

# Zambia: Budget Credibility and the Sustainable Development Goals

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The Jesuit Centre For Theological Reflection



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## Acronyms

CST	Church Social Teaching
GBV	Gender Based Violence
IBP	International Budget Partnership
IFFs	Illicit Financial Flows
JCTR	Jesuit Centre for Theological Reflection
LGAA	Loans and Guarantees Act
OAG	Office of the Auditor-General
PBO	Parliamentary Budget Office
PDM	Public Debt Management
SDGs	Sustainable Development Goals
UNICEF	United Nations Children's Emergency Fund
VNR	Voluntary National Review

## Section 1. Introduction and Background

Zambia considers the 2030 Agenda for Sustainable Development as a national agenda. The government's efforts to address development challenges resonate with the goals agreed in this global Agenda (Zambia VNR, 2020). This brief reports on budget credibility trends in Zambia and how they relate to Zambia's efforts to achieve the Sustainable Development Goals (SDGs). Budget credibility is the ability of governments to meet their expenditure and revenue targets accurately and consistently (IBP, 2018). Where governments consistently miss these annual targets, these issues can indicate underlying challenges within the public financial management (PFM) system in ensuring that funding flows toward achieving the government's stated priorities. If unaddressed, such challenges have the potential to undermine the country's goals on effective service delivery and poverty alleviation.<sup>1</sup>

Budget credibility challenges in Zambia are widely discussed amongst civil society organizations as well as media practitioners. Deviations from the approved budget pose a governance challenge and are a threat to national development. This concern has been more pronounced in the wake of continued reduction of budget allocations (as a percentage of the total budget), for social sectors. The government has not significantly increased budget allocations

to strategic social sectors such as health, education, water and sanitation despite endorsing international commitments and recommended thresholds to improve public services.<sup>2</sup>

We reviewed budget credibility patterns from 2018 to 2020 in seven key sectors<sup>3</sup> that relate to 10 SDG goals, using available budget data by ministries, tracked spending on gender equality, and reviewed allocations on social protection programs. While social sector spending figures have nominally increased, they remain below optimal thresholds. In 2022, the government allocated 45 percent of the national budget towards debt servicing, diverting needed funds away from social sectors. This analysis aims to demonstrate how Zambia's current performance on budget credibility can potentially impact wider efforts to achieve SDGs. We conclude with some recommendations for improving budget credibility for SDGs and overall development goals.

This research found that at the aggregate level and in some sectors, spending was largely underspent over three years (2018-2020, see annex 1), which raises issues of budget credibility. Budget deviations were highest in the agriculture sector at over 236 percent (overspend) and lowest in education at 15 percent (underspend). Water

<sup>1</sup> Lakin, J. and C. Cho. 2019. "Ring the alarm: governments unlikely to meet SDGs without renewed commitments to spend allocated funds." International Budget Partnership Blog: <https://www.internationalbudget.org/2019/07/governments-unlikely-to-meet-sdgs-without-renewed-commitments-to-spend-allocated-funds/>

<sup>2</sup> The government of Zambia is signatory to various international protocols to ensure adequate financing to key sectors such as the Maputo and Abuja Declarations which state that member countries allocate 10% and 15% of the National budgets towards Agriculture and Health respectively. Further, allocation towards education which is the backbone of every nation has been reducing and falling short of the United Nations Children's Emergency Fund (UNICEF) recommendation. The (UNICEF) recommends that 20% of the national budget is to be allocated towards education.

<sup>3</sup> These seven sectors are: Agriculture and Food, Education, Environment, Gender, Health, Social Protection, Water and Sanitation.

and sanitation, though among the least funded (as a percentage of the budget), was one of the sectors with high budget variations (70 percent underspend). Climate action was the only goal on track, even with one of the least budget allocations among the sectors under study. This may be linked to higher political will to spending in this sector, following two recent key actions: Zambia's signing of the Paris Agreement on Climate Change in September 2016 and the launch of the National Climate Change Policy in March in 2017.

The continued discrepancy between the approved budget and actual budget, and the consistent underspending of the budget, takes place in the context where debt servicing concerns dominate government discussions of public finance. High debt servicing costs have limited the government's expenditure towards key economic and social sectors. The discrepancy between the Constitution and existing laws such as the Loans and Guarantees Act (LGAA) on authorizing loan approvals before contractions have further exacerbated the debt crisis. These dynamics may lead to government putting less pressure on line ministries to execute their entire approved budgets, given the limits on the overall availability of public funding.

The onset of COVID-19 had mixed results in terms of expenditure. For example, the increased allocations to sectors such as health and water and sanitation did not translate into better spending. Deviations for health increased from underspending of 23 percent in

2019 to underspending of 27 percent in 2020. In water and sanitation, the deviation reduced to underspending of 62 percent from a high of underspending of 89 percent in 2019. The 2020 deviation was, however, still higher than the 2018 deviation of underspending by 58 percent. Social protection also saw deviations maintain a downward trajectory from underspending by 51 percent in 2018 to underspending by 8 percent. Agriculture on the other hand saw spending increase to 563 percent from 181 percent overspending in 2019.

### The research recommends the following:

- Lack of publicly accessible budget information is a serious impediment to achieving budget credibility in Zambia. To enhance transparency, the government should publicly publish blue books which contain the actual approved budgets as well as actual expenditure including justifications for any deviations. This can increase awareness amongst actors with a direct stake in timely SDGs achievement.
- There is need for consistent and more regular reporting on progress made on the SDGs. Government should publish the VNR in a timely manner and report on SDG 16.6.1 on budget credibility.
- To improve budget credibility, it is critical to assess spending beyond budget provision. Better tracking and reporting on SGD trends

and budget allocation and expenditure can help activate a positive policy feedback loop.

- Gaps between existing laws and the Constitution should be addressed to ensure transparency and avoid future debt troubles. Government should put in place legal frameworks to manage the debt crisis.
- Government should honor international protocols and agreements on key sectors related to SDG targets, and the SDG index trends and performance.

## Section 2. Overview of Government Commitment to the SDGs in Setting National Priorities

To advance the 2030 Agenda for sustainable development, the Government of the Republic of Zambia has made significant progress. The national policy and legislative processes as well as planning and implementation, and oversight processes have been aligned with the SDG goals:

### 1. Constitutional Principles

The commitment to the 2030 Agenda corresponds with the country's constitutional principles and national values enshrined in Zambia's 2016 Amended Constitution.

### 2. National Development Plans

The SDGs have been mainstreamed into Zambia's current 7th and 8th National Development Plans; 75 percent of the SDGs of applicable targets are fully aligned to the national development plans and about 11 percent are partially aligned.

### 3. Policy and Legal Frameworks

Sustainable Development has taken center stage in the development of social and economic policies since the adoption of the SDGs. Key policies and legislative interventions are in place to support the implementation of the SDGs such as the National Planning and Budgeting Bill, aimed at strengthening public finance management through strong linkages between the Budget and

the Planning Act. The government of Zambia is also committed to tracking investments toward the SDGs. In 2020, the government organized the first voluntary national review of the country's progress on SDGs. The review report noted the efforts to integrate SDGs into the National Planning framework and recommended instituting strong coordination and reporting mechanisms.

### 4. Oversight

The Parliamentary Caucus Committee on the SDGs has been instrumental in fostering and sustaining SDG engagement in Zambia. These interactions have contributed to improved SDG awareness amongst Parliamentarians and in turn they have disseminated information to their constituencies. The Office of the Auditor-General (OAG) has played a critical role in monitoring and auditing the SDG process. Further, to improve programme efficiency and effectiveness the government is using Parliamentary oversight on loan contraction, the access to information Bill to improve accountability, and the Monitoring and Evaluation Policy to improve program performance.

Though challenges remain. Despite enactment of the Zambia Statistics Act of 2018 aimed to address data challenges, the VNR highlighted limitations of the Government's initial tracking data for SDG monitoring and evidence-based planning. The



VNR covers several indicators under SDG 16 in the report and highlights the need for ensuring better planning, adherence to expenditure plans, and improvement of the quality of government spending. However, the critical indicator for budget credibility, SDG indicator 16.6.1, is missing.

The government's expansionary fiscal policy is driven by the urgent need to invest in infrastructure development. This has resulted in a significant resource gap and a debt crisis and has hindered SDG financing and greatly affected social sector allocations in the national budget. The continual

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**Adverse effects of climate change and the recent COVID-19 pandemic also pose major threats to achieving the SDG targets in Zambia.**

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increases in public debt in Zambia after 2006 resulted in an exponential increase in public debt servicing costs. A government default on debt repayment in November 2020 exacerbated these trends. Zambia has also applied to restructure its debt through the G20 common framework, but high payments and debt risks also have wider impacts on, credit creation, gross national savings, domestic interest rates, gross national investment and gross revenue performances of the central government. Furthermore, poor legal framework, governance, and access to credit contributes to poor debt management outcomes.

Adverse effects of climate change and the recent COVID-19 pandemic also pose major threats to achieving the SDG targets in Zambia. To accelerate progress toward development goals, Zambia needs to put in place measures aimed at increased financing to the SDGs in the budget allocation as well as expenditure. The JCTR analysis highlighted that the government deviated from planned budgets during implementation, raising a red flag on budget credibility.

## Section 3. Background on Budget Credibility in Zambia

Budget credibility is measured by SDG indicator 16.6.1 which refers to “primary government expenditures as a proportion of original approved budget, by sector or by budget codes or similar”. To enhance and ensure budget credibility once the budget has been approved, funds cannot be shifted between administrative units during the budget year or across ministries. However, the executive does formulate and realize a supplementary budget as stipulated by the Supplementary Appropriation (2021) Bill, 2021.

The budget credibility landscape in Zambia includes legal instruments and parliamentary oversight of budget procedures and overall public finance management.

### 1. The Public Finance Management Act (2018)<sup>4</sup>

The Act clearly outlines fiduciary duties for Controlling Officers in Ministries, Provinces, and other Spending Agencies and for Boards of State-Owned Enterprises and Statutory Corporations. Board Members of State-Owned Enterprises and Statutory Corporations under the act are individually and collectively accountable for their decisions.

The revised Public Finance Management Act also empowers the Secretary to the Treasury to act on non-performing Controlling Officers and Controlling Bodies. To enhance revenue generation, facilitate domestic financing, and improve budget credibility under the Act, the Treasury is obligated to set revenue targets for Ministries, Provinces, and other Spending Agencies.

To strengthen the execution of the public finance management mandate, the Act provides for structural adjustments such as upgrading the Office of Accountant General and Controller of Internal Audit to Division [Permanent Secretary] level.

The Act also includes provisions for the effective operation of the Treasury Single Account and the Integrated Financial Management Information System. It helps to regulate electronic financial transactions within the framework of Public Financial Management, in line with the Government’s e-Government Policy. Finally, to improve budget credibility and have an inclusive and sustainable fiscal regime, various stakeholders advocated for legislation strengthening procurement, loan contraction and budget

<sup>4</sup>. <https://www.parliament.gov.zm/sites/default/files/documents/acts/The%20Public%20Finance%20Management%20ACT%202018.pdf>.

implementation. In this regard, the Government of Zambia enacted the National Planning and Budgeting Act (Act No. 1 of 2020).

## 2. The National Planning and Budgeting Act (2020)<sup>5</sup>

This Act integrates national planning and budgeting processes. It seeks to strengthen accountability in the utilization of national resources, oversight and participation mechanisms in the national planning and budgeting processes, formulation, approval, and implementation. The Act also includes monitoring and evaluation of long and medium term national, provincial and district development plans and budgets; coordination of national development plans with the National Planning Framework; participatory and decentralized national planning and budgeting process by including state and non-state actors in the planning and budgeting process, evidence-based decision making in national planning and budgeting, and enhanced budget credibility.

## 3. Parliamentary Oversight

The National Assembly of Zambia has a Parliamentary Budget Office (PBO). The PBO's mandate is to provide independent, accurate, timely and useful budget information and analysis to Parliament in the scrutiny and oversight

of the budget processes and procedures and overall public financial management. Further, the functions of the Office are to provide the National Assembly with timely, objective and non-partisan analysis and information in connection with the national budget and economy.

Despite these legal instruments and parliamentary oversight, gaps in budget credibility remain. The central government over the three years (2018-2020) recorded an average budget execution rate of 71 percent (representing budget underspend of 29 percent with 2019 witnessing the highest underspending, 32 percent). The high underspending indicates low investments in social sectors that are key to alleviating poverty in rural areas and ensuring sustainable development.<sup>6</sup>

The high underspending is attributed to heightened debt servicing costs that the nation faced leading to default in 2020 and becoming the first COVID-19 era sovereign default. For instance, the Zambia National Assembly's - Expanded Budget Committee report on the estimates of revenue and expenditure for the financial year 1st January to 31st December 2019 attributed low budget credibility on government's failure to meet its fiscal targets. The major drivers of fiscal deficit include increased infrastructure expenditure and increased debt servicing.

<sup>5</sup> [https://www.parliament.gov.zm/sites/default/files/documents/acts/The%20National%20Planning%20and%20Budgeting%2C%20No.%201%20of%202020\\_0.pdf](https://www.parliament.gov.zm/sites/default/files/documents/acts/The%20National%20Planning%20and%20Budgeting%2C%20No.%201%20of%202020_0.pdf)

<sup>6</sup> A review of the MoF's reports reveal that the top three social protection programs have a lower budget execution rate than roads, strategic food reserves and FISP. To meet SDG1 such sectoral imbalances in budget execution needs to be corrected (UNICEF-Zambia 2019).

## Section 4. Data Sources for Classification of the Budget per Sector Related to SDGs and Country Progress in Achieving the 10 SDG Targets

The research relied on approved budget and actual expenditures data in budget execution reports (known as blue books) that are published by the Ministry of Finance for the financial years 2018-2020. This is because these are the approved budgets as well as actual expenditure as published by Government. The Ministry of Finance (MoF) does not report or publish the corresponding budget execution for budget allocations. The blue book is not publicly published and does not report justifications for budget deviations. Therefore, we did not use the budget proposal figures, which are pronouncements and not actual approved figures.<sup>7</sup> Zambia's budget is centralized, meaning that figures for the central government budget cover most of the public spending in each sector for the country.

At the aggregate level, the budget was largely underspent in all the three years under review (2018, 2019, and 2020). Underspensing ranged between 15 percent (for education) and 70 percent (for water and sanitation). Underspensing can potentially be linked to poor SDGs achievement due to low investment in

certain sectors – for example, education is scored as having 'major challenges remaining' in the 2021 SDG index, while water and sanitation shows 'significant challenges remaining'. Agriculture had an over expenditure of 236 percent averaged over the three years (highest in 2020). This variable rate of budget execution in different sectors demonstrates poor budget credibility.

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**At the aggregate level, the budget was largely underspent in all the three years under review ... [ranging] between 15 percent and 70 percent.**

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<sup>7</sup> The use of SDG specific budget execution data which compares the main allocation and execution data for each SDG would present a more accurate picture of the government's fiscal commitments and achievements of SDGs. The total budgetary expenditure to the agriculture sector is not a standalone. Expenditure as well budget allocation data towards the farmer input support programme and strategic food reserves (constitute 90 percent of the budget) was used as a proxy in this.

Data on SDG trends show that major challenges remain in achieving many of the SDGs,<sup>8</sup> such as those related to life on land (SDG 15), health (SDG 3), no poverty (SDG 1), zero hunger (SDG 2), reduced inequalities (SDG 10) and clean water and sanitation (SDG 6). However, there is no data available for life below water (SDG 14) for Zambia. Critically, the trend for SDG 2 on hunger as well as gender equality (SDG 5), clean water and sanitation (SDG 6) and life on land (SDG 15) shows stagnation, rather than improvement. Spending from the central government on the related sectors does not seem to prioritize the most underachieving sectors, either.

The analysis indicates that the sectors with high overspending rates over the three years were education at 14 percent and agriculture and health at 9 percent each. The SDG Index data shows limited progress towards attaining SDGs in Zambia. For example, only 1 percent of expenditures from 2018 and 2020 went toward water and sanitation which is critical to human development and wellbeing. Health expenditures account for only 9 percent of total expenditures at the backdrop of a global pandemic that placed significant pressure on the nation's already strained health system.<sup>9</sup>

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<sup>8</sup> [Zambia SDG Index dashboard](#). This is compiled from Zambia's SDG Index (2021), which reports SDG achievement indicators related to each goal based on a performance scale from whether major challenges remain, up until SDG achievement, as well as trends in each SDG.

<sup>9</sup> This allocation is also at variance with the Abuja declaration of 15 percent. On the other hand, spending on agriculture and education is also below the Maputo declaration of percent towards agriculture and UNICEF recommendation of 20 percent towards education.

Table 1: Budget Credibility Trends and the SDG Performance and Trends, Three-Year Average from 2018-2020 in Zambia

Sector	Related SDG Goal(s)	SDG Index Performance	SDG Index Trend	Share of Total Spending (Average)	Budget Deviation (Average)
Food and Agriculture	Goal 2: Zero Hunger	Major challenges remain	Stagnating	9%	236%
Education	Goal 4: Quality Education	Significant challenges remain	Trend information unavailable	14%	-15%
Environment	Goal 13: Climate Action	SDG achieved	On track or main-taining SDG achievement	0%	-42%
	Goal 14: Life Below Water	Information unavailable	Trend information unavailable		
	Goal 15: Life on Land	Major challenges remain	Stagnating		
Health	Goal 3: Good Health and Wellbeing	Major challenges remain	Moderately improving	9%	-26%
Social Protection	Goal 1: No Poverty	Major challenges remain	Decreasing	3%	-27%
	Goal 10: Reduced Inequalities	Major challenges remain	Trend information unavailable		
Gender	Goal 5: Gender Equity	Significant challenges remain	Stagnating	0%	-48%
Water and Sanitation	Goal 6: Clean Water and Sanitation	Major challenges remain	Stagnating	1%	-70%
<b>Total Central Government Budget</b>					<b>-29%</b>

Budget credibility may not be the sole driver of the level of achievement on SDG goals and trends in each sector. However, comparing data from budget execution reports to SDG performance and trends shows that underspending against the allocated budget may be undermining efforts to achieve the SDG targets in key sectors, hence hindering sustainable development.

Specifically, for SDG 2 on hunger, the index trend

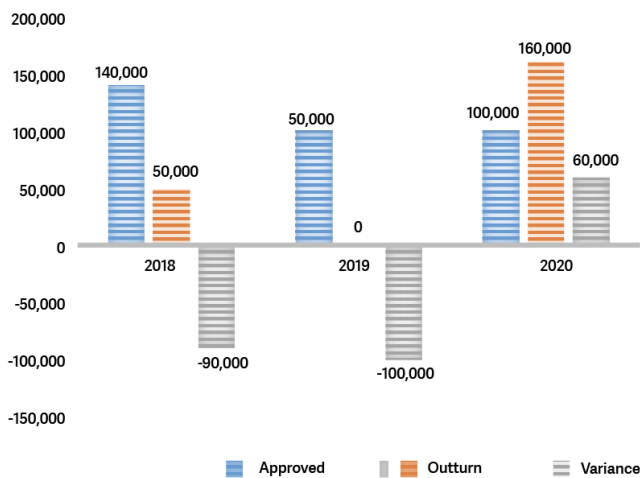
of underachievement against consistent over expenditure could be indicative of the noted inefficiencies in the government's flagship "Farmer Input Support Programme" intervention, which favors global agro-industry over small farmers, issues with targeting beneficiaries, and risks of fraud in the program.<sup>10</sup> Even so, the program remains popular due to political reasons, it also takes precedence over key social protection programs such as the Food Security Pack (FSP).<sup>11</sup>

<sup>10</sup> See Andrews 2021: <https://link.springer.com/article/10.1057/s41301-021-00317-w>

<sup>11</sup> A farm subsidy for vulnerable families.

The figure below demonstrates that while FISP recorded disbursements significantly larger than planned, FSP with an already small budget recorded much smaller additional disbursements than planned even after several years of under disbursement.

Figure 1: Planned vs. disbursed resources FSP (in billions of kwacha)



Underspending is also a challenge in achieving SDG targets on Water and Sanitation (SDG 6) and Gender and Social Protection (SDG 5). Spending on water and sanitation showed the highest deviations of any sector reviewed in this brief, at 70 percent on average from 2018 to 2020. In 2019, only 11 percent of the ministry’s approved budget was expended. Surprisingly, only 38 percent of the

Water and Sanitation budget was spent during the onset of COVID-19 in 2020. Spending on gender also shows underspending trends averaging 48 percent from 2018 to 2020.

Zambia’s performance on the environment sector (related to SDG 13, 14 & 15), with an average budget underspend of 42 percent, is interesting. SDG 13, on Climate Action in particular, is the only SDG that has been achieved. But other aspects of environmental protection; Life Below Water and Life on Land (SDG 14 and 15), still show challenges with progress on life on land stagnating and lack of information on SDG life below water.

Spending on health has not registered major deviations with at least 3 quarters of the budget funded over the period 2018-2020. Budget execution figures range between 72 and 77 percent, one of the highest among the sectors under study. Despite major challenges remaining on SDG 3 on health, there is moderate improvement in SDGs. A critical challenge for Zambia is that underspending and low budget execution in important social sectors is preventing delivery of services and support to vulnerable populations.

## Section 5. How Has The COVID-19 Pandemic Impacted Spending Patterns in 2020

The COVID-19 pandemic has tested the resilience of the Zambian economy as well as exacerbated the development challenges confronting the country. For example, the high level of inequality has been exacerbated by the COVID-19 pandemic. The worse-off, with less access to health care and education have been the hardest hit as governments try to rationalize expenditure and prioritize COVID-19 interventions. Unlike other countries in SSA, Zambia faces a twin problem of both COVID-19 and the unsustainable burden of sovereign debt. The effects of these dual problems are an increase in the already high level of inequality in Zambia.

The onset of COVID-19 has seen mixed results in terms of expenditure. For example, the increased allocations to sectors such as Health and Water and Sanitation did not translate to better spending. Deviations for health increased from underspending of 23 percent in 2019 to underspending of 27 percent in 2020. In water and

sanitation, the deviation reduced to 62 percent underspending from a high of 89 percent underspending in 2019. The 2020 deviation was, however, still higher than the 2018 deviation of 58 percent underspending. This was despite the demand placed on health and water and sanitation services during the pandemic. Agriculture, on the other hand, saw spending increase to 563 percent overspend in 2020 from 181 percent overspend in 2019. Social protection also saw deviations maintain a downward trajectory from 51 percent underspending in 2018 to 8 percent underspending. These increased deviations may further lead to difficulties in attaining the SDGs and advancing the 2030 Agenda.



## Section 6. Gender Spending in the Public Budget

This study tracked spending in the Ministry of Gender given the critical role of the ministry in promoting gender equity. To promote gender equality and the empowerment of women and girls, overarching policies and legislations such as the Gender Equity and Equality Act (2015), the National Gender Policy (2014)<sup>12</sup> and the amended Constitution Act No. 2 (2016)<sup>13</sup> set out clear provisions for promoting gender equity and equality in all spheres of life and gender mainstreaming.

Annual national budgets, Medium Term Expenditure frameworks and national development plans such as the revised Sixth National Development Plan (2011-2015) and the Poverty Reduction Strategy, and the Draft land policy as well as women empowerment programs such as Social Cash Transfer Programme and the Girls Education and Women Livelihood (GEWEL) Programme emphasize achieving gender equality and equity. Zambia has also established Gender Based Violence (GBV) Fast Track Courts to increase access to justice for GBV victims and ensure timely disposal of cases.

Despite national policies and legal frameworks, structural barriers such as patriarchy present serious challenges to the nation's mission of promoting gender equity and equality. In the absence of a comprehensive national framework, analysts note that gender equity is also differently interpreted across different sectors and government programs such as in agriculture, natural resource management and climate change and adaptation.<sup>14</sup> Despite legal safeguards and ownership of assets, electoral participation also continues to be mired by unequal access and participation.<sup>15</sup> The SGD trend for seats held by women in national parliament is stagnant.

Another important challenge is the downgrading of the standalone Ministry of Gender into a directorate under the office of the Vice President. In 2021, under a new government, the functions of this Directorate were placed under Cabinet office. Organizations focused on gender have raised concerns that this will compromise delivery of gender targeted interventions due to reduced funding and adequate dedicated human resource.<sup>16</sup>

<sup>12</sup> The revised NGP (2014) seeks to redress the existing gender imbalances in social and economic life. It provides for equal opportunities for both women and men to actively participate and contribute to the national development agenda

<sup>13</sup> The amended Constitution affirms the equal worth of women and men and their rights to freely participate in, determine, and build a sustainable political, legal, economic, and social aspects. This reinforces the Constitutional values and national principles which include equity, equality, and non-discrimination

<sup>14</sup> Dlamini and Samboko (2016): [https://www.iapri.org.zm/wp-content/uploads/2022/04/wp108\\_compressed.pdf](https://www.iapri.org.zm/wp-content/uploads/2022/04/wp108_compressed.pdf)

<sup>15</sup> Following the general election of 2021, the proportion of female representation has reduced to 14percent, a drop from 19 percent female representation recorded in the 2016 general elections.

<sup>16</sup> <http://www.daily-mail.co.zm/ministry-of-gender-removal-irks-mens-network/>

## Section 7. Conclusions and Recommendations

The brief shows that the Zambian government deviated from planned budgets during implementation, raising a red flag on budget credibility. The advent of COVID-19 worsened the pattern of underspending in social sectors. The government's spending targets and sectoral outcomes are not aligned with its SDG commitments and could compromise the nation's progress on SDGs by 2030. To improve budget credibility and ensure an inclusive fiscal regime, the government could consider the following recommendations:

### Transparency

- The Ministry of Finance should proactively publish the corresponding budget execution and allocation information in formats that are accessible for all citizens. Producing reliable data is the necessary first step to monitoring government efforts to reach their SDG targets.
- The government of Zambia should publish government blue books which contain the actual approved budgets and actual expenditure, including justifications for any deviations to enhance accountability. This will be helpful in assessing allocations related to SDGs as well as enhancing budget credibility.

- There is need for consistent and more regular reporting on progress made on the SDGs to timely establish gaps and achievements and enable corrective/enforcement measures to be designed and implemented. It is now over two years since the VNR was conducted (before the onset of COVID-19). Further, the VNR must report on SDG 16.6.1 on budget credibility.

### Monitoring

- In sectors or programs where the budget allocation corresponds to actual expenditure (as in the case of the FISP), it is important that the government assesses spending beyond budget provision. This will help better track progress as well as identify problem hotspots, and/or activate positive policy feedback loops.
- Civil society should hold government to account for various international protocols and agreements on budget transparency, SDG targets, and the SDG index trends and performance.

## Debt Crisis Prevention

- Government must amend the Legal Framework guiding Public Debt Management (PDM) i.e., the Loans and Guarantees Authorization Act (LGAA) to be aligned to the constitution and support

sustainable debt management. A weak legislative framework has negative implications on budget credibility especially for the social sectors. The proposed Public Debt Management Bill is a step in the right direction.<sup>17</sup>

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<sup>17</sup> <https://www.bloomberg.com/news/articles/2022-07-08/defaulters-zambia-plans-new-law-to-prevent-future-debt-crises>

## Section 8. Annex 1: Budget allocation and execution data for 2018-2020

Sector	Related SDG Goal(s)	Administrative Classification	Approved Budget (ZMW million)			Actual Spending (ZMW million)			Deviation (ZMW million)			Deviation, by Sector (%)			Sector Share of Total Spending (%)			Budget Deviation (Average)
			2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	
Food and Agriculture	Goal 2	Farmer support input and strategic food reserves	3277200 000.00	2100000 000.00	1771840 201.00	2056471 000.72	5906687 000.13	11748266 000.91	12207 28999 .28	38066 87000 .13	99764 25799 .91	-37%	181%	563%	3%	9%	13%	236%
Education	Goal 4	School Infrastructure, Student Loans and Scholarships, University and College infrastructure and Skills Development Fund	11153414 563.00	13274546 421.00	1031485 0435.00	1005844 9572.00	1017507 6043.00	9143463 431.00	109496 4991.00	309947 0378.00	1171387 004.00	-10%	-23%	-11%	17%	15%	10%	-15%
Environment	Goal 13,14,15	Climate Change Resilience	971939 734.00	875101 216.00	18992 203.00	164496 701.00	691639 156.00	14872 414.00	807443 033.00	183462 060.00	4119 789.00	-83%	-21%	-22%	0%	1%	0%	-42%
Health	Goal 3	Drugs and Medical Supplies, Health infrastructure, Medical Equipment	71443 08606	8071308 290.00	9714539 646.00	5153870 342.00	6204801 273.00	7117204 392.00	199043 8264.00	186650 7017.00	259733 5254.00	-28%	-23%	-27%	9%	9%	8%	-48%
Gender	Goal 5	Ministry of Gender	W68931 301.00	30071 512.00	27528 105.00	18642 903.00	11322 925.00	24838 457.79	50288 398.00	18748 587.00	2689 647.21	-73%	-62%	-10%	0%	0%	0%	-26%
Water and Sanitation	Goal 6	Water Supply and Sanitation	757273 247.00	2453249 245.00	3091495 376.00	321124 166.00	260385 755.00	1180117 605.43	436149 081.00	2192863 490.00	1911377 770.57	-58%	-89%	-62%	1%	0%	1%	-27%
Social Protection	Goal 1 and 10	Public Service Pension Fund, Social Cash Transfer, Food Security Pac	2253235 829.00	2187059 906.00	3516305 800.00	1113200 873.00	1662594 125.00	3247237 800.00	1140034 956.00	524465 781.00	269068 000.00	-51%	-24%	-8%	2%	3%	4%	-70%
<b>Total Budget</b>			777868 41107	97284 357363	127783 569 491 .00	59533 965871	66503 764986	87988 810083	67400 47722 .28	407883 0312.87	402044 8335.13	-23%	-32%	-31%	-	-	-	-29%

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