



REPUBLIC OF ZAMBIA



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GENERAL DEBATE STATEMENT BY

HONOURABLE DR SITUMBEKO MUSOKOTWANE,
MINISTER OF FINANCE AND NATIONAL
PLANNING

OF THE REPUBLIC OF ZAMBIA DURING THE
HIGH-LEVEL POLITICAL FORUM ON SUSTAINABLE
DEVELOPMENT

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Mr President, Distinguished Delegates,

1. Let me begin by congratulating you, Mr President for convening this session of the High-Level Political Forum. As the theme of the Forum suggests, Zambia reiterates its commitment to building back better from COVID-19 and to advance the full implementation of the 2030 Agenda for Sustainable Development.
2. In Zambia, the COVID-19 pandemic has had negative socio-economic effects, such as job losses and decreased income for the most vulnerable households, especially in the tourism sector. International tourist arrivals declined by 58.5% between 2019 and 2020, due to restrictions on global travel. This led to a 23.7% contraction in the tourism sector in 2020.
3. The COVID-19 pandemic has exposed weaknesses in the availability of food and medical supplies. Inflation increased from 14.8% in 2020 to 22.8% in 2021, and the exchange rate depreciated, causing a rise in commodity prices. Unemployed people in the informal sector also suffered from loss of income. The COVID-19 Recovery Needs Assessment estimates that the country lost an estimated \$1.2 billion between 2020 and 2022 in economic sectors.

Mr President,

4. Zambia is also experiencing the effects of climate change, which have resulted in extreme weather conditions, such as droughts, rising temperatures, and unpredictable rainfall patterns. Adverse climate change events are expected to become more frequent and intense in the future, with negative consequences on communities. Climate change is estimated

to cost the country about 0.4% of annual economic growth, and if no action is taken, rainfall variability could cost the country 0.9% of GDP growth over the next decade. In this regard, Zambia is in the process of finalising its the National Green Growth Strategy, that will ensure low carbon development, resource and energy efficiency as well as social inclusiveness.

Mr President,

5. The Zambia's debt situation has negatively affected fiscal spending in key sectors. As part of the efforts to ease the country's fiscal constraints, the Government has approached multilateral and bilateral partners for concessional financing. This has led to several benefits, including World Bank's commitment to support the national budget through a development policy operation. These efforts are meant to help Zambia recover from its debt and embark on transformative reforms that will help reduce poverty and ensuring that no one is left behind.

Mr President,

6. Zambia is working to integrate the 2030 Agenda into its Eighth National Development Plan in order to build resilience to its various challenges. The following legal and structural reforms will support progress towards the SDGs and sustainable recovery from COVID-19:

- A. Strengthen planning, budgeting and implementation of national development programmes through adherence to the provisions of the National Planning and Budgeting Act No. 1 of 2020 to improve prudent use of public resources.
- B. Revise the Loans and Guarantees (Authorisation) Act of 1969 to enhance transparency in debt management and provide for Parliamentary oversight in the contraction of loans;
- C. Development of a Medium-Term Debt Management Strategy covering the period 2023-2025 for the country to return to sustainable debt levels;
- D. Undertake reforms in the agriculture and energy sectors to

remove consumption subsidies that put pressure on the budget;

- E. Revision of the Public-Private Partnership Act No. 14 of 2009 to strengthen the implementation of public-private sector development financing models in meeting the country's needs for public goods and services. This is expended to free up fiscal space so that resources are channelled towards reducing the debt stock;
- F. Enhance domestic resource mobilisation through the introduction of electronic fiscal devices to enhance revenue collection in the country.
- G. Strengthen Public Finance Management through ensuring strict adherence to the provisions of the Public Finance Management Act No. 1 of 2018 and the Procurement Act No. 26 of 2020. This will enhance accountability, transparency as well as prudent use of public resources.

Mr President,

- 7. It is evident that further support from the international community is needed to fully implement the 2030 Agenda. This support should be aimed, among other things, to strengthen the capacity of developing countries to withstand shocks such as those related to climate change and pandemics.
- 8. We also call for the establishment of partnerships between the private sector and other multi-stakeholders to speed up private sector involvement.
- 9. I thank you.