



ZAMBIA FACTSHEET

May 2022

Financing the future: delivering SDG 4 in Zambia

»» Progress on meeting SDG 4

Are all girls and boys completing free, equitable and quality primary and secondary education in Zambia?

- Zambia has had some success in improving access at primary level since the start of the millennium – moving from only two-thirds of children accessing primary school in 2000, to close to universal access by 2012.¹ However, there are worrying signs this might be in reverse. In 2018, net enrolment was 84%² (reversing previous rates) and half a million children were out of primary school.³
- There is a huge challenge at secondary level, with less than half of Zambian children transitioning to lower secondary school, and a similar overall attendance rate.⁴
- Completion rates for primary school are relatively high at 74%; this gets progressively worse at secondary school level, with only 48% of young people completing lower secondary and 30% of students completing upper secondary. In other words, only 3 in 10 Zambian young people are completing their secondary schooling.⁵

Stark inequalities still exist, especially for those from poor rural families:

- Progress has been made on gender parity at primary school level, with as many girls as boys now completing primary and secondary school.⁶ But girls continue to be marginally more disadvantaged at higher levels, with

a lower ratio completing secondary school.⁷

- Access and completion are marked by wealth and poverty levels:
 - Only 45% of the poorest children complete primary education, versus 95% of the wealthiest;
 - Only 14% of the poorest children complete lower secondary, versus 78% of wealthiest;
 - Only 2% of the poorest children complete upper secondary, versus 61% of wealthiest.⁸
 - No students from the poorest two quintiles make it to university,⁹ yet 88% of students in primary education aspire to university education.¹⁰
- There are large rural and urban divides in Zambia: only 33% of rural children, versus 72% urban children, complete lower secondary level and only 13% of rural youth complete upper secondary compared to nearly half of all urban young people.¹¹
- Children with disabilities are often the most marginalised. Up-to-date figures are difficult to find. But the UNESCO Global Education Monitoring Report 2013 showed that in Zambia, 43% of people with disabilities had completed primary school, compared with 57% of those with no disabilities.¹² The Zambian Government’s 2015 survey of disability showed that one third of young people with disability were illiterate, compared to 18% of non-disabled children.¹³

SDG target 4.c commits to substantially increasing the supply of qualified teacher, because “teachers are a fundamental condition for guaranteeing quality education”.¹⁴ The UN recommends a pupil-teacher ratio of only 40:1 at primary school level, and 30:1 at secondary

1. This is based on UNESCO Institute of Statistics (UIS) data. This went from 67% in 2000 to a high of 91% in 2012.
 2. 2018, latest year. Ministry of General Education, 2018 Education Statistical Bulletin.
 3. About 15% of children are out of primary school (2018, latest year). The number of children was 495,692 in 2017 (latest available year). This is based on UNESCO Institute of Statistics (UIS) data.
 4. Ministry of General Education, 2018 Education Statistical Bulletin.
 5. Based on UNESCO Institute of Statistics (UIS) data, from 2020 (latest available year).
 6. Data from 2020 (latest year) actually shows slightly more girls (78%) than boys (72%). Based on UNESCO Institute of Statistics (UIS) data.
 7. 49% of girls and boys are completing lower secondary school, but 26% of girls compared to 33% of boys are completing upper secondary. Based on UNESCO Institute of Statistics (UIS) data, 2020.
 8. Data from 2018 (latest available year). This is based on UNESCO Institute of Statistics (UIS) data.
 9. Data taken from the UNESCO World Inequality Database on Education www.education-inequalities.org/countries/zambia/comp_higher#ageGroups=%5B%22comp_higher_4yrs_2529%22%5D&years=%5B%222013%22%5D
 10. World Bank (2015) Education Public Expenditure Review in Zambia.
 11. Based on UNESCO Institute of Statistics (UIS) data, 2020. 42% of urban young people
 12. UNESCO Global Monitoring Report 2013/4 https://en.unesco.org/gem-report/sites/default/files/GAW2014-Facts-Figures-gmr_0.pdf
 13. Zambia National Disability Survey 2015 Central Statistical Office Lusaka, Zambia Ministry of Community Development and Social Services Lusaka, Zambia DECEMBER 2018 <https://www.unicef.org/zambia/media/1141/file/Zambia-disability-survey-2015.pdf>
 14. Taken from: <https://sdg4education2030.org/the-goal>

level.¹⁵ The Zambian Government has committed to national ratio targets of 40:1 at primary school level, and 42:1 in junior secondary school by 2022.¹⁶ The current pupil-trained teacher ratio in Zambia is 43:1 at primary school and 53:1 at lower secondary.¹⁷

- There are huge variations between public schools with very uneven and unequal distribution:
 - Three-quarters of schools have pupil-teacher ratio higher than 40;
 - The schools in the top 10% of highest pupil-teacher ratios are above 101, and 16% of the primary school population attended schools with a pupil-teacher ratio above 80, often in rural poorer and remote areas;
 - The 21% of schools that have more teachers than the minimum number of teachers required by the ministry tend to be in urban wealthier areas.¹⁸
- To reach the government targeted pupil-teacher ratio at primary school level, by the end of the current education plan another 12,500 additional primary school teachers are required and these need to be more evenly distributed across the country.¹⁹

Financing SDG 4 requires allocating a SHARE of 20% of the budget and 6% of GDP

To finance SDG 4, the UN recommends that at least 15-20% of the budget, or 4-6% of GDP, must be spent on education. In countries with a young and growing population and a long way to go to meet targets by 2030, the UN estimates that the upper end of this is required.²⁰ Considering Zambia has one of the youngest populations on the planet²¹ and has huge needs in scaling-up schooling so all children are completing secondary school by 2030 (as promised in the SDG commitment), the Zambian government needs to meet (and probably exceed) these targets in the short term. Yet, instead of rising, and reaching the top ends of these benchmarks, Zambia is now moving away from the targets (see Figure 1 and 2²²).

In 2021 this stood at just **11.5% of budget share**,²³ (and 3.9% of GDP²⁴) falling below the lowest threshold from 2019 onwards.

Figure 1: Zambia share of the budget on education, 2015-2020



Source: UNESCO Institute of Statistics

Figure 2: Zambia share of GDP to education, 2015-2020



Source: Mixed sources were used for this graph 2015-2019, UNESCO Institute of Statistic 2020, Government Spending Watch

15. UNESCO and Global Education Monitoring Report (2015) Reaching education targets in low and lower middle income countries: Costs and finance gaps to 2030 for pre-primary, primary, lower- and upper secondary schooling.

16. Government of Zambia (2016) 2017-2021 Education and Skills Sector Plan (ESSP)

17. Headcount basis. This is based on UNESCO Institute of Statistics (UIS) data (2017, latest year for primary/2021, for lower secondary).

18. Walter, T (2019). The Allocation of Teachers across Public Primary Schools in Zambia. https://www.theigc.org/wp-content/uploads/2019/06/Walter-2018-Final-report_1.pdf

19. Ibid. Walter, 2009

20. See background paper for the SDG 4 costing model, Global Education Monitoring report (2015). Reaching education targets in low and lower middle income countries: Costs and finance gaps to 2030 for pre-primary, primary, lower- and upper secondary schooling. Available: <https://en.unesco.org/gem-report/node/819>

21. Zambia has one of the youngest populations in the world - <https://www.unicef.org/zambia/children-zambia#:~:text=Zambia%20is%20a%20country%20of,in%20the%20region%20and%20globally.>

22. Note, mixed sources were used in this graph. UNESCO Institute of Statistics (UIS) data was used 2015-2018 (201, latest year). Budget data was used from the Zambian (Budget Law Publications 2019 to 2021)

23. This is based on UNESCO Institute of Statistics (UIS) data.

Spending must be SENSITIVE to achieve SDG 4 targets on quality and equity

Is the spending fair or equitable?

- Poor families are picking up the bill from a lack of public funding on education. In Zambia, although education is free, many schools charge Parent Teacher Association fees, and other levies. Nearly 55% of primary grant-aided schools²⁵ charge fees and 27%²⁶ of students pay them. In secondary education, 98% of schools charge annual fees and 60% of students pay those fees.²⁷
- In Zambia, most education at primary (ages 7-13) and secondary (ages 14-18) levels is provided by the state. Indeed, respectively 63.8% and 77.8% of primary and secondary schools in 2017 were public and 81% of students attended public schools for both levels.²⁸ However, household expenditure in education represents 3.8% of the GDP,²⁹ most of this goes to the fees in non-state schools, the richest 10% spend more than the total of the rest of the population.³⁰
- The government of Zambia needs to ensure that public education is completely free, accessible and of good quality. In 2015, the Commitment to Equity Institute analysed the combined impact of public tax and spending on inequality in Zambia, showing that in-kind public expenditures on education had the largest impact on income inequality among all categories of public spending.³¹ This is crucial since Zambia is one of the least equal societies in sub-Saharan Africa (and globally).³² Benefit incidence analysis from 2017 shows that public expenditure is pro-poor at the basic education level, but pro-rich for post-basic levels. This is partly due to university education being mainly accessed by the wealthiest who gain from a “relatively generous bursary program”³³; for instance, only 3% of the population complete tertiary education, and all of these are drawn from the richest or rich quintile.³⁴

Box 2. Does recurrent and capital spending allow for equity and quality?

To achieve SDG4, budgets need to expand to pay for one-off capital projects, such as school construction, and increase to cover sufficient recurrent (or operating) costs, which includes teacher-related payments, the largest budget component in education. If an education budget is adequate and reaches the minimum recommended of 20% of the national budget a UN SDG 4 costing³⁵ noted that to achieve quality and equity this would also require a split of around 84% spent on recurrent/operating costs (with 75% of that going to wages and salaries) and 14% on capital/ development projects to build new schools and fill them with learning tools.

In Zambia, the share of the government budget allocated to education is only 11.5%, insufficient to cover the need for extra teachers and development of infrastructure. In 2020, 91% of the total education budget, was spent on recurrent costs and only 9% on capital.³⁶ Due to historical underfunding of education and ever tighter budgets, as this reduces and teacher salaries remain constant, there is neither space for growth in teacher numbers and wages - with this insufficient to spend more on teachers to cover the current teacher gaps and improve teachers’ pay and conditions - nor is there any left to invest in new infrastructure and learning materials. In fact, at primary education level, this is even starker, with 97% of the budget in 2021 allocated to teachers’ wages, meaning there is no allocation for infrastructure spending for primary schools (including learning materials).³⁷ Moreover, there are not enough secondary schools to aid the progression from primary schools. As at 2018, there were 1,117 secondary schools against 9,050 primary schools.³⁸ This means the government needs to engage in a large school building project, with no funds to do this with. All in all, the only way out of this quagmire is to invest more overall.

24. Note, mixed sources were used in this graph. UNESCO Institute of Statistics (UIS) data was used 2015-2018 (201, latest year). 2019-2020 was based on Government Spending Watch (GSW) figures, [governmentwatch.org](https://www.governmentwatch.org).

25. Global Partnership for Education (2019) Summative GPE country program evaluation Batch 5, Country 13: Zambia <https://www.globalpartnership.org/sites/default/files/2019-08-summative-gpe-country-program-evaluation-for-zambia.pdf>

26. World Bank (2015) Education Public Expenditure Review in Zambia.

27. Ibid. World Bank 2015

28. UNESCO. <https://education-profiles.org/sub-saharan-africa/zambia/~non-state-actors-in-education>

29. GEMR 2021/22 p. 426

30. Ibid. World Bank 2015

31. <https://commitmenttoequity.org/publications-Zambia>.

32. World Bank (2015) Education Public Expenditure Review in Zambia.

33. It should be noted that the bursary programme was revised between 2018 and 2019 with this now reduced. World Bank (2015) Education Public Expenditure Review in Zambia.

34. Data taken from the UNESCO World Inequality Database on Education www.education-inequalities.org/countries/zambia/comp_higher#ageGroups=%5B%22comp_higher_4yrs_2529%22%5D&years=%5B%222013%22%5D

35. See background paper for the SDG 4 costing model, Global Education Monitoring report (2015). Reaching education targets in low and lower middle income countries: Costs and finance gaps to 2030 for pre-primary, primary, lower- and upper secondary schooling.

36. This suggests that the recurrent to capital split should be 84% to 11%, respectively, and within that the recurrent needs to have 25% for non-salary items to ensure quality (text books etc) equity (extra per pupil recurrent costs for poorest), as well as cover teachers’ salaries. Source: Government of Zambia (2021) National Budget, See: https://www.parliament.gov.zm/sites/default/files/images/publication_docs/2021_National_Budget_Speech.pdf

37. <https://www.unicef.org/zambia/media/2476/file/Zambia-budget-brief-2020-2021-education.pdf>

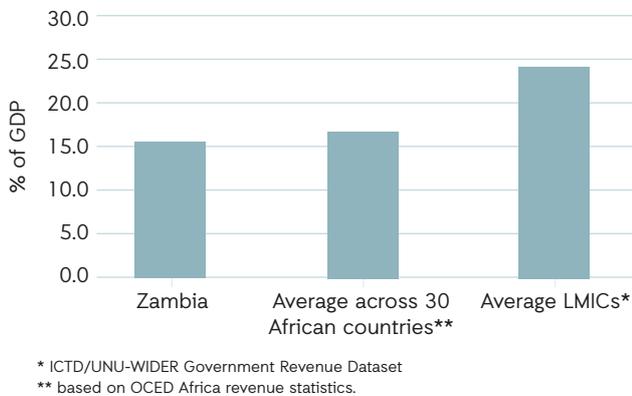
38. Ministry of General Education, 2018 Education Statistical Bulletin

To achieve SDG4 governments must increase the SIZE of their overall budgets

Zambia requires new public funds to meet the sustained costs required to meet SDG 4, over the long term. Yet, in a time of increasing fiscal pressures on the budget this will become ever more difficult. In other words, **Zambia needs to find new way to urgently reverse the decline in their public spending capacity: this is increasingly important given that debt servicing is draining precious revenues.** In the 2021 budget, debt servicing constitutes the largest expenditure, representing around 40% of the total budget.³⁹

This means raising new revenues will become increasingly important. According to the UN, a minimum of at least 20% tax-to-GDP ratio is needed to deliver on the Sustainable Development Goals.⁴⁰ In sub-Saharan Africa, and across lower-middle income countries, Zambia's tax-to-GDP ratio is below average at 15.8% (see **Figure 3**).

Figure 3: Tax-GDP ratios in 2018 (latest available year), Zambia and comparable country groups



Zambia should focus on increasing tax-to-GDP ratios by five percentage points from the present level.

International studies suggest that for many countries a goal of increasing their tax-to-GDP ratios by five

percentage points in the medium term (3-5 years) is ambitious, but reasonable.⁴¹ **ActionAid has estimated that if Zambia did this it could lead to additional revenues of US\$6.2 bn annually by 2023,**⁴² of which, if the government allocated just 20% of the additional tax revenues, as per international benchmarks, this could increase the education budget by US\$1.2bn – **twice the amount allocated to education in the 2021 budget.**⁴³

Figure 4: Tax % GDP in Zambia 2012-18



However, this must be done progressively, with attention to this falling on the richest, especially as Zambia already tends to rely heavily on indirect taxes which makes their system less progressive than many.⁴⁴ Yet, in spite of this, over the period 2018-2012 (see **Figure 4**), not only has Zambia done too little to improve their tax-to GDP ratio, there has been a domination of indirect taxes versus direct taxes in the total revenues raised, much larger than many other countries (see **Figure 5**). While that has improved slightly over the period, this is very marginal – in other words, Zambia raises too little tax and this is done unfairly (as the rich are shouldering too little of the share of the burden).

39. Government of Zambia (2021) National Budget, See: https://www.parliament.gov.zm/sites/default/files/images/publication_docs/2021_National_Budget_Speech.pdf

40. UNDP. What Will It Take To Achieve the Millennium Development Goals? An International Assessment. June 2010

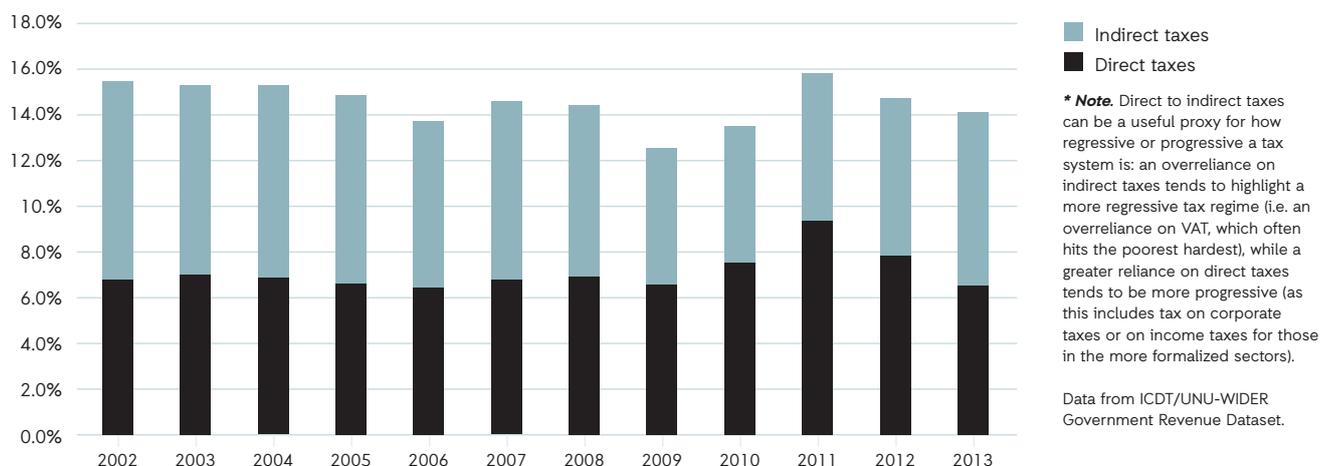
41. It is important to note this calculation does not look at the mechanisms for achieving the 5% increase (i.e. which tax reforms are pursued). For ActionAid any future revenue generation should be done with a focus on progressive and gender-responsive tax reforms, so that any new taxes do not hurt the poorest and most vulnerable, but rather fall to those most able to pay. Our analysis above shows that there are ways to achieve this 5% increase progressively.

42. ActionAid (2020). *Who Cares? Paying for care work through transforming the financing of gender responsive public services*. See footnote 363. The calculation was carried out by ActionAid for this report, using data from IMF, World Bank and the ICTD/UNU-WIDER Government Revenue Dataset. The predictions were before the COVID-19 pandemic hit, which would have hit the predictions of GDP growth. But this does give a good sense of the overall stretch that could be made in terms of raising revenues from a five percentage point boost. We have also compared this to 2020 education budget levels, when this is looking at predictions for 2023 growth, i.e. not a direct comparison but also a good indication of the stretch and possible new budget that could be generated.

43. Taken from Government Budget Document (in BDO publication <https://www.bdo.co.zm/en-gb/insights/publications/zambia-national-budget-2021>) and converted to 2021 prices USD\$ (amount was 13,121,648,466 ZKW = US\$685,331,325)

44. The potential additional revenue from aligning the effective tax rate with the statutory tax rate is calculated by the Tax Justice Network as follows:

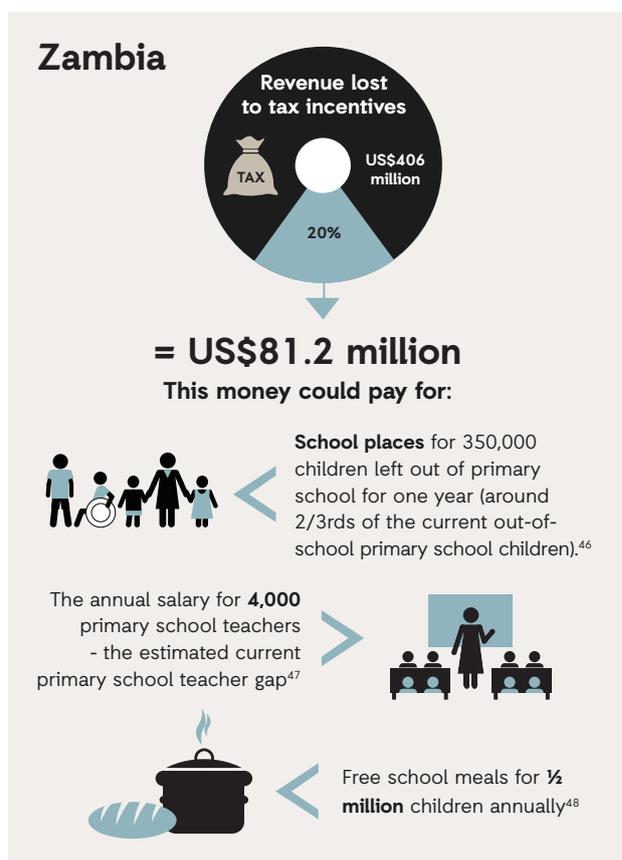
Figure 5: Direct to indirect taxes in total taxes over time, 2002-2013, (no data available for other years)



Progressive and regressive taxes in Zambia

Over the period 2002-2013 (no data available with this breakdown after 2013), Zambia has done too little to improve their tax-to GDP ratio. In fact, the 2002 tax to GDP ratio is about the same as 2018, at 15.5% in 2013 as shown below (in figure 5), and 15.8% in 2018, as shown above (in figure 4). At the same time they have also done too little to reduce the overreliance on indirect taxes, versus direct taxes during the same period, suggesting the tax system is also not progressive enough (nor moving in the right direction).*

One way to raise new funds progressively is by removing some corporate tax exemptions. Based on country-by-country reporting data from multinational corporations, Tax Justice Network has estimated that the effective tax rate paid by these corporations in Zambia is 19%, while the statutory corporate income tax rate is 30%. The potential revenue that would result from closing the gap between these rates would amount to USD\$406 million per year.⁴⁵ **What could this have paid for if 20% of these revenues were allocated to education (as per international recommendations)?**



45. The potential additional revenue from aligning the effective tax rate with the statutory tax rate is calculated by the Tax Justice Network as follows:

Country	Statutory corporate income tax rate	Effective corporate income tax rate (estimates for large MNCs and CBCR data)	Corporate income tax revenue (% GDP)	Potential additional revenue from closing the gap between effective and statutory rates
Zambia	35%	19%	No data available, so used the average for sub-Saharan Africa = 2.5%	$(2.5/19) * (35-19) = 2.1\%$ of GDP = USD 406 million

46. Out of school children is 495,692 using UiS data, in 2017 (latest available year). UNICEF estimated that the average spending per pupil at primary level in 2020 was US\$171. Taken from UNICEF (2021). Education Budget Brief: Averting a Learning Crisis in the Face of a Pandemic. We calculated that around 350,000 learners (i.e. two thirds) would cost around US\$9.8\$ million in 2020.

47. UNICEF estimated a gap of 4000 primary school teachers. They calculated this by looking at the pupil teacher ratio and the national ideal in 2018 (latest government statistics available) and did a rough estimate that shows that an additional 4,000 primary school teachers were required in 2018 (Taken from UNICEF (2021). Education Budget Brief: Averting a Learning Crisis in the Face of a Pandemic). The average basic salary was ZMK 6,957 (Source: <https://www.paylab.com/zm/salaryinfo/education-science-research/primary-school-teacher>), converted to USD383\$ averaged around US\$5000\$ annually. Hence, total yearly costs for the primary school teacher gap in 2020 was around US\$18.3\$ million.

48. Students receive a daily meal with an estimated cost of USD 0.10 (ZMK 520) per day or USD 3.12 (ZMK 15,500) per month during 180 days of the school year. In 2015, the program benefited 890,000 children in 2,200 schools. In 2017, the program reached 1.1m students (or %33 of the school-aged population) in 2590 schools. <https://education-profiles.org/sub-saharan-africa/zambia/~financing-for-equity>. We looked at what this would cost to expand to another half a million (approx. US\$9\$ million)

Financing the future: The 4Rs of Tax Justice

Tax systems reprogrammed to prioritise the needs of all members of society can deliver:

Revenue, generating sustainable funds for education and other public services



Redistribution, to curb vertical and horizontal inequalities (those between individuals and those between groups)



Repricing, to limit public "bads" such as tobacco consumption or carbon emissions



Representation, to build healthier democratic processes, recognising that higher reliance of government spending on tax revenues is strongly linked to higher quality of governance and political representation



Tax Justice 101 Series - [click to view film](#)

A Call to Action:

ActionAid calls on the government of Zambia to take the following measures needed to fully finance quality, inclusive public education and achieve SDG 4:

1. Increasing the **SHARE** of the budget allocated to education from the current 11.5% of the national budget (3.9% of the GDP) by meeting or exceeding UNESCO's benchmarks of 20% of national budget and/or 6% of GDP.
2. Increasing the **SIZE** of the overall budget, maximizing the availability of resources for investment in public education by:
 - Mitigating the effect of macro-economic policies that limit the amounts available for public spending (e.g. by reducing debt and borrowing, seeking reductions on debt servicing and limiting austerity policies). Improve scrutiny, to allow for a better understanding of borrowings and loans, to ensure a better understanding of the appropriateness of these.
 - Setting targets to increase the tax-to-GDP ratio, including setting-out an urgent timetable to reach a tax-to-GDP ratio of *at least* 20%. The IMF has noted that countries should aim to meet an ambitious (but realistic target) to increase the tax-to-GDP ratio by 5% in the medium term (3-5 years). To do so, governments should focus on:
 - Ending harmful incentives;
 - Reviewing tax and royalty agreements in the natural resource / extractive sector, in particular;
 - Reviewing and cancelling harmful double tax treaties
 - Closing loopholes which enable tax avoidance and evasion in the private sector;
 - Promoting and enforcing fair corporate tax;
 - Promoting and enforcing progressive taxes on personal income and wealth, including capital gains tax.
3. Increasing the **SENSITIVITY** of national education budgets by:
 - Focusing on equity in public expenditure to redress inequality and tackle discrimination (e.g. stipends for children with disabilities; increased investments in incentives for teacher postings in poor rural areas, focusing funds on primary and secondary education for the poorest).
 - Developing nation-wide equity funding formulae which explicitly addresses disadvantage and inequality.
4. Enhancing the **SCRUTINY** of national education budgets by:
 - Actively encouraging scrutiny of education budgets and expenditure to promote transparency and accountability and improve efficiency through timely disbursement of funds and that funds are spent effectively (especially in disadvantaged areas) e.g. by enabling or formalizing community and civil society oversight.

Financing the future: Domestic Financing for Education: The 4 Ss

Share:

The *share* of the budget is the percentage of the country's total budget that is spent on education.



Size:

The *size* of the budget is the total amount that the government has to spend. This depends on how much tax is collected and what economic policies are followed.



Sensitivity:

Sensitivity of the budget relates to the extent to which budgets and spending address educational inequalities.



Scrutiny:

Scrutiny of the budget helps to ensure that the money allocated for a service arrives where it is needed.

