2020 Zambia Sustainable Development Goals National Review

Sustainable Development Goal 17- Partnership for the Goals

- Sustainable Development Goal (SDG17) is Partnership for the Goals.
- The aim of this goal is to strengthen the means of implementation and revitalize the global partnership for sustainable development.

Overview of SDG 17

17 PARTNERSHIPS FOR THE GOALS

The Global Goals can only be met if countries work together. International investments and support is needed to ensure innovative technological development, fair trade and market access, especially for developing countries. To build a better world, we need to be supportive, empathetic, inventive, passionate, and above all, cooperative.

Indicator 17.3.1: Total Government Revenue as a percentage of GDP

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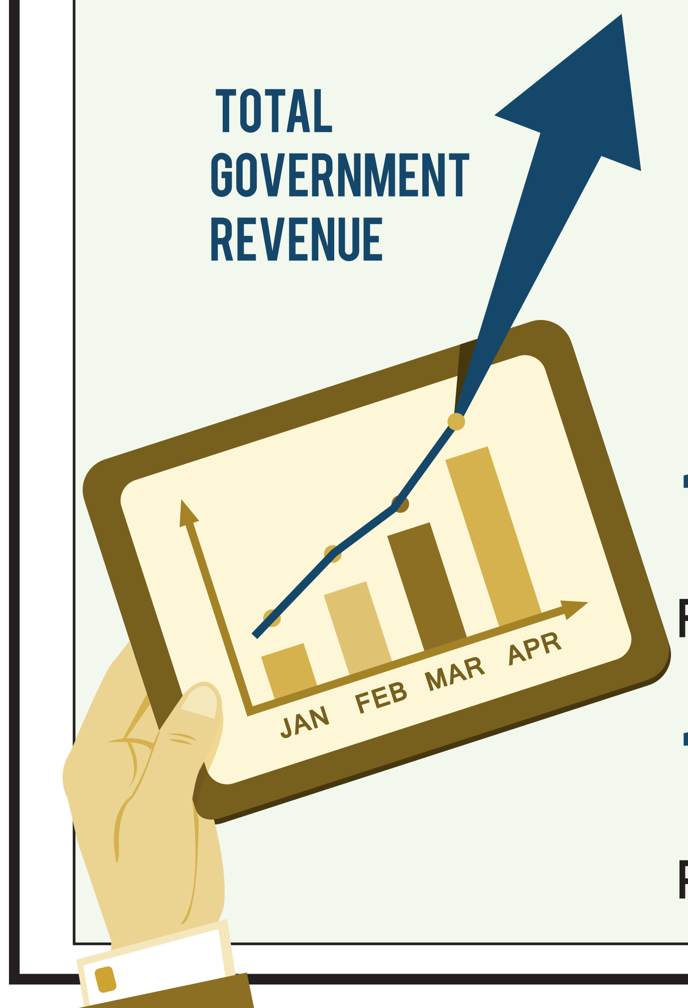
- Proportion of total Government revenue remained at 18% from 2014-2018. The proportion which stood at 18.9% in 2014 and 2015, fell to 18.2% in 2016, then 17% in 2017 before rising to 19% in 2018.

TOTAL GOVERNMENT REVENUE



18.9%
2014 AND 2015

17%
2017

18.2%
FELL IN 2016

19%
RISING IN 2018

Indicator 17.3.1: Foreign Direct Investment, official development assistance and South-South Cooperation as a proportion of total domestic budget

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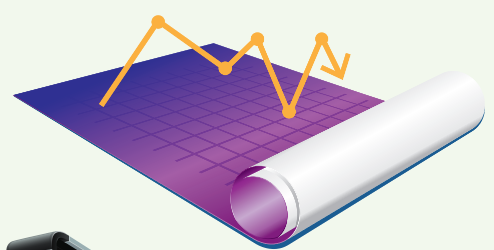
- There has been consistent downward trend in FDI, going against the years of steadily rising FDI prior to 2015.



- Decline in FDI between 2015 and 2018 a reflection of unfavourable business environment.

- FDI peaked in 2010 at **US$2,824.7 million** and declined until **US$1179.6 million** in 2017.
- In 2011, it was estimated at **20.5%, rising to 25.5% in in 2012.**

Indicator 17.4.1: Debt service as a proportion of exports of goods and services

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DEBT

- At the height of the debt crisis in the 90's, total **national debt** was **approx. US$7 billion.**
- This was written off under the **Heavily Indebted Poor Countries (HIPC)** initiative, leading to debt as low as US$0.5 billion in 2006.

LAUNCH

- In 2012, Zambia launched its first sovereign bond for US$750 million. In 2013, one for US$ 1 million and in 2015 one for US$ 1.25 million.

- The ratio of debt to GDP, was estimated at approx. **21% between 2001 and 2010 rising to 25.5% in 2012, 28.6% in 2013 and 35.2% in 2014.**
- Public and publicly guaranteed debt has nearly quadrupled from **20.5% of GDP in 2011 to 78.1% of GDP in 2018,** driven by accumulation of both external and domestic debt.
- Debt composition has also significantly shifted towards commercial and Non-Paris Club bilateral creditors, exacerbating the **country's exposure to exchange rate and market risks.**
- Overall public and publicly guaranteed debt is expected to increase to 98% of GDP by 2020, while external public and publicly guaranteed debt service obligations over **2019-21 are estimated at US$4.6 billion.**
- The 2019 World Bank/International Monetary Fund Debt Sustainability Analysis concludes that Zambia's risk of overall and external debt distress remains very high and that public debt under the current policies is on an unsustainable path. **Domestic debt, excluding arrears as at December 2017 was K48.3 billion from K32.0 billion in 2016. Domestic debt service was K4.02 billion in 2016 compared to K2.95 billion in 2014.**
- Heightened borrowing activity is mainly for infrastructure projects. Debt service is being exacerbated by the depreciation of the Kwacha against major tradable currencies.
- The stock of both external and domestic debt has been increasing rapidly since 2010. Notably, the external debt stock **increased to US$11.2 billion in 2019, from US$6.70 billion in 2015 representing a 67.2% increase.** The lowest external debt stock, at US$1.65 billion, was recorded in 2010.
- The domestic debt stock also rose from a low of **K10.59 billion in 2010 to K80.2 billion in 2019.**
- However, **significant increases** were observed after 2015, when the **debt stock** more than trebled to **K80.2 billion in 2019.**
- Debt service payments associated with the loans have resulted in the shrinkage of fiscal space as discussed earlier. Further, the country is increasingly having difficulty in meeting debt service obligations as they fall due, exemplified by the recent default on an **African Development Bank Group loan of just US$1.4 million.** A number of loans to other creditors are also in default.
- Gross international reserves recorded the highest level in 2014 at US$3.1 billion. However, rising debt service and related costs have been key drivers to the decline in international reserves of almost **50% from over US$3 billion in 2014 to around US$1.4 billion in 2019. With debt service projected at US$1.2 billion in 2020,** the reserve position continues to face severe stress.
- This in turn will increase the vulnerability of the country to external shocks, and occurrence of intermittent episodes of exchange rate volatility.

Indicator 17.8.1: Proportion of individuals using the internet

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- Data from ZICTA shows increase in proportion using mobile internet over fixed internet.

	2016	2017	2018
Internet subscription- fixed wireless	35,919	36,121	44,711 ▲
Proportion of fixed internet users per 100 inhabitants	0.22	0.23	0.30 ▲
Mobile internet users - Smartphones/Dongo's	5,156,365	7,723,855	9,825,716 ▲
Proportion of mobile internet users per 100 inhabitants	0.32	0.47	0.58 ▲
Internet users - fixed wireless & mobile internet usage	5,192,284	7,759,976	9,870,427 ▲

- **Increase in mobile internet** is mirrored by data on telephone connectivity.
- Review of telephone subscriptions shows an increase in mobile cellular connectivity; facilitated by increased access to and falling prices of cellphones.
- In 2018, **mobile subscriber base grew** from 15.1% to 15,470,270 from 13,438,539 in 2017.
- This growth represents an improvement in penetration rate to 91.6% in 2018 from 81.9% in 2017 because of increased competition among operators.

Challenges	Required Actions
Reduced fiscal space	Enhance implementation of mobilization domestic resource strategy. Improve allocation and utilization efficiencies of Government agencies. Improve the environment for FDI, which will in turn broaden the tax base.
Limited infrastructure and technical capacity to expand communication	Improve supportive infrastructure in order to expand access to internet, especially in rural areas. Scale up e-governance in public institutions. Improve infrastructure in public institutions to expand access.
Limited information management capacities in sectors	Scale up supervisory role of the ZamStats over other producers of data. Improve the capacities of Government units to collect, collate and analyse data. Scale up implementation of the National Strategy for the Development of Statistics.
COVID-19 induced disruption of public and private functions	Assess options for scale-up of proven cost-effective models of service delivery (e-learning, e-health care, e-governance, e-commerce, and e-banking).

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