



Joint Programme 2021 Annual Progress Report

SDG Financing Portfolio - Component 1

Cover page

UNCT/MCO: Zambia

Reporting Period: 1 January - 31 December 2021

JP title: Zambia's Integrated Financing Framework for Sustainable Development

PUNOs: UNDP, UNICEF, ILO, UNFPA, UNECA SROSA

Government partner: Ministry of National Development Planning

Target SDGs: SDGs 1, 2, 5, 7, 8, 10, 13, 16, 17

Gender Marker: 2

Approved budget: USD 1,000,000

Co-funding: USD 500,000

Total Disbursement by 2021: USD 500,000

Total estimated expenditures: USD NA (est. Delivery rate: NA%)

Total estimated commitments (including expenditures): USD 412,952.5 (est. Committed rate: 82.6%)

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Executive Summary

• The JP brought together PUNOs and Government to strengthen capacity of the National Assembly through training to 57 Members of Parliament (18 of which female) which enhance the knowledge in national budget process and application of the Budget Analysis Toolkit. This training and preparation of a toolkit was a joint UN effort under the leadership of UNDP, and at the request of Government is also extensive to policy makers through the Cabinet Office. Through the JP, 44 Permanent Secretaries (of which 12 female) were trained on policy and budget formulation and analysis processes further enhance their knowledge. • Capacities of 69 local authorities was built in Output-Based Budgeting (OBB) through the JP by UNICEF which enhanced support towards planning and budgeting processes resulting in: o alignment of sub-national planning and budgeting processes to that of the central government; o improved budget transparency and credibility; o increased local participation in the budget process. • The allocation to the social sectors increased by 36 per cent in the 2022 national budget compared with 2021 levels. • The JP also supported the development of the Government's eighth National Development Plan (8NDP), with focus on the human and social development pillar as well as the formulation of the monitoring and evaluation plan. • Through the JP, the UN in Zambia mobilized and collaborated with Cooperating Partners and IFIs to support the

COVID-19 Recovery Needs Assessment (CRNA) to assesses the socioeconomic impacts of the COVID-19 pandemic which provided a basis for ensuring innovative partnerships and financing opportunities for national economic recovery efforts and to inform the national development planning process

Annual Progress

Overall JP self-assessment of 2021 progress:

On track (expected results achieved)

Comments on self-assessment: Despite the initial delays triggered by the COVID-19 pandemic, the programme implementation gained momentum in the last quarter of 2021, resulting in achieving the intended results. The target of 60 local authorities was exceeded, as through UNICEF support to the Ministry of Local Government and Rural Development (MoLGRD), a total of 69 local authorities were trained in OBB. With the new knowledge acquired from the training, the local authorities have started using the new budgeting framework.

In addition to the COVID-19 pandemic, the programme implementation was hampered by the electoral year, with General Elections held on August 12 resulting in a complete change in the administration. Cabinet was dissolved on the second quarter in compliance with the Constitution, resulting in delays in programme execution in some key ministries and implementing agencies for the joint programme.

The JP through UNDP and UNICEF budget execution under the JP has been significant, with over 90 per cent of funds committed as of January 2022.

The analysis and dissemination of the 2020 Pilot Census was key to the overall census planning processes and helped identify key areas requiring strengthening, though the census was postponed to 2022 due to other logistical considerations.

Overall progress and key developments to date (3 key JP milestones)

Support to the local authorities through the JP was anchored in the Financing Strategies of the Integrated National Financing Framework (INFF) by UNICEF where public finance management is being reformed at the local level. Within this framework capacities of 69 local authorities were built through training, mentoring and on-site support resulting in transition from Activity Based Budgeting (AAB) to OBB in line with the Governments Decentralisation Policy, the Planning and Budgeting Act, and the Public Finance Management Act. Following the enhanced capacities and support from the JP, the 69 local authorities have consequently aligned planning and budgeting processes between the local and central governments and have started using the OBB for the 2022 budgets which are fully aligned to the central government. This reform has: • increased accountability and performance of the local authorities as budgets are tied to clear outputs and outcomes; • improved budget credibility and transparency as budgets are open to public scrutiny and published; and • improved citizen engagement in the planning and budgeting processes.

In line with the new National Planning and Budgeting Act of 2021, the JP provided the requisite support to the national authorities resulting in the delivery of the following milestones: • Increased accountability and oversight function of the parliament on the role of the executive branch. • More linkages between the national budget and the national development plan, as both policy and law makers are more knowledgeable with the policy and budget formulation processes. This also allowed for improvements in the alignment between policies and corresponding budgets.

The JP supported the budget analysis and expenditure reviews and advocated for increased government allocation to the social sectors with the new Government that came into office after the August 2021 elections which has contributed to the significant improvements in the budget allocation to the social sectors with a 36 per cent increase in the 2022 national budget.

Under the technical leadership of UNDP, the JP supported the COVID-19 Recovery Needs Assessment (CRNA) for 16 sectors namely Macroeconomics, Human Impact Assessment, Gender, Agriculture, Commerce and Manufacturing,

Mining, Tourism, Arts & Culture, Transport, Energy, Education, Health, WASH, Social Protection, Governance, Environment, and Disaster Risk Reduction which generated evidence used to estimate the investment requirements for COVID-19 recovery, and to inform the formulation of the 2022 National Budget and the Eighth National Development Plan (8NDP).

Through the JP the UN Country Team in Zambia partnered with the World Bank to provide technical, financial and advisory support to the Government through the Zambia Statistics Agency (Zamstats) to lead the undertaking of a national survey on the Socio-economic Impact Assessment (SEIA) of COVID-19 on Households in Zambia that provided primary data and critical information in formulating a comprehensive (8NDP) which will be supported by an Integrated National Financing Framework.

The JP programme through PUNOs supported the Ministry of Finance and National Planning (MoFNP) in the last quarter of 2021 to finalize the development of the 8NDP which will cover the period 2022 – 2027 with a focus to formulate the Monitoring and Evaluation Framework for measuring progress against national transformation, and achievement of the Agenda 2030.

The JP through ILO supported the Government to formulate a new initiative under the Ministry of Labour & Social Security to enhance program design and funding synergies between social insurance and social security, with a view to enhance the sustainability and resilience of social protection delivery and ultimately to merge the three social insurance programs (pension, health, workers compensation), to offer a unified product to the informal sector to contribute to poverty reduction and achievement of 2

Changes made to JP:

Main Challenges: The main challenge during the reporting period was the COVID-19 pandemic and the restrictions that were put in place by the Government. This slowed down the OBB capacity building activities for local authorities. However, in adherence to the COVID-19 health guidelines, few trainings were undertaken. In quarter four, the restrictions were eased, and the trainings were scaled up.

There was a change of Government in August 2021 which has resulted in the re-arrangement of the structure of Government line Ministries thereby affecting the overall implementation of the JP.

The change in government also slowed down the development of the 8NDP. This was because of the new Government’s need to align the 8NDP with the manifesto of the ruling party. The alignment was completed in the fourth quarter of the reporting period and finalisation of the 8NDP is expected by end of March 2022.

Updates on SDG financing framework

Inception phase	Assessment Diagnostics	Financing Strategy	Monitoring Review	Governance Coordination
Emerging (1-49%)	Advancing (50-99%)	Planned (0%)	Planned (0%)	Planned (0%)

Descriptions on progress by INFF building blocks

Inception Phase: An initial roadmap was proposed under the leadership of the then Ministry of National Development Planning. However, given the merger of this ministry, the JP had to engage with the new coordinating entity, the Ministry of Finance and National Planning to identify an Think Tank for undertaking the Development Finance Assessment (DFA). The Zambia Institute for Policy Analysis and Research (ZIPAR) was identified to carry out the DFA under the leadership of the Ministry of Finance and National Planning. ZIPAR is working on the inception report of the DFA for Zambia.

Assessment & Diagnostics: The JP through UNICEF conducted a Public Expenditure Review (PER) for Social Protection and Jobs, in partnership with the World Bank which informed the scale up of the social protection interventions, including Social Cash Transfers (SCTs) and pensions. The PER also illuminated the financing gap in the sector, informed the 8NDP and was used to inform the revision of the National Social Protection Policy planned for 2022. The JP through the PUNOs supported the budget analysis for the social sectors that highlight allocation and spending trends for WASH, education, social protection, health, and nutrition. The JP further supported the CRNA, which has informed the costing of recovery needs for the social sectors.

Through the JP, UNDP is working with the Ministry of Finance and National Planning and ZIPAR in the development of tools and refining the methodology to undertake the DFA in Zambia

Financing Strategy: The UN in Zambia with technical lead of UNDP provided technical support to Government through the Ministry of National Development Planning to formulate TOR for the DFA which were approved and a Research Institute, Zambia Institute for Policy Analysis and Research (ZIPAR) was engaged in the last quarter of 2021 in readiness to undertake the assessment. This process was delayed because of changed of Government in August 2021, which resulted in the merger of Ministry of National Development Planning and Ministry of Finance to form Ministry of Finance and National Planning (MoFNP).

The JP through UNICEF supported the undertaking of the Public Finance Reforms at the local level. This involves transitioning the planning and budgeting processes of local authorities from AAB to OBB and improving the monitoring and evaluation systems for the MoLGRD. This is in support of the Decentralisation Policy, the Planning and Budgeting Act and the Public Finance Management Act of the government. In 2005, the central government reformed the public finance management from using ABB to OBB, a process that excluded the local authorities. Therefore, the main objective of the reforms is to align local government planning and budgeting processes to that of central government to improve performance, transparency, and accountability. At the end of 2021, 69 local authorities had reformed their public finance management to using OBB. UNICEF has also initiated support to the development of the monitoring and evaluation system for the MoLGRD to improve performance tracking.

Monitoring & Review: N/A

Governance & Coordination: N/A

Priority Cross-cutting Issues

How did the JP adapt to the COVID-19 context

The JP through UNICEF supported the CRNA as a response to governments need to understand the impact and cost implications of COVID-19 on multiple sectors. The CRNA analysed the socio-economic impacts of COVID-19 and identified policy actions for recovery.

UNDP adapted the JP to respond to the COVID-19 context by conducting the following assessments: (i) Socio-economic assessment of the impact of COVID-19 on the informal economy; (ii) Socio-economic assessment of the impact of COVID-19 on People With Disability (PWD), (iii) providing the technical leadership to the UN supported SEIA of COVID-19 on Households; and (iv) the CRNA

How did the JP apply the Gender Marker

The PUNOs ensured that in all JP interventions, including in the socio-economic impact assessments carried out included the principle of living no one behind (LNOB). This included the support to the 8NDP formulation process whereby gender equality and women empowerment was at the core of the reference programming principles.

Estimated % of overall disbursed funds spend on gender: 20%

Alignment with cross-cutting UN issues (e.g. human rights, decent work, inclusion, LNOB)

The JP is aligned to cross cutting UN issues, particularly inclusion and leaving no one behind. The support to local authorities draws development closer to the people and is inclusive of disadvantaged populations. In addition, the support ensures equity in the budget process so that no one is left behind.

How did the JP work to build ownership and buy-in of key stakeholders

The PUNOs are part of the Thematic Groups of the Cooperating Partners Group (CPG) such as the ones on Democracy and Governance, Decentralisation, Social Protection, Planning and M&E, and Public Financial Management, etc. and the work of the JP has been shared with these groups. As a result, stakeholders are aware and supportive of the work being undertaken in 8NDP, CRNA, OBB and Social Protection as well as the planned DFA. The recent pronouncements by the Government to increase local governance funding directly to local authorities is timely and coincides well with the work being done on OBB. Stakeholders such as GIZ, the United States Agency for International Development (USAID) and the European Union (EU) have expressed interest in supporting the OBB and the monitoring and evaluation work being spearheaded by UNICEF through the JP.

Annual Reporting on Results

Results achieved in promoting the priority thematic SDG agendas

The programme has directly contributed to SDG 17 by addressing Zambia's development planning, and financing challenge and improving budget data, monitoring, and accountability. Through OBB and budget analysis, the programme has also contributed to increasing efficiency and effectiveness of public spending at the local level.

The programme contributed to SDG 5, achieve gender equality and empower all women and girls; and SDG 10, reduce inequalities by mainstreaming gender and women empowerment, and advocating for the reduction of inequalities in the formulation of the 8NDP, the national budget, and in the COVID-19 assessments and recovery strategies.

SDG 8 by generating sectoral evidence used to estimate the investment requirements for COVID-19 recovery.

Goal 10 Reduce inequality by supporting the Civil Society and the Ministry of Community Development and Social Services to develop a social protection budget tracking tool for tracking of social protection budget and expenditures at District level as well as auditing quality of services of programs which has enhance social accountability to communities and other stakeholders

JP contributions to the Joint SDG Fund's global results (especially around Outcome 2 & Output 4)

The JP through UNICEF contributed towards Outcome 2 of the Fund by reforming and aligning the planning and budgeting processes of the local authorities to that of central government. This has resulted in improved integration of systems and policies and coherent measurement of results at both levels as they are aligned to the national development plans.

The JP supported the Government's pre-enumeration survey for the 2022 census of population and housing through preparations to generate georeferenced population data for planning and management to enhance the usability of census data for development planning and management, including humanitarian response so that the National Development Plan and Integrated National Financing Framework are evidenced based.

The JP supported the establishment of partnerships with the National Pension Scheme Authority (NAPSA), the National Health Insurance Management Authority (NHIMA), and the Workers Compensation Fund Control Board (WCFCB) to progress enhancing synergies between social insurance and social assistance further contribute to poverty reduction and achievement of 2030 Agenda for sustainable development

Progress against JP-specific outcomes

Specific achievements of the JP include improved policies and processes for planning and budgeting, in line with Outcome 2 of the JP

Progress against JP-specific outputs

The JP increased the coverage of local authorities using OBB to 69. This represents 60% of the local authorities in the country. In addition, the JP supported budget analysis, which informs advocacy towards improved social sector spending. The JP also supported the Covid-19 Recovery Needs Assessment (CRNA) that has informed the country on the impact of COVID-19, and associated recovery costs. Both the budget analysis and CRNA are being used in the development of the 8th National Development Plan

The JP supported a rapid impact study of COVID-19 on the informal sector which informed the formulation of the 8NDP on national economic recovery efforts and as a basis for strengthening partnership with private sector through their networks in advancing the achievement of 2030 Agenda and national transformation

The JP through ILO supported Cash Plus Agenda (Zamod - Microsimulation) tested from June 2020 to June 2021

JP contributions to strengthening UN coherence, partnerships and reducing duplications of efforts

The JP has a collaborative approach of planning and implementing activities as One UN. For instance, UNICEF and UNDP jointly supported budget analysis and development of the 8NDP by identifying mutually beneficial and reinforcing activities. The joint planning and support has reduced duplication of efforts and has resulted in coherent partnership with the government.

Strategic Partnerships, Documents and Communications

How did the JP facilitate collaboration with diverse stakeholders in the SDG financing space

The JP is government-led and supported by the MoFNP as well as the MoLGRD. The other stakeholders in the financing space include the Zambia Institute for Policy Analysis and Research (ZIPAR), a think tank on government policy that conducts budget analysis. For the PERs, UNICEF also partnered with the World Bank.

Did the JP secure additional financing (co-funding/co-financing) from the following stakeholders:

Government	Donors & IFIs	Private Sector	PUNOs	Other Partners
No	Yes	No	Yes	No

Comments on additional financing secured: The JP is government-led and supported by the MoFNP as well as the MoLGRD. The other stakeholders in the financing space include the Zambia Institute for Policy Analysis and Research (ZIPAR), a think tank on government policy that conducts budget analysis. For the PERs, UNICEF also partnered with the World Bank.

JP organized events in 2021

JP Launch Event	Annual Donor Event	Partners Event
Organized in 2020	No	Organized in 2020

Number of strategic documents produced by the JP: 6

Number of strategic documents contributed by the JP: 6

Number of communication materials produced: 6

2022 Plans & Way Forward

JP priority activities & expected results for 2022

- Expand the OBB work to the entire country.
- Develop monitoring and evaluation matrix, including indicators and data flow, for the MoLGRD.
- Conduct budget analysis for the social sectors and local authorities.
- Support the development of the monitoring and evaluation framework for the 8NDP.
- Support social accountability and citizen engagement
- Conduct DFA and initiate the development of the INFF.

3 major transformative results that will be achieved by the end of the JP

By the end of the JP, all local authorities will have improved budgeting processes based on OBB, that are transparent, inclusive, and linked to clear outputs and outcomes.

By the end of the JP, a medium-term Plan (8NDP) will be developed with a costed implementation framework and monitoring and evaluation plan.

By the end of the JP, the UN would have supported the Government to formulate the first-ever Integrated National Financing Framework for the 8th National Development Plan.

Estimated rate of completion for each result as of 31 Dec 2021

Result.1	Result.2	Result.3
Advancing (50-99%)	Advancing (50-99%)	Emerging (1-49%)