

Regional Workshop on Integrated National Financing Frameworks 2024

Public Finance for Sustainable Development in Africa

Ministry of Finance and National Planning-Zambia

OUTLINE

1

Zambia's Vision and 8NDP –Opportunities and Issues

2

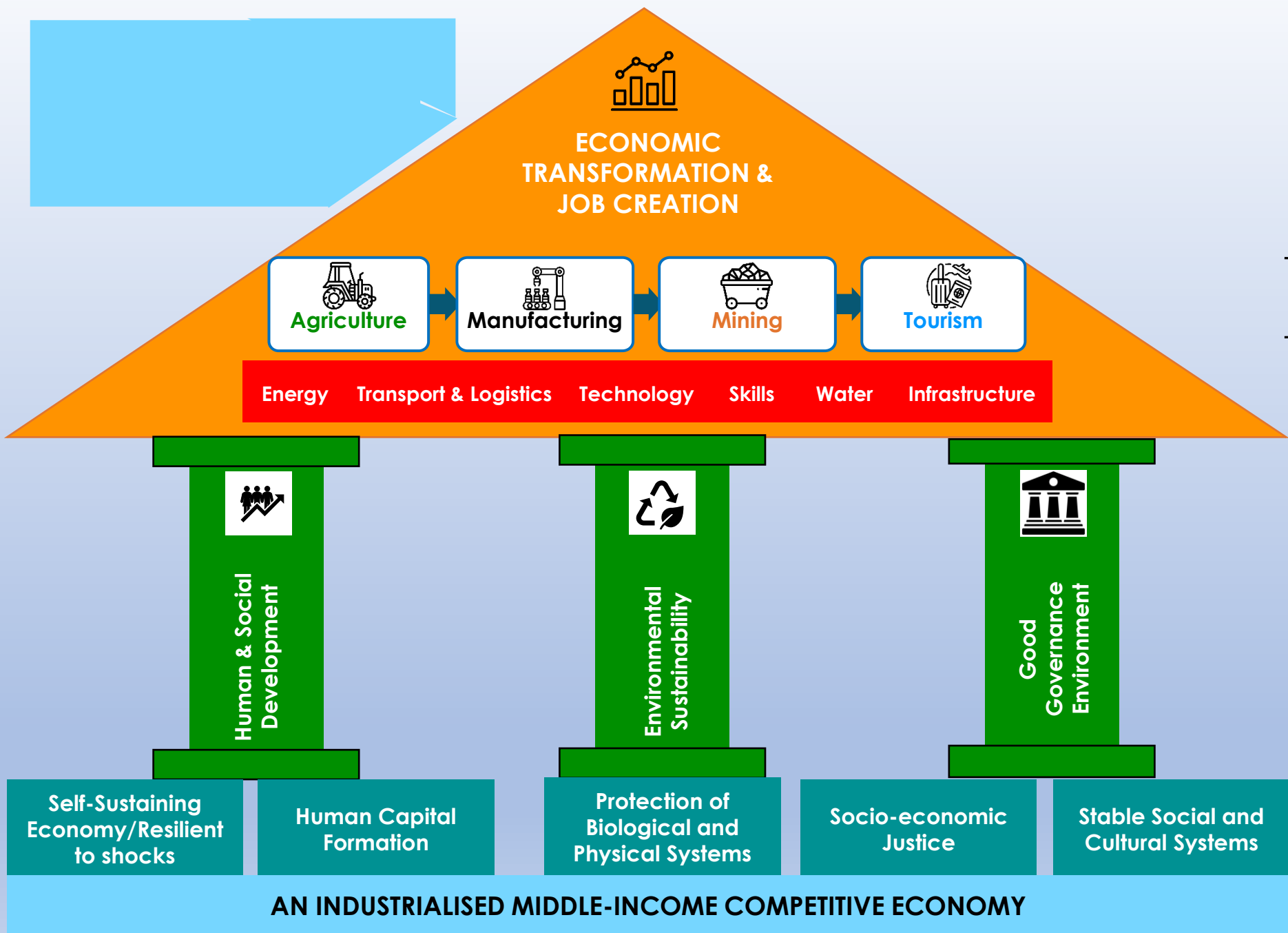
INFF- Public Financing for NDPs

3

INFF –Initiatives and priorities

4

Support from the UN and Way Forward



ANCHOR PILLAR

Drivers

Enablers

SUPPORTING STRATEGIC DEVELOPMENT AREAS

2030 VISION ASPIRATIONS

Eighth National Development Plan (8NDP) ***2022-2026***

Zambia's national priorities are promulgated in the 8NDP which is a building block to its **National Vision 2030** –Middle income status

8NDP has **4 main pillars** anchored on the three dimensions of sustainable development- **Social, Economic and Environment**

4 Pillars constitute **Economic transformation and job Creation, Human and Social Development, Environmental Sustainability and Good Governance** in line with the Agenda 2030

Financing of 8NDP is anchored on critical investments in **prioritized programmes** in each Pillar

Financing Context

Annual Budgets operationalize the 8NDP

National Planning and Budgeting Act of 2020 strengthens the linkage between the NDP and Annual budgets through the Medium-Term Budget Plans

Financing of the 8NDP- Traditional sources- Domestic Revenue, Grants, Concessional loans

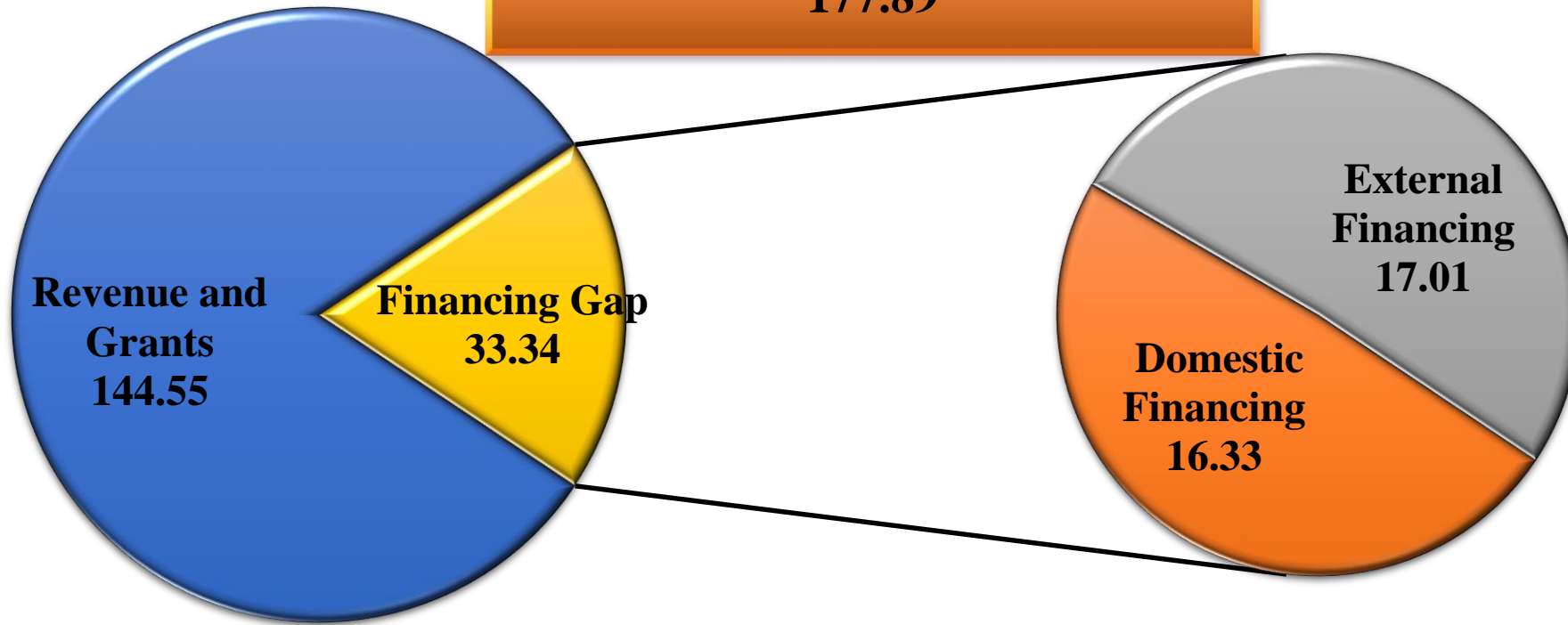
Nontraditional Sources- Private financing- Alternative innovative financing mechanisms such as PPPs, Cooperating Partners, AAAA facility

The 2024 Budget Overview



Ministry of Finance
& National Planning

The 2024 Budget
177.89



■ Revenue and Grants ■ Domestic Financing ■ External Financing

(ISSUES)

Climate Change/Variability- Low rainfall-Adverse impacts on economic sectors : agriculture, energy and manufacturing sectors

Unsustainable debt levels- Debt share of GDP in 2021 rose to over 100% from 24% in 2011 > SSA average in 2021 resulting in low investments in SDGs

Exchange Rate Volatility- Subdued economic growth, mono economy(Copper) syndrome rising inflation and unstable exchange rate, low investments in priority economic areas

High Income inequality and high poverty levels- Rates increased from 54.4 % in 2015 to 76% in 2022,low investments in SDGs implementation

(OPPORTUNITIES)

Debt Restructuring Programme (G20 Common Framework)

Protracted debt restructuring process(4yrs) almost concluded

Hence relief on resources for priority sectors & SDG implementation

Public Finance Reforms- PFM Act of 2018, PDM Act of 2020, NPB Act of 2020, Public Procurement Act, ABB to Output Based Budgeting.. All are means to enhance transparency, accountability fiscal discipline

Foreign Direct Investment- Increased investments in critical sectors such mining, manufacturing and energy sectors

Fiscal Decentralisation- Constituency Development Fund(CDF) Devolving functions and resources to subnational level for speedy SDG implementation

INFF in Zambia

STATUS

Integrated financing strategy to be developed in line with the National Planning and Budgeting Act No. 1, 2020

OVERVIEW

Govt-led oversight

INFF oversight linked to National Development Coordinating Committee (NDCC)

Process



Financing strategy

Supports delivery of the 8NDP for the period 2022-2026

- Economic Recovery
- COVID Recovery Needs Assessment (CRNA)
- DFA roll out

The Act provides for:

- An integrated national planning and budgeting process;
- Strengthened accountability, oversight and participation mechanisms in the national planning and budgeting process;
- Coordination of national development plans with the National Planning Framework;
- Evidence based decision making in national planning and budgeting; enhanced budget credibility; and matters connected with, or incidental to, the foregoing.

(Benefits of INFF facility for the 8NDP)

March 2022: UNCTAD's Division for Africa, Least Developed Countries and Special Programmes (ALDC) with UNECA to deliver a **Training Workshop** on DRM and IFF in Zambia

December 2022: a **Sensitization Workshop** on Leveraging private sector engagement in implementing the 8NDP and achieving the SDGs was organized in Zambia by UNECA & UNDP in collaboration with MoFNP & ZACCI

March 2023 : UNCTAD with ECA SRO-SA, MoFNP and organized a **Training Workshop** on impact investing and corporate sustainability reporting for private sector entities in Zambia and within the region.

7th June 2024: Launch of the **District and National** Development Finance Assessment (**DFA**) Reports by UNDP in order help identify opportunities in mobilizing domestic resources, additional finance sources and use existing financial resources more efficiently to achieve SDGs

(BENEFITS OF INFF FACILITY FOR THE 8NDP)

- Drive national development agenda & the possible attainment of SDGs
- GRZ targets to skew the financing of national development programs towards domestically generated resources.
- Gov't has targeted a minimum domestic revenue collection of 21 percent of Gross Domestic Product (GDP) by the year 2024
- To enhance tax revenue collections, Government has put in place strategies that will improve compliance such as tax administration modernization
- To enhance non tax revenue collection efficiency and mitigate revenue losses linked with manual procedures in delivering government services, the Government has embarked on a medium-term initiative to automate non-tax revenue collection processes. This will seal the leakages associated with collection of non tax revenue.
- The key to improved mobilization of resources both domestically and externally to have effective and efficient public financial management practices

Plans/initiatives to support Domestic Resource Mobilization (DRM)

Key initiatives include;

- Development of a Domestic Resource Mobilization Strategy- UNDP & MOFNP
- Development and launch of Subnational and National Development Finance Assessment (DFA)
- SDG Costing Exercise with the SDG Centre for Africa

SUPPORT FROM CO-OPERATING PARTNERS

- The UNDP provided technical support towards the realisation of the INFF in Zambia.
- UNDP provided the methodology to the Zambia Institute for Policy Analysis and Research (ZIPAR) a think-tank engaged by MoFNP and walked it through the methodology on conducting the DFA.
- UNDP through its South-to-South Initiative provided benchmarking activities for ZIPAR to learn of how other countries in the region have conducted the DFA.
- UNDP supported Government with financial support that went towards among others the conducting of the DFA, Covid Recovery Needs Assessment (CRNA), Household survey and the 2022 **LCMS**

SUPPORT FROM CO-OPERATING PARTNERS CONTINUES

- Monitoring Survey (LCMS)
- UNDP developed the concept note for the subnational Katete DFA, reviewed both instruments and the report and supported the validation of the mini DFA report.
- UNDP provided technical reviews and validation of the national DFA report.
- Government received support from UNDP and UNICEF in launching both the National and subnational DFA reports.
- Other INFF support by UNDP have gone towards budget analysis

Support from co-operating partners continues

- Toolkit and training of Members of Parliament(MPs) and all Permanent Secretaries from Ministries on national budget formulation and analysis.
- Further INFF support by UNDP has gone towards developing the National and Provincial Implementation Plans of the 8NDP.
- UNDP through INFF facility is supporting GRZ to integrate and harmonise the Planning and Budgeting Act with the Urban and Regional Planning Act.
- UNDP is supporting the upgrade of the M&E digital platform for the 8NDP.

Zambia`s plans on INFF implementation and support needed?

- Zambia `s INFF implementation is still in its infancy stage
- Successful INFF implementation for Zambia will require continued technical, technological support/capacity from partners
- As Zambia implements the INFF, we look forward to learning from other Countries that have successfully implemented the INFF.

The background of the slide is a blue-tinted collage of financial data. It includes a grid of numbers and percentages, a bar chart with several vertical bars of varying heights, and a line graph with a circular trend line. The overall aesthetic is professional and data-oriented.

Thank You
Merci beaucoup!