



**Republic of Zambia**

**SPEECH BY THE  
GUEST OF HONOUR**

**HON. SITUMBEKO MUSOKOTWANE, MP  
MINISTER OF FINANCE AND NATIONAL PLANNING**

Delivered at the

**LAUNCH OF THE JCTR NATIONAL LEVEL DEBT AUDIT STUDY**

**WEDNESDAY, 9<sup>TH</sup> MARCH 2022**

**HILTON HOTEL, LUSAKA**



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**HONOURABLE MEMBERS OF PARLIAMENT;**

**PERMANENT SECRETARIES;**

**MR. TOM THEWO, REPRESENTATIVE FROM THE JCTR BOARD OF TRUSTEES**

**MR. NORMAN CHAVULA, ACTING EXECUTIVE DIRECTOR, JESUIT CENTRE FOR THEOLOGICAL REFLECTION;**

**REPRESENTATIVES FROM COOPERATING PARTNERS;**

**HEADS OF INSTITUTIONS;**

**MEMBERS OF THE PRESS;**

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**LADIES AND GENTLEMEN,**

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The report dubbed “Audit on debt strategies/key legal reforms that support the financing for development agenda in Zambia” being launched today comes at quite an opportune time in the nation’s history. Zambia has embarked on the process to restore that nation’s debt sustainability.

**Ladies and gentlemen,**

Zambia is facing considerable challenges with regards debt management in view of the fiscal constraints that this has presented.

- Firstly, there is the reality that the nation’s public and publicly guarantees debt is excessive. The figure stands at over US\$14.48bn in external debt and quickly approaching K200bn (estimated at K192.99bn) in domestic debt as at December 2021 before inclusion of domestic arrears



- Secondly, besides ensuring debt sustainability, we are faced with an urgent need to ensure that development is delivered to the poorest of our people even in the face of fiscal constraints

Given the seriousness of the problems that the debt audit study report highlights, my government is elated with this key piece of evidence in enhancing the nation's debt management as well as delivering development for all our people.

Government is currently making progress in getting the nation on a path of debt sustainability. Firstly, we are committed to ensuring transparency and accountability in practice through 1. The disclosure of debts owed and who is owed. Secondly, we have commenced the publication of quarterly debt statistical bulletins.

The report JCTR is launching today further supports this process and gives my government a springboard to enhance debt transparency and accountability. Indeed the role of JCTR and other organizations in supporting government to monitor and evaluate the effectiveness of our debt management strategies is crucial.

You would agree with me that returning Zambia to debt sustainability is a mammoth task requiring a multidisciplinary and multistakeholder approach. It is for this reason that this launch has brought together stakeholders, who include representatives from selected government ministries, national assembly, selected embassies in Zambia, international partners such as the European Union and selected international NGOs, leaders of the faith movement, civil society organizations and the media.

Further, the evidence that JCTR has provided in this report will contribute to the identification and enforcement of interventions that will support my government's agenda to return our country to the path of debt sustainability.

I am confident that this study also paves way for specific areas speaking to prudent debt management to aid with the quick identification and correction of those elements that may be falling short of our desired level of achievement.

### **Distinguished guests,**

On this premise, I would like to express my gratitude to JCTR for their commitment to join this fight of returning the nation to debt sustainability. I commend you for inviting government and a wide range of other stakeholders to be part of this critical activity. These partnerships are important because government alone cannot retain the nation to a sustainable debt trajectory.



I wish to take this opportunity to urge our cooperating partners to continue supporting government in driving the sustainable debt agenda. As earlier indicated, attainable and sustainable Debt management cannot be achieved without this critical constituent. Our government shall in return remain committed to engaging all key stakeholders to ensure that Zambia achieves a better debt narrative. At present, the nation remains well known for being the first sovereign debt default in the covid-19 era. Nonetheless, with the interventions outlined so far and with the support of all critical stakeholders such as JCTR, my government is confident that this narrative will soon change.

Notable recommendations have been made in this report and the government of Zambia will work to implement these recommendations

Particularly, this government as demonstrated in the 2022 national budget, will safeguard social sector spending at the backdrop of huge expenditures on debt servicing. Resource shifts from the social sectors does compromise the much needed human development for a developing nation like Zambia. Failure to safeguard the social sectors means that the poorest among us are made worse off. This is a cost we cannot afford. You will note that amidst covid-19 pandemic, government is making gains in the health and education sectors as demonstrated in the 2022 national budget.

I wish to emphasise that my government therefore stands ready to support initiatives from well-intentioned individuals and institutions that have the potential to deliver lasting policy solutions.

### **Distinguished guests,**

Government wishes to echo its commitment to seeing Zambia's debt problem solved.

My wish therefore is that this output shall prove invaluable to this critical issue in the nations's development discourse.

I challenge JCTR to sustain its direct engagement with government in seeing this wish come to pass.

Additionally, i call upon the fourth estate; the media to provide the much needed visibility to the debt discussion not only to inform but to also equip various stakeholders with the much needed information on the nations debt, hurdles, challenges as well as solutions to place the nation back on the path of debt sustainability and ultimately back on the path to becoming a prosperous middle income country as espoused in our national vision 2030.



**Ladies and gentlemen,**

I now have the singular honour and privilege to declare this launch of the JCTR national level debt audit report officially open and wish you all success.

**I thank you**



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