



REPUBLIC OF ZAMBIA

REPORT

OF THE

**PARLIAMENTARY SELECT COMMITTEE APPOINTED TO SCRUTINISE THE EIGHTH
NATIONAL DEVELOPMENT PLAN FOR THE PERIOD 2022 – 2026**

APPOINTED ON 26TH MAY, 2022

FOR THE

FIRST SESSION OF THE THIRTEENTH NATIONAL ASSEMBLY

Published by the National Assembly of Zambia

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REPORT OF THE PARLIAMENTARY SELECT COMMITTEE TO SCRUTINISE THE EIGHTH NATIONAL DEVELOPMENT PLAN FOR THE PERIOD 2022 – 2026 FOR THE FIRST SESSION OF THE THIRTEENTH NATIONAL ASSEMBLY

1.0 MEMBERSHIP OF THE COMMITTEE

The Committee consisted of: Mr Fred C Chaatila, MP (Chairperson); Mrs Maureen Mabonga, MP (Vice-Chairperson); Ms Brenda Nyirenda, MP; Ms Miriam C Chonya, MP; Mr Sydney Mushanga, MP; Mr Twaambo E Mutinta, MP; Dr Christopher KKalila, MP; Mr Clement Andeleki, MP; Mr Newton Samakayi, MP; Mr David Mabumba, MP; Mr Elias M Musonda, MP; Mr Binwell Mpundu, MP; Mr Koonwa Simunji, MP; Mr Davison Mung'andu, MP and Mr Misheck Nyambose, MP.

The Honourable Madam Speaker
National Assembly
Parliament Buildings

LUSAKA

Madam

The Parliamentary Select Committee appointed on 26th May 2022, to scrutinise the Eighth National Development Plan (2022 – 2026) has the honour to present its Report.

2.0 FUNCTIONS OF THE COMMITTEE

The function of the Select Committee was to scrutinise the Eighth National Development Plan for the period 2022 – 2026 in accordance with Standing Order No. 186(b) of the National Assembly Standing Orders, 2021.

3.0 COMMITTEE'S PROGRAMME OF WORK

The Committee's Programme of Work was as set out below.

- (a) Consideration of submissions from stakeholders on the Eighth National Development Plan 2022 – 2026.
- (b) Consideration and adoption of the draft report.

4.0 PROCEDURE ADOPTED BY THE COMMITTEE

The Committee held nine meetings to execute its programme of work. The Committee requested for detailed written memoranda on the Eighth National Development Plan (8NDP) from various stakeholders. The stakeholders also appeared before the Committee and made oral submissions.

5.0 ARRANGEMENT OF THE REPORT

The Committee's Report is organised in three parts. Part I presents a summary of submissions from stakeholders, PartII contains concerns raised by stakeholders while Part IIIgives the observations and recommendations of the Committee.

PART I

6.0 CONSIDERATION OF THE EIGHTH NATIONAL DEVELOPMENT PLAN

6.1 BACKGROUND

In 2003, the Government revived the process of national development planning to guide the country's development. From 2003, Zambia has implemented the Fifth National Development Plan; Sixth National Development Plan and its revised version the Sixth National Development Plan; and the Seventh National Development Plan (7NDP) covering the period 2017-2021. These Plans are all building blocks to actualising Zambia's Vision 2030 which is a long-term perspective plan aimed at attaining prosperous middle-income nation status by the year 2030. Following the expiration of the 7NDP, the Government has developed the 8NDP. The 8NDP has laid out key macroeconomic objectives and central strategic development areas expected to drive the country's development agenda for the five-year period 2022-2026. The Plan which

is themed “*Socio-Economic Transformation for Improved Livelihoods*” is the first Plan to be developed under the provisions of the *National Planning and Budgeting Act, No. 1 of 2020*. The Act was enacted to among things strengthen the Parliamentary oversight function by requiring that the National Development Plans (NDPs) should be approved by the National Assembly.

In line with the Act, the 8NDP was formulated in consultation with various stakeholders both from the private sector and state actors at all levels of governance. Following the approval of the 8NDP by Cabinet, at its eighth Special Meeting that was held on 31st March, 2022, the Minister of Finance and National Planning presented the 8NDP to the National Assembly for approval, in accordance with section 23(1) of *National Planning and Budgeting Act, No. 1 of 2020*.

Section 42(1) of the *National Planning and Budgeting Act* provides that the national budget shall operationalise the implementation of the National Development Plan. In this regard, the 2023 Budget will mark the beginning of the operationalisation of National Development Plans.

Therefore, in view of the requirements of the law, the select Committee was constituted to scrutinise the 8NDP for consideration by the House as it approved the 8NDP.

6.2 Summary of Submissions from Stakeholders

A summary of submissions by stakeholders is as set out below.

6.2.1 Macroeconomic Framework of the 8NDP

The Committee was informed that the 8NDP and the 7NDP were set under different macroeconomic contexts. The 7NDP was developed under a macroeconomic environment characterised by an average growth of 4.6 per cent for the preceding year period from 2012-2016, and single digit inflation, at 9.4 per cent. Lending rates averaged around 20 per cent while the external sector performance was positive; and import cover averaged 3.7 months due to generally good export performance. The

macroeconomic settings that informed the 7NDP were relatively stronger and therefore, an ambitious 7NDP could pass unhindered.

Contrary to the settings under which the 7NDP was developed, the Committee heard that the context under which the 8NDP was developed was characterised by weak macroeconomic fundamentals. During the period 2017-2021, economic growth averaged 2.2 per cent, with a contraction of -3 per cent in 2020. Further, inflation rose, exceeding the targeted bound, averaging 12.2 per cent per year. Further, the average lending rates were about 25 per cent, whilst the import cover averaged 2.9 months.

The 8NDP was premised on the following specific macro-economic objectives:

- a) achieve an annual real Gross Domestic Product (GDP) growth rate of at least 4.5 percent by 2026;
- b) reduce the fiscal deficit to 3.6 percent of GDP by 2026;
- c) maintain an annual domestic revenue to GDP ratio of at least 21 percent;
- d) contain domestic borrowing to less than 4.7 percent of GDP;
- e) reduce and maintain inflation to within target range of 6-8 percent;
- f) maintain international reserves of at least 3 months of import cover;
- g) dismantle domestic arrears and curtail the accumulation of new arrears; and
- h) Reduce the external debt to 60 percent of GDP and ensure sustainability.

Some of the macroeconomic objectives highlighted above and other key economic indicators are discussed hereunder.

6.2.2 Fiscal policy and Expenditure Reforms

The Committee was informed that the 8NDP aimed to maintain an annual domestic revenue to GDP ratio of at least 21 percent. The Plan also highlighted that the Government was also targeting expenditure to key areas, including education and health. Adhering to budget allocations and restoring budget credibility had continued to be a key goal. Previously, budget deficit outturns (as a percentage of GDP), had been deteriorating, with 2020 recording -14.5 per cent. This signified inherent weaknesses in

the implementation of fiscal policy. Further, full implementation of decentralisation was also key in these reforms as the Government continued to push this agenda.

6.2.3 Debt Management

With regard to debt management, the Committee was informed that at the close of 2016 when the 7NDP was being developed, Zambia's stock of external debt was estimated to have reached US \$6.94 billion. Zambia's debt sustainability analysis at the time, showed that the risk of external debt distress was moderate, and that overall, public sector debt dynamics were sustainable. Thus, the country could still substantially plan development programmes premised on external debt financing.

In comparison, the setting for the development of the 8NDP by end of 2021 was such that the stock of debt had more than doubled to US \$13.04 billion, constraining the ability of the country to meet its external obligations. The 8NDP, therefore, highlighted more concerted efforts for the country to seek external debt restructuring. This would act as a policy anchor that Government would use to pursue its economic agenda. Thus, the prioritisation of the revision of the *Loans and Guarantees (Authorisation) Act, Chapter 366 of the Laws of Zambia* to provide for Parliamentary oversight in the contraction of loans, would enhance transparency in debt management and help bring debt to sustainable levels.

6.2.3 Dismantling of arrears

Through the 8NDP, the Government planned to develop a strategy for dismantling of arrears in order to address existing stock of arrears. Part of key reforms in the previous NDPs had been to halt the accumulation of arrears. The 2021 reduction or removal of fuel and electricity subsidies, which took up a significant part of the budget, signified progress towards meeting this objective. With the aim of to clear domestic arrears in the medium to long term, the objective was key in unlocking liquidity for the private sector and hence promote economic growth.

PART II

7.0 CONCERNS RAISED BY STAKEHOLDERS

All stakeholders who appeared before the Committee welcomed the approval of the Plan as it met all the legal requirements and confirmed having been consulted during the process of developing the Plan. However, despite the extensive consultation, some of them expressed concern that the Plan omitted important development strategies and interventions.

This Part therefore, outlines the concerns raised by the stakeholders who made submissions to the Committee. The concerns are presented according to the strategic development areas and respective outcomes of the 8NDP.

7.1 General Concerns

- i. Stakeholders noted that the Plan was ambitious especially in view of the prevailing fiscal space that was challenged by high debt levels. They proposed that the Government should articulate how the issue of debt would be addressed and how the revenue side will be managed to ensure that the Plan was adequately resourced.
- ii. According to sections 24 and 25 of the *Planning and Budgeting Act*, before being approved by the National Assembly, a National Development Plan, should include appraised projects and programmes. The absence of the list of appraised projects and programmes, with associated costs, would have a negative effect on the integrity of the budgeting process for which the *Planning and Budgeting Act* was enacted.
- iii. Stakeholders observed that while the Plan outlined and quantified the targets for the Plan period, these were not disaggregated into annual targets to enhance the alignment of annual budgets to outputs in the National Development Plan. They observed that previously, one of the reasons for the poor attainment of the objectives and targets of the National Development

Plans was the very weak synergies between the national plans and national budgets.

- iv. Stakeholders noted that, like the previous NDPs, the 8NDP, had focussed on conventional macroeconomic targets such as inflation, domestic revenue and GDP *inter alia* and omitted a perspective on employment. They expressed concern that this would make it difficult to monitor progress on job creation in both quantitative and financial terms. Thus, they proposed that the Plan must clearly state the number of jobs expected to be created each year, the sectors in which these jobs would be created, as well as the quality of these jobs.
- v. A number of stakeholdersexpressed concern at the low estimated average real GDP growth target in the 8NDP of about 4 percent. They stated that countries that had made a significant positive change in the welfare of their people hadaveraged close to 8 percent GDP growth per annum. They proposed that the GDP target should be revised upwards.

7.2 CONCERNS ON THE STRATEGIC DEVELOPMENT AREAS, STRATEGIES AND PROGRAMMES

7.2.1 STRATEGIC DEVELOPMENT AREA 1: Economic Transformation and Job Creation

i. Development Outcome 1: An Industrialised and Diversified Economy

Strategy 1: Increase agricultural production and productivity

Stakeholders acknowledged that lack of finance remained a key challenge, especially for small scale farmers in the agriculture sector. Therefore, the absence of measures to provide sector specific finance for small scale farmers could impede the goal of increasing agriculture productivity in the Plan. Further, the lack of initiatives such as weather indexed insurance for farmers, which was cardinal in mitigating weather induced risks that existed in the sector was noted.

Stakeholders also noted that the strategy to increase agricultural production and productivity seemed to be primarily tied to increased exports of commodities instead of value addition. They feared that this would limit the agro-processor ability to add value locally. They were of the view that exports of agricultural commodities must be a secondary target after value addition, if Zambia was to increase its exports of value added or manufactured products.

While agreeing with the strategy and programmes, a number of stakeholders were apprehensive about the lack of a clear programme or deliberate intervention to create a market that would support the small-scale farmers. Therefore, they recommended that an elaborate intervention to create reliable markets for small-scale farmers be clearly stated.

Strategy 2: Promote traditional and non-traditional minerals

While commending the goal to diversify mineral production in the mining sector, stakeholders expressed concern that financing for artisanal miners was not given focus among the interventions. They contended that lack of proper mechanisation exacerbated by the high cost of equipment and the skills gap, were some of the challenges that the 8NDP should have addressed. Further, lack of measures to curb illegal mining in the sector among the non-copper minerals, given the vice's detrimental impacts on the economy, were noted.

Other stakeholders proposed the creation of a small scale mining unit under the Ministry of Mines and Minerals Development and a standalone policy to give greater focus to artisanal miners. This included the Government playing a greater role in incentivising the financial sector to avail financing for appropriate equipment. Still other stakeholders recommended that a local market or a centralised buying entity which should be dominated by small scale and artisanal miners, be created as part of the formalisation of the non-traditional mineral mining industry.

Further, stakeholders observed that the Plan only cited the quantity of copper to be produced during the Plan's period, without corresponding output of each of the non-

traditional minerals that were targeted during the 8NDP. They proposed that the 8NDP should provide details on the output of each of these non-traditional minerals.

A number of stakeholders proposed additional fiscal regime changes to lower the effective tax rate. They were of the view that for Zambia to become competitive and get the fullest value out of the copper price opportunity, incentives aimed at reducing tax obligation and increasing production, such as potential discounts on royalties for operations that were consistently growing own-sourced production, *inter alia*, would have to be considered. They added that countries such as Botswana and Zimbabwe had recorded double digit growth in Platinum-Gold minerals, as a result.

Strategy 3: Promote value addition and manufacturing

While endorsing the strategy and programmes, stakeholders observed that the main challenges being faced by the sector had not been addressed. Specifically, challenges relating to the lack of access to affordable long-term finance and high cost of energy, which had become volatile as a result of monthly fuel price adjustments.

In light of this, stakeholders proposed that the Government should provide appropriate incentives to the banking sector and also consider reducing its propensity to borrow from the domestic money markets, so that local banks could competitively lend to the private sector.

Stakeholders appreciated several commendable measures aimed at promoting citizen participation in the Plan. However, they expressed concern at the lack of reference to enactment of a local content legislation and submitted that it would continue to impede local citizens' participation, as there would be no law to compel the purchase of local products.

Strategy 4: Promote Tourism Growth

Under this strategy, stakeholders regretted that the single licensing system, which had not been attained as yet, was conspicuously missing from the Plan. Further, the Plan did

not give specific focus on domestic tourism promotion through initiatives such as development of a two-tier system, in addition to the other overall promotional measures proposed in the Plan.

Strategy 5: Improve transport and logistics

Stakeholders noted that the 8NDP, like the 7NDP, made a strong case for infrastructure development as an enabler of growth and outlined different interventions for improving and enhancing the performance of key infrastructure subsectors. However, the Plan generally lacked a clear strategy for financing these infrastructure developments, particularly considering the fiscal constraints that the country was facing. To reduce fiscal pressure, they proposed that the Government should prioritise alternative financing modes for transport infrastructure, such as PublicPrivate Partnerships (PPPs).

ii. Development Outcome 2 Enhanced Citizenry Participation in the Economy

Strategy 1: Promote local and diaspora participation in the economy

Stakeholders observed that some of the programmes, particularly the reservation scheme and preferential procurement were in conflict with the Industrial Policy, the Trade Policy, and the provisions of the Africa Continental Free Trade Area Agreement (AfCFTA) on fair trade, to which Zambia was a signatory.

It was recommended that the Industrial and Trade Policies be revised to be consistent with the programmes that had been outlined in the 8NDP. Furthermore, the Government should expedite its negotiations with its fellow AfCFTA member countries on the clauses that were prohibitive to the implementation of the 8NDP programmes.

iii. Development Outcome 3: A Competitive Private Sector

Strategy 3: Improve access to finance for production and exports

Regarding access to finance for production and exports strategy, stakeholders noted the over reliance on the private sector to spearhead the development and provision of

financial products to support production and trade. Of concern to the stakeholders, was the expectation for private sector support, without provision of appropriate incentives by the Government. It was recommended that the Government should offer incentives to financial institutions to provide financial products to the private sector. Alternatively, the Government should provide affordable credit using state institutions such as the Development Bank of Zambia, National Savings and Credit Bank, and Citizens Economic Empowerment Commission.

While appreciating the strategies outlined in the Plan aimed at enhancing the competitiveness of the private sector, stakeholders proposed the establishment of the Private Sector Dialogue Forum as being critical for addressing the bottlenecks that impede the competitiveness of the private sector. They further proposed that the Forum and other platforms, should practically address the bottlenecks that hinder the growth of the private sector, such as the high fees and bureaucratic procedure applicable when formalising a business.

7.2.1 STRATEGIC DEVELOPMENT AREA 2: HUMAN AND SOCIAL DEVELOPMENT

Generally, stakeholders noted that most of the baseline data on which the assumptions on the Human Development Strategic Agenda was built were derived from projections. With the absence of reliable data, evaluation of the impact of the 7NDP on poverty and other human development outcomes to provide a basis for the programming of the 8NDP, had not been possible. In this regard, they proposed that the 8NDP should be revised soon after the new datasets on living conditions had been generated to place it on a solid foundation to guide national development. Specific concerns on the strategic area are as outlined below.

i. Development Outcome 1: Improved Education and Skills Development

Strategy 1: Enhance access to equally, equitable and inclusive education

Stakeholders proposed an addition of Comprehensive Sexuality Education (CSE), as one of the programmes under the Strategy to enhance sensitisation of sexual education in young people. By signing the Eastern and Southern Africa (ESA) Commitment, the

Government committed to meeting the target of ensuring that 95 per cent of adolescents and young people were reached with good quality, age appropriate, culturally relevant and evidence based sexuality education, through in- and out- of-school programmes. In light of this, they proposed that CSE should be a programme under the strategy to address Sexual and Reproductive Health (SRH) for school going children and those out of school and also commence domesticating the ESA Commitment.

ii. Development Outcome 2: Improved Health, Food and Nutrition

Strategy 1: Improved Public Health

Stakeholders expressed concern over the non-prioritisation of sexual and reproductive health of adolescents and young people throughout the Plan. They submitted that Zambia had a young population with those aged below the age of 15 years making up 46 per cent of the population; and approximately 80 percent of the population aged below 35 years. With a projection of a high population growth, prioritising adolescent sexual and reproductive health was relevant to manage the especially prevalence of teenage pregnancies; new HIV infections among adolescents and young people;

iii. Development Outcome 3: Improved Water Supply and Sanitation

Stakeholders observed that the rapidly growing population was driving an increased social and economic development, globalisation as well as urbanisation. They were of the view that without an efficient water resources management system, it would be difficult to fathom food security, economic development, environment and energy security. They contended that all the pillars namely: human and social development, environmental sustainability, and good governance environment which are expected to lead to economic transformation and job creation are all dependent on water.

iv. Development Outcome 4: Reduced Poverty, Vulnerability and Inequalities

Strategy 1: Improve coordination of social protection programmes

Under this strategy, stakeholders were of the view that the Government should prioritise the development and sustainability of robust and integrated social protection

systems to facilitate efficient, accountable and transparent delivery of social assistance benefits. Particularly, targeting mechanisms would have to be strengthened and properly managed to ensure that services reached the most vulnerable.

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

As opposed to generalising vulnerable groups, stakeholders placed emphasis on the need for specific reference to women and youths within the vulnerable group. They contended that the strategy should recognise the fact that poverty was usually the burden of women and therefore the strategies should be deliberate in targeting women.

Further, despite the Social Cash Transfer (SCT) programme having been in existence for some time, stakeholders noted the lack of clear strategy for the graduation of recipients out of the programme and the poor targeting. They were concerned that in the long run, this gap this would make the programme unsustainable. They further proposed that the targeting and payment systems for the social cash transfer should be strengthened to ensure gender equity and the inclusion of all vulnerable groups with strong monitoring mechanisms.

Strategy 4: Increasing access to decent and affordable housing

It was noted by stakeholders that the lack of access to affordable housing, especially among the urban poor and vulnerable households, resulted into proliferation of informal settlements. Sadly, the Plan did not provide any different and deliberate strategy to address this.

Strategy 5: Reduce vulnerability associated with HIV and AIDS

Stakeholders proposed that the Strategy should consider the gender dimensions of HIV and AIDS. With regard to HIV/AIDS financing, they were of the view that the Government should put in place strategies to reduce donor dependency for HIV financing, especially treatment. They added that consideration should be given for the

introduction of a tax specifically to support HIV/AIDS financing or the allocation of a specific percentage of National Health Insurance Scheme, to HIV treatment costs.

7.2.3 STRATEGIC DEVELOPMENT AREA 3: ENVIRONMENTAL SUSTAINABILITY

Stakeholders welcomed the decision by the Government to make environmental sustainability a standalone pillar. They noted that the measure was a departure from the structure of the 7NDP, where environmental sustainability was featured at programme level. However, they expressed specific concerns as outlined below.

i. Development Outcome 1: Enhanced Mitigation and Adaptation to Climate Change

Strategy 1: Strengthen climate change adaptation

To achieve targets outlined under the Strategy, some stakeholders observed that the Government seemed to rely on external funding to finance climate change programmes. Considering the average budget allocation of 0.6 per cent towards environmental protection since 2011, they feared that the outcome risked not being achieved.

ii. Development Outcome 2: Sustainable Environment and Natural Resources Management

Stakeholders noted that the 8NDP developed under the theme “Socio-economic transformation for improved livelihoods” aimed at delivering development that was transformative to impact and deliver development to the grassroots. It was the medium term blue print designed to unlock the country’s potential in all sectors of the economy for sustainable, holistic and inclusive national development. Stakeholders believed that it was a building block towards the realisation of the country’s Vision 2030 and would be implemented through a well-defined implementation plan. Further, stakeholders understood the Plan provided an anchor for the integrated district development plans that were also implemented at the sub-national level. In addition, the Plan had clear coordination mechanisms through the NDCC, CAGs, PDCC, DDCC and ward development committees.

Notwithstanding the above critical importance of the pillar to achieving environmental sustainability and the shift towards a more sustainable pathway for livelihoods of local people as espoused in the Plan, it lacked adequacy of financing, clearer mechanism for coordination, maximisation of policy reform opportunities for forest, land and water resources and support for a just transition to clean energy options for local people.

Strategy 1: Promote integrated environmental management

Whereas as the 8NDP attempted to articulate measures to promote sustainable consumption and production, including recycling, reducing resource use and reusing of resources, stakeholders noted that the Plan did not explicitly relate the interventions to waste prevention and management.

7.2.4 STRATEGIC DEVELOPMENT AREA 4: GOOD GOVERNANCE ENVIRONMENT

i. Development Outcome 1: Improved Policy and Governance Environment

Strategy 1: Decentralised public service delivery system

Stakeholders expressed delight that the Government had recognised good governance as a stand-alone pillar in the 8NDP as opposed to it being imbedded in various strategies. However, they noted the inconsistencies between the provisions of the Constitution and the Decentralisation Policy which, to some extent, impeded the implementation of decentralisation. While the Constitution provided a schedule containing twelve functions that should be devolved to the local authorities, the Decentralisation Policy contained more functions.

Strategy 3: Strengthen transparency and accountability mechanisms

Stakeholders observed that the 8NDP had missed an opportunity of asserting itself to address the issue of Illicit Financial Flows (IFFs), which had become a serious concern in Zambia. Tackling the issue of IFFs could provide leverage for infrastructure financing and create the necessary fiscal space.

Further, other stakeholders noted that the strategy and programmes listed in the Plan appeared narrow in scope as they focused more on transparency and accountability from the perspective of corruption and not the overall enhancement of good governance.

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

Strategy 2: Strengthen National Data and Information systems

Stakeholders noted the efforts to enhance national data and information systems. They were of the view that the 8NDP should, however, not be used as a basis to violate citizens' privacy rights. The National Assembly should ensure that the privacy rights of citizens are protected in line with the Constitution and relevant laws.

Strategy 3: Strengthen Transparency and Accountability Mechanisms

Stakeholders noted that the strategy and programmes listed in the Plan appeared narrow in scope because it focused on transparency and accountability from the perspective of corruption and not the overall enhancement of good governance. They were of the view that Government must first introduce and implement mandatory information sharing with the public to enhance transparency. Parliament must ensure that legislation was enacted to facilitate the concept of an open government, which was the need to put in place an access to information legislation, which the Plan did not refer to. The focus of successive governments had been addressing corruption after it had occurred rather than enhancing the systems that prevented corruption.

PART III

8.0 COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS

After having carefully reviewed the submissions from various stakeholders, the Committee wishes to state from the outset that it supports the approval of the 8NDP.

This is premised on the recognition that the approval of the Plan by the National Assembly is provided for under section 23(1) of the *National Planning and Budgeting Act, No 1 of 2020*. The Committee's support for approval of the 8NDP is also premised on the fact that the Committee acknowledges that stakeholders confirmed that the development of the Plan was consultative and therefore, was in line with the provisions of sections 15 and 17 (b) of *the National Planning and Budgeting Act* which prescribe a consultative process. The Committee is of the view that concerns raised by stakeholders and its observations and recommendations will be taken into consideration when undertaking the Midterm Review of the Plan. In supporting the approval of the Plan, the Committee makes its observations and recommendations as set out below.

i. Inclusive Implementation Process

The Committee notes that stakeholders appreciated the consultation that was undertaken by the Government during the process of developing the 8NDP. The Committee commends the Government for ensuring that the 8NDP was developed through a consultative process involving key players from both the public and private sectors.

In order to achieve the set out objectives, the Committee, therefore, recommends that the Government should ensure that the adopted Plan is inclusive in terms of implementation so as to increase citizens' ownership of the development process. This will see the Plan achieve its objectives.

ii. Measures to Manage Public Debt in the Plan

The Committee generally appreciates the anticipated outcomes of the Plan, including corresponding strategies and programmes in achieving the objectives. While noting the financing mechanisms of implementing the Plan, the Committee observes that the debt management measures are inadequate to tackle the current debt debacle and the country risks accumulating more debt in an effort to implement the Plan. Considering that the *Loans and Guarantees (Authorisation) Act of 1969*, has been undergoing revision

for more than five years, with no practical indication when it will be tabled in Parliament, the Committee expresses fear that in its absence, the debt catastrophe may get worse than it currently is.

To sustainably manage the debt quagmire that the country is in, the Committee strongly urges the Government to provide more practical measures to manage the debt situation even as the Plan will be implemented. Further, the Committee strongly recommends that the Government must not divert from the path that it has carved out for itself to dismantle the current debt. The Committee also urges the Government to expedite the process of amending the *Loans and Guarantees (Authorisation) Act*.

iii. Diversify Crop Production

Although Strategic Development Area 1 has a Strategy to increase agricultural production and productivity, suggesting implementation of a comprehensive programme, the Committee is sceptical of the use of Farmer Input Support Programme (FISP). This is on account of the FISP being skewed towards maize production, even though maize is a low-income crop. This hampers the diversification and commercialisation agenda of the agriculture sector. Contrary to the initial design of FISP, the Committee notes that the mode of implementation of the Programme is akin to a social protection programme with poor targeting and non-graduation of beneficiaries.

To achieve agricultural diversification and increased production, the Committee strongly recommends that FISP, as a mode of enhancing agriculture support, should be reviewed in order to achieve the set targets. Further, economic input support to smallholder farmers should be clearly differentiated from social security programmes.

iv. Strengthen Private-Public Partnerships as Alternative Financing Modes for Infrastructure Development

The Committee notes that the Plan outlines different strategies for improving and enhancing the performance of key infrastructure subsectors. However, the serious omission of the financing mechanism of the outlined infrastructure development

amongst the strategies is a serious source of concern to the Committee. Considering the fiscal dynamics and the high cost involved in infrastructure development, the Committee expresses fear that without a proper financing strategy, there is a risk that social sector spending may be impacted. Recognising that without properly identified viable and sustainable financing modes under the 7NDP, Zambia was driven into excessive accumulation of debt from which the country is still recovering.

In order to free resources for economic transformation, value addition and social sector expenditure, the Committee strongly recommends that the Plan should reflect strategies for strengthening alternative infrastructure financing such as PPPs. Further, the Government should create a conducive environment for private infrastructure financing.

v. Absence of Objective on Job Creation

Whereas the Committee commends the Government for the numerous interventions aimed at creating jobs to transform the livelihoods of the Zambian people, it notes the omission of an objective that speaks to the number of jobs to be created. The Committee wonders how the quality and quantity of the jobs created, will be ascertained.

Cognisant of the complexity of measuring the number of jobs created, the Committee strongly recommends that the Plan must give an estimate of the number of jobs to be created, which should be disaggregated by sectors. This will facilitate monitoring mechanisms in the quantity and quality of jobs.

vi. Decentralise Functions in Addition to Finance

Despite the various NDPs that the country has implemented previously, the Committee notes a serious challenge in the implementation of the Decentralisation Policy. Noting the increase in Constituency Development Funds (CDF), from the K1.6 million per constituency to K25.7 million, the Committee is of the strong view that this in itself does not lead to the effective implementation of decentralisation. The lack of decentralisation

of functions, was evident from the non-utilisation of the released CDF in the first quarter of the 2022 financial year due to administrative challenges, among others.

To attain the development outcome on Improved Policy and Governance in the Plan, the Committee strongly recommends that the Government should implement the devolving of functions to the local authorities in addition to the fiscal component outlined on the programmes. The Government should further ensure strong oversight and accountability structures.

vii. Include Strategies to Curb Illicit Financial Flows

The Committee regrets that the Government has not taken advantage of the Plan to devise interventions to particularly address illicit Financial Flow (IFFs), considering the increasing financial outflows as revealed by previous reports of the Financial Intelligence Centre. The Committee is particularly concerned that if not addressed, the ballooning IFFs, coupled with the impending debt crisis, will erode the revenue mobilisation and debt restructuring efforts, and severely affect financing of the programmes outlined in the Plan.

Therefore, the Committee strongly urges the Government to introduce a strategy or programme in the Plan aimed at addressing the serious revenue leakages in form of IFFs.

viii. Create Incentives for Artisanal Mining

The Committee expresses concern that the Plan does not adequately take care of local participation, through promotion of attendant access to finance for acquiring necessary equipment. Considering that artisanal mining is a critical source of rural employment, the Committee is of the strong view that facilitating financing for the artisanal mining subsector is a key step to improving access to appropriate equipment.

The Committee strongly recommends that in order to formalise the subsector, lower the barriers to entry for locals, increase operational efficiency and maximise profit, the Plan should include a programme for financing of artisanal and small-scale miners.

ix. Secure Market Access for Agriculture Sector

The Committee finds the 8NDP skewed towards increased agriculture production and productivity for export commodities, without emphasis on value addition of agricultural commodities. The Committee expresses concern at the lack of clarity on market access, promotion and linkages for small-scale farmers in the strategies.

The Committee recommends that given the increased regional integration, following Zambia's ratification of the Tripartite Free Trade Area and the African Continental Free Trade Area Agreements, the Plan should provide interventions aimed at creating reliable markets for processed and unprocessed agricultural products.

x. Promote Manufacturing of High Value Products

Whereas the Plan acknowledges that the manufacturing sector is characterised by low-value manufactured products, coupled with rudimentary value and supply chains that are vulnerable to shocks, the Committee expresses concern that there are no corresponding strategies aimed at improving the quality and value of locally manufactured products.

The Committee strongly recommends that in order to increase returns in manufacturing, the Government should include deliberate measures aimed at stimulating manufacturing of high value products from the sector and enhance its contribution to GDP.

xi. Interventions for Small-scale Farmers

While noting the recognition by the Government that agriculture is one of the drivers of the economic diversification agenda, the Committee is disappointed to note the absence of programmes deliberately targeted at small-scale farmers, including access to financing by this group of economic actors. The Committee recognises the remarkable

potential of small-scale farming in food security, employment creation, provision of household income and alleviating rural poverty.

In this regard, the Committee strongly recommends that the Government should incorporate strategies in the Plan to promote smallholder agriculture as a business and provide an environment for smallholder farmers to undertake profitable farming activities in the agriculture sector. Further, considering the homogeneity of small-scale farmers, the Committee strongly recommends the inclusion of financing for small-scale farmers, as a standalone programme in the Plan.

xii. Sexual and Reproductive Health for young people

The Committee notes with great concern that throughout the Plan, Sexual and Reproductive Health Rights (SRHR) of adolescents and young people has not been prioritised. This is despite the Plan acknowledging that the Zambian population comprises majority of young people, with approximately 80 percent of the population aged below 35 years, while those aged 15 years make up 46 per cent of the population.

While noting the Family Planning Programme, the Committee contends that it is insufficient to address reproductive health issues affecting young people. In this regard, the Committee strongly recommends that the Plan should be responsive to the population dynamics and distribution and provide deliberate programmes aimed at addressing sexual and reproductive health needs of young people.

xiii. Inclusion of Comprehensive Sexuality Education (CSE)

The Committee expresses worry at the omission of the CSE programme under the Improved Education and Skills Development outcome. The Committee is convinced that the alarming levels of teenage pregnancies, child marriages and HIV/AIDS, are partly as a result of inadequate sensitisation on sexuality education among young people, especially in rural areas.

Cognisant of the Eastern and Southern African (ESA) Commitment to which Zambia is a signatory, to improve the sexual and reproductive health and rights of young people in Eastern and Southern Africa, the Committee is of the view that Zambia is missing an opportunity to domesticate this by omitting a programme on CSE.

xiv. Consistency in the Provisions of the Constitution and the Decentralisation Policy

While commending the Government for recognising good governance as a stand-alone pillar in the 8NDP as opposed to imbedding it in various strategies, the Committee notes the inconsistencies between the provisions of the Constitution as provided in Article 147(2) and the Decentralisation Policy which, to a certain extent, impede the implementation of decentralisation. The Committee therefore, urges that the Government to ensure consistency between the provisions in the Constitution which contains a limited number of functions that should be devolved to the local authorities and the Decentralisation Policy which contains more functions.

xvi Lack of a Clear Financing Mode for Environmental Sustainability

The Committee acknowledges the critical importance of the pillar in achieving environmental sustainability and the shift towards a more sustainable pathway for livelihoods of local people as outlined in the Plan. However, the Committee notes a lack of adequate financing, clearer mechanism for coordination, maximisation of policy reform opportunities for forest, land and water resources and support for a just transition to clean energy for local people.

The Committee, therefore, recommends that the Government should devise a clear mechanism of financing, particularly internally generated to avoid reliance on donor funding which is unpredictable.

9.0 CONCLUSION

The Committee commends the Government for the consultative approach taken in formulating the Plan. The Committee however, notes that the success of the Plan is largely dependent on availability of funds to implement the various programmes outlined in it. Thus, the Government should safeguard all avenues of revenue leakages and strengthen revenue mobilisation measures. The Committee urges the Government to seriously consider the submissions from stakeholders and the Committee's recommendations and incorporate key strategies highlighted in the Committee's Report. Further, the 8NDP should be robust in order to actualise it and address some of the gaps. The Committee is optimistic that with concerted efforts of all players, the interventions in the Plan will have a bearing on the livelihoods of the Zambian people.

Finally, the Committee wishes to express its gratitude to the Office of the Hon Madam Speaker and the Clerk of the National Assembly for the guidance and services rendered to it throughout its deliberations. It also wishes to pay tribute to all stakeholders who interacted with it and whose input was invaluable to its work.



Mr Fred Chaatila, MP
CHAIRPERSON

June, 2022
LUSAKA

APPENDIX I – LIST OF THE NATIONAL ASSEMBLY OFFICIALS

National Assembly

Mr Charles Haambote, Acting Principal Clerk of Committees (FC)

Mr Francis Nabulyato, Acting Principal Clerk of Committees (SC)

Mrs Doreen N C Mukwanka, Acting Deputy Principal Clerk of Committees (FC)

Mrs Chitalu K Mumba, Acting Deputy Principal Clerk of Committees (SC)

Mrs Angela M Banda, Senior Committee Clerk (SC)

Mr Charles Chishimba, Acting Senior Committee Clerk (FC)

Mr Jeff Zulu, Committee, Clerk

Ms Chitalu R Mulenga, Committee Clerk

Mr Ferdnand Chikamwe, Budget Analyst

Mrs Edna K Zgambo, Committee Clerk

Mrs Medya H Mweele, Committee Clerk

Mrs Ifoma H Mulewa, Research Officer

Mr Maambo Chilobya, Research Officer

Mrs Doreen Manjoni, Administrative Assistant II

Ms Luyando Chilala, Acting Administrative Assistant

Mrs Ruth N Mwiinga, Typist

Ms Eneless Njovu, Typist

Mr Morgan Chikome, Committee Assistant

Mr Danny Lupiya, Committee Assistant

Mr Muyembi Kantumoya, Parliamentary Messenger

APPENDIX II – LIST OF WITNESSES

1. Ministry of Finance and National Planning
2. Zambia Institute for Policy Analysis and Research
3. National Economic Advisory Council
4. Zambia Chamber of Mines
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 Civil Society on Scaling up Nutrition Alliance
10. Zambia National Education Coalition
11. Water Aid Zambia
12. Civil Society for Poverty Reduction
13. Jesuit Centre for Theological Reflection
14. Bank of Zambia
15. Non-Governmental Gender Organisations Coordinating Council
16. Zambia Agency for Persons Living with Disabilities
17. Policy Monitoring and Research Centre
18. Chapter One Foundation
19. Decentralisation Network
20. Decentralisation Secretariat
21. Centre for Trade Policy and Development
22. Zambia Climate Change Network
23. Sexual Reproductive Health and Comprehensive Sexuality Education Task Force
24. World Wildlife Fund