

OVERVIEW OF THE EIGHTH NATIONAL DEVELOPMENT PLAN (8NDP) – 2022-2026

THEME: “SOCIO-ECONOMIC TRANSFORMATION FOR IMPROVED LIVELIHOODS”

AUGUST 2022



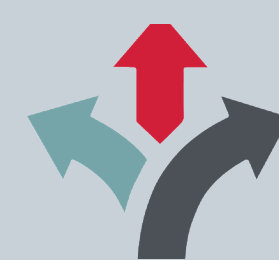
REPUBLIC OF ZAMBIA

MINISTRY OF FINANCE AND
NATIONAL PLANNING

ADAPTED BY



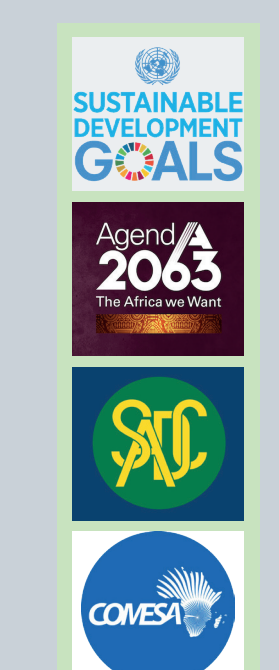
THE EIGHTH NATIONAL DEVELOPMENT PLAN (8NDP)



The Eighth National Development Plan (8NDP) sets out Zambia's strategic direction development priorities and implementation strategies for the period 2022 to 2026.



It is the successor to the Seventh National Development Plan (7NDP) and the fourth in the series of five-year National Development Plans (NDPs) towards the **National Vision 2030** in which Zambia aspires to be a prosperous middle-income country.



The Plan is a critical vehicle to support the attainment of Zambia's international and regional commitments under various frameworks, including the Sustainable Development Goals; the Africa We Want, espoused in the **African Union Agenda 2063**; the **Southern African Development Community Regional Indicative Strategic Development Plan**; and the **Common Market for Eastern and Southern Africa protocols**.



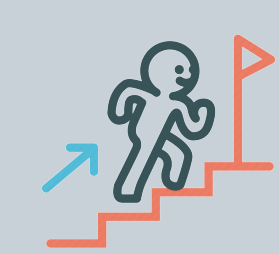
The 8NDP takes cognizance of the country's developmental context, challenges and opportunities being faced towards actualising the Vision 2030.



It has been formulated against the backdrop of a challenging economic situation exacerbated by the COVID-19 pandemic. The current state of development indicates persisting socio-economic challenges which include **low diversification of the economy, high youth unemployment, high incidences of poverty and inequality, slow pace of decentralisation as well as low education outcomes, coupled with inadequate access to other social services**.



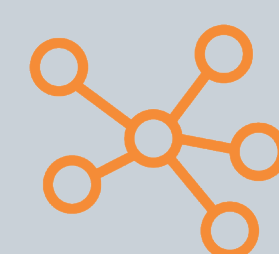
To overcome these challenges, the 8NDP articulates strategic interventions anchored on Economic Transformation and Job Creation, Human and Social Development, Environmental Sustainability and Good Governance Environment.



Building on the success and lessons learnt from the implementation of the previous National Development Plans (NDPs), and informed by the developmental challenges facing the country, the theme for the 8NDP is “**Socio-Economic Transformation for Improved Livelihoods**”.



The theme emphasises the need to build and get back on track towards the realisation of the Vision 2030 through economic recovery, stabilisation and steady growth, coupled with interventions in the social sectors to realise the socio-economic transformation that will **ultimately uplift the livelihoods of the Zambian people**.



A key intervention to accelerate the attainment of the development objectives in the Strategic Development Areas (SDAs), will be the full implementation of decentralisation.



This will result in the transfer of functions, fiscal and other resources as well as ownership and responsibility of decision-making from the Central Government to the Local Government level.

THE DEVELOPMENT APPROACH



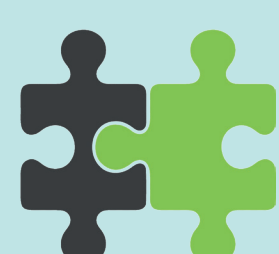
The 8NDP was formulated in line with the provisions of the **National Planning and Budgeting Act No. 1 of 2020** and the **National Planning and Budgeting Policy of 2014**.



The legal and policy framework provides for a coordinated and integrated national development planning and budgeting process that is **participatory, responsive and results-oriented**.



The Plan builds on the **multi-sectoral integrated** development planning approach introduced in the 7NDP.



This approach goes beyond articulating sectoral and provincial interventions by ensuring that there is horizontal and vertical integration and convergence in the execution of interventions across all sectors and provinces.



Further, it creates and enhances existing synergies among the different stakeholders and sectors, and increases the general effectiveness of programme budgeting, implementation reporting and provides a framework for the domestication of international commitments.

MACRO-ECONOMIC OBJECTIVES



During the 8NDP period, Government seeks to **restore macroeconomic stability by raising real GDP growth as well as attaining fiscal and debt sustainability to improve the livelihoods of the Zambian people, especially the vulnerable**.



Pursuant to the above, the macroeconomic objectives for the 8NDP period are to:

a) Achieve an annual real 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**;

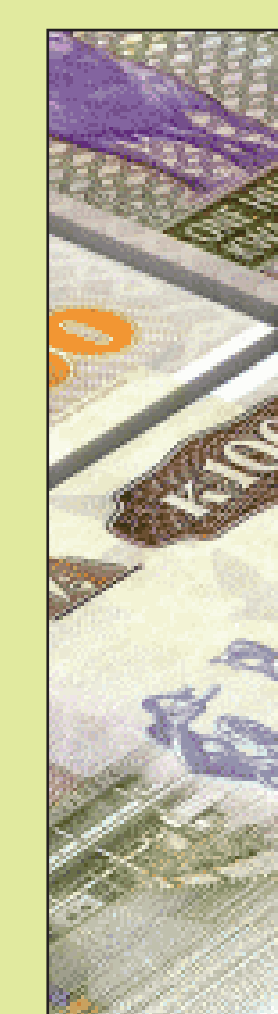
e) **Dismantle domestic arrears and curtail accumulation of new arrears**;

GDP GROWTH 4.5% by 2026

FISCAL DEFICIT 3.6% OF GDP

DOMESTIC/ GDP RATIO 21% OF GDP

DOMESTIC BORROWING LESS THAN 4.8% OF GDP



f) Reduce and maintain inflation within the **target range of 6-8 percent**;

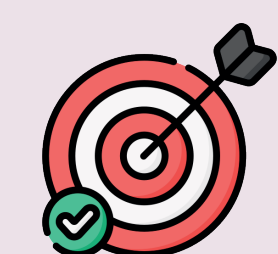
INFLATION 6-8%

g) Maintain international reserves of **at least 3 months of import cover**; and

h) Reduce the external debt to **60 percent of GDP and ensure sustainability**.

EXTERNAL DEBT NOT MORE THAN 60% OF GDP

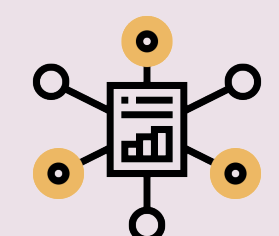
MACRO-ECONOMIC REFORMS



Over the Plan period, the Government will implement the following reforms to achieve the set macroeconomic objectives:



a) Strengthen Public Finance Management: To restore budget credibility, improve the efficiency of public expenditures, and support private sector-led growth.



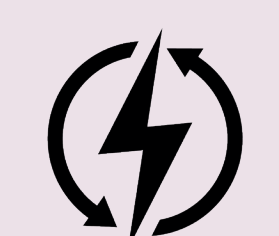
b) Establish a Fiscal Risk Management Framework: In light of slowing growth, tighter fiscal conditions, and growing debt burden, the Government will closely monitor fiscal risks by developing a **risk monitoring framework to anticipate expenditure pressures and revenue shocks**.



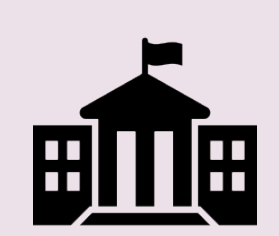
c) Strengthen the Legal Framework for Public Private Partnership: The Public-Private Partnership Act No. 14 of 2009 will be revised to, among others, strengthen the framework for managing fiscal risks, such as fiscal commitments and potential contingent liabilities.



d) Undertake Farmer Input Support Programme Reforms: The Government will implement a Comprehensive Agriculture Support Programme beginning in the 2022/2023 farming season aimed at improving agricultural production and productivity.



e) Undertake Energy Sector Reforms: To improve performance of the energy sector, Government will implement reforms to remove the inefficiencies in the fuel supply chain by among others, supplying of diesel through the pipelines and procurement reforms to standardize supply contract prices.



f) Strengthen Performance of State-owned Enterprises (SOEs): The SOE Policy will be revised and a law enacted to strengthen institutional arrangements and adherence to best practice s in corporate governance, thereby providing for their sustainable performance.



g) Strengthen Fiscal Decentralization: The design of the fiscal decentralization architecture will focus on **strengthening prudent utilization of resources, domestic revenue mobilization, debt sustainability, sub-national borrowing and provision of inter-governmental transfers that are sufficiently large and flexible to influence aggregate demand and service provision at the local level**.

STRATEGIC DEVELOPMENT AREAS

The strategic development areas of the 8NDP outlined below are set to drive the country towards the attainment of the Vision 2030 aspirations with the Economic Transformation and Job Creation being the key strategic development area. The other strategic development areas will ultimately support the country's economic transformation and job creation agenda.

a. Economic Transformation and Job Creation: Economic transformation will be anchored on industrialisation with a focus on value-addition in the agriculture, mining, manufacturing, and tourism sectors which have strong local forward and backward linkages.

b. Human and Social Development: Focus will be on facilitating the development of a well-educated, highly skilled, and healthy labour force that will support the actualisation of the Vision 2030.

c. Environmental Sustainability: This focus area will ensure the promotion of green growth, safeguarding of the environment and natural resources,

d. Good Governance Environment: To create a conducive environment for the envisaged socio-economic development, focus will be on improving the policy and governance environment as well as on promoting adherence to the rule of law and constitutionalism.

FINANCING THE 8NDP



Financing of the 8NDP will be done through **traditional and non-traditional sources of finance**.



Traditional sources will include **domestic revenue, grants, donations and concessional loans**.



Non-traditional sources of finance will include alternative sources that will have low or no interest payments or guarantee commitments from the Government such as **Public-Private Partnerships (PPPs) and impact capital**.



In the quest to manage public spending, **some programmes and projects in the Plan will not be financed from the national budget but from resources coming through private sector and other development partners**.