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Annex

Addendum No. 1

**to the Multiannual Indicative Programme (MIP) 2021-2027 between the European Union and the Republic of Zambia**

1. Considering that since the democratic outcome of the general elections of August 2021, the Government of the Republic of Zambia has embarked on a promising reform agenda aligned with EU values and has proven to be a reliable partner on the multilateral arena, ushering in a new promising chapter for enhanced EU-Zambia relations;
2. Remembering the major importance for the EU to support like-minded partners and allies, particularly in Sub-Saharan Africa;
3. Considering that the EU regards the Republic of Zambia as a beacon of stability in the Southern African region and intends to support its Government's ambitious democratic and socio-economic reform strategy outlined in Zambia's 8<sup>th</sup> National Development Plan<sup>1</sup> ("8NDP");
4. Bearing in mind that the new Government of the Republic of Zambia elected in 2021, after several years of economic decline and good-governance backsliding, has inherited a dire socioeconomic context in which to implement these reforms;
5. Considering the new Government's major investment in the education sector, notably by providing free primary and secondary education, increased EU support towards the sector has the potential to substantially spur the overall human development of the country;
6. Noting that the additional EUR 60 million to the initial envelope of the MIP would be channelled under Priority Area 2 "Supporting the people of Zambia to reach their potential and build resilience", to provide increased support to human development in Zambia, specifically in the health and education sectors, and, if conditions prevail, through the Budget Support modality;
7. Noting that this additional finance serves as an acknowledgement of shared democratic values and a reinforced partnership with the Government of the Republic of Zambia, aiming to further enhance the currently foreseen cooperation, the MIP (2021-2027) for the Republic of Zambia is revised as follows:

**1. Section 1.1, the second paragraph is replaced as follows**

This Multi-Annual Indicative Programme (MIP) for 2021-2027 results from the convergence between the European Union's interests and values, and Zambia's priorities listed in the **8<sup>th</sup> National Development Plan – 2022-2026 (8<sup>th</sup> NDP)** and the Vision 2030, with the SDGs as key reference. The **8<sup>th</sup> NDP** envisions a prosperous middle-income economy that offers decent employment opportunities for all Zambians of different skills and background and will be achieved by harnessing opportunities for economic diversification and growth. It is a building

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<sup>1</sup>*Eighth National Development Plan 2022-2026*, Zambian Ministry of Finance and National Planning, (2022), <https://www.sh.gov.zm/wp-content/uploads/2022/09/EIGHTH-NATIONAL-DEVELOPMENT-PLAN-2022-2026-05-07-2022.pdf>

block formulated to meet the goals contained in the Vision 2030. The 8<sup>th</sup> NDP (2021-2026) is expected to address some of the key constraints identified by the government of the Republic of Zambia (GRZ), including macroeconomic and fiscal vulnerabilities, low economic diversification and job creation and low skilled labour, poor quality access to and delivery of social services, insufficient progress on decentralisation and significant implementation gaps in almost all sectors, while pursuing the goals of Vision 2030. Strong coordination with the Ministry of National Development Planning (MNDP) has ensured alignment of this programme with Zambia’s adopted 8<sup>th</sup> NDP focusing on: **1) economic transformation and job creation, 2) human and social development, 3) environmental sustainability and 4) good governance environment.**

**2. Section 2.2.2.2, the first paragraph is revised as follows**

Investments under this result will seek to make a difference in terms of access to quality **education (i.e. early childhood education and development (ECED), primary and secondary). A particular focus will be on ECED**, through development/expansion of high standard ECED facilities, adapted to children with special needs, and provision of necessary educational resources and materials. ECED teachers’ professional development and capacity building will be also considered. Interventions will be implemented in a holistic and integrated manner, with enhanced involvement of parents and communities, covering early childhood cognitive stimulation and learning, health, WASH, nutrition and caring that are all interlinked and critical for a child to achieve its full potential. Whenever possible, innovative/digital solutions to learning and teaching will be explored. Smooth transition from ECED to primary school and continuation of schooling especially for the most vulnerable will be ensured. Attainment of the quality and accessible ECED services is determined by good governance of the system. Linked to R3.3, the education system will be strengthened at national and local levels to result in increased and more secured public funding, more transparency and accountability. **In complementarity to the work on ECED, additional investments to improve both the access to, and the quality of primary and secondary education will be considered.**

**3. Section 4, the table for the financial overview is replaced by the following table**

<b>Priority Areas</b>	<b>Initial allocation (MEUR)</b>	<b>% of total</b>	<b>New indicative allocation after review (MEUR)</b>	<b>% of total</b>
Priority 1: Green partnerships for sustainable recovery, growth and decent jobs	191.3	64%	191.3	53%
Priority 2: Supporting the people of Zambia to reach their potential and build resilience	65.9	22%	125.9	35%
Priority 3: Fair, inclusive and peaceful society	35.8	12%	35.8	10%

Support measures	6,0	2%	6,0	2%
<b>TOTAL for initial period 2021-2024*</b>	<b>299,0</b>	<b>100%</b>	<b>359,0</b>	<b>100%</b>

*\* Subject to its confirmation through the implementation phase, it is expected that out of the total of EUR 359 million [1<sup>st</sup> period], an indicative amount of EUR 42 million may be used between 2021 and 2024 to provision EFSD+ guarantee operations across all the priority areas.*

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