INTEGRATED SDG INSIGHTS
ZAMBIA

This initiative supports the articulation of national commitments to SDG transformation, towards accelerated SDG action in the second half of the 2030 Agenda.

HOW TO READ THIS REPORT

Integrated SDG Insights provides an overview of a country's economic growth trajectory, highlighting potential conflicts between growth, environmental concerns, and societal well-being (referred to as the **SDG Moment**).

It builds from the foundation of national SDG progress through the lens of the 5Ps and uses machine learning to analyse national development ambition with an SDG lens (**SDG Trends & Priorities**).

Combined, these insights are mapped against SDG interlinkages to define policy choices the accelerate SDG progress, tailored to national context (**SDG Interlinkages**).

These policy choices are made against fiscal constraints and opportunities for stimulus to ensure choices translate to development impact and leave no one behind (**Finance & Stimulus**).

SDG MOMENT: ZAMBIA

While economic growth is a key element in achieving the SDGs, many countries are intent on moving beyond growth as a yardstick for progress. In the short run, growth enables the SDGs; but in the long run, the SDGs aim to transform the pattern of growth itself.

Zambia's pace of growth during the 2023-2025 cycle is in acceleration, characterized by being 42% higher, on average, than the global figure, and well above the country's growth trajectory projected before the pandemic.[1]

This pace of growth would exert a somewhat positive impact on reducing poverty at $2.15 a day — though there are still significant distributional challenges to accelerate the pace of progress from the high prevailing levels. Hence the country's commitments to achieving the SDGs should focus on an integrated approach to achieve poverty reduction by promoting inclusive growth, creating opportunities for as many poor people as possible and targeting the ultra-poor.

On the other hand, this economic growth cycle comes at the expense of the environment as the country's carbon emissions intensity of GDP is expected to increase at an annual rate of 12% due to fossil fuel usage.[2]

[1] The economic cycle is determined by adjusting the country's current GDP growth forecasts (April 2023) by their gap relative to the forecasts made before the pandemic and subsequent crises (October 2019). If the adjusted rates (not shown) are below 2%, the economy is considered in mitigation; it is coping if the adjusted rates range between 2%-4%, and it is in acceleration if they are above 4%.
[2] CO2 emissions intensity of GDP is computed as tonnes of CO2 per $1,000 (2017 PPP).

GDP

Growth Pathways

— GDP Projection (April 2023) — GDP Projection (October 2019) — World GDP Projection (April 2023)

Source: IMF World Economic Outlook (WEO) (April 2023 and October 2019).

PEOPLE

Poverty: Percentage of the population under each threshold (PPP$ a day)

● 2023 ● 2025

Source: Projections based on binned distributions ($0.10-bins, 2017 PPP) reconstructed from the World Bank's Poverty and Inequality Platform through the pip: Stata Module.

PLANET

Carbon Intensity: CO2 emissions intensity of GDP (tCO2 per PPP $1,000)

● 2023 ● 2025

Source: Projections based on GDP data from the IMF WEO Database (April 2023), and on CO2 emissions from the Global Carbon Budget 2022 and EDGAR (JRC and IEA).

SDG TRENDS

Understanding how Zambia performs against the SDG targets provides a baseline landscape against which to build integrated SDG pathways. SDG progress tracking follows [UN Stats](link) standards and [methodology](link), and is aligned with country profiles.

PEOPLE

PLANET

PEACE

PARTNERSHIP

PROSPERITY

● ON TRACK ● FOR REVIEW ● OFF TRACK ● TRENDS NA

Trends in detail:

https://data.undp.org/sdg-push-diagnostic/ZMB/sdg-trends

SDG PRIORITIES

Zambia's national priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents. This analysis uses a custom-built model for SDG classification. It considers 100k+ terms, including phrases and expressions.

Key documents for analysis:

1. Eighth National Development Plan (2022-2026)
2. Zambia Vision 2030
3. Voluntary National Review 2023
4. UN Common Country Analysis 2021
5. United Nations Sustainable Development Cooperation Framework 2023-2027
6. Socio-economic Impact Assessment on Households in Zambia

Priorities in detail:

https://data.undp.org/sdg-push-diagnostic/ZMB/current-priorities

SDG INTERLINKAGES

SDG interlinkages reveal how actions directed towards one SDG can impact others. Uncovering and understanding these interactions can help Zambia to achieve the 2030 Agenda for Sustainable Development and to navigate trade-offs.

Based on a global framework for interlinkages, Zambia's SDG progress is colour-coded at the target level.

Building from national trends and priorities, the following integrated SDG pathways reflect policy choices with the most potential to accelerate the SDGs for Zambia:

- Target 3.8: Achieve universal health coverage
- Target 5.4: Value unpaid care and promote shared domestic responsibilities
- Target 8.5: Full employment and decent work with equal pay
- Target 11.1: Safe and affordable housing
- Target 16.6: Develop effective, accountable and transparent institutions

ACCELERATION PATHWAYS

SYNERGIES

TRADE-OFFS
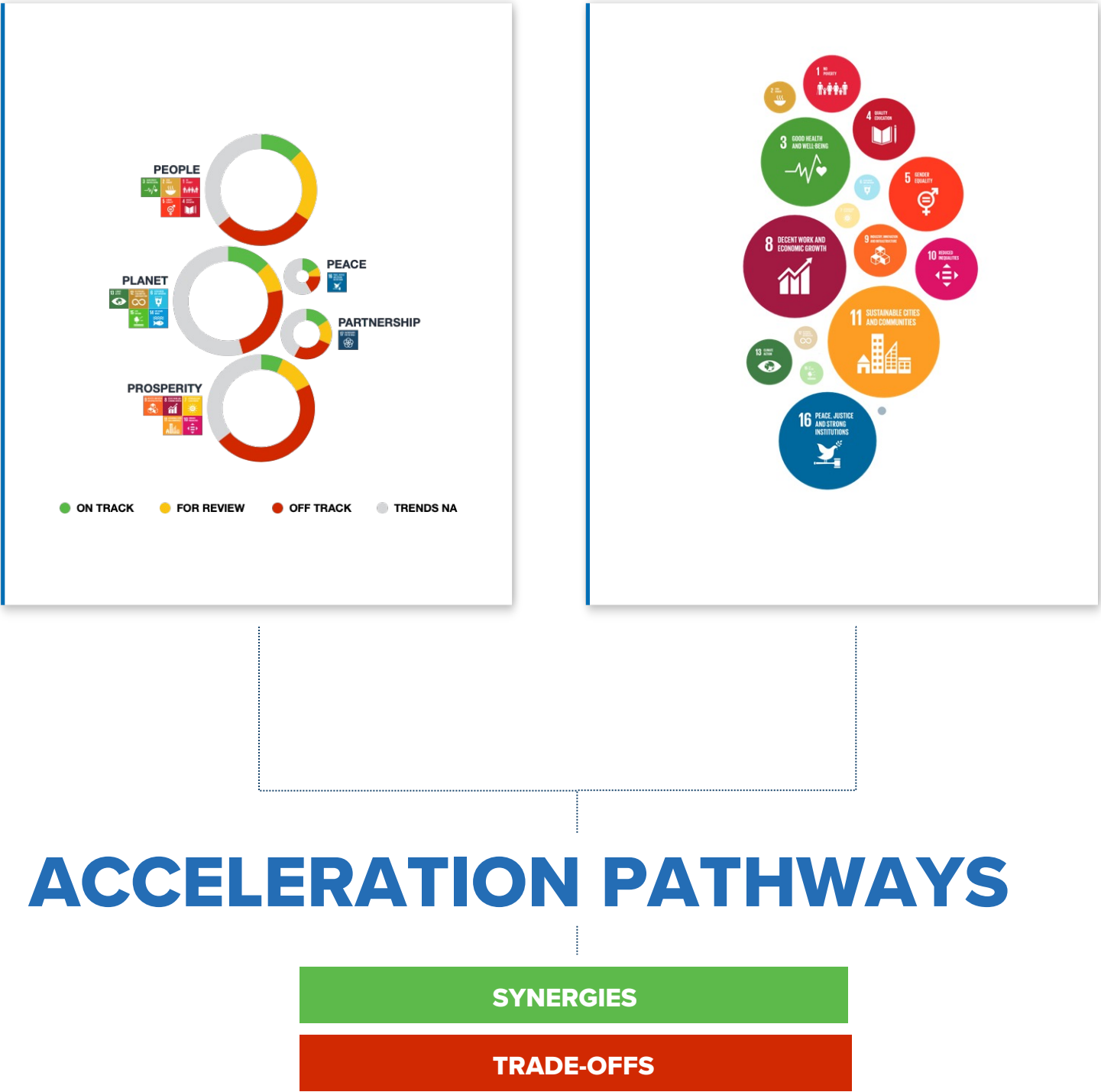
SDG INTERLINKAGES

3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health care services and access to safe, effective, quality and affordable essential medicines and vaccines for all

Zambia recognizes that beyond health and well-being, universal health coverage also contributes to social inclusion, gender equality, poverty eradication, economic growth and human dignity. While significant measures have been taken by the government to establish the National Health Insurance Scheme, the country's health system struggles with inadequate access to medicines, health care services and health personnel. This hampers the universal health coverage objective of leaving no one behind.

The country's universal health care system, the National Health Insurance, provides coverage to approximately 2,811,473 persons (around 12.54% of the country's total population), registered by the National Health Insurance Management Authority.

By increasing government investments in digital health technology and implementation of the 2022-2026 digital health strategy, there is potential to extend health care services to remote areas and, as indicated by synergies, to enhance investments in energy, decent jobs and improved nutrition and in reducing inequalities .

Explore the interlinkages at:
https://data.undp.org/sdg-push-diagnostic/ZMB/synergies-and-tradeoffs

SDG INTERLINKAGES

5.4: Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate

In Zambia women experience poverty levels (56.7%) than men (53.8%), and poverty is particularly prevalent among individuals living in female-headed households in both rural and urban areas, disproportionately surpassing their population share (54.4%). High poverty among women increases their lack of agency at home, and thus increases their vulnerability to gender-based violence. Women in lowest income quintiles (40.4%) experience violence, compared to 28.8 % of women in the highest wealth quintile.

To address this, it is essential to prioritize policies that focus on overcoming gender gaps, improving female access to human capital, economic opportunities, ownership and control of assets, and increase women's voice and agency. Zambia's Eighth National Development Plan 2022–2026 emphasizes the need for integrated approaches to promote gender equality and to create greater opportunities, especially for young people.

Furthermore, a robust social protection programme (targeting women) and leveraging the potential of the digital can empower women by enabling them to succeed in the future of work, to access essential digital services, including those for education and health care and to increase their civic and political engagement.
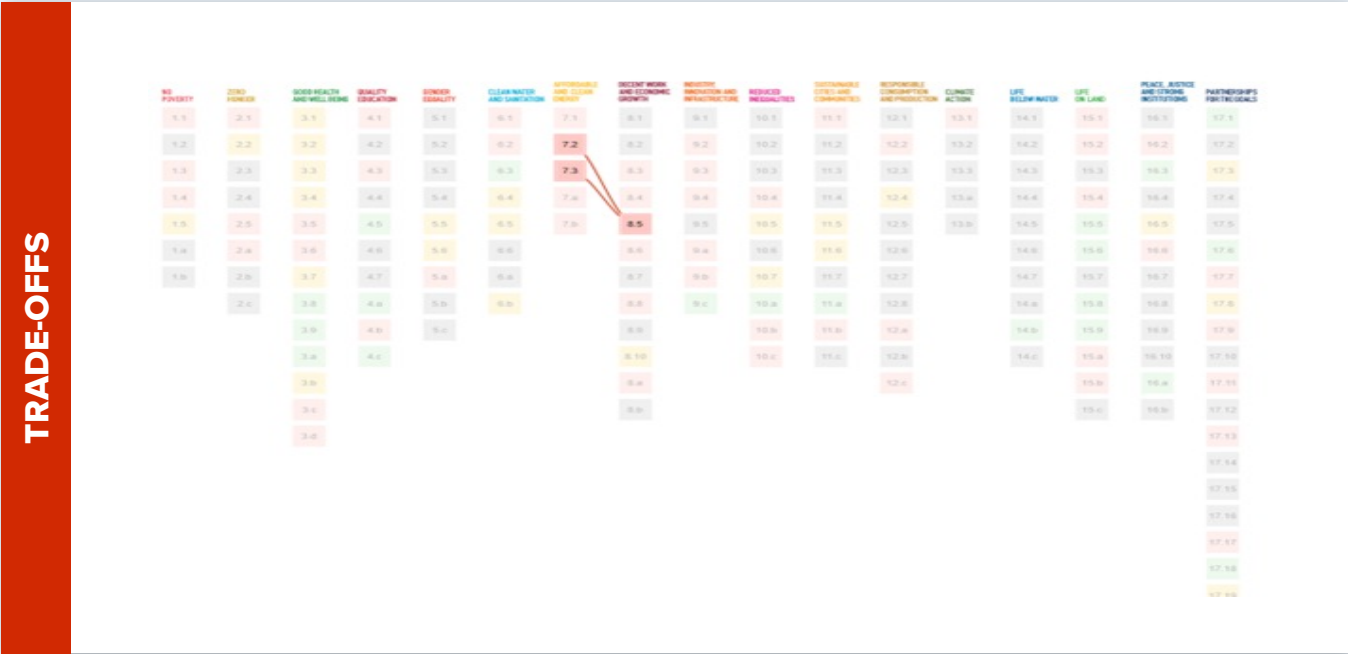

Explore the interlinkages at:
https://data.undp.org/sdg-push-diagnostic/ZMB/synergies-and-tradeoffs

SDG INTERLINKAGES

8.5: Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

With a national unemployment rate in Zambia of approximately 14.1%, and youth unemployment reaching 47.2% in 2021, it is crucial to give special attention to youth and people with disabilities when addressing the issue of decent work for all.

Investing in SDG 8 (decent work and economic growth) supports Zambia's focus on addressing current employment challenges by focusing on key priority areas, such as poverty eradication, zero hunger, improved health care and education.

Progress on Target 8.5 should be supported by policies to reduce energy intensity and to increase its efficiency to mitigate the negative impact on the share of renewable energy (Target 7.2) and by energy efficiency (Target 7.3).

SYNERGIES

TRADE-OFFS

Explore the interlinkages at:

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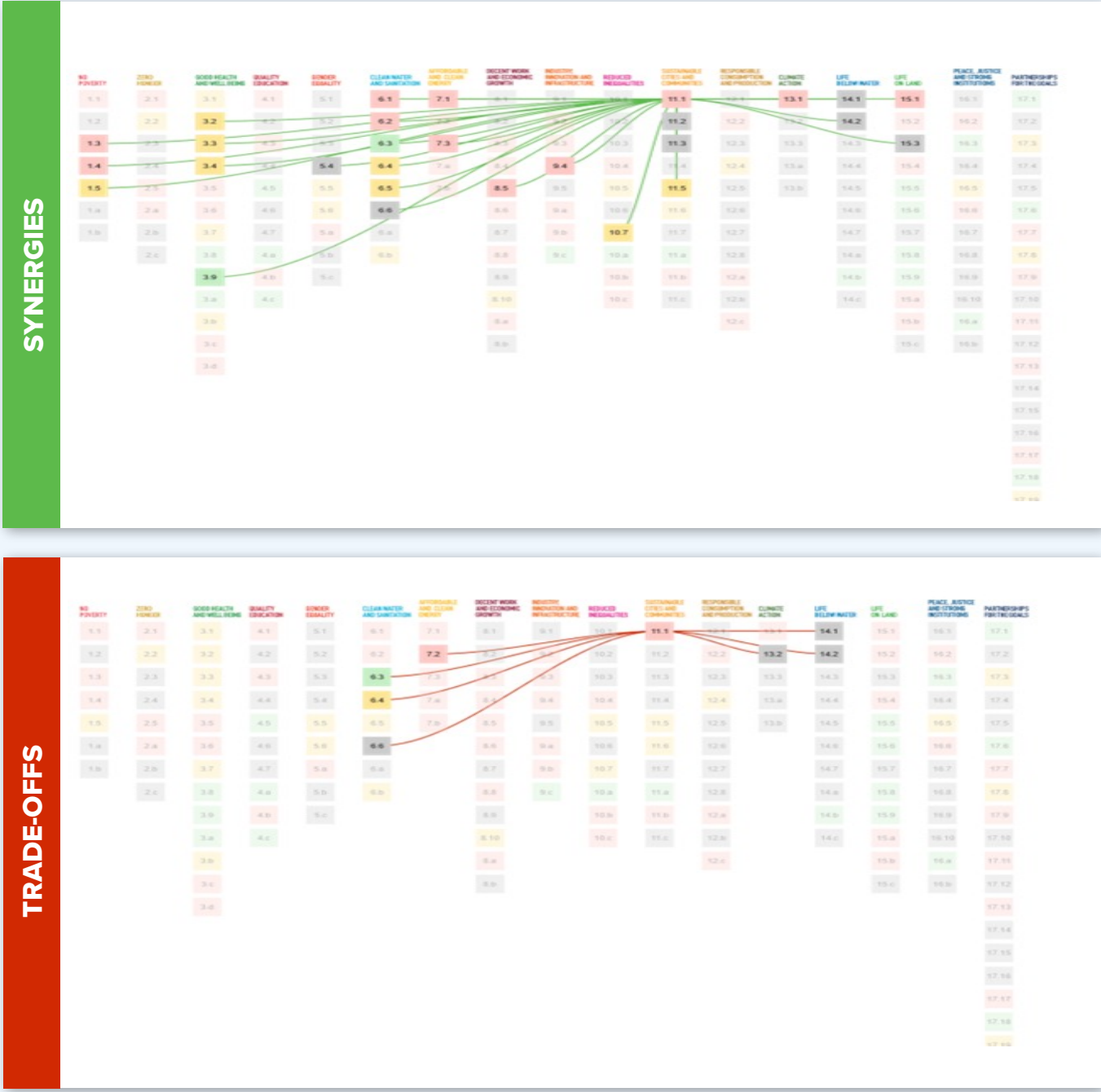
SDG INTERLINKAGES

11.1: Ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums

Zambia recognizes the challenges of rapid urbanization and the need for equitable urban development. While significant measures have been taken by the government, further policy focus and investment are required to bridge existing gaps.

The country's annual urbanization rate is estimated at 4.1% (similar to sub-Saharan Africa's annual urbanization growth) in 2020, significantly greater than the world average of 1.8% – with the population expected to double by 2050. This will accelerate growth of the urban population and the demand for adequate basic services, such as decent housing, transport, waste management, water and sanitation.

By promoting sustainable urban and peri-urban development by investing in housing through interventions that focus on safety and accessibility, upgrading informal settlements and connecting housing investments to basic sanitation access, Zambia will build synergies that improve the well-being of the population as a whole and reap the benefits of urbanization.

To implement this effectively, national and subnational actions will be critical to reach those left behind.

Explore the interlinkages at:
https://data.undp.org/sdg-push-diagnostic/ZMB/synergies-and-tradeoffs

SDG INTERLINKAGES

16.6: Develop effective, accountable and transparent institutions at all levels

In Zambia approximately 55% of the population ares satisfied with the public services they receive. By focusing on SDG 16 (Peace, justice and strong institutions), and specifically Target 16.6, measures can be implemented to cut across all goals and pillars outlined in the Eighth National Development Plan (2022-2026), where public services are provided.

This offers Zambia the opportunity to set a higher goal, for example towards the percentage of the population satisfied with public services received. This increase will have a positive multiplier effect on the progress of other SDGs.

However, it is crucial to ensure that this aim is accompanied by safeguards to prevent the deepening of poverty and of inequalities.


Explore the interlinkages at:

https://data.undp.org/sdg-push-diagnostic/ZMB/synergies-and-tradeoffs

FUTURES SCENARIOS

Achieving the SDGs is possible.

The 'SDG Push' is a futures scenario based on 48 integrated accelerators in the areas of Governance, Social Protection, the Green Economy and Digital Disruption. It uses national data to explore the impact on human development by 2030 and by 2050 across key SDG indicators.

Incorporating 'SDG Push' accelerators into development interventions in Zambia can reduce the number of people living in poverty over time.

People living in poverty	By 2030	By 2050
Without the SDG Push	11 mn	12 mn
With the SDG Push	11 mn	6.8 mn

POVERTY <$1.90 PER DAY (NUMBER OF PEOPLE)

● Without SDG Push
● With SDG Push
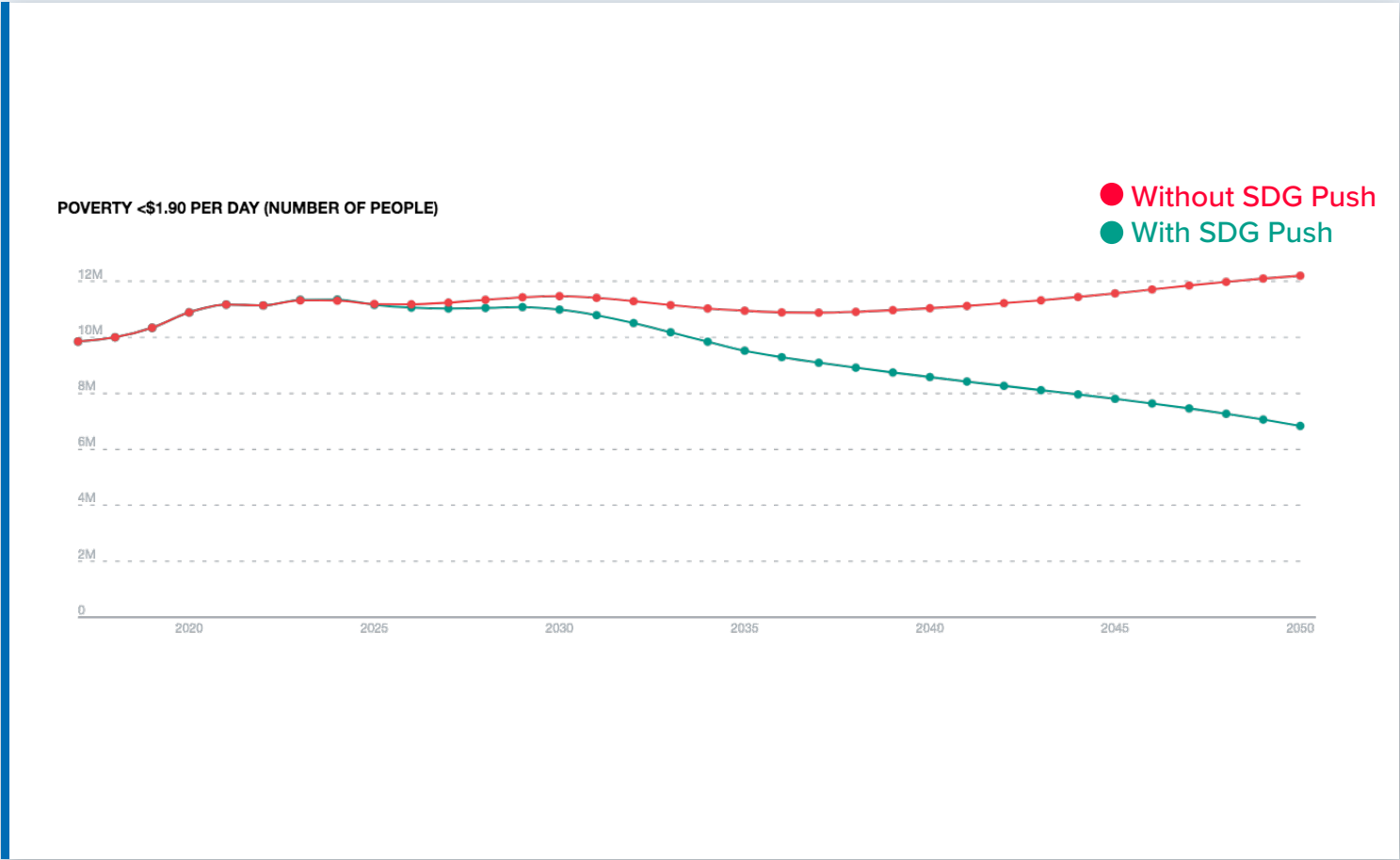
Explore SDG Futures Scenarios at:

https://data.undp.org/sdg-push-diagnostic/ZMB/future-scenarios

FINANCE & STIMULUS

Many countries are facing reduced fiscal space, high debt levels, rising interest rates and downgrades on credit ratings. Fiscal and financial constraints tend to slow or even reverse SDG progress.
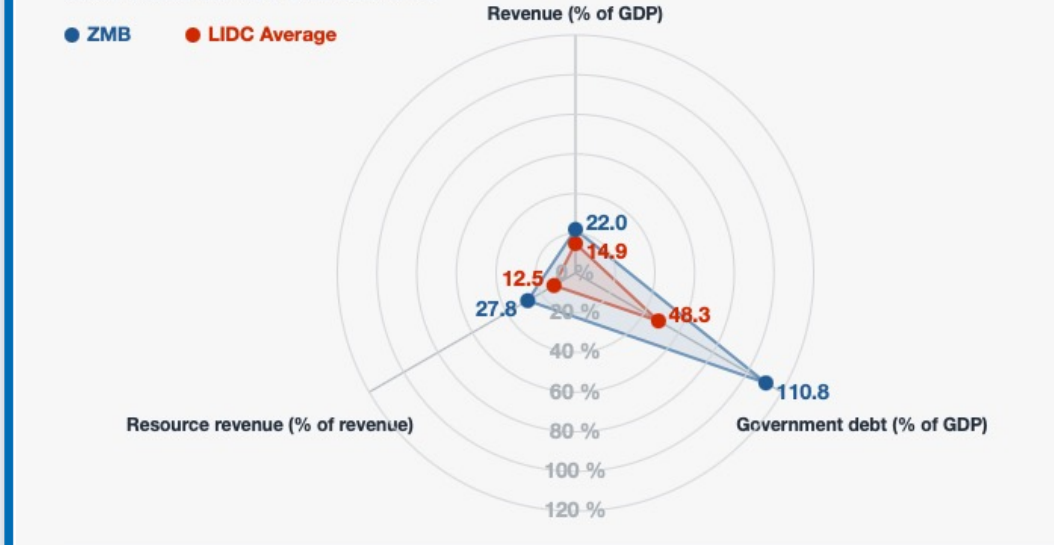
The radar diagram shows low frequency data points linked to government revenue and debt as a proportion of GDP and the natural resource share of total revenue. The financial indicator graphs show external debt servicing relative to revenue and the country's sovereign credit rating and 10-year bond yield.

Zambia's gross government debt, latest assessed at 111% of GDP in 2021, is more than 62 percentage points (pp) higher than the low-income developing countries (LIDC) group average, and the country has been battling a debt crisis since late 2020. The country is expected to collect 22% of GDP in revenue this year – 7.1 pp more than the LIDC group – with natural resources accounting for about 28% of this revenue.
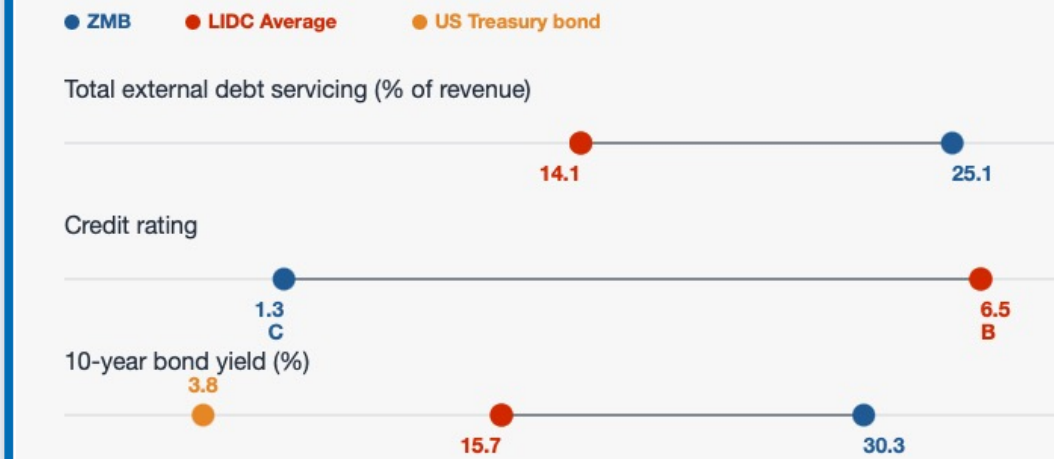
Zambia's external debt servicing this year is expected to be as high as 25% of revenue compared to the LIDC average of 14.1%. The country's credit rating has been in the 'default' category since late 2020. Zambia's lost access to international capital markets is also reflected in a 10-year bond yield as high as 30% – close to twice as high as the LIDC average and more than 26 pp higher than a 10-Year US Treasury bond. Similarly, according to its latest World Bank and IMF Debt Sustainability Assessment, the country is rated 'in debt distress'. Zambia reached a debt restructuring deal with official creditors in June, 2023, under the G20's Common Framework.

Zambia is using an Integrated National Financing Framework to address key fiscal and financial constraints and to build a more sustainable financial architecture at the national level. Priority actions include establishing a Medium-Term Revenue Framework (focused on revenue policy, administration and capacity); improving design and monitoring of tax incentives; enhancing capacity in detecting and curbing illicit financial flows; leveraging ICT to broaden the tax base and to enhance compliance; intensifying debt restructuring efforts and strengthening regulatory and institutional frameworks around debt contraction; undertaking disciplined public borrowing to minimize the crowding-out effect on the private sector; and diversifying bank credit to the private sector, focusing on the priority sectors of manufacturing, tourism and mining.

LOW-FREQUENCY INDICATORS

● ZMB   ● LIDC Average

Revenue (% of GDP)
22.0
14.9
12.5
27.8
48.3
110.8
Resource revenue (% of revenue)
Government debt (% of GDP)

FINANCIAL INDICATORS

● ZMB   ● LIDC Average   ● US Treasury bond

Total external debt servicing (% of revenue)
14.1   25.1

Credit rating
1.3
C
6.5
B

10-year bond yield (%)
3.8
15.7   30.3

Notes: External debt covers public and publicly guaranteed debt. The LIDC average of resource revenue (% of revenue) only includes the 38 countries that reported data for that indicator, that for 10-year bond yield (%) includes five LIDC enonomies. The credit rating shows the numerical average of S&P's, Moodys', and FITCH's ratings, expressed in S&P's scale in brackets.

Sources: EITI (resource revenue, data from 2019), IMF WEO April 2023 (debt, data from 2021; revenue, forecast for 2023), IDS (external debt, data from 2023), worldgovernmentbonds.com and Haver Analytics (yields as of 8 June 2023), S&P, Moodys and FITCH (credit ratings, data from 2023).

SDG STIMULUS

The UN Secretary General's SDG Stimulus Plan lays out a blueprint for action within the existing financial architecture. It includes:
- Providing liquidity to support recovery in the near term
- Enhancing debt relief for vulnerable countries
- Expanding development financing by MDBs
- Aligning financial flows with the SDGs and the Paris Agreement, according to country-level priorities and needs, for example through the roll-out of the UN Integrated National Financing Framework (INFFs).

Given the projected fiscal and financial constraints faced by Zambia, possible funding options for the investments derived from the identified interlinkages are mechanisms identified in the SDG Stimulus as relevant to Zambia are as follows:
- Tax and revenue reform
- Debt for SDGs (SDGs bonds, thematic bonds, diaspora bonds, infrastructure bonds)
- Climate finance
- Blended and public-private finance
- SDG-aligned business environment and investment
- Accessing financial markets and insurance
- Remittances, philanthropy and faith-based financing

United Nations
Secretary-General's
SDG Stimulus
to Deliver
Agenda 2030

FEBRUARY 2023

United Nations
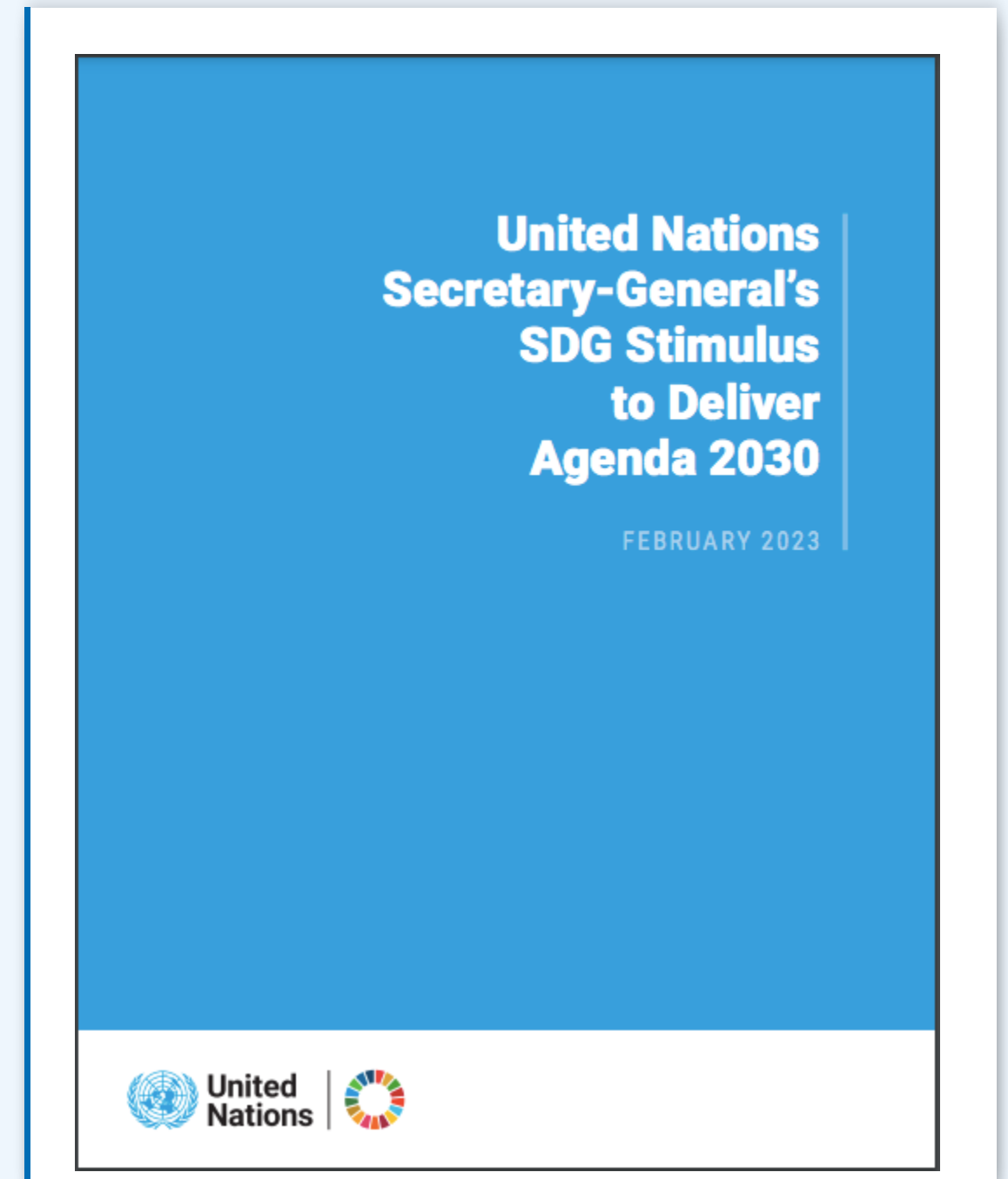
METHODOLOGY

Click <u>here</u> to view the Methodological Note for the Integrated SDG Insights

SDG MOMENT

Methodology
Assesses challenges and opportunities in national growth trajectories with insights on environmental sustainability and inclusiveness.

Data Sources
Future trajectories to 2025 are based on IMF-WEO GDP projections, distributions of per capita income or consumption from the World Bank, and CO_2 emissions from the Global Carbon Budget 2022 and EDGAR (JRC and IEA).

TRENDS & PRIORITIES

Methodology
SDG trends tracks progress from 2015 to date for the 231 indicators. National priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents.

Data Source
Trends utilizes official <u>UN statistics</u> to assess <u>SDG progress</u>, supplemented with national data when available. Priorities uses a custom-built model for SDG classification. The policy documents analyses are provided by Governments.

INTERLINKAGES

Methodology
Global target-level interlinkages are drawn from the <u>KnowSDGs Platform by European Commission</u>. SDG interlinkages were retrieved through a structured literature review in Scopus and Google Scholar to tap both grey literature and peer-reviewed publications as a source of information.

Data Source
The exercise globally considered a total of 454 documents published from 2015 to August 2022. (<u>Miola et al., 2019</u> updated in <u>2021-2022</u>)

FINANCE & STIMULUS

Methodology
Provides insight into indicators of fiscal and financial stress with options (INFF) for stimulus and other means to accelerate progress.

Data Source
Most recent resource data from UNU-WIDER GRD (between 2018 and 2021), debt and revenue from IMF WEO (between 2020 and forecasts for 2023), external debt from IDS (2023), yields from Haver Analytics (8 June 2023), credit ratings from S&P, Moodys and FITCH (2023), and DSA ratings from World Bank/IMF (31 May 2023).