



Republic of Zambia
MINISTRY OF FINANCE AND NATIONAL PLANNING
Budget and Economic Affairs

THE 2023-2025 MEDIUM TERM BUDGET PLAN

BACKGROUND

The 2023-2025 Medium Term Budget Plan (MTBP) or Green Paper provides a platform for Government to consult with all stakeholders on the intended course of action with regard to Zambia's development agenda in the next three years which is anchored on the Eighth National Development Plan (8NDP). The MTBP outlines the fiscal framework within which strategic policy objectives will be attained.

MACROECONOMIC **OBJECTIVES**



- The following are the specific 2023-2025 medium-term macroeconomic objectives:

**Attain an average
annual GDP
growth rate of 4.2**

.....

**Sustain inflation
to single digits**

.....

**Maintain reserves
at above 3
months of import
cover; &**

.....

**Increase domestic
revenue and
grants to 22.8
percent of GDP by
2025**

.....



ECONOMIC GROWTH **OBJECTIVES**

ECONOMIC GROWTH OBJECTIVES



The 2023-2025 MTBP will focus on stimulating the domestic economy through implementation of measures that will promote investment and expansion in key economic sectors.

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Key measures proposed to stimulate economic recovery and build resilience are as follows:

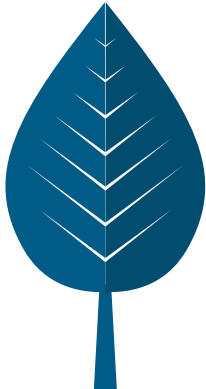
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Economic Growth Objectives

Agricultural sector;

Implement a more efficient and diversified Comprehensive Agriculture Support Programme, which will include extension service support, access to finance, support to value addition, storage, logistics and development of irrigation infrastructure, among others to support growth and job creation in the sector.



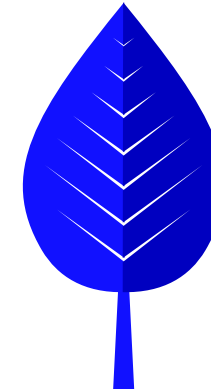
Fisheries and Livestock sector;

In the Livestock Sector, Government will review and amend legislation to provide for an enabling environment and promote livestock production and productivity for purposes of livestock management and disease control



Mining sector;

Fiscal and other measures to ensure that mining production increases.

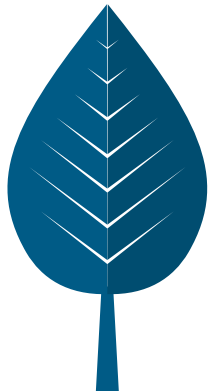




Economic Growth Objectives

Manufacturing Sector;

Government to continue with incentives to promote Agro and Mineral processing.



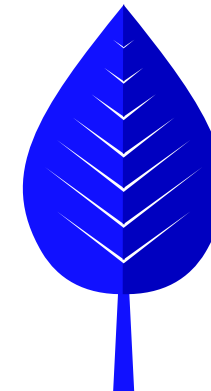
Energy Sector;

Government will promote the use of other renewable energy sources such as solar and geo-thermal, among others.



Tourism sector;

The development of the Northern, Western and Southern Circuits, particularly around Kasaba Bay and Liuwa National Park as well as promote the hosting of meetings, international conferences and events leveraging.





HUMAN DEVELOPMENT **OBJECTIVES**

Over the 2023-2025 medium term, substantial amounts have been allocated towards Human Development. Focus will mainly be on Water and Sanitation, Social Protection, Education and Health. This will:

HUMAN DEVELOPMENT **OBJECTIVES**



Improve access to clean and safe drinking water and to provide sanitation services;
.....

Facilitate the scaling up of social protection programmes for the poor and vulnerable, given the negative effects of the COVID-19 pandemic;
.....

Dismantling pension benefit arrears owed to retired public service workers to improve their livelihoods.
.....

HUMAN DEVELOPMENT **OBJECTIVES**



**Ensure provision of
quality education; and**

.....

**Guarantee adequate
medical supplies in
health institutions.**

.....



ENVIRONMENTAL SUSTAINABILITY **OBJECTIVES**

ENVIRONMENTAL SUSTAINABILITY OBJECTIVES



Over the medium term, Government will strengthen climate change adaptation and mitigation by developing climate resilient infrastructure, extend and enhance coverage of early warning systems to facilitate preparedness and prompt response to adverse weather events.

Government will also shift the focus towards renewable energy sources such as solar and geothermal and reduce dependence on fossil fuels.



GOOD GOVERNANCE **OBJECTIVES**

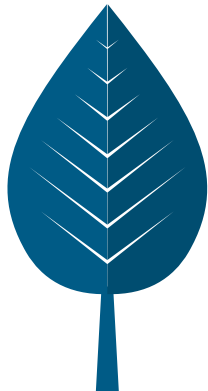
Government will continue to improve the policy and governance environment as well as promote adherence to the rule of law and the constitution. In this regard:



GOOD GOVERNANCE OBJECTIVES

Debt Management;

Debt restructuring, strengthening of regulations and reporting requirements.



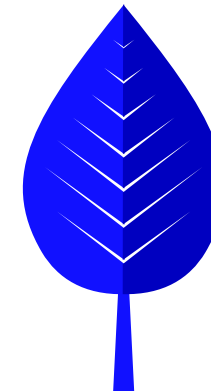
Decentralisation;

implement the Decentralisation agenda based on the foundation of a devolved system of governance through the Decentralisation Policy Implementation Plan (2022-2026);



Public Private Partnership;

leverage on Public Private Partnership (PPP) investments to deliver balanced and integrated infrastructure development, addressing infrastructure development deficits and this will reduce pressure on the Treasury





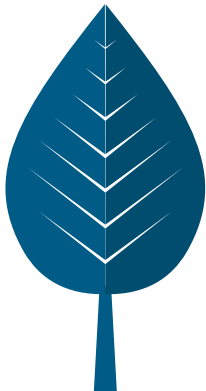
GOOD GOVERNANCE OBJECTIVES

Monetary and Financial Sector Policies;

continue to pursue monetary and financial sector policies aimed at maintaining price and financial system stability which is critical to promoting sustainable growth.

Financial Inclusion;

continue to improve access to affordable finance for farmers, agribusinesses, Micro, Small & Medium Enterprises (MSMEs) and exporters of high value agricultural products





REVENUE MOBILISATION **STRATEGY, 2023-2025**

Government will maximise mobilisation of both tax and non-tax revenues to attain 22.8 percent in terms of GDP by 2025.

REVENUE MOBILISATION STRATEGY, 2023-2025



- This will be done by undertaking necessary reforms that will include:

**automation of
revenue
collection**
.....

**Harmonisation of
tax rates under CIT.**
.....

**Strengthening of tax
administration**
.....

**Limit domestic
borrowing**
.....

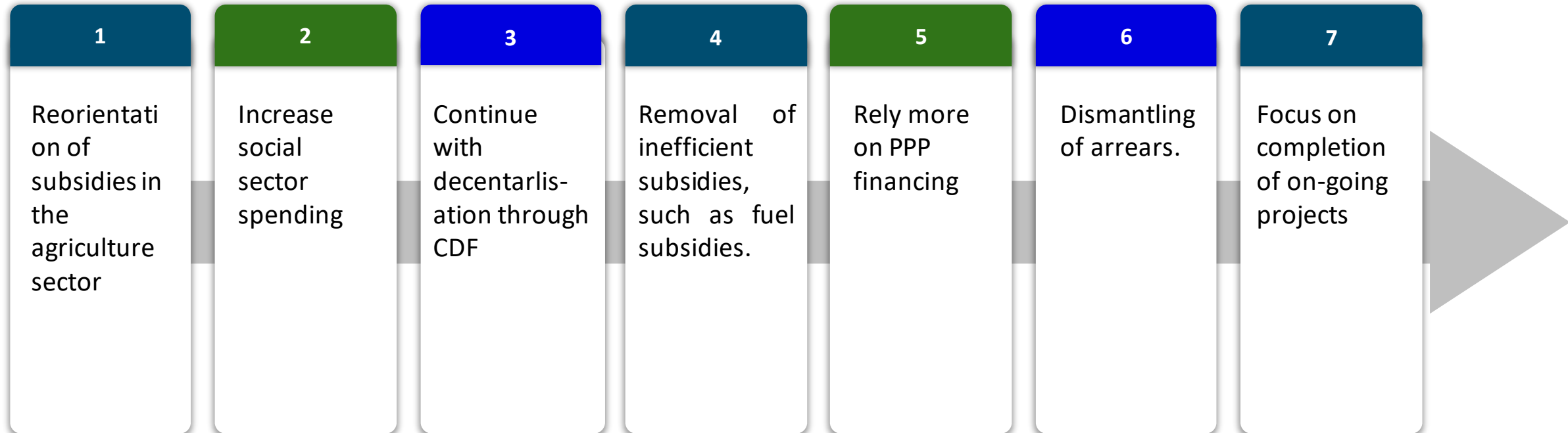


EXPENDITURE **STRATEGY FOR 2023-2025**

EXPENDITURE STRATEGY FOR 2023-2025



For expenditure policy, Government will focus on





EXPENSES

EXPENSES

Personal Emoluments; to maintain the public service wage bill within sustainable levels in order to create more fiscal space for developmental and service delivery expenditures, Government will maintain the expenditure on personal emoluments as a share of domestic revenues around 39.9 percent in the medium term. This translates to K46.3 billion or 8.7 percent of GDP in 2023, K53.1 billion or 8.9 percent in 2024 and K59.4 billion or 8.9 percent of GDP in 2025.

Use of Goods and Services; over the medium term, K56.8 billion has been allocated to use of goods and services for the running costs of Government, which include operating expenses for Government institutions, the procurement of drugs and medical supplies, as well as the maintenance of public order and safety in the country, among others.

EXPENSES

Debt Service Payments; debt service payments which include interest payments on domestic and external debt as well as Amortization (principal amount) will amount to K228.1 billion over the medium term.

Transfers and Subsidies; payments of transfers relate to subventions that Government renders to grant-aided institutions such as the road agencies, Zambia Revenue Authority, local authorities and public universities. In this vein, a provision of K26.5 billion has been made in 2023, K25.1 billion in 2024 and K26.1 billion in 2025.

EXPENSES

Other Expenses; in an effort to ensure food security for the country, Government has allocated K2.8 billion over the three years to facilitate the maintenance of strategic food reserves.

In order to cater for unforeseen expenditure items of an emergency nature, a contingency of K971.7 million has been provided over the medium term.



ASSETS AND LIABILITIES

ENVIRONMENTAL SUSTAINABILITY OBJECTIVES

Assets; expenditure on acquisition of assets is projected to total K53.7 billion over the period. Of this amount, non – financial assets will account for K51.5 billion or 95.9 percent, while financial assets will account for K2.2 billion or 4.1 percent.

Liabilities; over the medium term, Government has set aside K18.4 billion to dismantle outstanding bills for the goods and services.



CONCLUSION

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You may wish to note that the 2023-2025 MTBP clearly lays a foundation for economic recovery, build resilience, safeguard livelihoods and protect the vulnerable.

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Government will continue using various instruments aimed at re-invigorating growth, restoring macroeconomic stability, attaining fiscal fitness, restoring debt sustainability and dismantling of domestic arrears and safeguarding social spending.

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We would like your feedback from you on the MTBF.

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END.

Thank you for your attention.