Annex 1 (Joint Programme Template)

Joint SDG Fund - 1st Call on SDG Financing

**Joint Programme Document**

- Simplified Template -

* Use Verdana font 10; no line spacing (if not formatted in otherwise).
* Delete instructions before finalizing the document
* For all aspects of the ProDoc not covered in this template, consult the UNSDG Guidance note on joint programmes.
* The following quality assurance criteria will be applied (from the operations manual of the Fund):
  + Adequate use of the required template for Joint Programme
  + Fully developed Theory of Change
  + Results Framework, including indicators from the Joint SDG Fund Results Framework
  + Stakeholder mapping and analysis
  + Management arrangements with the government in the leading role and based on partnerships with other stakeholders
  + Monitoring, reporting and evaluation plan; Communication plan; Learning and sharing plan; Risk Management plan
* Please, use the following supporting documents (presented in the accompanying folder- at this [link](https://drive.google.com/open?id=1UeUdvf1zQBrYwDGY8-0g7dD6Qw3ntVpD))
* UNSDG Guidance note on joint programmes
* Gender matrix instructions

**A. COVER PAGE**

**1. Fund Name**: Joint SDG Fund

**2. MPTFO Project Reference Number** *(leave blank / automatically populated in Atlas)*

**3. Joint programme title**: Zambia’s Integrated Financing Framework for Sustainable Development.

**4. Short title**: Integrated National Financing Framework

**5. Country and region:** Zambia, Africa

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**9. Short description**:

This joint programme is expected to develop and operationalise an Integrated National Financing Framework for sustainable development in Zambia, that will improve development financing to ensure that Sustainable Development Goals (SDGs) and ensure they are actualized at national and subnational levels in the framework of the Seventh National Development Plan. A key component of the programme is supporting the Zambian authorities to develop an SDG-aligned financing strategy to mobilize and effectively manage additional domestic and international resources, both public and private, leveraging resources from private sector, seeking innovative financial solutions and broadening partnerships. Particular attention will be paid to the effects at the social and economic level of the novel Corona Virus Disease (Covid-19), including through the planned socio-economic impact assessment and the integrated response measures.

The programme aims to achieve the following results: (i) Zambia’s National budgets and its medium expenditure frameworks are fully aligned to the National Development Plan and the SDGs at national and sub-national levels; (ii) national and sub-national SDG aligned plans and programmes have corresponding financing frameworks and budgets; (iii) increased domestic resource mobilisation; (iv) strengthened sub-national equalization fund and constituency development formulas; (v) strengthened partnership, including with private sector, for sustainable development and increased on-budget support.

**10. Keywords:**

Integrated financing framework, SDGs, national development plan, planning and budgeting, resource mobilization.

**11. Overview of budget**

|  |  |
| --- | --- |
| **Joint SDG Fund contribution** | **USD 1,000,000.00** |
| Co-funding PUNO (RR) | USD 500,000.00 |
| **TOTAL** | **USD 1,500,000.00** |

**12. Timeframe:**

|  |  |  |
| --- | --- | --- |
| **Start date** | **End date** | **Duration** (in months) |
| 01 June 2020 | 30 May 2022 | 24 |

**13. Gender Marker**: 2

**14. Participating UN Organizations (PUNO) and Partners:**

***14.1 PUNO***

* Convening agency: UNDP

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* Other PUNO: UNICEF

Chilombo, Nkandu, Social Policy Specialist, [nchilombo@unicef.org](mailto:nchilombo@unicef.org)

***14.2 Partners***

* National authorities: Ministry of National Development Planning, Ministry of Finance, Zambia Statistics Agency, Zambia Revenue Authority, Ministry of Environment, Zambia Development Agency, Zambia Institute for Policy Analysis and Research.
* Civil society organizations: CUTS Zambia, Civil Society for Poverty Reduction Finance and Transparency, Business coalition for SDGs.
* Private sector: Chamber of Commerce, Chamber of Mines, Federation of Industry, SME networks, Farmers Union, Lusaka Stock Exchange, Insurance Industry, Venture Capital and Private Equity Association.
* International Financial Institutions: World Bank, AfDB, IMF
* Other partners: USAID, GIZ, DFID, Sweden, European Commission

**B. STRATEGIC FRAMEWORK**

**1. Call for Concept Notes**: SDG Financing (2/2019) – Component 1

**2. Programme Outcome**

This joint programme will support the development and operationalisation of a robust Integrated National Financing Framework (INFF) for sustainable development in Zambia, that will enhance Sustainable Development Goals (SDGs) are actualized at national and subnational levels in the framework of the current plans by aligning the annual budgets and the medium expenditure frameworks with National Development Plan (7NDP) and its successor. The programme will create a platform for continued engagement of state actors (the executive), non-state actors (the private sector comprising of business, small and medium scale enterprises, pension and insurance companies, private equity, sovereign wealth fund, venture capital, asset owners, investors; and the civil society), and parliament as proposed in the soon to be enacted Planning and Budgeting Bill. Through this platform, accountability mechanisms will be enhanced to bring the state and non-state actors into an SDG Financing Dialogue

The joint programme will be anchored into the 7NDP, which is the government’s vehicle to delivering national priorities, and at the same time implement the SDGs in the country. The 7NDP benefits from the UN agencies technical and financial support through the United Nations Sustainable Development Partnership Framework (UNSDPF) for the period 2016-2021. A major plus of the programme is that through the INFF, it will consolidate the various individual UN agency interventions in the area of planning and national development financing into an overarching integrated framework which will be owned and led by the Government of the Republic of Zambia (GRZ). The programme will also leverage from ongoing and potential finance related programmes focused on climate budget reform(BIOFIN), Green Climate Fund (green bonds), and Nationally Determined Contributions (NDC). Furthermore, the programme will explore consultations with key donors such as GIZ, DFID, USAID, Sweden, EU, and the AfDB; and the private sector, as well as UNDPs supported Accelerator Labs and Youth Connect initiatives’ programme that will look into promoting an integrated approach to multisectoral coordination among all stakeholders in the foreseen effects of the Covid-19, including through mainstreaming key responses – fiscal measures – through the resulting SDG Financing Strategy.

**3. UNDAF (UNSDPF) Outcomes and Outputs**

This joint programme contributes to the following strategic development results of the UN partnership framework (UNSDPF): (i) inclusive social development; (ii) governance and participation; and (iii) environmentally sustainable and inclusive economic development. The programme contributes directly to the following outcomes:

3.1 Outcomes

* By 2021, the Government of the Republic of Zambia and partners deliver equitable, inclusive, quality and integrated services.
* By 2021, marginalised and vulnerable populations demand and utilize quality and integrated social services.
* By 2021, the national statistical system generates and disseminates disaggregated data for evidence based national development process.
* By 2021, national institutions at all levels target, manage, coordinate and account for resources for equitable service delivery and economic growth that is based on reliable data.
* By 2021, women, youth and other vulnerable groups are empowered to participate in economic opportunities that are decent and promote sustainable livelihoods.

3.2 Outputs

The programme contributes to the following outputs:

* Zambia’s Seventh National Development Plan is fully SDG aligned at national and sub-national levels.
* National and sub-national programmes have aligned SDG financing frameworks.
* Local councils are capacitated to increase locally generated resources;
* Increased share of non-tax revenue from increased land titling especially by women;
* The Local Government Equalization fund and Constituency development formulas are revised to make them equitable and result oriented;
* Zambia has conducted an expenditure incidence analysis to inform prioritization of social investments that accelerate sustainable development.
* The private sector has a structured mechanism to contribute to sustainable development.
* Zambia has increased on-budget support from cooperating partners through a strengthened financial management system.

**4. SDG Targets directly addressed by the Joint Programme**

3.1 List of goals and targets: The Zambia Integrated Financing Framework joint programme will address the following goals:

* Goal 1 End poverty in all its forms everywhere;
* Goal 2 End hunger, achieve food security and improved nutrition, and promote sustainable agriculture;
* Goal 5 Achieve gender equality and empower all women and girls;
* Goal 7 ensure access to affordable, reliable, sustainable and modern energy for all;
* Goal 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all;
* Goal 9 Build resilient infrastructure, promote sustainable indsutrialisation and foster innovation;
* Goal 10 Reduce inequality within and among countries;
* Goal 13 Take urgent action to combat climate change and its impacts;
* Goal 16 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive society at all levels; and
* Goal 17 Strengthen the means of implementation and revitalise the global partnership for sustainable development.

Specific to SDG17, the programme will address the following targets customized for Zambia

* Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection;
* Mobilize additional financial resources from multiple sources;
* Assist Zambia in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, and address the external debt of highly indebted poor countries to reduce debt distress;
* Adopt and implement investment promotion regimes for Zambia ;
* Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge sharing on mutually agreed terms, including through improved coordination among existing mechanisms, at the UN level, and through a global technology facilitation mechanism;
* Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the SDGs, including through North-South, South-South and triangular cooperation;
* Realize timely implementation of duty-free and quota-free market access on a lasting basis for Zambia, consistent with World Trade Organization decisions, including by ensuring that preferential rules of origin applicable to imports from least developed countries are transparent and simple, and contribute to facilitating market access.

The programme will also address systemic, policy and institutional coherence with a view to enhance global macroeconomic stability. Specific to this call, the programme will enhance policy coherence for sustainable development, including through boosting trade-offs between industrialisation and environmental policies, financial sector development and public debt policies, broadening tax base versus investment and tax incentives, fiscal consolidation and expansive social spending. Furthermore, the joint programme will enhance the partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the scaling up and accelerated action towards the achievement of the SDGs; and promote effective public, public-private and civil society partnerships.

Finally, the programme will contribute to addressing Zambia’s development planning, and financing challenge: chiefly the data, monitoring and accountability. Herein, the programme will enhance capacity-building to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant to Zambia.

3.2 Expected SDG impact

Zambia is undergoing fiscal challenges which pose a serious threat on sustaining the gains achieved to date on human development and actualizing the vision 2030. To safeguard and accelerate the attainment of the 7NDP priorities, and the SDGs, this joint programme will support the Zambian authorities to improve prioritization (spending efficiency and effectiveness) and national planning through a new integrated national financing framework that will integrate the Medium-Term Expenditure Frameworks (MTEF) and the National Budget. Through the Zambia Integrated National Financing Framework (INFF), and its SDG financing strategy, the programme will contribute to accelerating the progress on achieving the SDGs by aligning existing and mobilizing additional resources for the implementation of the 7NDP, its sector level strategies and the SDGs; while addressing the shortfalls identified within the 7NDP policy planning and financing architecture. The programme will have an impact on the country’s progress towards SDGs and Zambia’s vision 2030, for it will increase efficiency and effectiveness of public spend; increase tax revenues whilst identifying and mobilizing more domestic resources through SDG aligned debt instruments; identify opportunities for aligning and mobilizing further private capital for the SDGs.

**5. Relevant objective(s) from the national SDG framework**

This Joint Programme aims to contribute to the following strategic objectives of the 7NDP[[1]](#footnote-2):

* To diversify and make economic growth inclusive;
* To reduce poverty and vulnerability;
* To reduce developmental inequalities;
* To enhance human development; and
* To create a conducive governance environment for a diversified and inclusive economy.

The expected programmatic activities will include policies and institutional capacities that enable increasing tax revenue, improving spending efficiency, managing debt more sustainably, creating an enabling environment to promote SDG-aligned private sector investment, expanding domestic financial markets, leveraging development cooperation, tackling illicit finance flows, and developing and accessing financing instruments to unlock new sources of finance.. Specifically, the UN’s interventions under the programme will focus on:

* Support to the Zambian authorities to scale up and diversify sources of financing to achieve the SDGs. This will be done through the support to economic diversification, industrial development, promotion of an SDG oriented private sector development, creation of decent jobs and promotion of regional and international trade. The programme will promote an SDG oriented economy for Zambia, which will include the enhancement of the key hotspots of the new economy like mobility systems, new healthcare solutions, energy efficiency, clean energy, affordable housing, circular economy manufacturing, health lifestyles, food loss and waste, agricultural solutions, forest ecosystem services, urban infrastructure and building solutions, etc.
* Support to Zambian authorities to manage effectively public financial resources, including debt and aid and catalyse public-private financing and innovative financing models. Effective public financial resource management will include reforms in economic governance, public sector reforms (strengthened accountability) and reforms of state-owned enterprises to address tax evasion, inefficiencies in public resource expenditures and illicit financial flows issues. It will also involve e-governance and implementing digital-based solutions to enhance public sector resource efficiency.
* Support the Zambian Government to harness private sector financing and involvement of the private sector in the achievement of the SDGs, both domestic and international. This includes strengthening of the existing Corporate Social Responsibility initiatives, and schemes to link Foreign Direct Investment (FDI)\_ to SDGs, as well as expanding the scope to a broader set of SDG oriented investors, including through remittances/diaspora, equity funds, but also impact investment managers and other investment angels.
* Transform the current output-based budgeting for social sector into programme-based budgeting using result-based budgeting principles. This will include tagging of current output indicators to appropriate SDG indicators and refine inter-government fiscal transfer formulas to subnational authorities to enhance efficiency and equity through cost efficiency and effectiveness analysis.
* Support the national authorities in putting in place targeted costed, and financed emergency response measures, including the drought – floods emergency response plan, and the implementation of the Covid19 multisectoral contingency preparedness and response plan.
* Support the Zambian authorities to identify priority spending that requires refencing to attain the sustainable development goals as adopted in the 7th National Development Plan through expenditure incidence analysis. Support will include macroeconomic, fiscal and demographic analysis to support the development of the 8th National Development Plan to be accompanied by an integrated financing framework.
* Support the Zambian authorities identify programmes that will leverage development partners and private sector investments on job creation. Support will include enhancing the demographic dividend through improved evidence-based policy making.
* Support the Zambian authorities to put in place monitoring and evaluation frameworks that will track the allocation and utilization of resources to implement the SDGs (per goal and per sector and allocation of resources to rural areas). Such M&E frameworks will be backed by indicators and will aim to enhance transparency and accountability in public use of resources. It will require strengthening of the national statistical system at all levels to promote costing and tracking of SDG-related financing and promoting the use and collection of SDG-related data. This component will build on UNECA’s current UN Development Account Project that aims at strengthening capacities to integrate accountability in national development planning and therefore linking finance with results.
* Support the Zambian institutions in conducting in-depth analysis, and spatial analysis of the 2020 Housing and Population Census to improve programme based budgeting and sustainable financing. The overall aim is to create a system that will not only improve planning but helps ensure that financing is steered towards achieving the SDGs based on accurate and disaggregated population data*.* The end products will guide institutions managers in identifying social service gaps, prioritize and intervene in underserved areas.
* Support the Zambian institutions in implementing geospatial data-sharing policies and practice by supporting public-private partnerships which will assist government in promoting a comprehensive and integrated platform for data sharing among all units and all stakeholders in society (businesses, civil society organizations, and community-based organizations) to drive national development process and enhance evidence based decision making.
* Strengthen the capacity of businesses, civil society organizations, academia, community-based organisations and the media, to participate in the planning, budgeting, delivery and monitoring of development programs.

**6. Brief overview of the Theory of Change of the Joint programme**

The core Theory of Change around Zambia’s INFF for sustainable development is that by supporting the development of a broader approach to financing national development priorities enshrined in the 7NDP, which utilizes the policies that govern public and private finance in an integrated, multi-sectoral approach; additional and innovative financing will be mobilized and greater impact for sustainable development outcomes will be achieved.

The INFF will include a combination of interventions that seek to strengthen the core system of governance over public and private financing and enhance the impact and alignment of specific and innovative types of financing.

The theory of change will include complementary paths to (i) enhance the allocation of resources through the national budget, including through the use of evidence – ; (ii) spend more efficiently in line with the 7NDP, “doing more with less”; ensuring the proper integration of the financing opportunities/flows with the national development priorities, aligned with SDGs; and avoiding leakages; (iii) scale up – leverage from other funding opportunities and avoid transaction costs; (iv) promote and manage innovative partnerships – using new financing instruments; and (v) strengthen the social contract, through the promotion of accountability, transparency and citizen participation in budget processes.

**7. Trans-boundary and/or regional issues**

This programme will be implemented in Zambia. However, given its scope, it has the potential of (i) producing transboundary results, particularly at regional levels, but also (ii) addressing issues of the Africa Continental Free Trade Area (AfCFTA) and (iii) beyond through enabling impact assessments, promotion of South-South Cooperation, and addressing emerging issues such as the Covid-19.

**C. Joint Programme description**

**1. Baseline and Situation Analysis**

**1.1 Problem statement**

Zambia’s national development planning system has undergone significant improvements in recent years especially as regards the departure from silo to multisectoral approach. The preparation of the 7NDP, which benefited from the Agenda 2030 and the SDGs, has also allowed for further improvements and integration of the SDGs. However, the 7NDP is not fully matched with corresponding and robust financing systems articulating how the national priorities enshrined in the plan, and aspirations contained in the National Vision 2030 will be effectively financed.

The existing national tools are often primarily focused on government finances and do not fully explore how government can influence the scale and nature of other forms of financing in ways that support national sustainable development priorities. Further, despite the alignment of the 7NDP with the SDGs, the level of ambition of the later is not matched with the 7NDP nor with the Vision 2030. It is also worth noting that some dimensions of the SDGs, for example the climate change and inequality are yet to be fully integrated into the NDP and matched with adequate financing strategies.

Another challenge is that Zambia’s development framework faces a lack of evidence-informed planning, budgeting, decision making; and policy making at all levels of government. This however has long been identified by the authorities but has not been met with adequate resources within the 7NDP fiscal framework. The systems are either obsolete[[2]](#footnote-3) or lack up-to-date statistics and critical information to inform critical policy development, implementation and monitoring that consider Living No One Behind (LNOB), which is at the core of the 7NDP itself.

This proposal builds on preliminary findings of the 7NDP’s Mid Term Review and the preparations of the 8NDP to focus on the holistic nature of the challenge in terms of integrating sustainable development, along with the required institutional and financial reforms for the SDGs, and will establish a comprehensive Integrated National Financing Framework (INFF) to address the following weaknesses:

* Misalignment between the national policies, plans and the budget;
* Misalignment between national plan and the tax system (for example if equity / climate is not considered in the design of the tax system);
* Misalignment between the national plan and policies governing private sector development (for example if those policies are focused solely on economic objectives at the exclusion of aspirations for social and environmentally sustainable development progress articulated in the national plan);
* Inadequate identification and facilitation of private investment into profit making opportunities in SDG oriented sectors and poorer geographical targeting;
* Under-emphasis on long-term risks or known challenges in financing policies (e.g. in relation to risks such as climate change, natural resource depletion or reduced access to concessional finance).

Furthermore, in 2019, total public expenditures were higher by 8.7% at K94.3 billion against budgeted target of K86.8 billion; and the depreciation of the Kwacha led to the rise in total expenditure by 8.7% due to interest payments which were 27.1% above target. Public sector debt stood above 70% of GDP, and external debt servicing consumes about 56% of domestic resources, with significant impact on social sectors spending, especially health and education; and on agriculture. The depreciation of the kwacha in 2019 resulted in an increase of the budget for external debt payment of 43 % at midyear (equivalent to 79 per cent of the health budget and 292 per cent of the social protection budget). These resulted poor budget disbursements to key social sector programmes, by end of December only 13 % of the social benefit budgets (pensions and social cash transfer) was disbursed[[3]](#footnote-4). Tight liquidity conditions have translated into serious arrears and social compromises in development spending. This has compounded in government’s inability to fulfil its programme commitments, and consequent calls for the developed partners support.

It is also noted that government has a challenge in forecasting especially as regards to economic growth, debt servicing costs, agricultures subsidies and infrastructure. Over the past three years the outturn was lower than the target which has resulted in poor budget credibility. GDP was initially forecasted at 4%, but outturn was 2 %. This is also compounded by the weak government ability to mobilize resources at both domestic and international levels.

**1.2 SDGs and targets**

Through SDG 17.1, this programme will strengthen Domestic Resource Mobilization (DRM), including through international support to developing countries to improve domestic capacity for tax and other revenue collection. The programme will support the mobilization of additional financial resources through multiple sources (e.g. remittances, tax reform, strengthening of public private partnerships, deepening of the local bond and equity markets, promoting formalization of the informal sector); and will support the attainment of a (SDG17.4) long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate., and address Zambia’s external debt to reduce debt distress.

The programme will promote a sustained, and sustainable economic growth, full and productive employment and decent work for all (SDG 8), mainly through SDG8.3, promotion of development oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation and encourage formalization and growth of micro, small- and medium-sized enterprises including through access to financial services; and SDG8.4, improve progressively through 2030 global resource efficiency in consumption and production, and endeavor to decouple economic growth from environmental degradation in accordance with the programmes on sustainable consumption and production; SDG8. 10, strengthen the capacity of domestic and financial institutions to encourage and to expand access to banking, insurance and financial services for all.

The programme will support the achievement of SDG 9, industrial and economic diversification, resting on building productive capacities. The programme will aim at supporting financing for economic diversification and industrialization in Zambia as well as for skills development (SDG 4) and Science, Technology and Innovation. By doing so, the programme aligns to the 7NDP development outcome focusing on enhancing decent job opportunities in the economy (see page 82 of the 7NDP), through the promotion of industrialization and job creation. One of the means identified to support this is public sector capacity development, which this project will address.

The programme will also strive to support SDG 7 – ensure access to affordable, reliable, sustainable and modern energy for all; and SDG 15 – financing for biodiversity, ecosystems and forest management. The programme will place special attention to rural development, as the battleground for achieving the SDGs.

Ultimately the attainment of the above milestones must translate into the development of the lives (SDG 1), the reduction of vulnerabilities (SDG 2), in a wholistic manner that ensures that on-one is left behind (SDG 5).

**1.3 Stakeholder mapping and target groups**

The INFF will employ a ‘Whole of Society Approach’ to build relationships with stakeholders, gather information from stakeholders, consult with stakeholders and disseminate information to stakeholders. In this regard, the INFF stakeholder and target group strategy will be aligned, to already existing institutional structures and processes of the National Development Plan set under the current National Planning and Budgeting Policy of 2014, which guides the process of coming up with a National Development Plan (NDP) and identifies stakeholders to be consulted which include Cabinet, Parliament, Ministries, Provinces, and Spending Agencies and Non-State Actors. In this regard, top-down and bottom-up decentralised approaches which connects the national and sub-national levels were used in the formulation of the 7NDP.

The institutional arrangements that have been constituted to help deliver inclusive and equitable development to all citizens: National Development Coordinating Committee (NDCC), Cluster Advisory Groups (CAGs), Provincial Development Coordinating Committees (PDCC), Technical Working Groups and District Development Coordinating Committees (DDCC), resulted in designing a more comprehensive national plan and created ownership of national priorities. The INFF will follow the same approaches of engagement with stakeholders and target groups in order to achieve country ownership as well as avoid duplication of efforts that come with creation of parallel structures.

The main stakeholders at the center of an INFF are the central government ministries and agencies with responsibility for planning and the key areas of financing policy and regulation. These include the Ministries of Finance, National Development Planning; Ministries of Commerce and Industry, Zambia Development Agency, Financial regulation, diaspora engagement, aid coordination, Zambia Revenue Authority, Zambia Statistical Agency, and the Central Bank of Zambia. Other stakeholder includes the private sector, Chambers of Commerce, Lusaka Stock exchange / Investment Funds, MSME networks, Banks, Chambers of Commerce, Insurance industry etc.; civil society organizations, academia, think tanks, cooperating partners, local volunteer organizations, and IFIs.

**2. Programme Strategy**

**2.1. Overall strategy**

This programme aims to strengthen the alignment of national planning, budgeting and financing with the SDGs. The proposed strategy aims to ensure that national development priorities are matched with a requisite financing framework. It will broaden constituencies for reform - generating a national dialogue around financing priorities beyond a narrow set of finance experts and decision makers, be inclusive of non-state actors such as (investors, banks, large companies, etc.) to enhance inclusivity and align financing with SDGs. This will also be supported through SDG budget and finance platforms.

Thus, the programme includes activities that relate to strengthening consensus and engagement of a broad range of stakeholders on the financing agenda using a whole society approach. It will also aim at strengthening the presence and contributions of the private sector to the achievement of the SDGs and support innovative financing mechanisms, adapted to the local context of the Zambian economy.

Through its pillars of accountability, transparency, participation, the INFF proposal encourages the LNOB principle, including through a DRM agenda – pro-equal fiscal policies - that generates an idea of a renewed social contract.

The Zambia INFF for Sustainable Development is timely and unique for:

* It builds a common approach, involving different areas of financing policy and across different actors, in the public and private sectors.
* It builds constituencies for financial reform across a larger group of stakeholders than current reforms. Civil society will also be involved, for CSOs have a monitoring and evaluation (watchdog) role to play in tracking progress towards the SDGs.
* It is the first time that the UN system (including the IFIs) and Cooperating Partners come on board together, bringing all its tools and services to implement the recommendations of the Addis Ababa Action Agenda (AAAA).
* It will contribute to accelerating the progress on achieving the SDGs by aligning existing and mobilizing additional resources for the implementation of the NDP, and the SDGs.
* It will address the shortfalls identified within the 7NDP policy planning and financing architecture, which include the initial little alignment with the SDGs, institutional weakness for planning, coordination, implementation and monitoring, soaring debt and debt service burden, governments budget’s shortfalls, etc.
* The INFF also aims to increase efficiency and effectiveness of public spend; increase tax revenues whilst also increasing the positive impact of tax policy on the SDGs; identify and mobilize further domestic resources through SDG aligned debt instruments; identify opportunities for aligning and mobilizing further private capital for the SDGs.

The UN will bring together their respective agency expertise and tools as well as those of the IFIs and other partners to support a comprehensive and coordinated approach to deliver an integrated national financing framework related reforms with the government. Participating UN Agencies will also bring the SDGs into the heart of the discussion around finance reform ensuring that all finance policy, both public and private, includes a consideration of the implications for impact on the SDGs. In line with the current support interventions at the Ministries of National Development Planning and Finance, UNDP and UNICEF will provide technical and advisory support to (i) ensure that taxation policy is developed with a core concern for social and environmental impacts; (ii) that Zambia’s debt strategy and development finance, is considered in relation to the critical spending required for SDG achievement;(iii) that foreign direct investment (FDI) and private sector development is informed by SDG related investment opportunities etc. . Both UNDP and UNICEF have a track record of working with Zambian thinktanks to conduct budget and expenditure analysis including facilitating stakeholder engagements between Ministry of Finance and the public on budget performance.

The Zambia INFF for Sustainable Development is aligned with the Funding to Financing strategy included through the <https://unsdg.un.org/resources/funding-financing-undaf-companion-guidance>, which is also supporting the financing strategy of the UN Partnership Framework, as well as relevant Agency CPDs of the UN System agencies.

ILO, UNICEF and UNDP have on the ground capacity to support the Government of Zambia in conducting SDG oriented Budgeting and SDG Expenditure Review (SPER), expanding from the already ongoing work of UNICEF through the SPER exercises to ascertain the rationale for continued government expenditure, analyse the allocation of public resources and provide an objective assessment of the efficiency and effectiveness of public spending in the SDGs. The INFF will build from the SPER, which has the potential to improve strategic financing in the area of social policy, while boosting the trade-offs with other environmental and economic related policies and strategies. It provides a review of national social policy systems, including their expenditure and financing; and other aspects of their performance in fulfilling national policy objectives, also considering the SDGs. When reviewing public expenditure, the criteria to evaluate a policy would typically include one or several of the following: i) effectiveness; ii) efficiency; iii) sustainability; and iv) value for money.

UNICEF has been conducting budget and expenditure analysis including facilitating stakeholder engagements between Ministry of Finance and the public on budget outlook and performance. Further, UNICEF and the Zambia Institute for Policy Analysis and Research in 2019 commissioned a study on implementation of the decentralization policy with a focus on fiscal decentralization, the report has provided useful recommendation on how to improve resource allocation to the subnational government levels. UNICEF continues to support social sector ministries develop sector financing plans including costing of key programmes. In 2020, the UN jointly with the World Bank will conduct public expenditure reviews of the health and social protection sectors, evidence from this review will feed into the development of sector financing strategies in health and social protection.

UNFPA provides technical support for generation of population data, analysis, dissemination to inform policies, systems strengthening, planning, budgeting and performance evaluation. UNFPA has been supporting the Zambia Statistics Agency and the Ministry of National Development Planning (MNDP) in the generation of evidence to inform national development processes. Technical and financial expertise was deployed in the undertaking of the Demographic Dividend Study that informed development of the 7th National Development Plan (7NDP), 2017-2021. UNFPA further contributed to improved availability of disaggregated evidence for national planning through the development of a Country Profile on macro-economic and social parameters at various administrative levels that was used to develop the Implementation Plan of the 7NDP. UNFPA has also facilitated improved evidence-based planning through sub-national level analysis of key socio-demographic and economic indicators up to the lowest administrative structure - the Ward level.

With respect to Zambia’s current fiscal space challenges, UNDP, ILO, ECA and UNICEF interventions propose eight financing options: (i) expand social security coverage and contributory revenues, (ii) increase tax revenues, (iii) eliminate illicit financial flows, (iv) improve efficiency and reallocation of public expenditures, (v) tap into fiscal and foreign exchange reserves, (vi) manage debt: borrowing or restructuring sovereign debt, vii) adopt a more accommodative macroeconomic framework, and (viii) increase aid and transfers. Some of these options challenge the conventional view and explore strategic and innovative financing strategies. <https://www.social-protection.org/gimi/RessourcePDF.action?id=55694>.

The Zambia INFF will be led by a government oversight team in charge of the national planning, and financing of the NDP. The UN system is currently engaged with the Ministry of National Development Planning, the Zambia Statistics Agency and the Zambia Institute of Policy Analysis & Research to deliver evidenced based policy recommendations to enhance the current mechanisms to attain better alignment of the NDP and SDGs, as well as to strengthen the linkages between policy, budgeting, and implementation. This program will be further supported by an independent oversight by civil society-based mechanisms to ensure accountability and governance of finance expenditures. This mechanism will help generate ownership to sustain implementation of the INFF – which would also be enacted through official government policy. The INFF also aims to integrate a concern with sustainable development and the SDGs into existing planning and budgeting process; public financial management reform; debt strategy; development finance strategy, finance sector reform and FDI promotion, SDG oriented private sector promotion, including key inclusive finance initiatives that tap into new SDG impact investors as well as other government led initiatives so the work should be continued, scaled up by a range of programmes and actors.

**2.2 Theory of Change**

**The Problem**: The Theory of Change (ToC) departs from the country’s paradox of having successfully aligned its Seventh National Development Plan (7NDP) to the SDGs[[4]](#footnote-5), yet there is still a disconnect between the 7NDP and its corresponding budget and financing frameworks.

**Rational**: The Zambia Integrated Financing Framework for Sustainable Development will bring coherence between policies and budgets, including bringing off budget resources, improve targeting (LNOB), resource allocation, and expenditure towards the SDGs.

**Relevance**: The INFF will support the Zambian authorities in improving and expanding fiscal space for SDGs through programme and budget tagging and efficiency measures and expanded revenue mobilization.

**ToC Assumptions**: The theory of change is underpinned by the following assumptions: (i) Sustained government interest and leadership in the Zambia INFF; (ii) Government officials have requisite capacity implement the programme; (iii) Conducive environment for participation of non-state actors (Private sector, donors, IFIs, and CSOs) ; (iv) socio-economic conditions improve to facilitate the implementation. Measures have been planned in the risk matrix to ensure that any departure in assumptions and associated risks has mitigation to ensure successful implementation of the programme.

The core ToC around Zambia’s INFF for Sustainable Development is that by supporting the development of a broader approach to financing national priorities enshrined in the 7NDP, which utilizes the policies that govern public and private finance in an integrated, multi-sectoral framework, new resources will be mobilized and greater impact of financing on sustainable development outcomes will be achieved. Additionally, by strengthening the core system of governance over public and private financing, and (ii) enhancing the impact/alignment of specific types of financing, the government will improve quality of spending on critical SDG sectors.

The ToC will include multiple paths to (i) improve the allocation of resources through the national budget – avoiding leakages and enhancing transparency and accountability; (ii) spend more efficiently – ensuring the proper integration of the financing opportunities/flows with the national development priorities (aligned with SDGs); (iii) scale up – leverage from other funding opportunities and avoid transaction costs of smaller interventions; (iv) manage innovative partnerships – using new financing instruments; and (v) strengthen the social contract, through the promotion of accountability, transparency and participation and by ensuring fiscal legitimacy.



**2.3 Expected results by outcome and outputs**

**Outcome 1. Government of Zambia implements systems and frameworks for SDG Financing.**

* Output 1.1. Undertake a Development Finance Assessment to identify the current status and prospects of the financing flows opportunities and suggest a roadmap of key financing solutions to be taken forward, including key measures in response to the economic and social effects of the Covid-19.
* Output 1.2. Establish a multi-stakeholder national dialogue platform – whole of society approach – that facilitates dialogue and participation around financing from planning to allocation, to execution, to monitor and oversight. All of which to promote transparency and enhance accountability.
* Output 1.3. Enhancing data collection and Monitoring and Evaluation systems, including the capacity of Zambia Statistics Agency, the Government of Zambia, Civil Society Organisations to promote a consolidated, responsiveness, accountable and well-governed socio-development system.

**Outcome 2. Planning and finance policy functions, processes and systems are Integrated.**

* Output 2.1. The National Development Plan and related policies and strategies are costed, and suggested financing solutions are proposed through the SDG financing strategy that serves as the NDP financing strategy.
* Output 2.2. The National Domestic Resource Mobilisation (DRM) agenda and its key pillars, including its PFM, are all aligned to respond to the NDP.
* Output 2.3. National strategies for mobilizing the public and private resources and aligning the national investment strategies and plans with the NDP are developed to directly realize its targets and objectives.

**Outcome 3: Private - domestic and international - resources are mobilized to respond to the National Development Plan and SDGs.**

* Output 3.1. Legal, policy framework and technical capacities facilitating sustainable, inclusive private investment (i.e. streamlining procedures, systems and public services for investors) are improved.
* Output 3.2. SDG Investment intelligence is generated - Identification of Sustainable and Social oriented Investment Opportunity areas from the NDP (whole-of society approach should be considered here, tapping into resources from think-tanks and key national universities).
* Output 3.3. Innovative financing instruments, involving private financing, to respond to key SDG oriented goals (SDG, green, orange, bonds diaspora) are developed.

The joint programme will support the establishment of the INFF on the short and medium term, but the core of the process is to have a broader impact that is longer term, i.e. offering a concrete financing path to the attainment of Zambia’s long-term goals, enshrined in the vision 2030, which coincides with the Agenda 2030. The INFF proposed under this joint programme will be promoting structural changes that will put the SDGs at the core of Zambia’s development and financing path.

**2.4 Budget and value for money**

The proposed budget for the Joint Programme is justified by pooling together collective expertise of the UN agencies involved. The INFF will promote gender mainstreaming through the financing of systems, with the ultimate intention to address gender inequalities in the means of implementation of the development priorities/interventions. Through the INFF initiative one concrete entry is the SDG budgeting, as such, beyond gender budgeting, the programme will promote and anchor the SDGs into the budgetary systems/process (public budget reviews, but also ensuring SDGs targets are part of the public budget). The programme will also promote and use SDG aligned frameworks for the issuance of bonds or monitoring business practices, which will include gender.

The budget represents “value for money” in the sense that by establishing an Integrated National Financing Framework (INFF), future resources by Government, the United Nations and development partners in the areas of SDG financing, national development planning and monitoring will be integrated in a common framework articulated around the implementation of the 7th NDP that has mainstreamed the SDGs and this will allow for resources to be saved. How? By preventing duplication of efforts among agencies and by allowing reaping of scale economies, harnessing of complementarities and synergies in use of resources through deterrence of small-scale fragmented actions.

The setting up of an INFF for Zambia amounts to the establishment of a perennial institutional mechanism that will set a new “modus operandi” for Zambia and its development partners when it comes to mobilizing finance for the National Development Plan and the SDGs, allocating finance and monitoring progress in achieving prescribes outputs and outcomes. This intervention contains an “inherent” long-term financial sustainability, given that the Government will be the leading authority that will mobilize and pool resources from all development partners to be channeled in the implementation of the 7NDP.

The joint programme will be anchored into current GRZ 7NDP (2017-2021) that the UN is supporting through the UPFSD. A major plus from the INFF is that it will consolidate the various individual UN agency interventions in the area of planning and national development financing into an overarching integrated framework which will be owned and led by GRZ. Finance related programmes focused on climate budget reform or BIOFIN, NDC, GEF and GCF will also be good projects to leverage from. Consultations and expressions of interest from key donors that are active in the FFD agenda (including GIZ, DFID, and Sweden), and the private sector development agenda supported by the USAID. The African Development Bank and the EC have shown interest in the INFF and their support will be explored.

**2.5 Partnerships and stakeholder engagement**

The UN RC will lead political engagement at the highest level with the government and other stakeholders; UNDP will lead technical engagement at the Minister of National Development Planning and the Minister of Finance level for bringing together the support of other UN agencies as part of the technical support to the INFF and its links with specific SDGs. The programme will also leverage from UNICEF’s strategic engagement with the Ministries of National Development Planning and Finance on issues relating to the planning and budget framework. UNECA (sub-regional office for Southern Africa) will support the UNCT at a technical level to implement several activities and ensure a timely and high-quality delivery of outputs. UNECA will be the leading agency on those outputs where it has specific technical expertise in relation to domestic resource mobilization, public sector and economic governance reforms, illicit financial flows, SDG data and costing of SDGs.

The programme will create the environment to bring in the expertise of the World Bank the IMF through integrating their recommendations as part of the broader SDG financing strategy and creating the space for building UNDS coherence in our support to governments. The programme also counts on the sound technical leadership of the RECs – UNECA – and their policy recommendations. UNDP is mobilizing the global and regional expertise from UNDPs Finance sector hub to provide technical advice and support throughout the process.

ECA will technically support the implementation of the proposed activities, according to ECA’s 5 strategic directions of: (i) advancing ECA’s position as a premier knowledge institution that builds on its unique position and privilege to bring global solutions to the continent; (ii) Building sustainable development solutions to accelerate Africa’s economic diversification and industrialization; (iii) Creating innovative solutions to finance sustainable infrastructure, human, physical and social for a transforming Africa; (iv) Contributing solutions to transboundary issues, with a focus on social inclusion; and (v) Developing regional solutions as a contribution to global governance issues, as well as building knowledge to advocate for and manage Africa’s next-generation challenges. UNECA currently has 9 programmes including macroeconomic policy, statistics, capacity development, gender and women in development, development planning and administration and social development policy. UNECA has been supporting the Government of Zambia as well as other African countries, through a UN Development Account Project titled “*Strengthening of the capacities of African governments for integrating accountability in development planning*”. ECA will bring its expertise to the project in the programming activity areas such as strengthening accountability and transparency mechanisms; fiscal, debt, public sector and economic governance reforms; domestic resource mobilization; combating illicit financial flows and building statistical capacities.

Through this joint programme, platforms such as the SDG Investment Fair will be organised with an aim to facilitate interaction among the governments, private sector, multilateral agencies and civil society. These platforms will also provide peer-learning and knowledge sharing; and create opportunities for mobilizing private investment for the SDGs. In addition, the programme will directly collaborate with partners across both the public and private sectors with the objective of strengthening the effective governance of ﬁnancing for the SDGs. Engaging IFIs/DFIs will be harnessed through assessments such as IMF Article IV staff reports, public expenditure reviews, public expenditure tracking surveys, fiscal space analyses, debt sustainability assessments, financial sector assessments, private sector development assessments and others. The programme will also assist Zambia to take part of the global assessments such as the annual Financing for Sustainable Development Report of the IATF can also be of use. A low hanging fruit in convening the private sector through the programme is to enhance government’s capacity to efficiently manage taxation (including tax returns to the private sector).

The UN will bring together their respective agency expertise and tools as well as those of the IFIs and other partners to support a comprehensive and coordinated approach to deliver an integrated financing framework related reforms with the government. Participating UN Agencies will also bring the SDGs into the heart of the discussion around finance reform ensuring that all finance policy includes a consideration of the implications for impact on the SDGs. For example, ensuring that taxation policy is developed with a core concern for social and environmental impacts; that debt strategy and development finance, is considered in relation to the critical spending required for SDG achievement; that foreign direct investment (FDI) and private sector development is informed by SDG related investment opportunities etc. Furthermore, broadening the dialogue around finance reform to be more inclusive and to draw together a broader set of constituencies for reform will also be at the heart of the UN approach. The UN will also add value through the programme by promoting transparency, accountability and participation throughout the integrated financing framework.

**3. Programme implementation**

**3.1 Governance and implementation arrangements**

The Oversight Committee will be anchored in the existing 7NDP National Development Coordinating Committee (NDCC) and will function under the rules and regulations set under the NDCC. Links to national planning and policy and institutional reform for sustainability. The programme will avoid to the extent possible fragmented piecemeal approach of multiple agencies, while maximizing collaboration among Participating UN Organization (PUNO). It will also bring SDG agenda to dialogue around finance reform in ways that complement IMF/WB on going engagements.

**3.2 Monitoring, reporting, and evaluation**

Reporting on the Joint SDG Fund will be results-oriented, and evidence based. Each PUNO will provide the Convening/Lead Agent with the following narrative reports prepared in accordance with instructions and templates developed by the Joint SDG Fund Secretariat:

* *Annual narrative progress reports*, to be provided no later than. one (1) month (31 January) after the end of the calendar year, and must include the result matrix, updated risk log, and anticipated expenditures and results for the next 12-month funding period;
* *Mid-term progress review report* to be submitted halfway through the implementation of Joint Programme[[5]](#footnote-6); and
* *Final consolidated narrative report*, after the completion of the joint programme, to be provided no later than two (2) months after the operational closure of the activities of the joint programme.

The Convening/Lead Agent will compile the narrative reports of PUNOs and submit a consolidated report to the Joint SDG Fund Secretariat, through the Resident Coordinator. Each PUNO will play will be responsible for the M&E in the results they play a lead role in delivering, for example UNFPA will lead, JP Output 3.2: Enhancing data collection and Monitoring and Evaluation systems, including the capacity of Zambia Statistics Agency, the Government of Zambia, Civil Society Organisations to promote a consolidated, responsiveness, accountable and well-governed socio-development system.

The Resident Coordinator will be required to monitor the implementation of the joint programme, with the involvement of Joint SDG Fund Secretariat to which it must submit data and information when requested. As a minimum, joint programmes will prepare, and submit to the Joint SDG Fund Secretariat, 6-month monitoring updates. Additional insights (such as policy papers, value for money analysis, case studies, infographics, blogs) might need to be provided, per request of the Joint SDG Fund Secretariat. Joint programme will allocate resources for monitoring and evaluation in the budget. Data for all indicators of the results framework will be shared with the Fund Secretariat on a regular basis, in order to allow the Fund Secretariat to aggregate results at the global level and integrate findings into reporting on progress of the Joint SDG Fund.

PUNOs will be required to include information on complementary funding received from other sources (both UN cost sharing, and external sources of funding) for the activities supported by the Fund, including in kind contributions and/or South-South Cooperation initiatives, in the reporting done throughout the year. PUNOs shall provide the Administrative Agent with the following statements and reports prepared in accordance with its accounting and reporting procedures, consolidate the financial reports, as follows:

* Annual financial reports as of 31st December each year with respect to the funds disbursed to it from the Joint SDG Fund Account, to be provided no later than four months after the end of the applicable reporting period; and
* A final financial report, after the completion of the activities financed by the Joint SDG Fund and including the final year of the activities, to be provided no later than 30 April of the year following the operational closing of the project activities.

In addition, regular updates on financial delivery might need to be provided, per request of the Fund Secretariat. After competition of a joint programmes, a final, *independent and gender-responsive[[6]](#footnote-7) evaluation* will be organized by the Resident Coordinator. The cost needs to be budgeted, and in case there are no remaining funds at the end of the joint programme, it will be the responsibility of PUNOs to pay for the final, independent evaluation from their own resources.

The joint programme will be subjected to a joint final independent evaluation. It will be managed jointly by PUNOs as per established process for independent evaluations, including the use of a joint evaluation steering group and dedicated evaluation managers not involved in the implementation of the joint programme. The evaluations will follow the United Nations Evaluation Group’s (UNEG) Norms and Standards for Evaluation in the UN System, using the guidance on [Joint Evaluation and relevant UNDG guidance on evaluations](http://www.uneval.org/document/detail/1620). The management and implementation of the joint evaluation will have due regard to the evaluation policies of PUNOs to ensure the requirements of those policies are met and the evaluation is conducted with use of appropriate guidance from PUNOs on joint evaluation. The evaluation process will be participative and will involve all relevant programme’s stakeholders and partners. Evaluation results will be disseminated amongst government, development partners, civil society, and other stakeholders. A joint management response will be produced upon completion of the evaluation process and made publicly available on the evaluation platforms or similar of PUNOs.

**3.3 Accountability, financial management, and public disclosure**

The Joint Programme will be using a pass-through fund management modality where UNDP Multi-Partner Trust Fund Office will act as the Administrative Agent (AA) under which the funds will be channeled for the Joint Programme through the AA. Each Participating UN Organization receiving funds through the pass-through has signed a standard Memorandum of Understanding with the AA.

Each Participating UN Organization (PUNO) shall assume full programmatic and financial accountability for the funds disbursed to it by the Administrative Agent of the Joint SDG Fund (Multi-Partner Trust Fund Office). Such funds will be administered by each UN Agency, Fund, and Programme in accordance with its own regulations, rules, directives and procedures. Each PUNO shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent.

Indirect costs of the Participating Organizations recovered through programme support costs will be 7%. All other costs incurred by each PUNO in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs.

Funding by the Joint SDG Fund will be provided on annual basis, upon successful performance of the joint programme.

Procedures on financial transfers, extensions, financial and operational closure, and related administrative issues are stipulated in the Operational Guidance of the Joint SDG Fund.

PUNOs and partners must comply with Joint SDG Fund brand guidelines, which includes information on donor visibility requirements.

Each PUNO will take appropriate measures to publicize the Joint SDG Fund and give due credit to the other PUNOs. All related publicity material, official notices, reports and publications, provided to the press or Fund beneficiaries, will acknowledge the role of the host Government, donors, PUNOs, the Administrative Agent, and any other relevant entities. In particular, the Administrative Agent will include and ensure due recognition of the role of each Participating Organization and partners in all external communications related to the Joint SDG Fund.

**3.4 Legal context**

This programme will be governed under the cooperation or assistance agreements between the Government of Zambia and each of the UN organizations participating in this joint programme. The programme therefore preserves and respects the Basic Cooperation Agreements for UNICEF; Standard Basic Assistance Agreement for UNDP, which also applies to UNFPA; as well as the Country Programme Action Plan(s) where they exist; and other applicable agreements for other participating UN organizations. For the Funds and Programmes, these are stand­ing cooperation arrangements. For the specialized Agencies, these should be the text that is normally used in their programme/project docu­ments or any other applicable legal instruments. Below are the tiles and dates for the agreement between each Participating UN Organization (PUNO) and the Government of Zambia:

Agency name: UNICEF

Agreement title: Basic Cooperation Agreements

Agreement date: 1994

Agency name: UNDP

Agreement title: Standard Basic Assistance Agreement

Agreement date: 1976

Agency name: UNFPA

Agreement title: Standard Basic Assistance Agreement

Agreement date: 1976

Agency name: UNECA sub-regional office for Southern Africa

Agreement title: Agreement between the UN and the Government of the Republic of Zambia concerning the establishment of the UNECA Multinational Programming and Operational Center at Lusaka.

Agreement date: 1988

Agency name: ILO

Agreement title: Standard Technical Assistance/Cooperation Agreements (STAA)

Agreement date: 1970

**D. ANNEXES of the Joint Programme template**

**Annex 1. List of related initiatives**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Name of initiative/project** | **Key expected results** | **Links to the joint programme** | **Lead organization** | **Other partners** | **Budget and funding source** | **Contract person**  (name and email) |
| Project ID 00124375:Strengthening National Capacities for Development Policy formulation, Implementation and Monitoring. | Institutional capacities at national and subnational levels to plan co-ordinate and implement policies, strategies and programmes on SDGs and 7NDP strengthened. | UNDP project is linked to the INNF Joint Programme through:  (i) Outcome 1, an SDG Financing Strategy and its core institutional components are developed and implemented, and  (ii) Outcome 2, planning and finance policy functions, processes and systems are Integrated. | UNDP | Ministry of National Development Planning (MNDP) | $605,000 RR | Elda Chirwa  [elda.chirwa@undp.org](mailto:elda.chirwa@undp.org) |
| Capacity of national institutions and other actors for evidence-based policy formulation, and managing for Development Results strengthened |
| Public Finance for Children (PF4C) | Government has enhanced capacity, improved systems and participatory process for planning and allocation resources for improved child wellbeing | (ii) Outcome 2, planning and finance policy functions, processes and systems are Integrated.  (iii) Outcome 3, Private - domestic and international - resources are mobilized to respond to the National Development Plan and SDGs. | UNICEF | 1. (MNDP  2. Ministry of Finance  3. Zambia Institute for Policy Analysis and Research  3. Civil Society for Poverty Reduction  4. Parliamentary Budget Office (established with the support of the EU) | $512,000 RR | [Nkandu Chilombo nchilombo@unicef.org](mailto:Nkandu%20Chilombo%20nchilombo@unicef.org) |
| Strengthen National Monitoring and Evaluation system (develop National M&E Policy and implement it) | The government has Increased national capacity to generate and utilize data and knowledge on children, key human rights and gender equality dimensions of social inclusion. | (ii) Outcome 2, planning and finance policy functions, processes and systems are Integrated. | UNICEF | 1. Ministry of National Development Planning  2. UNDP  3. EU  4. DFID | $144,000 | Nkandu Chilombo [nchilombo@unicef.org](mailto:nchilombo@unicef.org) |
| Geo-Referenced Infrastructure and Demographic Data for Development (GRID3) | Strengthened national capacity for the generation, analysis and practical use of quality data in development processes | (iii) Outcome 3, Private - domestic and international - resources are mobilized to respond to the National Development Plan and SDGs. | UNFPA | 1. MNDP,  2. Zambia Statistics Agency (Zamstats),  3. Ministry of Lands and Natural Resources, 4. University of Zambia | DFID, Bill and Melinda Gates Foundation,  Regular Resources  $360,000 | Franklin Echerue  [echerue@unfpa.org](mailto:echerue@unfpa.org) |
| Increased availability of disaggregated data and evidence through cutting-edge data generation and in-depth analysis of population dynamics | (ii) Outcome 2, planning and finance policy functions, processes and systems are Integrated. | [magawa@unfpa.org](mailto:magawa@unfpa.org) |
| Strengthening of the Capacities of African Governments for Integrating Accountability in Development Planning  (closed in December 2019)  Zambia one of the 5 beneficiary countries | African national planning institutions have enhanced capacities to integrate accountability frameworks and evidence-based policies in their development planning processes. | (ii) Outcome 2, planning and finance policy functions, processes and systems are Integrated. | UNECA | 1. MNDP  2. ZamStats  3. Civil Society Organizations | $625,000 | Sylvian Boko  [Sylvain.boko@un.org](mailto:Sylvain.boko@un.org) |
| United Nations Joint Programme on Social Protection (UNJPSP-II) | Strengthened legal, institutional, M&E and coordination capacity of social protection structures (inclusive of government, civil society and disabled persons organisations) | (i) Outcome 1 focus on responses to economic and social effects of Covid-19, establishment of social protection M&E, budget tracking frameworks, and facilitation of dialogue between Government, civil society, employer organisations and workers associations.  (ii) Outcome 2 focus on costing of social protection programs, discerning viable financing frameworks, as well as formulating appropriate legal instruments. | UNICEF / ILO | 1. Ministry of Community Development and Social Services  2. Ministry of Finance  3. Ministry of Labour and Social Security (MLSS)  3. Zambia Federation of Employers  4. Zambia Congress of Trade Unions  5. Informal Sector Associations  6. Zambia Agency for Persons with Disabilities | UNJPSP-II  $315,000 | Kagisanyo Kelobang  [kelobang@ilo.org](mailto:kelobang@ilo.org) |

**Annex 2. Results Framework**

**2.1. Targets for Joint SDG Fund Results Framework**

**Joint SDG Fund Outcome 2:** Additional financing leveraged to accelerate SDG achievement

|  |  |  |
| --- | --- | --- |
| **Indicators** | **Targets** | |
| 2020 | 2021 |
| 2.1: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scope[[7]](#footnote-8) | 15% | 15% |
| 2.2: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scale[[8]](#footnote-9) | 15% | 20% |

**Joint SDG Fund Output 4:** Integrated financing strategies for accelerating SDG progress implemented

|  |  |  |
| --- | --- | --- |
| **Indicators** | **Targets** | |
| 2020 | 2021 |
| 4.1: #of integrated financing strategies that were tested (disaggregated by % successful / unsuccessful) | 1 | 5 |
| 4.2: #of integrated financing strategies that have been implemented with partners in lead[[9]](#footnote-10) | 1 | 5 |
| 4.3: # of functioning partnership frameworks for integrated financing strategies to accelerate progress on SDGs made operational | 1 | 2 |

**Joint SDG Fund Operational Performance Indicators**

* Level of coherence of UN in implementing programme country[[10]](#footnote-11)
* Reduced transaction costs for the participating UN agencies in interaction with national/regional and local authorities and/or public entities compared to other joint programmes in the country in question
* Annual % of financial delivery
* Joint programme operationally closed within original end date
* Joint programme financially closed 18 months after their operational closure
* Joint programme facilitated engagement with diverse stakeholders (e.g. parliamentarians, civil society, IFIs, bilateral/multilateral actor, private sector)
* Joint programme included addressing inequalities (QCPR) and the principle of “Leaving No One Behind”
* Joint programme featured gender results at the outcome level
* Joint programme undertook or draw upon relevant human rights analysis, and have developed or implemented a strategy to address human rights issues
* Joint programme planned for and can demonstrate positive results/effects for youth
* Joint programme considered the needs of persons with disabilities
* Joint programme made use of risk analysis in programme planning
* Joint programme conducted do-no-harm / due diligence and were designed to take into consideration opportunities in the areas of the environment and climate change

**2.2. Joint programme Results framework**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Result / Indicators** | **Baseline** | **2020 Target** | **2021 Target** | **Means of Verification** | **Responsible partner** |
| Outcome 1.  **Government of Zambia implements systems and frameworks for SDG Financing** | | | | | |
| Outcome 1 indicator  #of integrated financing strategies that have been implemented with partners | 0 | 1 | 1 | 7NDP Annual Progress Report | UNDP |
| Output 1.1. Undertake a development finance assessment to identify the current status and prospects of the financing flows opportunities and suggest a roadmap of key financing solutions to be taken forward, including key measures in response to the economic and social effects of the COVID19. | | | | | |
| Output 1.1 indicator  # of development finance assessments that include the assessment of the impact of COVID19 undertaken | 0 | 2 | 5 | 7NDP Annual Progress Report | UNECA |
| Output 1.2. Establish a multi-stakeholder national dialogue platform – whole of society approach – that facilitates dialogue and participation around financing from planning to allocation, execution, to monitor and oversight. All of which to promote transparency and enhance accountability. | | | | | |
| Output 1.2 indicator  # of functioning partnership frameworks for integrated financing strategies to accelerate progress on SDGs made operational | 0 | 2 | 4 | 7NDP Annual Progress Report | UNDP |
| Output 1.3. Enhancing data collection, Monitoring and Evaluation systems, including the capacity of Zambia Statistics Agency, the Government of Zambia, Civil Society Organizations to promote a consolidated, responsiveness, accountable and well-governed socio-development system. | | | | | |
| Output 1.3 indicator  # of new indicators (disaggregated for public and private finance) in national monitoring systems for sustainable development | n/a | 2 | 4 | 7NDP Annual Progress Report | UNFPA |
| Outcome 2. **Planning and finance policy functions, processes and systems are Integrated.** | | | | | |
| Outcome 2 indicator |  |  |  | 7NDP Annual Progress Report | UNICEF |
| Output 2.1. The National Development Plan (NDP) and related policies and strategies are costed, and suggested financing solutions are proposed through SDG financing strategy that serves as the NDP financing strategy. | | | | | |
| Output 2.1 indicator  # of NDP policies and programmes costed and with related financing strategies | 2 | 4 | 6 | 7NDP Annual Progress Report | UNICEF |
| Output 2.2. The National Domestic Resource Mobilization agenda and its key pillars, including its Public Financial Management, are aligned to respond to the National Development Plan (NDP). | | | | | |
| Output 2.2 indicator  % increase in budget allocation | 0 | 10 | 20 | 7NDP Annual Progress Report | UNICEF |
| Output 2.3. National strategies for mobilizing the public and private resources and aligning the national investment strategies and plans with the NDP are developed to directly realise its targets and objectives. | | | | | |
| Output 2.3 indicator  # of government plans with gender budgeting | 1 | 2 | 4 | 7NDP Annual Progress Report | UNFPA |
| Outcome 3. **Private - domestic and international - resources are mobilized to respond to the National Development Plan.** | | | | | |
| Outcome 3 indicator  % increase in domestic and international resources into the national budget | n/a | 10 | 20 | 7NDP Annual Progress Report | UNDP |
| Output 3.1. Legal, policy framework and technical capacities facilitating sustainable, inclusive private investment (i.e. streamlining procedures, systems, and public services for investors) are improved. | | | | | |
| Output 3.1 indicator  # of legal instruments |  |  |  | 7NDP Annual Progress Report | UNICEF |
| Output 3.2. SDG Investment intelligence is gathered – Identification of sustainable and social oriented investment opportunity areas from the NDP. | | | | | |
| Output 3.2 indicator  # of SDG investment information produced | 0 | 1 | 2 | 7NDP Annual Progress Report | UNDP |
| Output 3.3. Innovative financing instruments to respond to key SDG oriented goals (SDG, green, orange, blue bonds) are developed. | | | | | |
| Output 3.3 indicator  # innovative financing instruments developed and implemented | 0 | 2 | 4 | 7NDP Annual Progress Report | UNDP |

**Annex 3. Gender marker matrix**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Indicator** | | **Score** | **Findings and Explanation** | **Evidence or Means of Verification** |
| *N°* | *Formulation* |
| 1.1 | Context analysis integrate gender analysis | **2** | Gender analysis is integrated in all sectors including underlying causes of gender inequality in line with SDG priorities. | 7NDP Vol I & Vol II |
| 1.2 | Gender Equality mainstreamed in proposed outputs | **2** | Program outputs include explicit reference to gender equality. | 7NDP Vol I, Vol II |
| 1.3 | Programme output indicators measure changes on gender equality | **2** | Output indicators measure changes in gender equality and the empowerment of women in line with SDG targets including SDG5 | 7NDP Vol I & Vol II |
| 2.1 | PUNO collaborate and engage with Government on gender equality and the empowerment of women | **3** | The programme contributes to substantively strengthen government participation and engagement in gender related SDG localization and implementation. | 7NDP Vol I & Vol II |
| 2.2 | PUNO collaborate and engages with women’s/gender equality CSOs | **3** | The programme contributes to substantively strengthen GEWE CSO participation and engagement in gender related SDGs localization and implementation | UNPSD |
| 3.1 | Program proposes a gender-responsive budget | **2** | At least 30% of the total budget is allocated to gender equality. | 7NDP Vol I & Vol II |
| **Total scoring** | |  |  | |

**Annex 4. Budget and Work Plan**

**4.1 Budget per UNSDG categories**



The proposed budget for the Joint Programme is justified by pooling together collective expertise of the UN agencies involved. Through joint implementation, PUNOs will integrate their resources in once budgetary framework focusing in delivering as one. The proposed budget for the programme is $1,500,000, with PUNOS mobilizing $500,000 from their core resources. The budget focuses on SDGs as presented in 4.2 below and it strives to ensure “value for money”. Staff costs are kept at minimum $160,000 meaning that the programme will utilize to the extent possible the existing institutional resources, including staff at both the PUNO and beneficiary level, government. Both ILO and UNECA will deliver through collaboration with UNICEF, UNDP, and UNFPA whose budget in the joint programme includes an allocation for joint activities. Key to the budget allocation are the transfers and grants to the counterparts, which amount to $400,000 to ensure government ownership and leadership in the establishment and operationalization of the INFF within the national planning framework. The programme interventions will therefore be “inherent” to the national systems and government will adopt their long-term financial sustainability.

**4.2 Budget per SDG targets**



**4.3 Work plan**

**Annex 5. Risk Management Plan**

Several risks have been outlined in the table below. However, this narrative gives prominence to only three key risks that pose a significant threat on JP.

The first risk is associated with change itself; sustained interest of government is key to the implementation of this joint programme as this programme is about a paradigm shift from status quo. Effective ownership and leadership by the government, is essential to ensure delivery of the activities of the programme and ensure that the attainment of programme goals. Technical support from civil servants in ministry of finance and ministry of National Development Planning is essential for the realization of the programmes’ objectives and even more for long term sustainability of its outcomes. The lack of interest or resistance from these technocrats in these two ministries can delay, or even prevent the successful implementation of the programme.

To mitigate these risks, the JP was designed with inputs from both the Ministry of Finance and Ministry of National Development Planning and the programme is aligned to the Government agenda as outlined in the Planning and Budgeting Bill which is before parliament. The programmes’ implementation will follow close engagement with national and district-level government counterparts through the existing structures (National Development Coordinating Committees, Clusters, Provincial and District Committees) by planting a seed that this programme is a contribution to the current effort of restoring economic growth and improved fiscal position. At the political level, the programme will continue to actively engage with the key Minister to ensure political buy in and leadership.

The second risk is associated with the relationship with the private sector. This programme intends to increase the participation of private sector in sustainable development. However, some private sector players especially the mining sector have a primary goal of profit maximisation and are uncomfortable to be visible in development platforms. This programme intends to elevate the role of the private sector from not just a taxpayer and employer to a key partner and beneficiary of sustainable development. To mitigate these risks, the programme will engage the private sector collectively through their associations and where possible individually in all stages of its implementation, ensuring that programme delivery is about collective partnership. Moreover, the JP will provide an opportunity to showcase their financial contribution to sustainable development.

The third area of risk concern is the current state of the economy. There is an unlikely scenario where the Government delays Delayed implementation of fiscal consolidation and structural reforms as a result of the upcoming elections in 2021. One of the key objectives of this JP is to improve efficiency and effectiveness of expenditure but these may not be appreciated in the short term as it may be misinterpreted politically. Another associated risk to constrained fiscal space is that of misuse of funds in the context where JP funds could be redirected to other government priority expenditure. The mitigation to this identified risk is to package this programme as part of the solution to the current problem of constrained fiscal space and use the HACT framework by using direct payment modality as a control measure for prudent use of JP resources

Lastly, the programme is grounded in UN principles including the principles of non-discrimination (including the principle of gender equality), transparency, accountability and participation, and are closely aligned to international instruments, such as the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, the Convention on Elimination of All Forms of Discrimination against Women and the Convention on the Rights of the Child, Moreover, the programme will be managed and implemented according to the highest standards of quality and ethics, to ensure no significant reputational risk to the UN.

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| **Risks** | **Risk Level:**  (Likelihood x Impact) | **Likelihood:**  Certain - 5  Likely - 4  Possible - 3  Unlikely - 2  Rare – 1 | **Impact:**  Essential – 5  Major - 4  Moderate - 3  Minor - 2  Insignificant - 1 | **Mitigating measures** | **Responsible Org./Person** |
| Contextual risks | | | | | |
| Delayed implementation of fiscal consolidation and structural reforms as a result of the upcoming elections in 2021 | 12 | 3 | 4 | 1. Continued evidence generation on expenditure efficiency to create savings  2. Government engages IMF for balance of support | UNDP  UNICEF  UNFPA |
| GDP growth below required target to achieve Zambia’s medium-term development goals. | 9 | 3 | 3 | 1.Support economic diversification.  2.improve social protection coverage and inclusive growth effectiveness | UNDP  UNICEF  UNFPA  ILO |
| Programmatic risks | | | | | |
| Delays in government approval process | 6 | 2 | 3 | Use existing structures like the National SDG Steering committee to get approvals | UNRC  UNDP  UNICEF  UNFPA |
| Private sector has less incentive to contribute to sustainable development | 6 | 2 | 3 | Enhanced partnership framework with private sector associations, and Zambia Federation of Employers | UNDP  UNICEF  UNFPA/ILO |
| Institutional risks | | | | | |
| Unsatisfactory programme performance | 5 | 1 | 5 | PUNOs have excellent track record in the area | UNDP  UNICEF  UNFPA |
| Fiduciary risks | | | | | |
| Misuse of funds by counterparts | 5 | 1 | 5 | Continued capacity building on HACT framework | UNDP  UNICEF  UNFPA |

1. Page 54, 7th National Development Plan (2017-2021), Ministry of National Development Planning, 2017 [↑](#footnote-ref-2)
2. Zambia’s current 7NDP for 2017-2021 was prepared back in 2016 and the country has since gone through difficult times, including through consecutive effects of climate change (drought and floods), unsustainable debt and fiscal space challenges, and currently the Covid-19 pandemic. The 7NDP has not been able to affectively tackle the compound effect of these challenges. [↑](#footnote-ref-3)
3. 2019, Ministry of Finance, December Economic insight (https://www.mof.gov.zm/download/economic-data/monthly-macro-economic-indicators/fy-2019/MEI-11-2019.pdf) [↑](#footnote-ref-4)
4. Zambia’s Seventh National Development Plan (2017-2021) is 86% aligned to the SDGs. Ministry of National Development Planning. 2018. 7NDP Implementation Plan, Vol. II, page. 6. [↑](#footnote-ref-5)
5. This will be the basis for release of funding for the second year of implementation. [↑](#footnote-ref-6)
6. [How to manage a gender responsive evaluation, Evaluation handbook](http://www.unwomen.org/en/digital-library/publications/2015/4/un-women-evaluation-handbook-how-to-manage-gender-responsive-evaluation), UN Women, 2015 [↑](#footnote-ref-7)
7. Additional resources mobilized for other/ additional sector/s or through new sources/means [↑](#footnote-ref-8)
8. Additional resources mobilized for the same multi-sectoral solution. [↑](#footnote-ref-9)
9. This will be disaggregated by (1) government/public partners (2) civil society partners and (3) private sector partners [↑](#footnote-ref-10)
10. Annual survey will provide qualitative information towards this indicator. [↑](#footnote-ref-11)