,000 live births in 2013/14 to 278 deaths per 100,000 live births in 2018, while the Maternal Mortality Ratio (MMR) was recorded at 252 deaths per 100,000 live births in 2018. Similarly, under 5 mortality rates reduced from 75 in 2014 to 61 per 1,000 live births in 2018. Infant mortality rate reduced from 45 in 2014 to 42 per 1,000 live births in 2018 while the child mortality rate reduced from 31 in 2014 to 19 per 1,000 live births in 2018. Despite these improvements, the mortality rates remain relatively high.

The country currently experiences a high disease burden, largely attributed to the high prevalence and incidence of infectious diseases and the increase in non-communicable diseases. The top five causes of mortality include malaria, anaemia, cardio-vascular diseases, pneumonia and tuberculosis (TB). For instance, in 2021, Zambia recorded a total of 6,262,775 cases and 1,480 deaths due to malaria, while an estimated 59,000 people had TB. Out of these estimated number of people with TB, 50,717 were detected and commenced on anti-TB treatment. This means that over 8,000 people with TB were missed.

The total fertility rate remains high at 4.7 children per woman as at 2018. Teenage pregnancies are also high at 29.0 percent mostly due to high levels of child marriages, early sexual debut, and inadequate information on reproductive health. This has constrained women's participation in the economy, further leading to undesirable economic and social outcomes.

Progress has been made in enhancing early childhood development and nutrition. The 2018 Zambia Demographic and Health Survey (ZDHS) showed slight improvements in nutrition indicators between 2013/14 and 2018, with stunting moving from 40 percent to 35 percent, wasting from 6 percent to 4 percent and underweight births from 15 percent to 12 percent. The improvement has been on account of nutrition programmes such as the first 1,000 critical days from conception, nurturing care for early childhood development, early childhood education, child immunisation and child-care and protection services. Evidence has shown that poor nutrition has a negative bearing on cognitive development, physical work capacity, health status and earnings in adulthood.

In water and sanitation, progress has been made in increasing access to safe drinking water and adequate sanitation services. According to the 2018 ZDHS, the proportion of households with access to improved drinking water at national level increased to 72.5 percent from 64.5 percent in 2014. For urban and rural areas, the proportion of households accessing clean water increased to 93 percent and 58 percent from 89.5 percent and 46.6 percent, respectively, in the same period. The proportion of households with access to sanitation increased to 54.4 percent in 2018 from 25.4 percent in 2014. In urban areas, access to basic sanitation increased to 77.7 percent in 2018 from 35 percent in 2014, while in rural areas access increased to 37.2 percent from 18.5 percent. While water and sanitation coverage rates in the country have generally improved, aggregate figures mask disparities between urban and rural areas. Hence, strategic interventions are required to narrow the inequalities.

The prevalence of poverty levels in the country is progressively reducing. Total poverty reduced to 54.4 percent in 2015 from 62.8 percent in 2006. Despite the reduction in total poverty levels, extreme poverty still remains significantly high at 40.8 percent in 2015. In rural areas, poverty remained higher at 76.6 percent compared to 23.4 percent in urban areas as of 2015. Notwithstanding, this, the Multidimensional Poverty Index showed an improving trend from 50 percent in 2014 to 44 percent in 2018. The reduction in poverty levels has in part been impacted by the expansion of social protection programmes such as the Social Cash Transfer programme and empowerment programmes that have been piloted across the country, especially in the rural areas. Despite the gains made, the programmes have in recent years suffered the effects of climate change.

With regard to child protection, 30 percent of females and 40 percent of males had experienced physical violence, while 51.3 percent of females and 49 percent of males had witnessed physical violence. In 2020 an estimated 20 percent of girls and 10 percent of boys reported sexual abuse prior to the age of 18.

### 6.3. CONSTRAINTS

The attainment of human development is constrained by various factors with the inadequacy of infrastructure and dearth of human resources being the major issues.

For education and skills development, the system is also characterised by limited furniture such as desks, lack of educational materials and inadequate ICT equipment to support learning. At early childhood education (ECE) level, factors contributing to poor quality of education include lack of appropriate facilities and teaching aids to allow for play and mental stimulation for early childhood learners. The level of deprivation is more pronounced in the rural and remote areas, thus most children enter primary school with no ECE experience, which delays their ability to acquire literacy and numeracy skills.

The constraints in the health sector include inadequate and obsolete medical equipment and supplies; inadequate health personnel; long distances to health centres and inadequate transport facilities; poor health-seeking behaviour; and low coverage of national health insurance. Another constraint relates to inadequate dietary diversity to promote health and nutrition status of the people.

In water and sanitation, the key constraint relates to inadequate and dilapidated infrastructure, especially in rural areas. Others include the increase in unplanned settlements, weak management and monitoring of water resources and unregulated access to water sources.

Under social protection, implementation challenges included low integration of social protection programmes, lack of an integrated automated Social Protection Management Information System, poor targeting of beneficiaries and intermittent release of funds to cash transfer beneficiaries. Further, non-enactment of appropriate legislation on matters such as social protection and child protection matters affected implementation.

The 8NDP contains various strategies and programmes to address the constraints under this Strategic Development Area.

## 6.4. DEVELOPMENT OUTCOME 1: IMPROVED EDUCATION AND SKILLS DEVELOPMENT

To improve education and skills development, Government will focus on expanding access and improving quality of early childhood, primary and secondary education as well as technical education, vocational and entrepreneurship training and higher education. The strategies outlined below will, therefore, be implemented.

### Strategy 1: Enhance access to quality, equitable and inclusive education

In the 8NDP period, the Government will ensure that all learners have access to equitable and inclusive quality education that prepares them to pursue higher education. This will be done through the recruitment and placement of more teachers in needy areas, provision of free education from early childhood to secondary school and provision of bursaries, using a decentralised approach. Additionally, establishment and construction of more ECE centres, secondary schools and other school infrastructure, including completion of incomplete classroom structures, and accommodation for teachers, especially in rural areas, will be undertaken. The delivery of education using ICT platforms will also be promoted. To ensure that schools are adequately equipped to deliver quality and relevant education, focus will be on enhancing the supply of educational requisites, including procurement of school desks and learning materials.

Further, the education curriculum will be reviewed to ensure that it provides life relevant knowledge and skills and promotes the application of national values and principles. This will include building the skills of learners to increase their uptake of science and technology. The objective is, from an early age, to increase learners' interest in science and technology to facilitate innovation and entrepreneurship. At secondary school the two-tier education system will be promoted to provide TEVET skills to learners. This will be supported by skills development fund. Further, programmes will be implemented to ensure provision of education to Learners with Special Educational Needs (LSEN) at all levels of the education system so as not to leave anyone behind. In addition, to promote inclusive lifelong learning, adult literacy learning will be supported.

Additionally, to ensure a lifecycle approach to education, priority will be given to nurturing and supporting early childhood development and facilitating a conducive learning environment to support early development of literacy, numeracy and problem-solving skills. The Government will continue supporting initiatives to improve the physical and cognitive health outcomes for children between aged 0-6, especially during the first 1,000 days of life, which are the critical years for a child's cognitive and healthy long-term development, productivity, and social cohesion under early childhood development. Further, the Government will continue implementing initiatives aimed at keeping girls in school as well as enhancing readmissions of school drop-outs, including adult learners.

With the above measures, the net enrolment rate is expected to increase to 100 percent by 2026 from 81.8 percent in 2020 for primary schools, while the rate for secondary schools will increase to 60 percent from 37.6 percent. In addition, the pupil-teacher ratio is targeted to reduce from 56.5 pupils per teacher in 2020 to 45 pupils per teacher in 2026, for primary schools. For secondary schools, the country will attain the recommended pupil-teacher ratio of 35 to 1 from the 26.1 to 1 in 2020. Adult literacy for the population aged 15-49 years will increase to 85 and 90 percent by 2026 from 66.4 and 81.8 percent in 2020, for women and men, respectively.

### Programmes:

- a) Early childhood education
- b) Primary education
- c) Inclusive education (LSEN)
- d) Adult literacy
- e) Secondary education
- f) Curriculum development
- g) Human resource development
- h) Infrastructure development
- i) ICT promotion
- j) Science, technology, engineering and mathematics
- k) Menstrual hygiene promotion

### Strategy 2: Improve technical, vocational and entrepreneurship skills

To improve vocational, technical and entrepreneurship skills, the main focus will be on strengthening the regulatory and quality assurance frameworks that will also cover vocational skills training establishments in the private sector. Further, there will be regular upgrading of training equipment and expansion of training facilities. In addition, the qualifications for TEVET skills will be upgraded to allow for progression. To ensure that TEVET is relevant to industry, the curriculum will continuously be reviewed to ensure that it responds to the demands of industry. Additionally, learning pathways such as work-based learning, in particular internship and apprenticeship, will be promoted. The Government will also ensure sustainable financing of the TEVET system.

In addition, the Government will scale-up and decentralise the skills development bursary scheme to the local level. This will enhance the targeting of beneficiaries as they will be identified by the communities and will improve access to skills training by vulnerable youths.

By the end of the Plan period, the quality of TEVET services will be improved. This improvement will mainly be achieved through the upgrading of TEVET institutions with 40 percent of institutions classified as grade one in 2026 from 7.8 percent in 2021. The skills gap in the different industries will also be reduced.

### Programmes:

- a) Technical Education Vocational and Entrepreneurship Training
- b) Curriculum review
- c) Research and development
- d) Internship and apprenticeship
- e) Digital skills development
- f) Human resource development
- g) infrastructure development.

### Strategy 3: Increase access to higher education

To increase access to public universities and other higher learning institutions, the Government will reform the bursary and student loan system so that students who cannot afford to pay fees are supported. Further, to enhance the development of an innovative society, the bursaries and student loans will be steered towards science, technology, engineering and mathematics. Investment will also be made in infrastructure and education-industry linkages to ensure that graduates have relevant and employable skills. The Government will continue creating an enabling environment for the private sector to thrive in the delivery of higher education.

#### Programmes:

- a) Infrastructure development
- b) Human resource development
- c) Loans and scholarship scheme
- d) Curriculum development
- e) Private sector participation promotion.

### Strategy 4: Enhance science, technology and innovation

To promote science, technology and innovation, investment for research and development will be enhanced, including in institutions of higher learning. This will be done through utilisation of various funds such as the Strategic Research Fund and the Science, Technology and Innovation Youth Fund. Further, partnerships between higher learning institutions and state and non-state actors will be promoted to enhance the uptake of research. STEM education that promotes research, innovation, productivity and competitiveness for national and international demands will be promoted. The development and application of digital skills to support the country's transformation to a digital economy will also be promoted.

#### Programmes:

- a) STEM
- b) Curriculum development
- c) Industry linkages promotion
- d) Science and technology infrastructure development
- e) Digital skills development
- f) Partnership promotion

| Strategies and Programmes                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Strategy                                                        | Programme                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 1. Enhance access to quality, equitable and inclusive education | <ul style="list-style-type: none"> <li>a) Early childhood education</li> <li>b) Primary education</li> <li>c) Inclusive education (LSEN)</li> <li>d) Adult Literacy</li> <li>e) Secondary education</li> <li>f) Curriculum development</li> <li>g) Human resource development</li> <li>h) Infrastructure development</li> <li>i) ICT promotion</li> <li>j) Science, technology, engineering and mathematics</li> <li>k) Menstrual hygiene promotion</li> </ul> |
| 2. Improve Technical, Vocational and Entrepreneurship skills    | <ul style="list-style-type: none"> <li>a) Technical Education Vocational and Entrepreneurship Training</li> <li>b) Curriculum development</li> <li>c) Research and development</li> <li>d) Internship and apprenticeship</li> <li>e) Digital skills development</li> <li>f) Human resource development</li> <li>g) infrastructure development</li> </ul>                                                                                                       |
| 3. Increased access to higher education                         | <ul style="list-style-type: none"> <li>a) Infrastructure development</li> <li>b) Human resource development</li> <li>c) Loans and scholarship scheme</li> <li>d) Curriculum development</li> <li>e) Private sector participation promotion</li> </ul>                                                                                                                                                                                                          |
| 4. Enhance science, technology, and innovation                  | <ul style="list-style-type: none"> <li>a) STEM</li> <li>b) Curriculum development</li> <li>c) Industry linkages promotion</li> <li>d) Science and technology infrastructure development</li> <li>e) Digital skills development</li> <li>f) Partnership promotion.</li> </ul>                                                                                                                                                                                   |

## 6.5. DEVELOPMENT OUTCOME 2: IMPROVED HEALTH, FOOD AND NUTRITION

To improve health and nutrition, the Government will focus on strengthening public health, increasing access to quality health care, promoting the participation of non-state actors in health care delivery, strengthening integrated health systems and enhancing food security and nutrition.

### Strategy 1: Strengthen public health

In the 8NDP period, the Government will devolve the provision of district health services to enhance decision-making for effective service delivery. This will strengthen public health for the prevention and control of infectious diseases such as malaria, tuberculosis and HIV and AIDS as well as non-communicable diseases, mental health care, epidemic preparedness and control as well as health security and surveillance.

With these interventions, the target is to reduce TB incidence and mortality rate by at least 50 percent and 75 percent by 2026, respectively. With regard to malaria, the target is to reduce incidence and mortality from 340 cases per 1,000 population and 8 per 100,000 in 2020 to 200.8 per 1,000 and 4.7 per 100,000 in 2026, respectively. Zambia targets to reduce deaths associated with NCDs to 16 percent by 2026 from 29 percent in 2016.

#### Programmes:

- a) Disease prevention and control
- b) Health education and promotion

- c) Maternal healthcare
- d) Child survival development
- e) Family planning
- f) Epidemic preparedness and control
- g) Mental health and substance abuse management
- h) Health security and surveillance.

## **Strategy 2: Increase access to quality health care**

During the Plan period, interventions will be aimed at increasing access to quality health care by scaling-up recruitment of health personnel to reduce the health personnel to population ratio, and ensuring availability of medicines and medical supplies. In addition, the development of climate resilient health infrastructure as well as the equipping of health facilities will be prioritised. Further, the national health insurance will be rolled-out to include the informal sector. The Government will leverage on the national health insurance scheme to facilitate wider health care delivery by bringing on board more private sector providers. The Government will also put in place measures to facilitate partnerships with the private sector to create centres of specialisation in the provision of health services.

With this intervention it is expected that the client to health personnel ratio will reduce to 3,500 persons per doctor in 2026 from 6,750 in 2020, 3,000 persons per clinical officer from 4,600, and 500 person per nurse/midwife from 750. It is also expected that the availability of essential drugs and medical supplies will increase to at least 90 percent fill rates by 2026 from 40 percent in 2020. Further, it is envisaged that the proportion of hospitals with fully functional recommended equipment will improve to 85 percent by 2026 from 20 percent in 2020. By 2026, the target is for all Zambians to be covered by the national health insurance from the coverage of 25 percent in 2021.

### **Programmes:**

- a) Infrastructure development
- b) Medicines and medical supply chain management
- c) Equipment and transport procurement and maintenance
- d) Health insurance
- e) Mobile health services
- f) Specialised health services
- g) Human resource development

## **Strategy 3: Enhance food security and nutrition**

To enhance the nutrition status of Zambians, the Government will eliminate all forms of malnutrition through support of appropriate feeding practices for school children and adolescents, support micronutrients fortification and supplementation, and scale-up nutrition programmes. The Government will further strengthen research in nutrition and food systems to facilitate formulation of appropriate interventions. Other interventions will focus on strengthening the institutional framework for coordination of national nutrition and sustainable food systems. The Food and Nutrition Act No 3 of 2020 will be fully operationalised to enhance the implementation of multi-sectoral response on food security and nutrition.

With these interventions, it is expected that underweight prevalence will reduce to 8 percent by 2026 from 12 percent, while wasting will reduce to 3 percent from 4 percent and stunting to 25 percent during the same period in the under-five population.

#### Programmes:

- a) Scale-up nutrition
- b) Scale-up supplementary school feeding
- c) Nutrition institutional governance strengthening
- d) Sustainable food systems promotion
- e) Supplementation and micro-nutrients fortification
- f) Research and development
- g) Institutional feeding

### Strategy 4: Strengthen integrated health information systems

During the Plan period, the Government will continue to strengthen the integrated health information system in order to improve efficiency and effectiveness of the health sector. Among the programmes to be implemented will include health processes automation, strengthening integrated health care financing, integration of health information system and upscaling and automation of civil registration and vital statistics.

#### Programmes:

- a) Integrated health care financing
- b) Health information management system integration
- c) Civil registration and vital statistics automation

| Strategies and Programmes                           |                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Strategy                                            | Programme                                                                                                                                                                                                                                                                                                                                                                             |
| 1. Strengthen public health                         | <ul style="list-style-type: none"> <li>a) Disease prevention and control</li> <li>b) Health education and promotion</li> <li>c) Maternal healthcare</li> <li>d) Child survival development</li> <li>e) Family planning</li> <li>f) Epidemic preparedness and control</li> <li>g) Mental health and substance abuse management</li> <li>h) Health security and surveillance</li> </ul> |
| 2. Increase access to quality health care           | <ul style="list-style-type: none"> <li>a) Infrastructure development</li> <li>b) Medicines and medical supply chain management</li> <li>c) Equipment and transport procurement and maintenance</li> <li>d) Health insurance</li> <li>e) Mobile health services</li> <li>f) Specialised health services</li> <li>g) Human resource development</li> </ul>                              |
| 3. Enhance food security and nutrition              | <ul style="list-style-type: none"> <li>a) Scale-up nutrition</li> <li>b) Scale-up supplementary school feeding</li> <li>c) Nutrition institutional governance strengthening</li> <li>d) Sustainable food systems promotion</li> <li>e) Supplementation and micro-nutrients fortification</li> <li>f) Research and development</li> <li>g) Institutional feeding</li> </ul>            |
| a) Strengthen Integrated Health Information Systems | <ul style="list-style-type: none"> <li>a) Integrated health care financing</li> <li>b) Health information management system integration</li> <li>c) Civil registration and vital statistics automation</li> </ul>                                                                                                                                                                     |

## 6.6. DEVELOPMENT OUTCOME 3: IMPROVED WATER SUPPLY AND SANITATION

To improve water supply and sanitation, the Government will promote investment in the water sector, enhance access to clean and safe water supply and access to improved sanitation. Further, the Government will establish a sustainable financing mechanism for the sector that will facilitate mobilisation of local and international financing for water supply and sanitation programmes including through public-private partnerships.

### Strategy 1: Improve access to clean and safe water supply

In the Plan period, the Government will prioritise the provision of safe water and improved sanitation across the country, especially in districts, constituencies and wards where there have been water deficiencies. Key programmes to be implemented will include climate resilient water supply infrastructure development and maintenance, water quality monitoring and protection of aquifers and protected water sources. Key programmes to enhance access to improved sanitation will include sanitation infrastructure development and maintenance, sanitation and personal hygiene promotion, capacity development, solid waste management and health and hygiene education.

Constituencies and wards will be facilitated to identify areas of need for water and sanitation services and plan for the provision of such services to reduce developmental inequalities related to access to social services. Further, the enhanced allocation of the Constituency Development Fund will assist in accelerating investment in the water sector.

The implementation of these measures will lead to an increase in access to safe water to 67 percent by 2026 from 58 percent in 2018 for rural areas and to 98 percent by 2026 from 91.8 percent in 2018 for urban areas. Further, access to sanitation will increase to 55 percent by 2026 from 37.2 percent in 2018 and to 90 percent by 2026 from 77.7 percent in 2018 for rural and urban areas, respectively.

#### Programmes:

- a) Infrastructure development
- b) Water quality monitoring.

### Strategy 2: Improve sanitation services

Government will strengthen sewerage and solid waste management by enhancing financing to address the constraint of inadequate infrastructure in the sanitation sub-sector. Promotion of sustainable sanitation practices will also be scaled-up.

With these interventions, the proportion of households with access to improved sanitation is expected to improve from 37.2 percent and 77.7 percent in 2018 to 55 percent and 90 percent in 2026 in rural and urban areas, respectively. Constituencies and wards will identify areas of need for water and sanitation services and plan for provision of such services to reduce developmental inequalities related to access to these services.

## Programmes:

- a) Infrastructure development
- b) Solid waste management
- c) Sanitation and hygiene promotion
- d) investment promotion

| Strategies and Programmes                        |                                                                                                                              |
|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| Strategy                                         | Programme                                                                                                                    |
| 1. Improve access to clean and safe water supply | a) infrastructure development<br>b) Water quality monitoring                                                                 |
| 2. Improve Sanitation Services                   | a) Infrastructure development<br>b) Solid waste management<br>c) Sanitation and hygiene promotion<br>d) investment promotion |

## 6.7. DEVELOPMENT OUTCOME 4: REDUCED POVERTY, VULNERABILITY AND INEQUALITIES

To reduce poverty, vulnerability and inequalities, the Government will focus on improving coordination of social protection programmes; enhancing welfare and livelihoods of poor and vulnerable people; reducing developmental inequalities; reducing vulnerability; mitigating violence against women and children; extending social security coverage; and enhancing multi-sectoral disaster management.

### Strategy 1: Improve coordination of social protection programmes

The Government will continue to harmonise and strengthen social protection delivery systems at district and community level in order to address the multiple causes of poverty and vulnerability and ultimately improve efficiency in the delivery of social protection programmes. The Government will review and harmonise all social protection-related legislation and domesticate international and regional social protection agreements. Further, to assist in planning, policy formulation and eliminate duplication in social protection programmes, the Zambia Integrated Social Protection Information System will be fully utilised. The pensions system will also be reformed to inter alia, increase coverage, enhance its effectiveness as a social safety net and make it financially sustainable. A key measure will be the creation of a statutory pension and an occupational pension, especially for public sector employees.

## Programmes:

- a) Social Protection integration
- b) Social protection Reforms
- c) Social security coverage expansion.

### Strategy 2: Enhance welfare and livelihoods of poor and vulnerable people

The Government will continue to implement programmes aimed at improving welfare and livelihoods of people, especially the poor and vulnerable, such as the aged and people with disabilities. The number of beneficiaries and support offered to interventions such as the social cash transfer (SCT), food security pack and the keeping girls in school programme will be scaled-up. Further, the Government will link the SCT

transfer value to economic trends through the “Cash Plus” Agenda. This will allow SCT beneficiaries to access programmes such as the food security pack, livelihood schemes and human capital investments (nutrition, early childhood development, primary and secondary education and skills development). This will contribute to breaking the intergenerational cycle of poverty. The targeting and payment systems for the social cash transfer will also be strengthened.

Livelihood and empowerment schemes will be decentralised to the community level to ensure provision of resources directly to constituencies and wards, with particular focus on women and the youth. This will enhance targeting of interventions to the neediest communities and households. Through empowerment schemes, local businesses and service providers will also be supported with finances and market linkages, thereby stimulating the local economy. Resettlement schemes will be used as a means of facilitating sustained empowerment of the poor and vulnerable people such as the unemployed, retired, internally displaced and persons with disability.

The Government will promote the development of sport and art to protect and promote the wellbeing of juveniles and children and reduce delinquency. In addition, the Government will prioritise interventions to tackle gender-based violence, teenage pregnancies, child abuse and violence against the vulnerable such as the aged, PWDs and mentally challenged persons. Concerted efforts will be made towards child protection and ending child marriages. Government will also implement measures to rehabilitate and reintegrate street children. In implementing these interventions, the Government will sensitise beneficiaries in order to inculcate national values and principles. Further, disability services will be provided to promote access and participation of PWDs including through the provision of PWD friendly infrastructure across all sectors. Support towards functional literacy will be scaled up and mainstreamed in these interventions.

The interventions highlighted above will contribute to the reduction of poverty levels to 45 percent by 2026 from 54.4 percent in 2015. Multidimensional poverty is targeted to reduce to 38 percent by 2026 from 44 percent in 2018.

#### **Programmes:**

- a) Social Cash Transfer
- b) Livelihood and empowerment decentralisation
- c) Public Welfare Assistance Scheme
- d) Disability services
- e) Sports, culture and arts development
- f) Resettlement schemes development
- g) Self-help initiatives promotion
- h) Food security support
- i) Gender-based violence elimination
- j) Child protection
- k) Migration services

### **Strategy 3: Reduce developmental inequalities**

In an effort to reduce developmental disparities, the Government will implement interventions to address gender, income and spatial inequalities. Interventions to promote gender equality will address issues related to the participation of women in decision-making positions at all levels of governance and sustaining and improving gender parity in education. To address income inequalities, livelihood and empowerment programmes will be enhanced in order to positively impact on incomes, while infrastructure development will be undertaken in different sectors to address rural-urban disparities. This will include accelerating programmes on rural electrification, rural access roads and enhancing access to other basic services. Other measures that will be implemented in the Plan such as decentralisation and enforcement of the rule of law will also contribute to reducing developmental inequalities.

These interventions will contribute to a reduction in the income inequality with the Gini coefficient decreasing to at least 0.54 in 2026 from 0.69 in 2015.

#### **Programmes:**

- a) Gender equality
- b) Integrated Development Planning
- c) Rural roads connectivity
- d) Rural Industrialisation
- e) Life skills development and resilience building
- f) Rural Electrification
- g) Youth entrepreneurship and vocational skills training

### **Strategy 4: Increasing access to decent and affordable housing**

To increase access to decent and affordable housing for all, during the 8NDP period, Government will facilitate the provision of affordable housing finance, provide incentives for the private sector participation and promote investments in research on alternative building materials and technologies. Consequently, during the Plan period, the housing deficit is expected to reduce from 1,539,000 to 1,378,000 housing units.

#### **Programmes:**

- a) Housing sector reforms
- b) Public and Social housing
- c) Settlement improvement
- d) Housing finance
- e) Research and development.

### **Strategy 5: Reduce vulnerability associated with HIV and AIDS**

The Government's strategy in the 8NDP period will be to reduce the national HIV and AIDS incidence and prevalence. During this period, the Government will endeavour to implement programmes that will accelerate HIV testing and treatment to ensure viral load suppression, eliminate stigma and discrimination and increase domestic investments and resource mobilisation towards HIV and AIDS.

This commitment aims at achieving the 95-95-95 treatment targets by 2026. The 95-95-95 targets refer to 95 percent of people living with HIV know their HIV status, 95 percent of people tested positive for HIV get access to treatment services and 95 percent of people on antiretroviral treatment achieve HIV viral load suppression.

#### Programmes:

- a) HIV testing and treatment
- b) Stigma and discrimination reduction
- c) HIV and AIDS financing

| Strategies and Programmes                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Strategy                                                         | Programme                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 1. Improved Coordination of Social Protection Programmes         | <ul style="list-style-type: none"> <li>a) Social Protection integration</li> <li>b) Social protection Reforms</li> <li>c) Social security coverage expansion</li> </ul>                                                                                                                                                                                                                                                                                                                              |
| 2. Enhance welfare and livelihoods of poor and vulnerable people | <ul style="list-style-type: none"> <li>a) Social Cash Transfer</li> <li>b) Livelihood and empowerment decentralisation</li> <li>c) Public Welfare Assistance Scheme</li> <li>d) Disability services</li> <li>e) Sports, culture and arts development</li> <li>f) Resettlement schemes development</li> <li>g) Self-help initiatives promotion</li> <li>h) Food security support</li> <li>i) Gender-based violence elimination</li> <li>j) Child protection</li> <li>k) Migration services</li> </ul> |
| 3. Reduce developmental inequalities                             | <ul style="list-style-type: none"> <li>a) Gender equality</li> <li>b) Integrated Development Planning</li> <li>c) Rural roads connectivity</li> <li>d) Rural Industrialisation</li> <li>e) Life skills development and resilience building</li> <li>f) Rural Electrification</li> <li>g) Youth entrepreneurship and vocational skills training</li> </ul>                                                                                                                                            |
| 4. Increasing access to decent and affordable housing            | <ul style="list-style-type: none"> <li>a) Housing sector reforms</li> <li>b) Public and Social housing</li> <li>c) Settlement improvement</li> <li>d) Housing finance</li> <li>e) Research and development</li> </ul>                                                                                                                                                                                                                                                                                |
| 5. Reduce vulnerability associated with HIV and AIDS             | <ul style="list-style-type: none"> <li>a) HIV testing and treatment</li> <li>b) Stigma and discrimination reduction</li> <li>c) HIV and AIDS financing</li> </ul>                                                                                                                                                                                                                                                                                                                                    |

## 7. STRATEGIC DEVELOPMENT AREA 3: ENVIRONMENTAL SUSTAINABILITY

### 7.1. OVERVIEW

Zambia's vision of attaining a prosperous middle-income status by 2030 emphasises development that is anchored on sustainable environment, ecosystems and natural resource management principles. This means attainment of socio-economic development which meets the needs of the current generation without compromising the ability of future generations to meet their own needs. This is also in line with the 2030 Agenda on Sustainable Development, the AU Agenda 2063 and the SADC Regional Indicative Strategic Development Plan.

### 7.2. CURRENT SITUATION

Unsustainable exploitation of natural resources in Zambia is evidenced through deforestation and forest degradation, land degradation, encroachment of protected areas, unsustainable fishing, loss of biodiversity, unsustainable production and consumption patterns, and uncontrolled human settlements, among others. Land cover maps for the years 2000 to 2015 show that human activities such as the expansion of settlements and agriculture reduced forest cover from 47.05 million hectares in 2000 to 45.94 million hectares in 2015. As of 2018, estimates indicate that the country has been losing in excess of 172,000 hectares of forest cover per annum. In addition, the country's wetlands and aquifers have come under severe pressure from development as the demand for housing and water increases. The country has also suffered from biodiversity loss due to agricultural expansion, illegal exploitation of forest, fisheries and wildlife resources, mining operations as well as the advent of invasive species of plants and organisms. Additionally, unsustainable exploitation of natural resources and poor environmental management have contributed to increased incidences of adverse climate change impacts such as droughts, floods and extreme temperatures.

Zambia is vulnerable to natural hazards and the impacts of climate change. The 2020 University of Notre Dame Global Adaptation Initiative index ranked Zambia as the 41st most vulnerable country to the impacts of climate change out of 182 countries. Climate change and variability has led to adverse effects such as droughts, floods and extreme temperatures on key sectors including energy, agriculture and water. This has resulted in decreased hydroelectricity generation capacity, food insecurity and limited access to clean drinking water for people and animals.

Zambia remains a net carbon sink; the net sink status reduced to -16,815.2 Gigagrams (Gg) carbon dioxide (CO<sub>2</sub>) equivalent in 2010 from -57,124.0 Gg of CO<sub>2</sub> equivalent estimated in 1994. This was on account of greenhouse gas (GHG) emissions from different sectors of the economy increasing by 47 percent from 86,063 Gg in 1994 to 126,758 Gg in 2016.

Further, Zambia's natural environment and ecosystems have come under threat on account of poor environmental management practices including air, water and land pollution, as well as poor sanitation and waste management. The mining and manufacturing industries as well as the rising motor vehicle population are the major sources of air pollution as they discharge harmful gases and dust particles into the atmosphere, sometimes beyond the statutory limits. Additionally, water pollution is widespread with the manufacturing, mining, inefficient sewage treatment facilities and agriculture being the major polluters of both surface and groundwater, thereby limiting access to safe water. Zambia is also facing increasing

risks from poor chemical and solid waste management from sources such as electrical and electronic waste (e-waste) as well as other hazardous waste, which may contain persistent organic pollutants. The environment has also been adversely affected by poor solid waste management which is a threat to water bodies and animals.

Therefore, during the Plan period, the Government will enhance mitigation and adaptation to climate change while promoting sustainable management of the environment, ecosystems and natural resources to promote green growth and environmental sustainability. Environmental education and awareness will be implemented alongside all interventions in this Strategic Development Area.

### 7.3. CONSTRAINTS

The constraints to environmental sustainability include undiversified sources of income for sustainable livelihoods, unsustainable agricultural practices and use of environmental products; inadequate education and community awareness on the environment and the value of natural resources by communities; and inadequate legal and institutional frameworks and capacities for implementation of actions on environmental protection. Additionally, there are low levels of technical and technological capacities and funding limitations for implementation of more ambitious climate change actions; low integration of climate change in key sectors at the national and subnational level; and insufficient hydrometeorological infrastructure and climate information services and early warning systems for more efficient disaster and climate risk preparedness, prevention, response and recovery.

Further, there is limited inclusive participation of communities, especially the most vulnerable, in the management of natural resources. Systems for quantification and valuation of natural resources to inform policy decisions are also inadequate, compounded by the uncoordinated implementation of natural resource management programmes. There is also weak compliance and enforcement of environmental sustainability standards and norms, coupled with inadequate environmental emergency preparedness and response systems, and weak environmental monitoring and surveillance systems and capacities.

To overcome these constraints, the Government will strengthen the policy and regulatory framework on climate change, natural resources and environmental management, green growth, forestry and meteorology. This will bolster the coordination mechanism and promote the transition to a modern green economy. A green growth strategy will be developed to promote an economy wide integration of green values and principles in consumption and production systems, in efficiency and productivity of natural resource use, in reducing pollution and improving the economy's resilience to climate change, disaster risks and other shocks.

Government will also enhance education and awareness-raising on the importance of sustainably managing the environment, ecosystems and natural resources, to ensure that the citizenry understand the impacts of poor environmental practices and take necessary actions to contribute to environmental sustainability. Additionally, Government will strengthen national and subnational institutional and technical capacities for sustainable environment, ecosystems and natural resources management. This will be actualised through the implementation of strategies and programmes aimed at achieving the interlinked development outcomes outlined below.

## **7.4. DEVELOPMENT OUTCOME 1: ENHANCED MITIGATION AND ADAPTATION TO CLIMATE CHANGE**

Under this development outcome, the Government will prioritise the implementation of adaptation actions in Zambia's Nationally Determined Contributions to achieve improved adaptive capacity, reduced vulnerability and enhanced resilience to climate change, for both human and biophysical systems. Government will also invest in ambitious mitigation actions by promoting low carbon sustainable consumption and production to reduce greenhouse gas emissions and meet the emission reduction targets set out in the Nationally Determined Contributions. The Government will also enact legislation on climate change to strengthen the coordination framework and enhance coherence between adaptation and disaster risk reduction, among others.

Additionally, the Government will increase resource mobilization for climate actions and disaster risk reduction from various sources including the public sector, private sector, international financing institutions, multilateral and bilateral sources to ensure that climate action is adequately funded. Government will further promote engagement in the carbon market, green bonds and other innovative climate finance sources with a focus on possible benefits that could accrue to the local communities from carbon trading. Increased climate finance will ensure that enhanced and ambitious climate adaptation and mitigation action is implemented to achieve a sustainable inclusive climate resilient and low carbon green economy.

### **Strategy 1: Strengthen climate change adaptation**

Implementing adaptation measures will contribute to building the resilience of communities and the economy to the impacts of climate change. During the 8NDP period, therefore, the Government will enhance the human and institutional capacities for undertaking and supporting more ambitious climate change actions. Further, improved production and consumption practices and nature-based solutions will be promoted among communities to enhance climate change adaptation. This will include engaging communities in activities such as water harvesting, integrated water resources management including scaled-up irrigation development and climate smart agriculture. Further, communities will be engaged in environmentally friendly alternative livelihoods and natural resources-based value chains aimed at strengthening resilience and sustaining livelihoods.

With the implementation of these interventions, it is expected that the level of resilience will increase to medium by 2026 from low in 2021.

#### **Programmes:**

- a) Institutional framework strengthening
- b) Climate change mainstreaming
- c) Long-term adaptation planning
- d) Nature-based solutions
- e) Sustainable land, forest and water management
- f) Sustainable agriculture
- g) Climate-resilient infrastructure development

## Strategy 2: Strengthen climate change mitigation

To enhance climate change mitigation and promote low carbon development, the Government will implement various interventions in forestry, agriculture and energy. In line with the Nationally Determined Contributions, focus in the forestry sector will be on forestry enhancement, sustainable charcoal production, improved cooking devices and forestry fire management. In agriculture, the focus will be on climate-smart agriculture while in energy focus will be switching towards green and renewable energy sources, such as biogas, solar, and wind and increasing on energy use efficiency as well as reducing electricity transmission and distribution losses from the national grid.

With the implementation of these interventions, the country will reduce GHG emissions to 25,147.2 Gg CO<sub>2</sub> (eq) by 2025 from -16,815 Gg CO<sub>2</sub> (eq) in 2010.

### Programmes:

- a) Sustainable consumption and production
- b) Sustainable land management
- c) Pollution prevention and control
- d) Greenhouse gas (GHG) transparency framework
- e) Sustainable agriculture promotion
- f) Sustainable forest management
- g) Technology development and transfer
- h) Green and renewable energy

## Strategy 3: Enhance disaster risk reduction and response

To enhance disaster risk management, the Government will strengthen disaster risk reduction, enhance early warning systems for early action and disaster preparedness for effective response to build back better in recovery, rehabilitation and reconstruction. Further, the Government will undertake disaster risk assessments, establish emergency operation centres, community-based disaster risk management programmes and post-disaster recovery activities for resilience building.

With the implementation of these interventions, it is expected that disaster risks and losses will reduce by 10 percent over the 5-year period per annum.

### Programmes:

- a) Climate information services
- b) Early warning system
- c) Disaster preparedness and mitigation
- d) Disaster response and recovery.

| Strategies and Programmes                       |                                                                                                                                                                                                                                                                                                                             |
|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Strategy                                        | Programme                                                                                                                                                                                                                                                                                                                   |
| 1. Strengthen climate change adaptation         | a) Institutional framework strengthening<br>b) Climate change mainstreaming<br>c) Long-term adaptation planning<br>d) Nature-based solutions<br>e) Sustainable land, forest and water management<br>f) Sustainable agriculture<br>g) Climate-resilient infrastructure development                                           |
| 2. Strengthen climate change mitigation         | a) Sustainable consumption and production<br>b) Sustainable land management<br>c) Pollution prevention and control<br>d) Greenhouse gas (GHG) transparency framework<br>e) Sustainable agriculture promotion<br>f) Sustainable forest management<br>g) Technology development and transfer<br>h) Green and renewable energy |
| 2. Enhance disaster risk reduction and response | a) Climate information services<br>b) Early warning system<br>c) Disaster preparedness and mitigation<br>d) Disaster response and recovery                                                                                                                                                                                  |

## 7.5. DEVELOPMENT OUTCOME 2: SUSTAINABLE ENVIRONMENT AND NATURAL RESOURCES MANAGEMENT

Sustainable environment, ecosystems and natural resources management is necessary as it support the provision of basic human needs, such as clean air, water, fertile land for food and animal production and inputs for various production processes. It also provides functioning services that contribute to the control of soil erosion, floods, disease proliferation and regulation of the climate. The Government will, therefore, promote protection, conservation and restoration and rehabilitation of the environment, ecosystems and natural resources through the promotion of integrated and community-based natural resources management systems.

### Strategy 1: Promote integrated environmental management

During the Plan period, the focus will be on reversing unsustainable environmental and natural resources management practices. Specific measures to be implemented will be: the building of capacity in environmental protection and control institutions, including local authorities, to restore and protect degraded ecosystems, landscapes and water catchment areas; strengthening monitoring and environmental assessments; and promoting sustainable consumption and production, including recycling, reducing resource use and reusing of resources in line with the circular economy principles and norms. The Government will also enhance compliance monitoring of industries, enforce effective management of hazardous chemicals and other waste as well as improve environmental monitoring and tracking including air quality monitoring.

For other ecologically sensitive areas and forests, Government will embark on restoration and management of wetlands, headwaters and riverine, afforestation and reforestation and will promote the establishment and development of commercial plantations as well as promote value addition to forest products. Government will also strengthen research and technology development while addressing illegal forest land usage.

With the implementation of these interventions, it is expected that compliance to environmental standards and guidelines will increase to 65 percent by 2026 from 43 percent in 2021.

## Programmes:

- a) Pollution prevention and control
- b) Chemical and waste management
- c) Environmental compliance tracking
- d) Environmental services valuation
- e) Urban and regional planning

## Strategy 2: Enhance natural resources management

The Government will implement programmes aimed at reversing the growing threats to natural resources ranging from habitat transformation, encroachment, uncontrolled wildfires and invasive species. Among the key interventions will be to enhance community participation in natural resource management. The operations of structures, such as the natural resources management committees, game management areas committees, forest management committees, and water management committees will, therefore, be strengthened. Further, the Government will promote the quantification and valuation of natural resources and ecosystem services and operationalise conservation plans for critical wetlands. The Government will also strengthen research and technology development while addressing illegal land-use change with local authorities and other relevant institutions and stakeholders. A major policy shift during the 8NDP period will be to ban the unsustainable production and consumption of charcoal by 2025. In this regard, measures will be put in place to protect the livelihoods of those in the charcoal value chain and promote alternative energy sources for charcoal users.

With this intervention, it is expected that the deforestation rate will reduce to 120,000 of forest cover per annum by 2026 from current 172,000 of forest cover per annum in 2021.

## Programmes:

- a) Sustainable land and forest management
- b) Sustainable wildlife and fisheries management
- c) Urban and land use planning
- d) Community based natural resources management
- e) Water catchment protection and conservation
- f) Natural resource valuation and accounting

| Strategies and Programmes                      |                                                                                                                                                                                                                                                                                                                                                                      |
|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Strategy                                       | Programme                                                                                                                                                                                                                                                                                                                                                            |
| 1. Promote integrated environmental management | <ul style="list-style-type: none"> <li>a) Pollution prevention and control</li> <li>b) Chemical and waste management</li> <li>c) Environmental compliance tracking</li> <li>d) Environmental services valuation</li> <li>e) Urban and regional planning</li> </ul>                                                                                                   |
| 2. Enhance natural resources management        | <ul style="list-style-type: none"> <li>a) Sustainable land and forest management</li> <li>b) Sustainable wildlife and fisheries management</li> <li>c) Urban and land use planning</li> <li>d) Community based natural resources management</li> <li>e) Water catchment protection and conservation</li> <li>f) Natural resource valuation and accounting</li> </ul> |

## 8. GOOD GOVERNANCE ENVIRONMENT

### 8.1. OVERVIEW

Good governance entails respect for human rights and freedoms, entrenching transparency and accountability, participation, strengthening the democratic process, enhancing access to justice and observance of the rule of law and upholding national values and principles. It also entails having strong and independent institutions. Good governance is an important precursor for transforming the economy, sustaining economic growth and promoting human dignity, thereby safeguarding lives and livelihoods. This Strategic Development Area, therefore, will focus on strengthening the policy, Legal and institutional framework for good governance as well as enhancing the rule of law, human rights and constitutionalism.

### 8.2. CURRENT STATUS

Over the past few years, Government has undertaken various governance reforms. Among the reforms undertaken included the development of the first-ever National Legal Aid Policy in 2018 aimed at increasing access to justice for all, particularly for the poor and vulnerable in society. Following the launch of the Policy, 8,756 clients were assisted with legal services in 2020 compared to 5,177 clients in 2017. Zambia's Rule of Law Index also improved from -0.25 in 2016 to 0.47 in 2020, surpassing the planned 7NDP end-target of 0.25. Notwithstanding these improvements, speedy dispensation of justice remains a challenge due to a number of factors such as the inadequate number of qualified and practising lawyers. The ratio of judicial officers to population, which remained unfavourable, especially at the High Court level where on average, one judge dealt with about 264 cases in 2019.

Further, inadequate numbers and types of courts contributed to the build-up of a backlog of cases. Compounding to this problem is the lack of an integrated case flow management system among the Justice systems in the processing of cases. In 2021, the holding capacity of Zambia Correctional Facilities, which stands at 10,600, held 21,400 prisoners. Additionally, the National Prosecution Authority was only decentralised to 64 out of 116 districts since 2017.

Public institutions providing services related to health, education, agriculture, public safety and order operate below optimal staffing levels. For these sectors, the number of specialized personnel remains low. During the Plan period, programmes will be undertaken to enhance personnel specialisation.

To enhance transparency and accountability in the utilisation of public resources, the Public Finance Management Act No. 1 of 2018, the National Planning and Budgeting Act No. 1 of 2020 and the Public Procurement Act No. 8 of 2020 were enacted. Among other objectives, the three pieces of legislation will strengthen public financial management, adherence to procurement guidelines as well as linking the planning and budgeting processes. In addition, the Public Audit Act No. 29 of 2016 aimed at providing a framework for promoting efficiency, accountability, effectiveness and transparency of public administration through effective oversight and audit of public funds and performance. The country also introduced several measures, including sensitisation and advocacy campaigns for public finance management.

Further, the Government accelerated the implementation of the e-government reform to make government processes more transparent and enhance accountability in public service delivery. Further, the Statistics Act

No. 13 of 2018 was enacted to set the basis for the strengthening of national data and information systems and the restructuring of the national statistics authority. The country's statistical capacity index improved to 62.5 in 2020 from 52 in 2017 against the 7NDP target of 60.

Though progress was recorded in some areas of governance, the Corruption Perception Index for Zambia dropped to 33/100 in 2021 from 38/100 in 2016. The institutions charged with ensuring transparency and accountability are however, mostly centralised, leading to low accessibility by the majority of citizens. Other challenges relate to low empowerment of citizens to hold public officers accountable, inefficiencies in the delivery of public services, and ineffective grievance resolution mechanisms. These challenges are a breeding ground for corruption. Further, public infrastructure and equipment for the delivery of public services are poorly maintained, leading to low quality of public services.

The country continues to record low participation in democratic and political governance processes as well as decision-making by women, the youth and persons with disabilities. As of August 2021, the proportion of women in Parliament reduced to 13 percent from 18.1 percent in 2016. The youth constituted 4 percent of the Members of Parliament and there was only 1 member of Parliament with a disability. In 2021, elected female Mayoral and Council Chairpersons increased to 25 percent and 10 percent from 12 percent and 7 percent in 2016, respectively. To achieve gender parity in decision-making positions, reforms will be undertaken to promote the participation of women. Further, participation of youth and PWDs will be encouraged.

To promote constitutionalism and the rule of law, the Constitution of Zambia was amended in 2016 to enhance human rights and strengthen governance institutions. Further, to fully operationalise the enhanced provisions, subsidiary legislation was enacted. To achieve a constitution that reflects the people's aspirations, further revisions to the Constitution will be undertaken through a consultative process.

Government has been implementing parliamentary reforms to strengthen the legislative, representative and oversight functions of the Legislature. Currently, there is low utilisation of available public participation platforms such as Constituency Offices. There is also limited application of parliamentary oversight in the implementation of national developmental plans. Thus, the pace of implementation of parliamentary reforms shall be quickened to effectively respond to identified operational challenges.

### 8.3. CONSTRAINTS

The realisation of a conducive governance environment has largely been constrained by the slow pace of implementation of the key reforms. These include performance management, e-government, decentralisation, public finance management, parliamentary and judicial reforms. Additionally, inadequate capacity of governance and investigative agencies to investigate and prosecute corruption and related crimes, such as financial and economic offences, has inhibited the creation of a good governance environment. There is also low enforcement of recommendations from the legislature and other oversight institutions.

Another constraint is the inadequate knowledge among citizens on the existing platforms to engage elected representatives, and other governance agencies. Interest groups and citizens have not effectively held their leaders accountable. Other constraints include inadequate infrastructure and limited utilisation of ICT solutions, thereby affecting the efficient delivery of services.

## **8.4. DEVELOPMENT OUTCOME 1: IMPROVED POLICY AND GOVERNANCE ENVIRONMENT**

During the Plan period, the Government will ensure that a conducive and stable policy and legislative environment is put in place. This will enhance certainty and instil confidence among citizens, businesses and investors. To achieve this, the Government will continue to strengthen the existing policy, legal and institutional framework. Government will also establish inclusive consultative processes and undertake reforms that will improve the interactions of the citizens, the private sector, civil society and the public sector.

### **Strategy 1: Decentralise public service delivery systems**

During the Plan period, the Government will focus on devolving sector functions to local authorities to enhance public service delivery at lower levels of governance. This is in line with the National Decentralisation Policy and its implementation framework. It is envisaged that the local authorities will play a major role in service delivery at the district level and will coordinate development at that level.

Further, local government reforms will be implemented to enhance financial management, revenue generation and investment in capacity enhancement for effective delivery of socio-economic development. Fiscal mapping and decentralisation of resources to the sub-national levels through the effective implementation of the National Decentralisation Policy will be undertaken.

The capacity of communities will be strengthened to manage and implement programmes with high social and economic impact under the Constituency Development Fund. This will improve the participation of lower level governance structures in the identification of local priority projects, and beneficiaries of empowerment and bursary support programmes. The local planning process will also be strengthened, anchored on the full operationalisation of the Planning and Budgeting Act No.1 of 2020 and the Urban and Regional Planning Act No. 3 of 2015.

#### **Programmes:**

- a) Sector devolution
- b) Human resource management reforms
- c) Fiscal decentralisation
- d) Policy and legal reforms
- e) Capacity development.

### **Strategy 2: Strengthen national data and information systems**

During the Plan period, the Government will fully operationalise the Statistics Act No. 13 of 2018 for an integrated National Statistical System to increase the coverage, production, access to and use of quality data as well as statistics for national development. Further, efforts will be placed on improving the coverage of civil and vital registration systems as well as improving administrative data systems. Hence, the civil and vital registration system will be decentralised, to increase coverage for the registration of vital events and comply with the human rights of citizens, including operationalisation of the Integrated National Registration Information System (INRIS). The INRIS will lead to enhanced security systems through identification of

citizens, and optimisation of various public services, such as tax administration, social services and health insurance provision.

**Programmes:**

- a) Integrated management information systems
- b) Infrastructure development
- c) National statistical reforms
- d) Human Resource development
- e) Integrated National Registration Information System

**Strategy 3: Strengthen transparency and accountability mechanisms**

In the 8NDP period, the Government will scale-up interventions to promote transparency and accountability. To this effect, governance and investigative institutions, such as the Office of the Auditor-General and the Anti-Corruption Commission, will be capacitated to enhance transparency and accountability. In an effort to take services closer to the people, the Office of the Public Protector will be decentralised to provincial centres. This will be done to step up enforcement mechanisms for upholding principles of integrity among those charged with the responsibility to manage public resources and provide public services. This is envisaged to increase investor and citizen confidence that will drive economic transformation and job creation.

The Government will strengthen internal control systems and operations of the audit committees to enhance transparency. Further, the Government will enhance access to public information by undertaking media reforms. The oversight role of the legislature will also be enhanced to promote transparency and accountability, including public finance management. Further, the National Anti-Corruption Policy and pieces of legislation relating to economic crimes and money laundering will be revised.

During the Plan period, a conducive environment will be created for active participation of Non-Governmental Organisations (NGOs) in national development through the revision of the Non-Governmental Organisations Act No. 16 of 2009. This will improve coordination of the NGO in the country.

**Programmes:**

- a) Public finance management reforms
- b) Public procurement management
- c) Civic education
- d) Audit and Risk management
- e) Parliamentary reforms
- f) Media reforms
- g) Policy and legal reforms

**Strategy 4: Strengthen democratic and political governance**

During the Plan period, an enhanced separation of powers will be promoted among the three arms of Government. This will also entail an effective Judiciary that is accessible and delivers timely justice and enhancing the oversight role of the National Assembly for effective checks and balances on the Executive.

A level playing field for the participation and inclusion of marginalised and underrepresented sections of society such as women, youths and persons with disabilities in the political arena will be promoted through electoral reforms. The participation of the marginalized in the public sector through recruitment and appointment to decision-making positions will equally be promoted. This will be actualised through affirmative actions that boosts the participation of marginalised groups. In addition, decentralisation of electoral processes and continuous voter registration will be implemented. Elected representatives will also be supported to strengthen democratic processes. Further, Parliamentary Reforms will be undertaken to reposition the National Assembly in national development.

The Government will review the National Governance Policy to coordinate the promotion and application of governance principles that will harmonise the operations in the governance sector. In line with the national gender policy, affirmative actions will be implemented towards the progressive attainment of the target of 50-50 percent participation of men and women in decision making positions. The percentage of female members of Parliament will increase to 50 percent in 2026 from 18 percent in 2021.

**Programmes:**

- a) Legal and Judicial reforms
- b) Electoral reforms
- c) Parliamentary reforms
- d) Affirmative action

**Strategy 5: Strengthen public service performance management systems**

The public service will, during the Plan period, strengthen systems to promote effectiveness and efficiency in the delivery of public goods and services to support economic transformation. This will be done through leveraging on ICT for accessing government services, setting policies and business regulations and following laid down procedures. Further, the Government will promote professionalism, meritocracy, performance-accountability among public officers and accountability of institutions in delivering services to the citizens as well as improving leadership in the public service. The Government will also promote the maintenance of public infrastructure and equipment to enhance public service provision for social and economic development. The Government will take advantage of the Public-Private Partnerships Initiatives in the development, maintenance and management of public infrastructure.

**Programmes:**

- a) Electronic government
- b) Performance management system
- c) Public infrastructure maintenance

**Strategy 6: Strengthen land management and administration**

During the Plan period, land reforms will be undertaken to fully operationalise the Land Policy. A review of various statutes relating to land management systems will be undertaken to ensure enhanced access to land. This will contribute to increased productivity among the citizenry and equity in access to productive

resources. Further, the Government will decentralise land registration to provincial centres and digitise the process of issuance of certificates of land title to ensure efficient land administration.

#### Programmes:

- a) National land titling
- b) Land management and administration
- c) Land information management system
- d) Urban and regional planning
- e) Reaffirmation of international land boundaries

| Strategies and Programmes                                   |                                                                                                                                                                                                                                                                                                       |
|-------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Strategy                                                    | Programme                                                                                                                                                                                                                                                                                             |
| 1. Decentralise Public Service Delivery systems             | <ul style="list-style-type: none"> <li>a) Sector devolution</li> <li>b) Human Resource Management Reforms</li> <li>c) Fiscal Decentralisation</li> <li>d) Policy and legal reforms</li> <li>e) Capacity development</li> </ul>                                                                        |
| 2. Strengthen National Data and Information Systems         | <ul style="list-style-type: none"> <li>a) Integrated management information systems</li> <li>b) Infrastructure development</li> <li>c) National statistical reforms</li> <li>d) Human Resource development</li> <li>e) Integrated National Registration Information System</li> </ul>                 |
| 3. Strengthen transparency and accountability mechanisms    | <ul style="list-style-type: none"> <li>a) Public finance management reforms</li> <li>b) Public procurement management</li> <li>c) Civic education</li> <li>d) Audit and Risk management</li> <li>e) Parliamentary reforms</li> <li>f) Media reforms.</li> <li>g) Policy and legal reforms.</li> </ul> |
| 4. Strengthen Democratic and Political Governance           | <ul style="list-style-type: none"> <li>a) Legal and Judicial reforms</li> <li>b) Electoral reforms</li> <li>c) Parliamentary reforms.</li> <li>d) Affirmative action.</li> </ul>                                                                                                                      |
| 5. Strengthen public service performance management systems | <ul style="list-style-type: none"> <li>a) Electronic government scale-up</li> <li>b) Performance management system</li> <li>c) Public infrastructure maintenance.</li> </ul>                                                                                                                          |
| 6. Strengthen Land Management and Administration            | <ul style="list-style-type: none"> <li>a) National land titling</li> <li>b) Land management and administration</li> <li>c) Land information management system</li> <li>d) Urban and regional planning</li> <li>e) Reaffirmation of international land boundaries.</li> </ul>                          |

## 8.5. DEVELOPMENT OUTCOME 2: IMPROVED RULE OF LAW, HUMAN RIGHTS AND CONSTITUTIONALISM

To achieve improved rule of law, human rights, and constitutionalism, the Government will strengthen the criminal justice system and enhance the rule of law. This will be attained through the review of the Constitution, enhancing access to justice, promoting human rights, infrastructure development, enhancing legal aid systems, human and technical capacity development and modernisation of judicial systems.

### Strategy 1: Strengthen human rights and constitutionalism

Comprehensive constitutional reforms will be undertaken to enhance good governance and strengthen the protection of human rights which are critical ingredients to the wellbeing of citizens. Further, subsidiary laws

will be aligned to the constitution. Government will also progressively decentralise governance institutions to enhance access to services and improve the quality of services delivery as well as enhance their capacity.

#### Programmes:

- a) Constitutional reforms
- b) Human rights protection
- c) Capacity development
- d) Decentralize governance institutions

| Strategy and Programmes                      |                                                                                                                                                                                                   |
|----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Strategy                                     | Programmes                                                                                                                                                                                        |
| 1.Strengthen human rights, constitutionalism | <ul style="list-style-type: none"> <li>a) Constitutional reforms</li> <li>b) Human rights protection</li> <li>c) Capacity development</li> <li>d) Decentralize governance institutions</li> </ul> |

### Strategy 2: Strengthen the criminal and justice system and enhance rule of law

During the plan period, effort will be made to progressively decentralise the judicial system to enhance speedy dispensation of Justice. Further, offender management will be enhanced and reforms to review and decentralise the Parole framework undertaken. In addition, the juvenile justice framework will be reviewed and the system of rehabilitation of drug related offenders strengthened. Legal reforms, such as the review of Public Order Act and Penal Code, will be undertaken. This will lead to a safe and stable environment that will contribute to promoting peace and unity to spur investment in the country.

#### Programmes:

- a) Crime prevention, detection and prosecution
- b) Infrastructure development
- c) Human resource development
- d) Circuit courts enhancement
- e) Fast track courts expansion
- f) Judicial and security system automation
- g) Offender Management
- h) Constitutional reforms

| Strategy and Programmes                       |                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Strategy                                      | Programme                                                                                                                                                                                                                                                                                                                                                                            |
| 1. Strengthen the criminal and justice system | <ul style="list-style-type: none"> <li>a) Crime prevention, detection and prosecution</li> <li>b) Infrastructure development</li> <li>c) Human resource development</li> <li>d) Circuit courts enhancement</li> <li>e) Fast track courts expansion</li> <li>f) Judicial and security system automation</li> <li>g) Offender Management</li> <li>h) Constitutional reforms</li> </ul> |





## **PART V: MANAGEMENT OF THE PLAN**

## 9. IMPLEMENTATION AND COORDINATION FRAMEWORK

### 9.1. INTRODUCTION

The realisation of the 8NDP development outcomes depends on a comprehensive coordination framework that guides the implementation of the Plan. The coordination and implementation mechanisms will be government-led with the full participation of various stakeholders, including non-state actors at national and sub-national levels.

The implementation and coordination framework of the Plan recognizes the structures and institutional arrangements as provided for under the National Planning and Budgeting Act No. 1 of 2020. The National Development Coordinating Committee (NDCC), Cluster Advisory Groups (CAGs), Provincial Development Coordinating Committees (PDCCs) and District Development Coordinating Committees (DDCCs) will coordinate and provide oversight in the implementation of the Plan. In addition, the Ward Development Committees (WDCs) will coordinate the implementation of development interventions at the ward level. These structures will ensure broad stakeholder participation in development, transparency in development planning and budgeting as well as accountability for development results.

The implementation of the Plan will be undertaken using an integrated multi-sectoral approach which entails the clustering of agencies from various sectors to coordinate in the planning, budgeting, and implementation and monitoring of interventions that will lead to the attainment of identified strategic national development results. National, provincial and district levels will implement the Plan based on the configuration of institutions making up a particular national development plan (NDP) implementation Cluster and undertaking various programmes, projects and activities with specific deliverables to be generated semi-annually, annually, and by the end of the Plan period.

Ministries, provinces and other spending agencies (MPSAs) and non-state institutions assigned to implement a particular programme, project or activity in the 8NDP will be required to ensure that they effectively coordinate the planning, budgeting, implementation and monitoring of the performance of that particular intervention. Interventions that require a joint effort by various development actors will be expected to be implemented in a coordinated manner, with a lead institution working together with relevant actors to ensure effective planning, budgeting and implementation.

The Ministry responsible for national planning will provide guidelines for effective coordination and implementation of the 8NDP interventions. This will be complemented by the provision of technical support to ensure that the development coordination and implementation mechanisms are effective and able to discharge the assigned functions and responsibilities. MPSAs, including local authorities will be required to develop an Institutional Strategic and Implementation Plan which will specify how the ministry, provincial office, local authority and spending agency will contribute to the achievement of the development targets set out in the 8NDP. This will form the basis of medium-term and national budget estimates for ministries, provinces, local authorities and spending agencies.

A system of accounting for development results will be elaborated in the Implementation Plan of the 8NDP. This will be the basis for tracking progress on the implementation of the Plan as well as guiding the participation of state, non-state actors and the general citizenry in line with the Planning and Budgeting Act.

## **9.2. INSTITUTIONAL ARRANGEMENTS**

The institutional arrangements for coordinating the implementation of the 8NDP will include oversight bodies, implementing institutions and advisory structures. The following institutions will play key roles in ensuring effective implementation of the Plan in line with the set objectives and targets:

### **9.2.1. National Assembly**

The National Assembly will approve the Plan and play an oversight role to ensure that the Government delivers on its mandate and that the process of achievement of development outcomes is based on principles of accountability, transparency and value for money. Further, the National Assembly will approve the national budgets to operationalise the implementation of the strategies and programmes in the 8NDP.

### **9.2.2. Cabinet**

The Cabinet will provide policy direction to ensure that the development outcomes of the Plan are realised. It will facilitate the provision of an enabling environment for the successful implementation of the Plan. Further, it will interface with the National Assembly through the introduction of laws and be held accountable for implementation of the Plan.

### **9.2.3. Cabinet Office**

The Cabinet Office will facilitate the optimal operational capacity of the public sector by ensuring policy consistency and coherence, effective implementation of public sector reforms and implementation of Cabinet decisions. The Cabinet Office will also ensure effective human resource management for continuity in the public sector/Government operations, optimal staffing levels in government institutions as well as enforcement of performance-based management across the Government for efficient and effective public service delivery. Additionally, the Cabinet Office will facilitate the cascading of the 8NDP into Institutional Strategic and Implementation Plans.

### **9.2.4. Office of the Auditor-General**

The Office of the Auditor-General (OAG) will support the implementation of the 8NDP by examining whether or not public resources are spent economically, efficiently and effectively in compliance with existing rules and regulations. Further, the OAG will undertake performance audits of some programmes in the Plan.

### **9.2.5. Ministry Responsible for Finance and National Planning**

The Ministry responsible for finance and national planning will coordinate the design, implementation, monitoring and reporting of national development interventions. This will involve coordinating all advisory bodies and supporting the implementation, monitoring and evaluation processes of the Plan. Further, the Ministry will coordinate the appraisal of public projects and investments to ensure value for money.

The Ministry will also facilitate resource mobilisation for various Plan interventions to ensure implementation. It will coordinate the formulation of annual and medium-term budgets as well as ensure efficient execution of budgets. In so doing, the Ministry will ensure the alignment of budgets to the 8NDP.

### **9.2.6. Ministry of Local Government and Rural Development**

The Ministry responsible for local government and rural development will coordinate the implementation of the 8NDP by the local authorities. It will also ensure that ward development plans and Integrated Development Plans are consistent with the development aspirations of the 8NDP.

### **9.2.7. House of Chiefs**

According to the Constitution Article 169 (5.) (b) and (d), the role of the House of Chiefs is to make recommendations to the National Assembly and the local authority regarding socio-economic development issues. In this regard, the House of Chiefs will play a key role in initiating, discussing and making recommendations regarding development issues to both the National Assembly and local authorities with respect to the implementation of the 8NDP.

### **9.2.8. Ministries, Provinces and other Spending Agencies**

MPSAs will coordinate the implementation of 8NDP interventions within their respective mandates and advisory bodies. In so doing, MPSAs will be required to develop Institutional Strategic and Implementation Plans that will specify how they will contribute to the achievement of the development targets set out in the 8NDP.

### **9.2.9. State-Owned Enterprises**

State-Owned Enterprises (SOEs) will undertake various commercial activities to complement private sector investments. SOEs will also generate resources to complement Government revenues to finance the Plan and will further be expected to provide services, especially in areas where it is uneconomical for the private sector to operate. They will continue to provide socio-economic services such as electricity, water, sewerage, insurance, skills training, milling and agricultural marketing. In addition, they will partner with private companies to establish business operations in various sectors to mobilise investment funds in various sectors.

### **9.2.10. Private Sector**

The private sector will be key in actualising economic transformation and job creation as well as contribute to delivering services across the other strategic development plans. To this end, the private sector will be expected to drive economic growth through increased investments and contribute towards resource mobilisation to finance the Plan. The Government will, therefore, strengthen dialogue with the private sector.

### **9.2.11. Civil Society Organisations**

Civil Society Organisations (CSOs) will complement the Government's efforts in implementing community-based projects including those aimed at reducing poverty, gender inequality and youth unemployment as well as supporting the underprivileged in society. Further, CSOs will provide advocacy as well as checks and balances in public governance. The Government will, therefore, sustain dialogue with CSOs with a view to strengthening collaboration.

### **9.2.12. Cooperating and Development Partners**

The Government will collaborate with cooperating and development partners in the implementation of 8NDP interventions through different financing mechanisms and technical assistance. Cooperating and development partners will be engaged through various dialogue platforms to ensure that programmes, projects and budget support are aligned to the Plan.

## **9.3. COORDINATION AND ADVISORY STRUCTURES**

Coordination of the 8NDP will be at national, sectoral, provincial, district and ward levels. This is in line with the decentralised planning, implementation, monitoring and evaluation processes as elaborated below (Figure 13).

National level coordination and implementation arrangements

The NDCC will continue to be the apex advisory body to the Cabinet on matters relating to NDPs and budgets. National level coordination will work towards enhancing synergies among stakeholders for efficient and effective implementation of programmes at all levels and galvanise the participation of state and non-state institutions in meeting targets for agreed-upon national indicators.

### **9.3.2. Sectoral level coordination and implementation**

To facilitate the participation of state and non-state actors in the implementation and monitoring of the Plan, Cluster Advisory Groups (CAGs) will continue to be utilised. The CAGs will be constituted on the basis of the four Strategic Development Areas of the 8NDP and bring together all sectors contributing to the achievement of the results under a particular development outcome.

### **9.3.3. Provincial level coordination and implementation**

To facilitate the participation of state and non-state actors in the implementation and monitoring of the Plan at provincial level, Provincial Development Coordinating Committees (PDCCs) will continue to be utilised. The PDCCs will work to ensure that provinces deliver on the targets set in the Plan. The PDCCs will also provide oversight to districts.

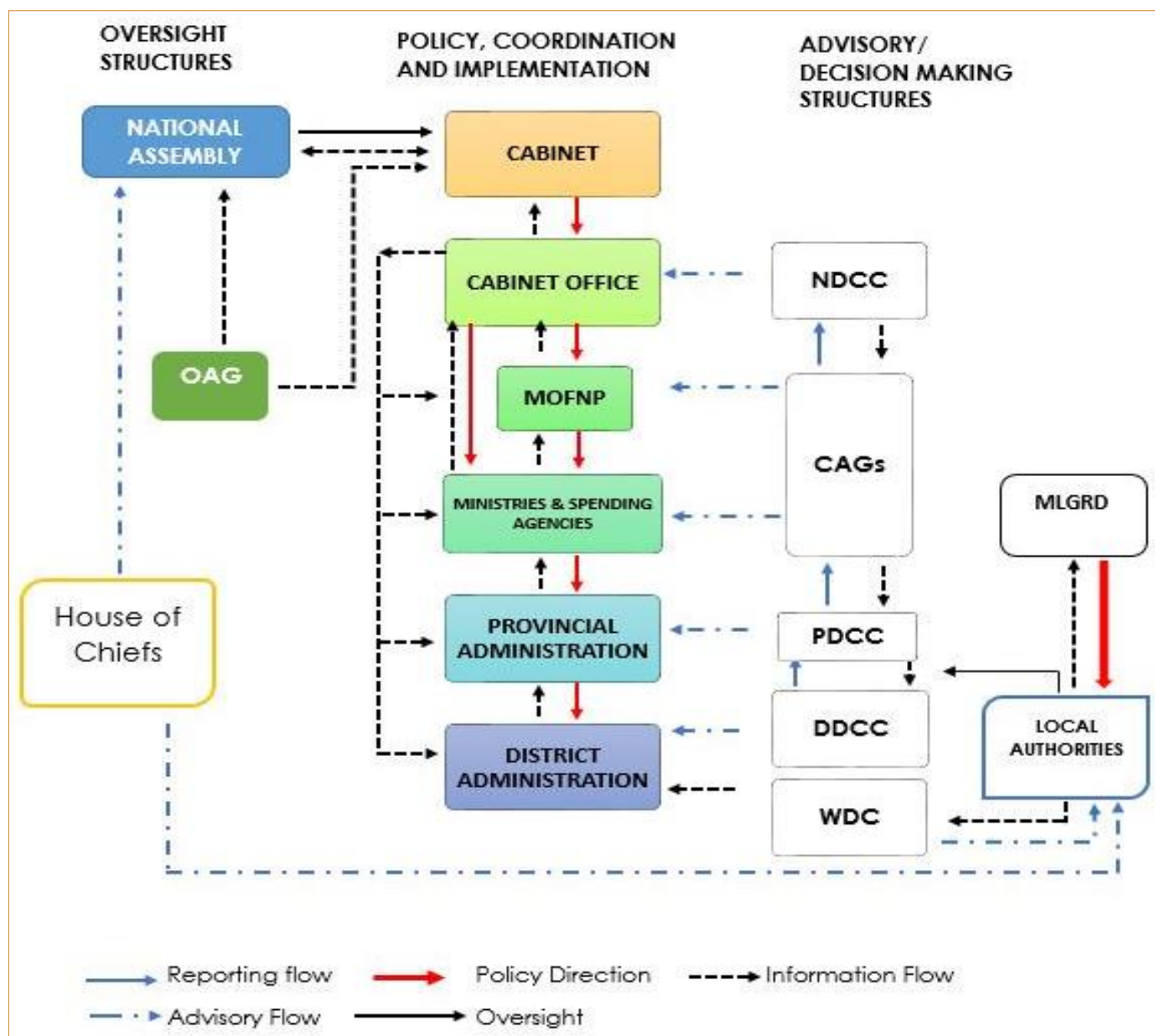
### **9.3.4. District level coordination and implementation**

The District Development Coordinating Committees (DDCCs) will ensure that non-state actors operating in the district collaborate with Government institutions and agencies by joint-planning, implementation and monitoring of district interventions. The collaboration will also involve the sharing of information on the development interventions being implemented. This will be done with a view to dealing with, among others, district-specific development challenges.

### 9.3.5. Ward Development Committees

Ward Development Committees (WDCs) are the lowest coordination body that will directly interface with the communities in identifying projects for implementation in line with the 8NDP as well as monitor and report progress. During the Plan period, WDCs will be fully operationalised to promote the participation of citizens in development at the district level. To this end, the capacities of these committees will be enhanced to allow for effective coordination of development programme outputs under various strategic development areas of the Plan.

**Figure 13: Overall Institutional Arrangements for Coordination**



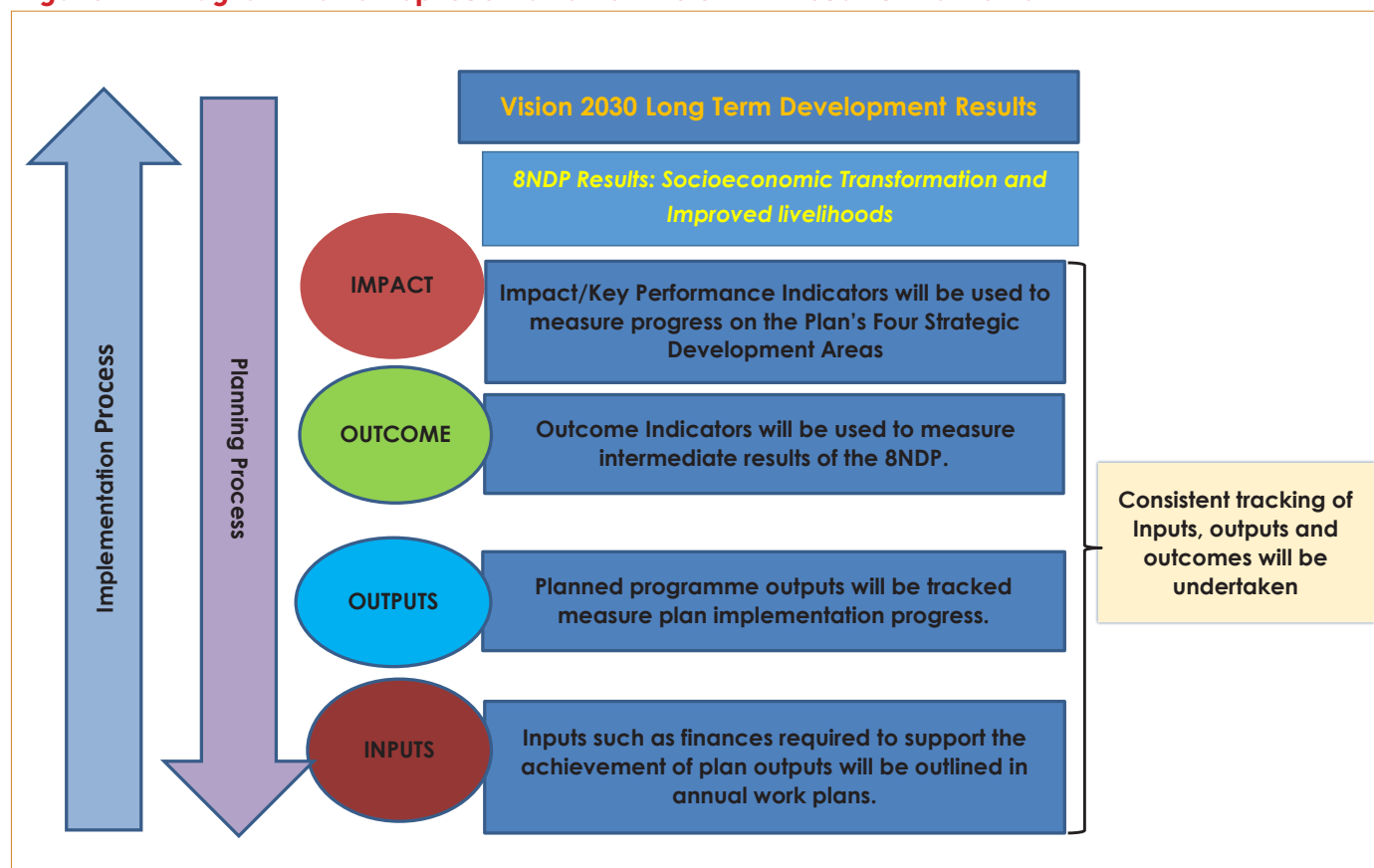
## 10. MONITORING AND EVALUATION FRAMEWORK

### 10.1. OVERVIEW

The Monitoring and Evaluation (M&E) Framework for the 8NDP has been formulated to track progress towards the attainment of set developmental targets. The Framework also provides guidance to various stakeholders expected to provide oversight, coordination and implementation of 8NDP programmes. Actors in the M&E system include the Government, civil society, the private sector, cooperating and development partners, local authorities, traditional authorities, and the general citizenry. The 8NDP M&E Framework is anchored on the National Performance Framework for the Vision 2030 which articulates the long-term development results to be achieved by the country.

Monitoring and evaluation of the 8NDP will be undertaken at national, provincial and district levels by implementing and oversight institutions. The 8NDP will be managed using a results-based approach with an emphasis on accountability and timeliness in the delivery of results. The results framework will take into account inputs, outputs, outcomes and impacts as indicated in Figure 14.

**Figure 14: Diagrammatic Representation of the 8NDP Results Framework**



To ensure effective reporting on progress, the national, provincial and district indicators will be aligned to national outputs, outcomes, and impact indicators. Measurement of these indicators will be done at all levels of the results chain. Utilisation of inputs will be measured through budget performance analysis. Output performance of the 8NDP will be monitored through tracking of programme outputs by districts, provinces and CAGs at the national level. This information will feed into quarterly and annual 8NDP progress reports. In addition, spot monitoring will be periodically undertaken, and reports produced to provide information to various stakeholders on project implementation.

## **10.2. MONITORING**

Monitoring of the 8NDP implementation will be undertaken periodically in line with the agreed M&E Framework. Progress will be tracked using the results framework, encompassing agreed indicators and targets cascading national, provincial, district and sub-district levels. Project implementation will be efficiently monitored to ensure the generation of planned outputs that feed into the attainment of key development outcomes and impacts.

The mechanisms that will be used to monitor the implementation of 8NDP programmes include the management monitoring systems and spot monitoring.

### **10.2.1. Management Monitoring System**

The Management Monitoring System (MMS) will automate 8NDP data and information management in order to achieve efficiency in M&E data processing and performance reporting. Tracking of 8NDP outcome targets, which include progress towards global and regional commitments, will also be done through the MMS.

### **10.2.2. Spot Monitoring**

At the national level, MPSAs will conduct routine spot checks of 8NDP programmes and projects under their charge to ensure that implementation is on track and to address any challenges that may negatively affect programme/project implementation. Spot checks will also be undertaken at provincial, district and ward levels. Reports from project site visits will focus on tracking programme and project outputs and measuring performance against set development outcomes. The reports will also include lessons learnt so as to improve programme implementation.

### **10.2.3. Annual Progress Report**

Using data that will be uploaded onto the MMS and in accordance with the National Planning and Budgeting Act No. 1 of 2020, 8NDP Annual Progress Reports will be produced. The Reports will be tabled to the National Assembly in line with the provisions of the Planning and Budgeting Act on or before the last Friday of May of each year.

### **10.3. EVALUATION**

The 8NDP evaluations will focus on assessing the performance of outcome and impact indicators. Policy and programme reviews of specific social, economic or governance programmes in the Plan will be evaluated to gather information on optimal implementation approaches for such programmes. Further, national Plan evaluations, including mid-term and final evaluations, will be undertaken and policy recommendations made.

#### **10.3.1. Mid-Term Review**

A Mid-Term Review (MTR) of the Plan will be undertaken to assess progress made towards meeting the achievement of Plan outcomes. Mid-term evaluation will involve an analysis of both Plan processes and intermediate outcomes/results. The purpose of the MTR is to generate evidence to inform the implementation of Plan interventions in subsequent years as well as feed into the development, strategic focus and implementation of the next development plan. In accordance with the Planning and Budgeting Act, the MTR report will be laid before the National Assembly, before or on the last Friday of May in the fourth year of implementation of the 8NDP.

#### **10.3.2. Final Evaluation**

In line with the provisions of the Planning and Budgeting Act, a final evaluation of the Plan will be undertaken to assess the impact and ascertain lessons learnt from implementation of the Plan. The final 8NDP report will be produced two years after the expiry of the Plan.

### **10.4. DATA CATALOGUE**

An NDP Data Catalogue that will centralise all the key information (metadata) pertaining to the indicators that will be included in the 8NDP will be developed and published. The Data Catalogue will provide easy access to information relating to definitions, structure, source of information, collection method, quality and use of the data in the Plan. Further, the Catalogue will enable all practitioners and users to access and understand why the national indicators were chosen, how they are generated, the frequency of data generation and the purpose of the information being generated. This will enforce standardised generation of data and statistics on indicators. The Catalogue is also expected to contribute to improved quality of data used in NPD progress and performance reporting.

National censuses and surveys conducted by the Zambia Statistics Agency (ZamStats) and other institutions will support the generation of data and statistics for the indicators in the 8NDP. Additionally, institutions will be required to routinely collect and process administrative data for use in the 8NDP monitoring and evaluation process. To this end, a national statistical calendar will be developed and published to support the monitoring and evaluation function.





## **PART VI: FINANCING OF THE PLAN**

## 11. FINANCING THE 8NDP

### 11.1. OVERVIEW

Financing of the 8NDP will be done through traditional and non-traditional sources of finance. Traditional sources will include domestic revenue, grants, donations and concessional loans. Non-traditional sources of finance will include alternative sources that will have low or no interest payments or guarantee commitments from the Government such as Public-Private Partnerships (PPPs) and impact capital. In a quest to manage public spending, some programmes and projects in the Plan will not be financed from the national budget but will engage the private sector and other development partners.

### 11.2. TRADITIONAL SOURCES OF FINANCE

#### 11.2.1. Domestic Revenues (Tax and Non-Tax Revenues)

The Government will continue putting in place measures that will enhance domestic revenue mobilisations and increase its contribution to the overall resource envelope. This will be achieved, among other things, through streamlining the tax system and creating a stable and predictable tax environment. Further, the Government will leverage on ICT platforms to curb revenue leakages, increase compliance and enhance non-tax revenue collections. Domestic revenues are projected to contribute at least K671.2 billion over the plan period.

#### 11.2.2. External Grants

The Government will continue working with bilateral and multilateral cooperating and development partners to achieve common objectives and bridge the financing gap in the form of grants. The support from cooperating and development partners is projected at K11.3 billion over the Plan period, mostly targeted at human development.

#### 11.2.3. Domestic and External Financing

The Government aims at reducing the fiscal deficits to sustainable levels over the Plan period. This will be done by curtailing further rapid accumulation of debt and by not contracting non-concessional loans except in instances of refinancing. In line with the fiscal sustainability objective, domestic borrowing is estimated to decline to 4.8 percent of GDP by 2026 while external financing, including project loans, is projected at 1.8 percent of GDP by the end of 2026.

#### 11.2.4. Resource Envelope

Over the Plan period, the resource envelope from traditional sources is estimated at K997.1 billion or an average of K199.4 billion annually (Table 5). Further financing for the Plan is expected to be sourced from non-traditional sources.

**Table 5: Estimate of Resources, 2022-2022**

| Type of Resource       | 2022        | 2023        | 2024        | 2025        | 2026        | TOTAL       | AVERAGE     |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                        | K'000       | K'000       | K'000       | K'000       | K'000       | K'000       | K'000       |
| A. Available Resources | 172,987,078 | 177,587,170 | 211,872,741 | 210,740,398 | 223,909,226 | 997,096,613 | 199,419,323 |
| 1. Revenue and Grants  | 100,681,126 | 117,147,185 | 135,119,003 | 155,186,994 | 174,365,591 | 682,499,899 | 136,499,980 |
| O/w Total Revenue      | 98,859,158  | 115,254,160 | 133,137,006 | 152,522,839 | 171,384,983 | 671,158,146 | 134,231,629 |
| Grants                 | 1,821,968   | 1,893,025   | 1,981,997   | 2,664,154   | 2,980,608   | 11,341,753  | 2,268,351   |
| 2. Financing           | 72,305,952  | 60,439,985  | 76,753,738  | 55,553,404  | 49,543,635  | 314,596,714 | 62,919,343  |
| O/w Domestic           | 24,458,941  | 29,819,853  | 34,344,657  | 39,190,896  | 35,957,604  | 163,771,950 | 32,754,390  |
| Programme Loans        | 39,347,311  | 21,225,340  | 34,878,280  | 7,931,700   | 8,309,400   | 111,692,031 | 22,338,406  |
| Project Loans          | 8,499,700   | 9,394,792   | 7,530,801   | 8,430,808   | 5,276,631   | 39,132,733  | 7,826,547   |

Source: Ministry of Finance and National Planning

### 11.2.5. Expenditure

Over the Plan period, the Government is expected to provide for both constitutional and statutory expenditures, which are non-discretionary and include payments towards debt servicing and salaries. Total constitutional, statutory and other notable expenditures will amount to K830.5 billion. A total of K178.5 billion will be spent on the 8NDP for other programmes. **Table 6** below shows the distribution of expenditure on non discretionary items and some other notable expenditures during the Plan period.

**Table 6: Central Government Non-Discretionary Expenditure, 2022-2026**

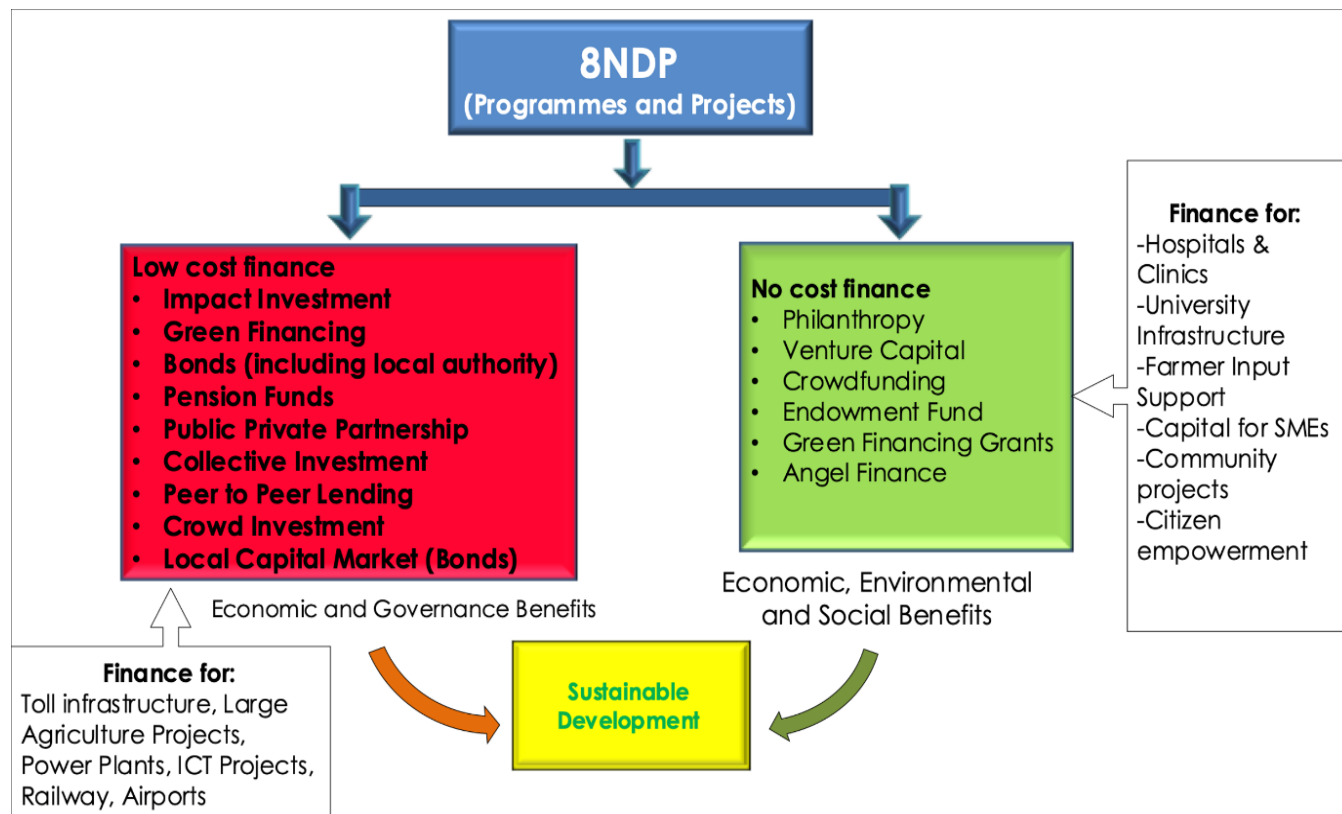
| Type of Expenditure                                 | 2022               | 2023               | 2024               | 2025               | 2026               | TOTAL              | AVERAGE            |
|-----------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                                                     | K'000              | K'000              | K'000              | K'000              | K'000              | K'000              | K'000              |
| B. Constitutional, Statutory and Other Expenditures | 147,317,952        | 148,545,102        | 177,854,339        | 171,232,635        | 173,607,125        | 818,557,153        | 163,711,431        |
| 1. Personal Emoluments                              | 37,822,553         | 46,443,112         | 53,365,187         | 58,611,397         | 62,592,776         | 258,835,025        | 51,767,005         |
| o/w Net Recruitment                                 | 3,282,532          | 1,801,190          | 1,431,580          | 1,288,422          | 1,224,001          | 9,027,724          | 1,805,545          |
| Wage Adjustment                                     | 3,924,073          | 5,358,630          | 4,229,173          | 4,420,172          | 4,482,676          | 22,414,723         | 4,482,945          |
| 2. Debt Payments                                    | 78,680,142         | 70,466,269         | 93,291,555         | 76,732,736         | 75,548,666         | 394,719,368        | 78,943,874         |
| O/w Interest Payments                               | 37,818,778         | 43,216,870         | 47,704,061         | 51,553,123         | 52,648,422         | 232,941,254        | 46,588,251         |
| O/w Domestic                                        | 27,364,646         | 34,007,697         | 40,129,082         | 46,445,100         | 48,586,300         | 196,532,824        | 39,306,565         |
| External                                            | 10,454,133         | 9,209,174          | 7,574,979          | 5,108,023          | 4,062,122          | 36,408,430         | 7,281,686          |
| Amortisation                                        | 40,861,363         | 27,249,398         | 45,587,494         | 25,179,614         | 22,900,244         | 161,778,113        | 32,355,623         |
| 3. Grants                                           | 8,936,874          | 9,276,436          | 10,084,564         | 10,891,329         | 11,762,636         | 50,951,839         | 10,190,368         |
| 4. Pension Funds                                    | 2,067,042          | 2,130,293          | 2,254,346          | 2,434,693          | 2,629,469          | 11,515,843         | 2,303,169          |
| 5. Foreign Financed Expenditure                     | 10,321,668         | 11,287,817         | 9,512,798          | 11,094,963         | 8,257,240          | 50,474,486         | 10,094,897         |
| 6. Earmarked Expenditures                           | 4,117,002          | 4,401,177          | 4,725,890          | 5,473,169          | 6,109,969          | 24,827,206         | 4,965,441          |
| O/w Roads (Domestic)                                | 3,537,336          | 3,746,202          | 3,989,485          | 4,662,270          | 5,216,065          | 21,151,358         | 4,230,272          |
| Rural Electrification Levy                          | 362,209            | 415,850            | 475,887            | 532,144            | 595,637            | 2,381,726          | 476,345            |
| Skills Development Fund                             | 199,787            | 220,765            | 241,296            | 258,187            | 276,260            | 1,196,296          | 239,259            |
| Tourism Levy                                        | 17,670             | 18,359             | 19,222             | 20,568             | 22,007             | 97,826             | 19,565.25          |
| 7. Subsidies                                        | 5,372,670          | 4,540,000          | 4,620,000          | 5,994,347          | 6,706,369          | 27,233,387         | 5,446,677          |
| O/w FISP                                            | 5,372,670          | 4,540,000          | 4,620,000          | 5,994,347          | 6,706,369          | 27,233,387         | 5,446,677          |
| C. Discretionary Budget                             | 25,669,126         | 29,042,068         | 34,018,403         | 39,507,763         | 50,302,102         | 178,539,461        | 35,707,892         |
| <b>TOTAL EXPENDITURE</b>                            | <b>172,987,078</b> | <b>177,587,170</b> | <b>211,872,741</b> | <b>210,740,398</b> | <b>223,909,226</b> | <b>997,096,613</b> | <b>199,419,323</b> |
| Fuel Arrears                                        | 1,850,000          | -                  | -                  | -                  | -                  | 1,850,000          | 370,000            |
| C. Discretionary Budget                             | 22,673,812         | 27,750,997         | 32,076,436         | 23,584,981         | 25,589,522         | 131,675,748        | 26,335,150         |

Source: Ministry of Finance and National Planning

### 11.3. ALTERNATIVE SOURCES OF FINANCE FOR THE PLAN

To complement the traditional sources of finance for the 8NDP, the Government will promote resource mobilisation from non-traditional sources whose selection will be based on practicality and ease of implementation. The Government will leverage financing mechanisms for implementation of programmes and projects by public sector institutions, the private sector and civil society organisations. The alternative sources are summarised in Figure 15.

**Figure 15: Alternative Sources of finance**



Source: MoFNP

The Government will promote the sourcing and use of finance which will have no-cost implications to the Treasury, mostly for interventions under human development and environmental sustainability. The key financing instruments that will be promoted for uptake by individuals, civil society organisations and the private sector include, venture capital, philanthropy, crowd funding, green financing grants, endowment funds and angel investors.

The Government will also encourage the sourcing and use of finance which will have low-cost implications to the Treasury for large public investments. The key financing instruments that will be promoted for uptake by individuals, local authorities and the private sector include, pension funds, capital markets, green bonds, PPPs and impact investments.

#### **11.4. INTEGRATED NATIONAL FINANCING FRAMEWORK**

Financing the 8NDP will require policies, partnerships and an enabling environment that effectively mobilizes and uses public finance and promotes growth in impactful private finance. In line with the various alternative financing options that have been identified, it is imperative that a robust integrated Financing Framework to guide the financing of the Plan is put in place. To this end, the Government will develop an Integrated National Financing Framework (INFF) that will provide guidance on access to a full range of potential sources of financing options. The INFF will outline a strategic approach for the Government and its partners to mobilize and effectively invest these flows in order to actualize the objectives of the 8NDP. A Development Finance Assessment will be conducted to inform the development of the financing framework.

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## 12. PRECONDITIONS AND RISK MANAGEMENT

### 12.1. OVERVIEW

The success of the 8NDP is underpinned by certain preconditions, potential risks and mitigation measures to ensure successful implementation of the Plan. The following are the preconditions upon which the success of the 8NDP is contingent.

#### 12.1.1. Preconditions

##### Political will and Stability

Political will is required in the positioning of the Plan, by policymakers, as the blueprint to guide all development efforts during its implementation period. Additionally, Zambia's continued political stability will be cardinal for increased investment and enhanced socio economic development. Policy makers will also be expected to commit to reviewing policies and laws that impede private sector participation to enhance its contribution to development.

##### Stabilisation of the macroeconomic fundamentals

The Government should be committed to stabilising the macroeconomic fundamentals to lay a supportive environment for the implementation of the Plan. Instability in the macroeconomic environment will undermine achievement of the objectives of the Plan.

##### Effective management of pandemics

The success of the Plan will require the effective management of pandemics such as COVID-19 in terms of containing their spread, and mitigating their socio-economic effects. The Government, collaborating with partners should, therefore, devise and implement measures to manage pandemics to keep the economy running.

##### Effective accountability frameworks

One of the major challenges that has affected the implementation of previous national development plans has been systemic weaknesses in the accountability frameworks. The Government has since enacted the Public Finance Management Act of 2018 and the National Planning and Budgeting Act of 2020. There is, therefore, need to fully operationalise these laws to strengthen accountability frameworks at all levels.

##### Climate change management

Climate change continues to disrupt national economies and affects the lives of people and communities. Therefore, the smooth implementation of the 8NDP will largely depend on how effectively the country reduces its carbon footprint and adapts to the effects of climate change.

## 12.2. Risk Management

The successful implementation of the 8NDP is anchored on management of risks that may negatively impact the actualisation of the planned strategic development areas. It will also entail taking the necessary steps to reduce these risks to acceptable levels by treating, monitoring and reporting on them by all implementing institutions in line with the National Risk Management Framework.

The potential risks that will be addressed during the Plan period include epidemics and pandemics, market risks, macroeconomic risks, natural disasters and climate change. Strategic risks such as financing, political and security risks will also have to be addressed.

## 13. ANNEX 1: SAMPLE – DETAILED IMPLEMENTATION PLAN

| Development Focus Area: ECONOMIC TRANSFORMATION AND JOB CREATION |                                                                                             |                            |                  |               |             |                |             |      |      |      |
|------------------------------------------------------------------|---------------------------------------------------------------------------------------------|----------------------------|------------------|---------------|-------------|----------------|-------------|------|------|------|
| Development Focus Area KPI                                       |                                                                                             | Baseline                   | Year of Baseline |               |             |                | Plan Target |      |      |      |
|                                                                  |                                                                                             |                            |                  |               |             |                |             |      |      |      |
|                                                                  |                                                                                             |                            |                  |               |             |                |             |      |      |      |
|                                                                  |                                                                                             |                            |                  |               |             |                |             |      |      |      |
| Development Outcome: AN INDUSTRIALISED ECONOMY                   |                                                                                             |                            |                  |               |             |                |             |      |      |      |
| Development Outcome Indicators                                   |                                                                                             | Baseline                   | Year of Baseline |               |             |                | Plan Target |      |      |      |
|                                                                  |                                                                                             |                            |                  |               |             |                |             |      |      |      |
|                                                                  |                                                                                             |                            |                  |               |             |                |             |      |      |      |
|                                                                  |                                                                                             |                            |                  |               |             |                |             |      |      |      |
| Strategy 1: PROMOTE MANUFACTURING AND VALUE ADDITION             |                                                                                             |                            |                  |               |             |                |             |      |      |      |
| Programme                                                        | Programme Output                                                                            | Programme output Indicator | Baseline         | Baseline Year | Plan Target | Annual Targets |             |      |      |      |
|                                                                  |                                                                                             |                            |                  |               |             | 2022           | 2023        | 2024 | 2025 | 2026 |
| Value chains Development                                         | Efficient value chain systems with well-coordinated forward and backward linkages Developed |                            |                  |               |             |                |             |      |      |      |

Ministry of Finance and National Planning  
P O Box 50062  
Lusaka, ZAMBIA

Tel: +260-211-252395