NATIONAL ASSEMBLY OF ZAMBIA

REPORT

OF THE

SELECT COMMITTEE APPOINTED TO CONSIDER THE 2022 ANNUAL PROGRESS REPORT ON THE IMPLEMENTATION OF THE EIGHTH NATIONAL DEVELOPMENT PLAN FOR THE PERIOD 2022 – 2026

APPOINTED ON 13TH JUNE, 2023

FOR THE

SECOND SESSION OF THE THIRTEENTH NATIONAL ASSEMBLY

Published by the National Assembly of Zambia

FOREWORD

Honourable Madam Speaker, the Parliamentary Select Committee appointed on 13th June, 2023, to consider the 2022 Annual Progress Report (APR) on the implementation of the Eighth National Development Plan (8NDP) (2022 – 2026) has the honour to present its Report, for the Second Session of the Thirteenth National Assembly. The functions of the Select Committee appointed to consider the 2022 APR on the implementation of the 8NDP for the period 2022 – 2026 were set out in Standing Order No. 186(b) of the National Assembly Standing Orders, 2021.

In order to acquaint itself on the contents of the APR, the Committee sought written submissions from different stakeholders, who were later invited to make oral submissions based on their written memoranda and make clarification on issues arising there from. The list of the stakeholders is at Appendix II of the Report. The Committee held ten meetings to consider the APR.

The Committee's Report is organised into three parts: Part I highlights the Committee's findings from its deliberations. Part II presents the concerns raised by stakeholders on the strategic development areas, strategies and programmes; and Part III contains the Committee's observations and recommendations.

Madam Speaker, the Committee is grateful to the stakeholders who tendered both written and oral submissions. It also wishes to thank you, for affording it an opportunity to consider the 2022 APR. Gratitude further goes to the Office of the Clerk of the National Assembly for the assistance and counsel throughout the Committee's deliberations.

Mr Fred Chibulo Chaatila, MP	July, 2023
CHAIRPERSON	**LUSAKA**

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List of Acronyms and Abbreviations

8NDP	Eighth National Development Plan
GDP	Gross Domestic Product
APR	Annual Progress Report
IMF	International Monetary Fund
ECF	External Credit Facility
VAT	Value Added Tax
SDA	Strategic Development Area
ECE	Early Childhood Education
PWAS	Public Welfare Assistance Scheme
SCT	Social Cash Transfer
MT	Metric Tonnes
CDF	Constituency Development Fund
NRW	Non-Revenue Water
MSME	Micro, Small and Medium Enterprises
FISP	Farmer Input Support Programme

REPORT OF THE SELECT COMMITTEE ON THE CONSIDERATION OF THE 2022 ANNUAL PROGRESS REPORT ON THE IMPLEMENTATION OF THE EIGHTH NATIONAL DEVELOPMENT PLAN FOR THE PERIOD 2022 – 2026, FOR THE SECOND SESSION OF THE THIRTEENTH NATIONAL ASSEMBLY

1.0 COMPOSITION OF THE COMMITTEE

The Committee consisted of: Mr Fred C Chaatila, MP (Chairperson); Ms Sibongile Mwamba, MP (Vice-Chairperson); Ms Tasila Lungu, MP; Mr Twaambo E Mutinta, MP; Mr Davison Mung'andu MP; Dr Christopher K Kalila, MP; Mr Newton Samakayi, MP; Mr Brian Kambita, MP; Mr Chanda Katotobwe, MP; Mr Mutotwe Kafwaya, MP; Mr Joseph Munsanje, MP; Mr Menyani Zulu, MP; Mr Mubita Anakoka, MP; Mr Imanga Wamunyima, MP; and Mr Misheck Nyambose, MP.

PART I

CONSIDERATION OF THE 2022 ANNUAL PROGRESS REPORT ON THE IMPLEMENTATION OF THE EIGHTH NATIONAL DEVELOPMENT PLAN FOR THE PERIOD 2022 – 2026

2.0 BACKGROUND

Zambia's Vision 2030 is a long-term perspective plan aimed at attaining a prosperous middle nation by 2030. By 2030, Zambians aspire to live in a strong and dynamic middle-income industrial nation that provides opportunities for improving the well-being of all, embodying values of socio-economic justice, underpinned by the principles of gender responsive sustainable development; democracy; respect for human rights; and good traditions and families. The five-year National Development Plans are the building blocks to achieving the long-term vision.

The year 2022 marked the first year of implementation of the 8NDP. The Plan, which is themed ***"Socio-Economic Transformation for Improved Livelihoods,"*** was the first Plan to be developed in line with the provisions of the *National Planning and Budgeting Act, No. 1 of 2020.* Section 29(1) of the Act directs the Minister of Finance and National Planning to submit to the National Assembly, an annual review of the National Development Plan.

In light of the above, the 2022 APR provided an assessment of the outputs achieved during the implementation of 8NDP programmes. The results recorded in the 2022 Report were generated through an integrated and multi-sectoral effort, involving various clusters of state and non-state actors, contributing to national development outcomes. Therefore, in view of the requirements of the law, the select Committee was constituted to consider the 2022 APR on the implementation of the 8NDP.

2.1 Objectives of the 2022 Annual Progress Report

The APR provided an opportunity to reveal the implementation successes, challenges and lessons that needed to be noted and managed in the successive years of implementing the 8NDP. The APR report provided but was not limited to:

(i) the extent to which the output targets in the National Development Plan had been attained;
(ii) the performance of the National Budget for the previous financial year in relation to contribution to the achievement of the output targets in the National Development Plan; and
(iii) capital investment projects with particular focus on the physical execution of a project in relation to the expenditure incurred and the time remaining to complete the project.

3.0 SUMMARY OF SUBMISSIONS

A summary of submissions by stakeholders is set out below.

3.1 Macroeconomic and Budget performance in 2022

The Committee was informed that during the implementation of the 8NDP, the macroeconomic objectives set by the Government sought to restore macroeconomic stability by raising Gross Domestic Product (GDP) growth and attain fiscal debt sustainability to improve the lives and livelihoods of the people. The objectives set out in the 8NDP, were implemented through the annual budgets. A total of K40.32 billion was allocated towards the implementation of 8NDP programmes. Out of this amount, K38.39 billion was released, while K37.36 billion was expended, representing 97.3 per cent absorption.

Stakeholders submitted that the macroeconomic environment was faced with many challenges ranging from dampened economic activities; depreciating exchange rates; rising inflationary pressures; declining revenues; and rising expenditures. This was mainly on account of supply chain disruptions, which had a severe impact on the business environment and the economic sectors, resulting in reduced total output.

The Human and Social Development strategic development area, had the highest budget allocated towards the implementation of the 8NDP programmes, at K28.57 billion, out of which K25.5 billion was released and K25.09 billion was expended. The Environmental Sustainability strategic development area had the lowest budget allocation, at K433.1 million, out of which K363.3 million was released and K363.1 million was expended.

Stakeholders submitted that significant progress was made in achieving the macroeconomic objectives set out in the 2022 Budget as discussed hereunder.

a) Economic Growth:

Economic growth in 2022 remained resilient, recording growth of 4.7 per cent, exceeding the baseline (4.6 per cent in 2021), the 8NDP target of 4.6 per cent and the 2022 target of 3.6 per cent. This growth was mainly attributed to a strong performance in the education; transport and storage; and information and communications technology sectors. The Committee was informed that, these growth drivers were not the typical priority sectors identified in the 8NDP among them agriculture, tourism, manufacturing, and mining. Generally, a growth rate of 4.7 per cent was a sign of moderate economic recovery and resilience. However, the effect of the Russia-Ukraine war; the lingering effects of the COVID-19 pandemic; tighter global financial conditions; as well as the protracted debt restructuring talks, continued to be major downside risks to economic growth forecast.

b) Inflation

Annual inflation remained volatile and outside the 6-8 per cent target range since 2019. The year-on-year inflation rate drastically declined from 22.1 per cent in 2021 to 11.1 per cent in 2022, driven mainly by relatively lower food and non-food prices. Food items; exchange rate pass-through; and global shocks were the major drivers of inflation. It remained in single digits in the second half of the year and ended the year at 9.9 per cent, in line with the target.

c) Exchange Rate

The Kwacha appreciated against the United States Dollar from an average annual exchange rate of K19.91 per US$ in 2021 to K16.91 per US$ in 2022. The appreciation was mainly supported by the high supply of foreign exchange and the positive sentiments following the approval of the International Monetary Fund (IMF) Extended Credit Facility (ECF) Programme in August, 2022. However, demand pressures intensified in the latter part of the year partly driven by low foreign exchange supply and the procurement of agricultural and petroleum products.

d) Public Debt

The Committee was informed that total public and publicly guaranteed debt position stood at US$ 27.14 billion, as at end of December, 2022 from US$ 26.16 billion as at end of December, 2021, showing an increase of 3.2 per cent. In 2022, Central Government external debt increased by 7 per cent to US$13.96 billion from US$13.04 billion in 2021. This increase was attributed to the disbursements of already existing project loans for on-going priority infrastructural projects mostly financed by multilateral institutions and bilateral creditors.

e) Domestic Debt

Stakeholders further informed the Committee that with limited external sources for development finance in 2022, domestic sources continued to be critical for the

Government. Domestic debt was largely used to finance budget support and domestic debt refinancing. Despite the country's domestic debt increasing to K210 billion in 2022, from K193 billion recorded in 2021, the 9 per cent increase recorded in 2022 was much lower than the 48 per cent change for 2021. Generally, in 2022, the rate of domestic debt accumulation substantially slowed down, compared to 2021. The Committee was also informed that despite positive reforms undertaken by the Government, the delays in the country's sovereign debt restructuring compromised its ability to mobilise and maximise resources, ultimately impacting its macroeconomic stability and growth potential.

f) Fiscal Deficit

The overall target on fiscal deficit widened to 8.1 per cent of GDP in the year under review from a baseline of 5.3 per cent and a target of less than 3 per cent of GDP by 2026. The continued widening of the fiscal deficit, coupled with the protracted debt negotiations under the Common Framework, threatened the attainment of the 65 per cent debt -to -GDP ratio prescribed in section 11(2) of the *Public Debt Management Act, No. 15 of 2022*.

g) Gross International Reserves

Gross International Reserves in 2022 rose to US$ 3.1 billion, equivalent to 3.8 months import cover, which was consistent with the target of greater than 2 months. The increase in the reserves was mainly driven by receipt of the IMF, ECF funds; increase in project inflows; and improved mining tax receipts.

3.2 Fiscal Performance

The revenue performance in 2022 was satisfactory, with total revenues and grants amounting to K100.68 billion, 100 percent of the projected amount. The positive outcome was primarily driven by higher-than-projected collection in income taxes, specifically company income tax and Pay as You Earn. Insurance premiums collections also recorded a strong performance, exceeding the target by 384 per cent. However, domestic revenues (total revenues excluding grants) fell slightly short, standing at K98.7 billion below the target of K98.9 billion. As a result, the domestic revenue-to-GDP ratio, stood at 20 per cent less than the 2022 budget target of 21 percent. This was due to lower-than-projected collections in Value Added Tax (VAT); customs and excise duties; and mineral royalty. The underperformance reflected the limited fiscal capacity to effectively collect taxes, due to factors such as a significant informal economy; high levels of tax evasion; ineffective tax collection mechanisms; and a narrow tax base. One of the reasons advanced for the underperformance of VAT, was low payment compliance among withholding VAT agents. The negative performance of mineral royalty collections was due to reduced output and declining copper prices on the international market. Furthermore, the Government introduced various tax concessions and compensating measures in the 2022 Budget.

3.3 Mining

The 2022 Budget pronounced an estimate of 3 million metric tonnes (MT) of copper production by 2032. The intention under the 8NDP was to achieve 1.5 million MT copper production by 2026. The Committee was informed that in 2022 copper production dipped to 763,550 MT, the lowest level of production since 2017. Additionally, copper export earnings fell by 17.1 percent to K137.8 billion in 2022, from K166.2 billion in 2021, reflecting lower copper prices and export volumes. The reduction in export volumes was underpinned by a decline in copper output amid low ore grade, operational challenges and routine closures for maintenance at some mines. Gold production in 2022 decreased by 23.0 percent to 2,773 kilograms, from 3,599 kilograms in 2021, due to low-ore grade and suspension of operations at gold mines. Cobalt production increased by 4.7 percent to 251.8 MT, from 240.4 MT in 2021. Stakeholders further submitted that there was need to enhance diversification within the mining sector and the quality of non-traditional exports, which would in turn aid the improvement in supply of foreign exchange rate.

3.4 Performance of Enhanced Constituency Development Fund

Stakeholders extolled the Government for releasing funds for the Constituency Development Fund **(**CDF) at 92 per cent. However, stakeholders expressed concern that the absorption rate was poor, at 19 per cent of the releases.

Stakeholders were of the considered view that the allocation to CDF may have been above the optimal level, in this case about K4.6 million per constituency having reviewed the actual expenditure and identified implementation challenges. Additionally, stakeholders informed the Committee that the absorption rate for the allocation of grants to the youth and women was at 65 per cent. Stakeholders further expressed concern that there was no report with respect to expenditure or disbursement of empowerment loans.

The Committee was also informed that there were a myriad implementation challenges and the overarching challenge was understaffing. Stakeholders informed the Committee that if the approval process was streamlined and decentralised but understaffing was not addressed, the low absorption of funds would persist.

Stakeholders observed, with concern, that the banks were holding CDF for an inordinately longer period before commencement of disbursements to the beneficiaries. They were of the considered view that this was deliberate for the banks to earn interest on the funds and that there was no system through which to account for earned interest.

3.5 Financing of the Eighth National Development Plan

Stakeholders informed the Committee that during the period under review, Zambia was on an IMF programme, where US$1.3 billion had been provided through an ECF. The funds from the IMF were intended to support the balance of payments and provide budget support during the debt restructuring process. In addition, Multilateral Development Banks such as World Bank and the African Development Bank were also providing project financing, as well as budget support during this period. The Committee was further informed that the Government had committed to fiscal consolidation in order to contain the fiscal deficit and curb further accumulation of debt. This was done by placing a zero ceiling on the contraction of non-concessional debt during the IMF programme period.

Other stakeholders informed the Committee that the Government securities market played a critical role in financing the 8NDP, as it provided a means for the Government to meet part of its financing needs from domestic resources. This became even more pronounced amid reduced external financing. Over the past ten years (2012 -2022), domestic financing as a proportion of the fiscal deficit averaged 52.3 per cent. In 2022, 34.0 percent of the deficit was financed by Government securities.

Notwithstanding the preceding, the Government aimed to reduce the fiscal deficit to sustainable levels over the 8NDP period, by curtailing the rapid accumulation of domestic and external debt. In this regard, net domestic financing was expected to fall to 2.9 per cent of GDP in 2023, further to 2.2 per cent in 2024 and 1.9 per cent in 2025. In addition, external funding, mainly from multilateral partners through grants and concessional loans, was expected to support the financing of the 8NDP.

PART II

4.0 CONCERNS BY STAKEHOLDERS ON THE STRATEGIC DEVELOPMENT AREAS, STRATEGIES AND PROGRAMMES

All the stakeholders who appeared before the Committee commended the Government for adhering to the provision of section 29(1) of the *National Planning and Budgeting Act, No. 1 of 2020,* which directed the Minister of Finance and National Planning to submit to the National Assembly an annual review of the implementation of the National Development Plan.

4.1 Performance of Strategic Development Areas

Stakeholders informed the Committee that to accelerate progress during the implementation of the 8NDP period, and drive the economy to greater heights, the Government would use a focused approach, based on four Strategic Development Areas (SDAs): Economic Transformation and Job Creation; Human and Social Development; Environmental Sustainability; and Good Governance. Performance in the four thematic areas of the 8NDP with respective concerns of stakeholders is as discussed below.

4.1.1 Strategic Development Area 1: Economic Transformation and Job Creation

Stakeholders submitted that SDA on Economic Transformation and Job Creation had three development outcomes namely: an industrialised and diversified economy; enhanced citizenry participation in the economy; and a competitive private sector. The economic transformation and job creation SDA underperformed, overly. The Government had a total of 179 targets under the eighty-seven programmes but only sixty-seven were fully met and thirty-one were partially met, representing 43 per cent, 17 per cent, full and partial progress rate respectively.

The strategy on improving agricultural production and productivity (the agricultural sector) dominated the treasury appropriation to the SDA, receiving about ZMW 8.2 billion, out of the total of ZMW 10.8 billion appropriated to the whole SDA. Further, it was observed that most of the infrastructure related targets were not met because of the policy stance to reduce on borrowing and exercise fiscal prudence. Stakeholders submitted on the respective development come areas as discussed hereunder.

(i) Development Outcome 1: An industrialised and Diversified Economy

Strategy 1 -: Increase agricultural production and productivity
Stakeholders submitted that infrastructure development had remained a challenge in the agriculture sector. Consequently, most of the targets were not met and this was attributed

to resource constraints and lengthy procurement processes. Procurement of livestock goods and services were more successful than capital expenditure procurements.

Stakeholders also informed the Committee that while the farmer support programme performance was at 100 per cent, there were considerable delays in the delivery of inputs, which negatively affected farmers countrywide. The Committee was also informed that the target to construct five small earth dams was not attained due to the recurring challenge of resource constraints. Stakeholders further submitted that in the aquaculture sub-sector, the establishment of sixty fish management areas was not achieved.

While commending the Government for the procurement of 145 motorbikes, against a target of 200, stakeholders expressed concern that the target to recruit 500 extension officers was not attained and was deferred to 2023.

Other stakeholders expressed concern that the allocation to the agriculture sector for the 2022 budget was 6.3 per cent, which was below the agree allocation of at least 10 per cent of national budgets to agriculture and rural development, to achieve agriculture growth rates of at least 6 per cent per annum. They further expressed concern that for more than a decade, Farmer Input Support Programme and the Food Reserve Agency, had continued to gobble more than 50 per cent of the total budget to the Ministry of Agriculture

Strategy 2: Promote Traditional and Non-Traditional Minerals

Stakeholders expressed concern that in 2022, there was no target under the mineral beneficiation and value addition programme. This was despite the recognition that if the country was to reap benefits from the sector, there was need for value addition to improve the economic value of the ore, especially in view of reduced production and fluctuating copper prices.

Regarding artisanal and small-scale mining development, the target to license twenty gold mining cooperatives was not met, as no gold mining cooperative was licensed in 2022. Further, the issuance of gold panning certificates was suspended, as gold miners were not formalised. In addition, the Mining Cadastre Department, which issued certificates, was closed due to the moratorium from 23rd February to 19th October 2022.

Others expressed concern that in as much as the Government allocated ZMK 44.8 million to the strategy and all the funds were released, only 68.2 per cent of the released money was utilised, showing under performance. Stakeholders were of the view that the 8NDP did not put much emphasis on diversifying into other minerals. Additionally, stakeholders expressed concern that the Government had continued its over-dependence on copper, which was evidenced by Governments aim to increase copper production to 3 million MT by 2032, while no artisanal and small-scale mining development licences, especially for gold, were given in 2022.

Strategy 3: Promote value-addition and manufacturing
A number of stakeholders expressed concern that the targets to produce one livestock value chain, establish two provincial livestock aggregation centres, as well as two provincial poultry aggregation centres, were not achieved.

Stakeholders noted that with regard to investment promotion, there was a notable growth of projected investment from US$3.3 billion in 2021 to US$8.6 billion in 2022. However, pledged investments were merely projections and therefore, until they were actualised, they were of no benefit. Stakeholders also expressed concern that Kalumbila District Multi Facility Economic Zone was not actualised in as much as it had been earmarked for operationalisation for a prolonged period of time.

Other stakeholders expressed concern that due to the absence of mechanisms for comprehensive compilation of data, there was no progress reported on skills development. Stakeholders were of the view that the development of this system must be expedited so that the Government could track progress in terms of skills training, which was an essential element of economic transformation.

Strategy 4: Promote tourism diversification
The Committee was informed that a number of targets earmarked to improve tourism such as development of wildlife-based tourism products and classification and grading of accommodation establishments, were not achieved due to slow processes of collaboration between the Government and various stakeholders. Others submitted that there was poor performance in tourism promotion and marketing. Others expressed concern at the delay to sign tourism concession agreements meant to improve wildlife management. This was due to lengthy processes and stages. Others submitted that the lack of resources impeded the development of Game Management Plans.

Strategy 5: Improve Transport and Logistics
Stakeholders informed the Committee that the target to procure thirteen TAZARA locomotives under the Rail Development and Maintenance Programme was not actualised, as the Government was unable to raise the funds. Others submitted that the target to dredge 460 kilometres of canals under the Inland Water Transport Development and Maintenance was not met.

Stakeholders expressed concern that there were no targets for the Inland Dry Ports Development; Trade Centre Development; and Warehousing Development Programmes, making it impossible to assess the progress made.

Strategy 6: Enhance generation, transmission and distribution of electricity
Under this strategy, stakeholders noted that the target to increase electricity generation was met with the commissioning of two more units at Kafue Gorge Lower Hydro power station and that the targets regarding rural electrification were also met with the exception of a

Public Private Partnership venture between the Rural Electrification Authority and Standard Microgrid Zambia, whose negotiations prolonged, a reflection of the negative impact of bureaucratic processes

Stakeholders expressed concern that the target to cumulatively increase the number of alternative and renewable energy projects implemented from 10 to 12, was not met due to the failure to reach financial closure.

Strategy 7: Enhance management of petroleum products
While commending the Government for implementing the Citizens Economic Empowerment (Transportation of Heavy and Bulk Commodities by Road) (Reservation) Regulations, Statutory Instrument No. 35 of 2021, which resulted in 100 percent private sector participation and encouraged local participation in petroleum product transportation, stakeholders expressed concern that despite the enforcement of the S.I, the participation of local transporters in the sector remained low. Further, the lack of target setting regarding infrastructure development and alternative fuel promotion programmes impeded the assessment of their performance and reflected the lack of prioritisation of these measures.

Strategy 10: Promote applied research and development
While acknowledging that the Government released the entire ZMW 73.2 million, which was budgeted for applied research and development, stakeholders noted, with concern, that funding to research and development; product development; and commercialisation in the Zambian budget was dismal. Stakeholders were of the view that to actualise this strategy, the Government should allocate enough resources to spur applied research and innovation by scientists. In addition, there was need to invest in infrastructure development to encourage Zambian scientists to engage in applied research and development.

(ii) Development Outcome 2: Enhance Citizenry Participation in the Economy

Strategy 1: Promote local and diaspora participation in the economy
Stakeholders observed that performance varied by programme with some programmes recording above target performance, with others lagging behind in meeting targets. They observed, with concern, that there was no target with regard to increasing the participation of the diaspora in the economy. Additionally, there was a significant underperformance on empowerment programmes for women; youth; and persons with disabilities, as only seventy businesses benefited, compared to the target of 200,000.

Other stakeholders submitted that the programme to have youth-owned companies participating in public tenders by 40 per cent points, to 60 per cent, respectively, was dismal. Stakeholders further expressed concern that no information was provided on actual performance although inadequacies in the legal framework to facilitate implementation of programmes was cited as the major reason for this dismal performance. Stakeholders recommended that efforts to strengthen the legal framework to facilitate programme implementation should be prioritised, as this was cited as a major challenge inhibiting performance.

Strategy 2: Promote enterprise development

While commending the Government that for an above-target performance on most programmes on small and medium enterprise development, they observed, with concern, the underperformance in the programme to develop industrial yards, with only three, which were operationalised in Mongu; Kasama; and Chipata, against a target of five. Stakeholders recommended that the Government should continue to link formalisation of the informal sector business and cooperatives to opportunities such as access to resources such as the CDF and to develop innovative loan products for the micro, small and medium enterprises which were linked to value addition.

Strategy 3: Promote technical, vocational and entrepreneurship skills

Stakeholders submitted that overly, there was good performance under this strategy. This good performance was attributed to several factors such as supportive initiatives like the Skills Fund and CDF Skills Bursary. In the same vein, programmes to up-skill and re-skill individuals on the future of work through sensitisation, over performed by 224 per cent with 1,944 individuals sensitised, against a target of 600. Stakeholders recommended that the Government should support the development of mentorship programmes to encourage youth involvement through peer-to-peer learning. Additionally, there was need to revitalise vocational and farmer training centres, which would offer short courses on various value chains. Emphasis on farming as a business should be paramount.

Strategy 4: Promote Financial Inclusion

Stakeholders observed the Government did not finance any programme under this strategy. Furthermore, no targets were provided. Stakeholders acknowledged d that the Bank of Zambia, in collaboration with other financial sectors regulators and cooperating partners, had continued promoting financial inclusion and undertaking of the literacy week. As a result, there was an increase in active mobile subscribers by 14 per cent to 11, 246,686, while the value and volume of transactions processed increased by 74.6 per cent and 89.6 per cent respectively.

(iii) Development Outcome 3: A Competitive Private Sector

Stakeholders submitted that great progress on this development outcome was recorded. Critical product standards were developed and trade-based Memorandum of Understanding were signed with trade partners. The Public-Private Dialogue Forum was established to remove business impediments.

Strategy 1: Promote productivity and product quality

Stakeholders commended the Government for implementing most of the programmes under this strategy among them; product standardisation and quality assurance; market surveillance; and fair competition promotion. Stakeholders urged the Government to further ease the cost of doing business and recommended that the process of harmonising permits and licenses and piloting of the single licensing window in other sectors, as was the case in the tourism sector, must be hastened.

Strategy 2: Facilitate increased domestic and international trade
Stakeholders expressed delight that under the target on international cooperation and economic diplomacy, there were a number of Memorandum of Understating signed in 2022.

Other stakeholders expressed concern that there were no targets regarding coordinated border management, which was essential to facilitating trade. In addition, the targets to establish a commodity exchange platform and inter-country trade centre were not met and no reasons were provided for this status, thereby reflecting the lack of prioritisation.

4.1.2 Strategic Development Area 2: Human and Social Development

Stakeholders submitted that the SDA on Human and Social Economic Development had one of the highest budget allocations towards the implementation of the 8NDP, at ZMK28.57 billion. Out of this, ZMK25.5 billion was released and ZMK25.09 billion was expended, translating into an absorption rate of 98.3 per cent. The Committee was informed that the development outcome on improved education and skills development, received the highest allocation under the pillar, at 54.1 per cent, which highlighted the Government's commitment to its Free Education Policy. Further, the Government, in the 2023 National Budget, increased budget allocation to education, at 13.9 per cent, compared to 10.4 per cent in 2022.

Stakeholders further submitted that the Human and Social Development focused on addressing the vicious cycle of poverty; inequalities; and vulnerability. This entailed providing equal opportunities for every citizen to develop to their full potential and effectively contribute to the country's development.

This SDA had four development outcomes; fourteen strategies; and ninety programmes. In the review period of 2022, there were 223 targets set for all the ninety programs. Out of these targets, 143 were met; sixteen were partially met; and sixty-four were not met, representing 63 per cent; 7 per cent; and 29 per cent, respectively. Stakeholders submitted on the respective development come areas as discussed hereunder.

Development Outcome 1: Improved Education and Skills

Strategy 1 - Enhance Access to quality, equitable, and inclusive education
Stakeholders submitted that under this strategy, there were eleven programmes but not limited to the following: Early Childhood Education; Primary Education; Adult Literacy; and Infrastructure Development Programme. Stakeholders submitted that the target of

ensuring that 50 per cent of Grade 1 entrants had Early Childhood Education experience, was not met.

Others stakeholders commended the Government for the Free Education Policy, which resulted in 580,000 learners being added to the school system. However, they expressed concern that the Government recorded a pupil teacher ratio 58:1 against a target of 45:1. They were of the view that the free education policy would continue to add pressure on the school system, resulting in the need for continued recruitments and investment in school infrastructure.

The Committee was informed that there were challenges in meeting some targets related to secondary school completion rates. The grade nine target fell short of the target of 80 per cent, as a paltry 37 per cent was achieved.

The Committee was informed that overall, the infrastructure development programme made significant strides in improving the physical infrastructure of educational institutions. However, further analysis was required to assess the quality; accessibility; and sustainability of the infrastructure developed.

Other stakeholders expressed concern that a total of 1,027,841 packets of disposable sanitary towels were procured and distributed to female learners against a target of 2,000,991. Stakeholders submitted that there was need to ramp up efforts to ensure that more female learners were reached countrywide.

Strategy 2 - Improve Technical Education, Vocational and Entrepreneurship Skills
Stakeholders commended the Government for enhancing Technical Education, Vocational and Entrepreneurship Skills Training bursaries financing, from the CDF. Stakeholders submitted that while acknowledging that technical skills were one of the critical skills lacking from newly hired job seeker, it was also important to ensure the that the training offered was aligned well with industry needs and promoted entrepreneurship and innovation.

Strategy 3: -Increase Access to Higher Education
Stakeholders regretted that the only one output, which was to complete the construction of six student hostels at Mulungushi University in Kabwe, was not achieved due to resource constraints. It was unfortunate that the Ministry failed to complete the construction of six student hostels at Mulungushi University. Stakeholders further expressed disappointment that the University of Zambia had hostels that had remained incomplete for over seventeen years. Stakeholders recommended that that the Government should partner with the private sector and complete the hostels and thereafter allow them to collect rentals from the students for a specific period of time.

Other stakeholders expressed disappointment that there was no target under the Curriculum Review. They further submitted that Zambia's curriculum was too theoretical. Consequently, graduates merely became destitute after graduation, as it did not equip them with life sustaining skills. Therefore, there was need to decolonise the higher education curriculum to make it more responsive to the country's economic needs.

Development Outcome 2: Improved Health and Nutrition

Strategy 1 - Strengthening public health

Stakeholders submitted that there were eight programmes under this strategy not limited to the following: disease prevention and control; maternal and neonatal health care and family planning promotion among others. Stakeholders informed the Committee that key programmes under disease prevention were not met. Among them, voluntary medical circumcision; breast cancer; and notification rate for Tuberculosis.

Others informed the Committee that the performance on the output program of health posts and centres with functional maternity wings to 39 percent could not be established. The main reasons advanced included the lack of assessments. Stakeholders recommended that the Government must prioritise monitoring and evaluation to ensure the delivery of quality health care. Stakeholders also submitted that there was no progress recorded with respect to increasing the proportion of facilities meeting the water and sanitation and hygiene standards to 60 per cent.

Other stakeholders submitted that the target under family planning promotion was not met and this was attributed to inadequate awareness on the family programme. Stakeholders expressed concern that failure to achieve the target increased the risks, especially in areas where child marriages and adolescent pregnancies were rife. Additionally, this affected girl child and, also exacerbated intergenerational poverty in communities.

Strategy 2 - Increased Access to Quality Health Care

Stakeholders commended the Government for reaching the target to increase the functional essential equipment at each level of care, to 33 per cent for first to third level hospitals. They however, expressed concern that while there was an increase in budget allocation to the programme for medicines and medical supplies, shortages of essential drugs continued to be a major concern for the health sector. This was a recurring challenge in the health sector, as the desired drug stock availability level of 80 percent had consistently not been met.

Strategy 3 – Enhanced Food Security and Nutrition

Stakeholders informed the Committee that despite the Government allocating K 681,932,247 in 2022, no funds were released to the intervention. This was against the Government's commitment to increase contribution by 20 per cent for the next ten years, to reach the estimated additional US$30 per child under five, required to scale up high impact interventions. Stakeholders further expressed concern that the number of districts implementing the 1000 most critical days, still remained at forty-two districts as baseline. Stakeholders were of the view that this showed a high dependency on donor funding for implementation of nutrition interventions.

Strategy 4 - Strengthen Integrated Health Information Systems

While commending the Government for maintaining the health budget at 8 per cent, through Integrated Health Care Financing, resulting in an allocation of ZMW 13.9 billion, and meeting the target, stakeholders were of the considered view that the target of 8 per cent was not ambitious enough, as it remained far below the 15 per cent Abuja Declaration target for budget expenditure on health in any given year, to which Zambia was a signatory.

Development Outcome 3: Improved Water and Sanitation

Strategy 1 - Improve access to clean and safe water supply

Stakeholders submitted that a number of targets were met and the positive performance was attributed to additional support from Cooperating Partners. Stakeholders further submitted that access to safe water supply and sanitation remained critical in the realisation of sustainable livelihoods, and socio-economic development. Non-Revenue Water (NRW) was one of the chronic challenges faced by water utility companies. Sadly, the strategy did not make mention of improving the NRW indicator, whose challenges included physical losses, which occurred due to loss of water through leakages during transmission from the main sources to distribution centres. NRW deprived companies of revenues to help improve operations such as electricity costs for pumping. High NRW further negatively affected service provision to customers who needed the basic resource.

Strategy 2 - Improve Sanitation Services

The Committee was informed that sanitation coverage was at 54 per cent of Zambian households, segregated as 41 per cent urban areas and 28 per cent rural areas. Stakeholders submitted that the water and sanitation and hygiene sector largely relied on external funding. In the 2022 National Budget, 73 per cent of the water and sanitation budget was funded externally. Stakeholders expressed concern that in the absence of external funding, very little was apportioned towards infrastructure development in the sector. Investing in infrastructure was critical to addressing challenges that related to NRW, water and sanitation coverage and improving metering ratios. Stakeholders recommended that while most of the targets were met, the national budget allocation towards the sector should be increased to ensure provision of access to quality safe water and sanitation.

Development Outcome 4: Poverty and Vulnerability Reduction

Strategy 1 - Improve social protection programs

Stakeholders submitted that under this strategy, there were three programmes which included reform; integration; and expansion of social security programmes. Stakeholders commended the Government on the increase in the budgetary allocation by 16 per cent to the Public Service Pension Fund to ZMW 2.3 billion in 2022, from ZMW 2 billion in 2021. The increase was mainly targeted at dismantling the backlog in arrears owed to pensioners. However, stakeholders were of the view that there was a gap in the legislative framework and therefore, recommended that Government should enact a social protection law.

Other stakeholders recommended that Government should build capacity among the local authorities to effectively manage and coordinate social protection considering that CDF had an additional social protection component. Stakeholders also expressed concern that the Government only registered a paltry 116 injury schemes out of 375.

Strategy 2 - Enhance Welfare and Livelihoods of Poor and Vulnerable People.
Stakeholders submitted that under this strategy, there were eleven programmes not limited to the following: Social Cash Transfer (SCT); the Public Welfare Assistance Scheme (PWAS), Disability Services; Food Security Support; and Child Protection, among programmes. Stakeholders commended the Government for increasing the transfer amount for SCT from ZMW150 to ZMW 200. However, despite the increase in the budget allocation and improvements in disbursements, some households were still not receiving their payments due to administrative inefficiencies that delayed transfers between the Ministry of Community Development and Social Service and the districts.

Other stakeholders informed the Committee that the target under PWAS under-performed, as less than half of its intended beneficiaries, that is, 7183 out of 16,000, were reached on account of inadequate funding. Low community sensitisation, especially in rural areas was another factor.

The Committee also learnt that there was no overall disability coordination mechanism on which focal points for disability should be anchored at strategic points such as a planning department. Stakeholders also expressed concern at the lack of assistive devices for persons with disabilities. As a result,403 of the 978 targeted persons with disabilities were provided with assistive devices. Insufficient data on the number of persons living persons with disabilities made it difficult to accurately target persons in need of social assistance, as the data baseline was from the 2015 National Disability Survey.

Strategy 4: Increase Access to Decent and Affordable Housing
Stakeholders submitted that there were five programmes under this strategy. Stakeholders submitted that there were no targets with respect to social housing reforms. Others submitted that while there were several targets with regard to public and social housing, the overall outcome indicated a lack of progress. The Committee was informed that the sector seldom received sufficient budget allocation and that the cost of housing remained one of the most significant costs faced by households**.**

Strategy 5: Reduce Vulnerability Associate with HIV and AIDS

Stakeholders expressed concern, that funding towards treatment and prevention of the Human Immunodeficiency Virus and Acquired Immune Deficiency Syndrome (AIDS), was heavily dependent on two donors, namely, the United States President's Emergency Plan for AIDS Relief; and the Global Fund, at 92.2 per cent. Stakeholders expressed concern that overdependence on foreign financing threatened the sustainability of the gains made. Stakeholders submitted that the Government must put in place measures to locally own the funding towards the prevention and treatment. In addition, priority should be to prevent new HIV infections, which was not a priority for donors.

4.1.3 Strategic Development Area 3: Environmental Sustainability

Stakeholders submitted that the allocation to Environmental Sustainability had the lowest allocation for the 2022 Budget, which amounted to ZMK 344,199,712.55 or 0.4 per cent of the budget. Stakeholders were of the view that this implied that the Government did not attach great value to programming and implementation for environmental sustainability, despite the known negative social and economic impacts, including the impact of climate change on various sectors. In 2022, a total of 109 targets were set to be achieved under the thirty programmes. Out of these, a total of fifty-five targets were met, while fifty-four targets were not met, representing 50 per cent of targets met and 50 per cent not met. Of the total 109 targets, seventy-eight targets were under development outcome 1, while thirty targets were under development outcome 2.

Stakeholders submitted that there were 109 targets set to be achieved under thirty Environmental Sustainability Programmes. Of the 109 targets, seventy-eight were under development outcome one, while thirty-one were under development outcome 2. A total of fifty-five targets were met, while fifty-four targets were not met, representing 50 per cent targets met and 50 per cent not met, respectively.

Stakeholders expressed concern that the allocation to the Environmental Sustainability was the lowest in the 2022 budget, representing 0.4 per cent of the budget. Stakeholders were of the view that this implied that the Government did not attach great value to programming and implementation of environmental sustainability. Stakeholders recommended that the Government should increase the allocation to at least not less than 5 per cent.

Other stakeholders expressed concern that there was clear dependence on cooperating partners to meet the targets that were set out for the year 2022. Stakeholders recommended that the Government should clearly define the targets it would achieve through domestic funding, and which targets would require external and donor funding, as this would assist in setting priority needs in both resource allocation and mobilisation of revenue.

Stakeholders expressed concern that the final draft of the National Climate Bill, which was submitted to the Ministry of Justice, had not been tabled in the National Assembly.

Stakeholders urged the Government to expedite the tabling of the draft National Climate Change Bill to the National Assembly.

4.1.4 Strategic Development Area 4: Good Governance Environment

Stakeholders submitted that the SDA was anchored on providing a conducive platform for socio-economic development in the nation. During the period under review, the annual budget for SDA4 was ZMK 1,703,882,602.74, out of which ZMK 1,861,422, 181.18, was released, representing 98.7 per cent. Out of this amount, a total of ZMK 2,389,180.00 was from Cooperating and Development Partners. In the period under review, the pillar had a total of eight-three output targets, out of which forty-four were met, representing 53 per cent; nine were partially met, representing 11 per cent; while thirty output targets were not met, representing 36 per cent. Stakeholders submitted on the respective development come areas as discussed hereunder.

Development Outcome 1: Improved Policy and Governance Environment

Strategy 1: Decentralise Public Service Delivery System
Stakeholders submitted that there were five programmes, among them sector decentralisation; human resources management; and fiscal decentralisation. Stakeholders submitted that 35 per cent implementation of the strategy indicated that the Government needed to ramp up its efforts to enhance an improved governance environment at the local levels. Stakeholders also expressed concern on the failure to digitise revenue collection systems in sixty local authorities.

Strategy 3: Strengthen Transparency and Accountability Mechanisms
Stakeholders submitted that there was 58 per cent annual implementation rate, which was viewed as low. Stakeholders submitted that failure to foster transparency holistically, such as failure to form integrity committees, was key to the fight against corruption. In addition, this left room for mismanagement of public resources considering that internal controls that were sought to be harnessed and implemented, had not been fully implemented.

Strategy 4: Strengthen Democratic and Political Governance
The Committee was informed that out of a total of two targets, none was achieved. Stakeholders submitted that the strategy focused on legal reforms to strengthen the democratic environment and foster the rule of law and good governance. Failure to implement the strategies was detrimental to the tenets and further shrunk the democratic civic space.

Development Outcome 2: Improved Rule of Law, Human Rights and Constitutionalism

Strategy 2: Strengthen the criminal and justice system and enhance the rule of law
Stakeholders expressed concern that 27 per cent implementation of the strategy was a clear indication of existing bottlenecks that led to the poor implementation. Stakeholders urged the Government to ensure that these were resolved to have a 100 per cent implementation rate.

5.0 ENGAGEMENT WITH THE MINISTER OF FINANCE AND NATIONAL PLANNING

The Minister of Finance and National Planning appeared before Committee to give a policy perspective on the 2022 implementation of the 8NDP and also clarify issues that arose during interaction with the stakeholders that had made submission to the Committee. The Minister informed the Committee that the APR report was meant to highlight what milestones had been achieved in the year 2022. He further submitted that during the period under review, budgeted funds were released in line with the budget. He further informed the Committee that disbursement of funds was critical for implementation and that unlike in the past years, releases of funds were in tandem with the National Development Plan. He however, hastened to mention that there were also challenges in spending the funds that had been released timely.

The Minister also apprised the Committee that the Government was committed to actualising the aspirations of the 8NDP and encouraged the Members to continue holding the Executive to task through their oversight function. The Minister provided clarification on the matters outlined hereunder.

(i) Lack of inclusive growth and non-accrual to ordinary citizens
The Minister acknowledged that while the country was recording positive growth, citizens were facing challenges such as low income, poverty, high unemployment and poor access to essential commodities. The Minister informed the Committee that the Government was promoting investment in labour intensive sectors such as the agriculture sector. Unfortunately, the sector experienced a decline in GDP growth during the year 2022. He further submitted that the Government had increased the CDF allocation with a view to stimulate growth which would in turn create jobs and reduce poverty.

(ii) Poor performance of Strategic Development Area 1
The Minister admitted that SDA 1 performed poorly in the key strategic development areas namely agriculture; mining; tourism and manufacturing due to a myriad of challenges. The Committee was informed that the Government was committed to creating a conducive macroeconomic environment. This was being done through implementation of friendly

policies and strategies to attract and secure investments in agriculture, construction and mining.

The Minister further submitted that with regard to the agriculture sector including livestock and fisheries, the Government was focused on improving productivity so as to take advantage of the markets in the Democratic Republic of Congo and Angola. The Committee was also informed that this was being done through development of the farm blocks which would focus on the export markets; mechanisation of farming systems to increase yields; implementation of an efficient and cost-effective input support programme and development of irrigation facilities.

The Minister submitted that the main challenge with regard to the mining sector was the standoff on Konkola Copper Mine and the challenges with regard to Mopani Mine. The Minister submitted that the Government would conclude its discussions on the matter in the near future.

(iii) Farmer Input Support Programme (FISP) Policy direction

The Committee was informed that FISP had become more of an entitlement and a social protection programme as opposed to being an economic programme. The Committee learnt that FISP had gobbled the largest share of the agriculture budget with little to no support provided to research and development, irrigation and extension services. The Minister acknowledged the concerns as true. He further submitted that the Comprehensive Agriculture Transformation Support Programme was intended to stimulate value chains that would lead to diversification of crops; livestock and fisheries. The Committee was also informed that in order to ensure that FISP was made cost effective and rolled in an efficient manner, the Ministry of Agriculture would implement a phased-out approach of migration to an electronic support system from the Direct Input Supply.

(iv) Social Protection Bill

The Minister acknowledged that the subsisting legislative framework lacked explicit provisions for social protection. The Minister informed the Committee that to adequately address the challenges in providing social security, the Government through a Cabinet decision in 2012 resolved to have a singular legal and institutional framework through the introduction of a Social Protection Bill. However, reaching a broad consensus on all aspects of envisioned singular legal and institutional frameworks proved to be challenge despite numerous stakeholder consultations. In this regard, it was resolved to untangle the singular Bill and allow various reform processes to proceed separately.

(v) Budget Credibility and Fiscal Consolidation

The Committee was informed that in the year under review, the fiscal deficit remained high at 8.1 per cent of GDP and that this posed a risk to achieving debt sustainability. While acknowledging this, the Minister submitted that the fiscal deficit in 2022 closed at 7.8 per cent of GDP and that this was attributed to among factors the once-off payment for retrenched Indeni workers; conducting the 2022 Census of Population and Housing; school grants for implementation of the free education policy; and dismantling of arrears to various suppliers of goods and services. He further submitted that to address the budget overruns, the Government would rationalise expenditures; and implement measures that would enhance domestic resources mobilisation so as to reduce the need for borrowing.

PART III

6.0 COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS

The Committee observes with concern that the APR was tabled before the National Assembly without an accompanying Implementation Plan which is a required yard stick when assessing progress of set targets. The Committee further observes with concern that the *National Planning and Budgeting Act, No. 1 of 2020,* does not prescribe, the period within which to complete the preparation of The National Implementation Plan.

In light of this, the Committee is saddened that the absence of the annual implementation plan limited the level of analysis. Furthermore, the cost of implementing of the 8NDP could not be fully established in the absence of the implementation plan nor could the duration of programme activities be ascertained. The Committee strongly recommends that going forward, the APR should be submitted together with the costed implementation plan, breakdown of budget estimates specific to the implementation of the National Development Plans which is relevant for monitoring progress in expenditure.

The Committee also observes and recommends as outlined below.

(i) Performance reports on concessions and compensating tax measures

The Committee observes that the Government plans to achieve an estimate of 3million MT of copper production by 2032. As a consequence, the intention under the 8NDP is to achieve a 1.5 MT copper production by 2026. The Committee notes that this means that copper production should not be less than 900,000MT per year. However, the Committee observes with concern that production levels dipped to 763,550 MT in 2022. The Committee further observes with concern that this underperformance was coupled with low grade copper, unstable exchange rate and low copper prices. Conversely the Government introduced various tax concessions and compensating measures in the 2022 budget which exacerbated low revenue generation.

In light of the above, the Committee recommends that the going forward the Executive should be submitting a performance report on the concessions and compensating measures as part of the APR on the implementation of the 8NDP, to ensure effective review and oversight of tax policy and to track how much losses were being incurred from the incentives offered.

(ii) Negative contribution and low growth in the priority sectors

The Committee observes that during the period under review the key economic sectors identified in the 8NDP among them agriculture, tourism, manufacturing and mining had a negative contribution to 2022 economic growth. This notwithstanding, there was a positive growth trajectory attributed to a strong performance in the Education, Transport and storage, and information and communications technology sectors which are not priority sectors.

The Committee recommends that the Government should take advantage of the opportunities in the sectors that accounted for the 2022 economic growth. In addition, the Government should ensure that it invests in infrastructure, maximises the agriculture export market not only to the Democratic Republic of the Congo and Angola but to the entire southern region. In addition, the Government should undertake proactive measures with regard to diversification within the mining sector and enhanced quality of non-traditional exports.

(iii) Lack of Comprehensive and Real-time Data

The Committee observes that the APR lacked comprehensive and up-to-date data. The Committee notes with concern that the 2015 Living Conditions Monitoring Survey was used as a baseline for most of the essential indicators on poverty and living conditions.
The Committee urges the Government to improve on programme monitoring and evaluation framework of the 8NDP and recommends that it should ensure that state and non-state actors are furnished with the appropriate targets and real-time data. Additionally, the Government should increase investment in the digital reforms.

(iv) Enhance domestic revenue mobilisation

The Committee observes that domestic revenue mobilisation performed below the set target. The Committee further observes that the domestic revenue mobilisation has continued to be a challenge over the years as the tax base is not wide enough and there are a few compliant tax payers that cater for the larger population, while the informal sector remains unexploited. The Committee is of the considered view that failure to locally mobilise revenue from the domestic sources leads to continued dependence on donor funding which is not sustainable.

The Committee urges the Government to implement measures to widen the tax net, relook at the fiscal incentives sector and improve collection mechanisms at both central and local Government levels. The Committee further recommends that the Government should harmonise company income tax to make it simpler and more predictable; and devise mechanisms for harnessing the informal sector into the tax system. The Committee also recommends that the Government should as a matter of urgency digitise revenue collection systems in sixty local authorities.

(v) Job Creation vis-à-vis employment

The Committee observes with concern that the SDA on Economic Transformation and Job Creation recorded an overall underperformance, conversely, the SDA on Human Development with respect to education, outperformed the SDA on Economic Transformation and Job Creation. This entailed that there were more people acquiring skills in comparison to those finding a job in the job market. The Committee is of the considered view that while the Government recruited teachers and medical personnel, these jobs were not private sector driven nor were they back by economic expansion. Consequently, their sustainability would be a challenge as they are merely consumptive.

In light of the above, the Committee urges the Government to take deliberate measures to create quantifiable jobs supported by economic expansion and private lead, that can be measured and disaggregated by sectors. This will facilitate easy monitoring both in the quantity and quality of jobs created.

(vi) Low and insignificant contribution of Micro, Small and Medium Enterprises to economic activities

The Committee takes note that the Government implemented several programmes among them reservation scheme, preferential procurement and women and youth empowerment. This was to promote the participation of local Micro, Small and Medium Enterprises (MSMEs) in economic activities. This notwithstanding, the Committee observes with grave concern that the value contribution of local MSMEs is insignificant. In addition, the Committee is disappointed to note that a surge in registration of local MSMEs was considered as positive progress when most of the registered businesses close within the first year of operating.

The Committee recommends that the Government should create an enabling environment to ensure that MSMEs can grow to bigger corporations and become significant players in the economy. Additionally, MSMEs should have capacity to significantly contribute to economic growth as opposed to the perceived, less than 1 per cent contribution to GDP growth. In addition, laws that reserve specific businesses for locals must be enforced, while the Government must build confidence in its own people to participate in the private sector, and also improve their access to low cost finance which other private sector players access.

(vii) Enhance teaching of Science, Technology and Information

The Committee notes that science, technology, engineering, and mathematics are essential ingredients for the progress of any nation that envisages to achieve meaningful development. In this regard, the Committee expresses displeasure at the fact that not enough scientists were being trained as only forty-five male and twenty-one female scientists were trained in 2022.

The Committee, therefore, recommends that the Government should place more focus on science, technology, engineering, and mathematics in order to foster innovation, technological advancements, and knowledge-driven industries as well as cultivate a cadre of highly qualified Zambian professionals who can offer the Government home grown solutions for the problems Zambia is grappling with.

(viii) Missing targets on various strategies and programmes

The Committee observes with concern that there were missing targets on some of the strategies rendering assessment untenable. The Committee observes with concern that there were no targets set under Curriculum Development during the period under review. The Committee is of the considered view that while employing more teachers is commendable, recruitment without changing the curriculum is pointless.

The Committee, therefore, recommends that the Government expedites curriculum development to ensure that students are equipped with knowledge and skills that are aligned with trending needs, societal demands, and future job market requirements. The Committee further recommends that the missing targets should be remedied.

(ix) Resolve Encumbrances in the tourism sector

The Committee observes that the tourism sector remains a low hanging fruit which has not been exploited to the betterment of the economy. The Committee observes that there are a number of encumbrances that hinder the development of the sector as a key driver to economic transformation. Some of these are lengthy procedures; low product diversification; low investment; poor infrastructure; and the high cost of doing business.

In light of the above, the Committee recommends that the Government should devise mechanisms to attract domestic tourism; implement grading and classifying of accommodation establishments; and develop wildlife tourism. In addition, tourism promotion and marketing should be deliberate in highlighting the strengths of Zambia as a tourism destination, not just towards potential international tourists, but domestic tourists as well. In addition, the Committee recommends that the Government must streamline and expedite the process of signing Tourism Concession Agreements and prioritise the allocation of resources to support the various stages of the Game Management Plans respectively.

(x) Implement monitoring and evaluation systems

The Committee observes with concern that the Government implemented a number of interventions to reduce poverty, vulnerability and inequality, without measuring the impact of these interventions. Additionally, there was no analysis or evaluation of how successful the interventions were.

The Committee, therefore, recommends the Government must invest in monitoring and evaluation systems to ensure that future poverty reduction efforts under the SCT programme and the PWAS will be accompanied by clear aims and outcomes.

(xi) Strengthen Public Health management

The Committee observes that during the period under review key targets under disease prevention and control programs were not met. The target for voluntary male medical circumcision coverage, notification rate for tuberculosis and breast cancer screening were all not met. This was due to poor community sensitisation which relied on mass campaigns that were not adequately funded. The Committee further observed that while there was an increase in budget allocation to the programme for medicines and medical supplies, shortages of essential drugs continued to be a major concern for the health sector. This was a recurring challenge in the health sector as the desired drug stock availability level of 80 per cent had consistently not been met. The Committee recommends that only factual and verified information should be presented in order to allow for the accurate measuring of progress made.

(xii) Expedite formulation of the Monitoring, Evaluation, Reporting and Learning

The Committee observes with concern that Monitoring, Evaluation Reporting and Learning Framework on climate change adaptation was not developed and only a draft Monitoring, Evaluation, Reporting and Learning Framework was developed during the period under review.

In this regard, the Committee urges the Government to speed up the process of finalising the Monitoring, Evaluation, Reporting and Learning Framework as this will enhance the provision of accurate and representative data with regard to Climate Change Adaptation.

(xiii) Constituency Development Fund Implementation Challenges

The Committee observes with concern that in as much as disbursement of CDF was on course during the year, the absorption rate was low due to a myriad of challenges. Some of the challenges were but not limited to: late disbursement of funds; poor work attitude among council workers who presumably are entrusted with huge funds but suffer from a backlog of unpaid salaries; lack of key performance indicators for council workers with respect to CDF; lengthy legal procedures requiring the approval of the Attorney General; and procurement challenges due to lack of adherence to the localisation rule.

The Committee urges the Government to ensure that it expedites the process to reform the CDF Guidelines and the accompanying procedural policies and legislation from the Ministry of Local Government and Rural Development and other responsible units, to enhance the absorption rate of the funds. The Committee also urges the Government to ensure that all councils are supported through Equalisation Fund and capacity to collect levies for them to be able to pay out salaries to employees who are expected to manage the CDF funds. Additionally, the Government must ensure that council staff have the requisite capacity to manage the funds.

(xiv) Enhance Skills training

The Committee observes that during the period under review, there was little investment in technology and innovation. The Committee observes that if Zambia is to become an exporter of finished products, the Government must ensure that more effort and support is targeted towards skills training. The Committee recommends that the Government should fully implement the two-tier career path and further recommends that progress reports should be submitted together with the APR.

(xv) Comprehensive Policy on free education

While extoling the Government for introducing free education, the Committee observes that there are piecemeal guidelines that have been issued to ensure smooth implementation of the noble policy. One of the major challenges is with regard to the management of education grants that are disbursed to the schools.

In light of the above, the Committee recommends that the Government should formulate a holistic policy on free education as opposed to the piecemeal procedural guidance.

(xvi) Affirmative action for significant ownership of businesses by locals

The Committee notes that the Government is committed to ensuring that locals are participating in the economy. This notwithstanding, the Committee observes with concern that the Government has no affirmative action through procurement policies to guarantee the locals to gain a significant share of business in the economy. Additionally, there is no affirmative action on the apart of the Government to ensure that Zambians stop being minority participants in the economy, but should instead own businesses or partner with foreign investors. This will also resolve the challenge of capital flight. The Committee recommends that the Government should come up with a deliberate affirmative action for Zambian ownership of businesses.

(xvii) Target funding for tertiary institutions

The Committee observes that Zambia continues to lag behind in areas of research and innovation. The Committee is saddened that in as much as Zambia has trained engineers in various fields, most of the engineers have not added value to research and innovation but equally depend on other countries' research and innovation,

In light of the above, the Committee recommends that the Government should consider having a targeted funding for research and development and innovation when funding the public universities.

7.0 CONCLUSION

The Annual Progress Report on the implementation of the 8NDP was submitted to the National Assembly for consideration in line with section 29(1) of the *National Planning and Budgeting Act, No. 1 of 2020.* Review of the APR by the Committee showed mixed results with fair to good progress being made on the macroeconomic and fiscal management, on the human and social development SDA, and the environmental protection SDA. To the contrary, the performance of SDA on economic diversification and job creation was very sluggish.

The above notwithstanding, the Committee acknowledges that 2022 was the first year of implementation of the 8NDP and therefore, implementation challenges were inevitable. The Committee is confident that country is set to get back on the path to fulfilling the aspiration of becoming a prosperous middle-income country by 2030.

Mr Fred Chibulo Chaatila, MP
CHAIRPERSON

July, 2023
LUSAKA

APPENDIX I – LIST OF THE NATIONAL ASSEMBLY OFFICIALS

Mr Charles Haambote, Principal Clerk of Committees (FC)
Mr Fitzgerald Kateshi, Principal Clerk, Parliamentary Budget Office
Mrs Doreen N C Mukwanka, Deputy Principal Clerk of Committees (FC)
Mr Simon Mtambo, Deputy Principal Clerk Parliamentary Budget Office
Mr Charles Chishimba, Senior Committee Clerk (FC1)
Ms Chitalu R Mulenga, Acting Senior Committee Clerk (FC2)
Mr Ferdinand Chikambwe, Acting Senior Budget Analyst Revenue
Mr Aubrey Chilambwe, Acting Senior Budget Expenditure
Mr Elijah I C Chilimboyi, Committee Clerk
Mr Leon Haangala, Committee Clerk
Mrs Prisca M Shimalungwe, Committee Clerk
Mrs Rachael M Kanyumbu, Administrative Assistant
Mr Danny Lupiya, Committee Assistant
Mr Muyembi Kantumoya, Parliamentary Messenger

APPENDIX II – LIST OF WITNESSES

1. Ministry of Finance and National Planning
2. Ministry of Health
3. Ministry of Justice
4. Zambia Institute for Policy Analysis and Research
5. Zambia Association of Manufacturers
6. Zambia Chamber of Commerce and Industry
7. Indaba Agricultural Policy Institute
8. Churches Health Association of Zambia
9. Zambia National Education Coalition
10. Water Aid Zambia
11. Civil Society for Poverty Reduction
12. Jesuit Centre for Theological Reflection
13. Bank of Zambia
14. Zambia Agency for Persons with Disabilities
15. Zambia Climate Change Network
16. University of Zambia
17. Action-Aid
18. Transparency International Zambia