

Zambia

CLIMATE FINANCE 2025 BRIEF



KEY MESSAGES AND RECOMMENDATIONS

Key Messages

- 1** There is a decrease in financing in 2025 due to **reduced funds from external sources**. This highlights Zambia's reliance on donor funding for green economy and climate change projects and programmes.

Recommendation



The Government needs to utilise more innovative sources of resource mobilisation for green economy and climate change projects and programmes, such as through the Constituency Development Fund, private sector funding and public-private partnerships.

2

The 2025 National Budget has stated the Government's commitment to continue to expand, modernise and maintain meteorological equipment such as the automatic weather stations that have been installed in all 116 districts, as well as digitising climate data records to increase access to weather-related information. However, the Meteorological and Weather Services programme has seen a slow increase in funding over the years, and the same can be seen in the 2025 allocations.

Recommendation



The Government needs to source more significant funding for the growth and sustainability of the Meteorological and Weather Services programme.

INTRODUCTION

This Climate Finance Brief evaluates Zambia's public finances for climate action in the 2025 National Budget. It examines budget allocations, expenditure trends, and sources of funding dedicated to mitigation, adaptation, and resilience initiatives. The analysis emphasises key opportunities and challenges in mobilising and deploying resources effectively. Ultimately, the brief seeks to offer actionable recommendations to policymakers and stakeholders to enhance Zambia's climate resilience, while aligning national priorities with the global goals under Sustainable Development Goal 13:

“ **Take urgent action to combat climate change and its impacts.** „

IMPACT OF CLIMATE CHANGE IN ZAMBIA

Zambia is experiencing severe socio-economic impacts from the 2023/24 drought, recognised as the most extreme in the country's history. On 29 February 2024, the President declared a national emergency in response to the crisis, which has affected an estimated 9.8 million people, nearly half of the population, with 6 million requiring urgent assistance. Of these, approximately 2 million are food insecure, including 40,000 in urgent need of food aid.

The drought has caused severe damage to agricultural production, particularly maize, the country's staple crop.

Over 1 million hectares of maize fields out of 2.2 million planted have been affected, greatly threatening food security. Seven of the ten provinces have been impacted, with North-Western, Western, Southern, Lusaka, and Eastern provinces hit the hardest. This crisis highlights both the need for urgent emergency response and the importance of long-term strategies to build resilience against future climate shocks.¹

Drought response interventions have focused on immediate relief as well as early recovery and resilience-building efforts.

Key actions include providing food assistance to affected communities, investing in water projects for agriculture, energy production, and domestic use, and ensuring water access for livestock and wildlife. Additional measures address health, nutrition, tourism, citizen protection, and the environment. The total funding needed for these activities is estimated at K23.5 billion (US\$940.6 million), but the Zambian Government currently has only K1.3 billion (US\$51.2 million), exposing a large funding gap that will need significant support from external partners.

OVERVIEW OF POLICY AND REGULATORY FRAMEWORKS FOR CLIMATE FINANCE IN ZAMBIA

Zambia has made notable progress in developing policies and strategies to address climate change, although financing remains a significant obstacle.

The country first identified its resource needs in 2015 when it submitted its Intended Nationally Determined Contribution (INDC) to the Paris Agreement, estimating that US\$50 billion would be necessary by 2030, with US\$35 billion coming from external sources and US\$15 billion domestically. The INDC became a Nationally Determined Contribution (NDC) in 2017 and was subsequently updated to the 2021 NDC, which expanded sectoral coverage and improved adaptation indicators. To improve access to climate finance, several policy frameworks have been adopted to guide climate action. The 2016 National Policy on Climate Change offers an overarching framework for coordinating programmes and securing funding from national budgets, bilateral and multilateral sources, private finance, and foreign direct investment². The 2023 National Adaptation Plan (NAP) highlights sectoral risks and vulnerabilities across agriculture, forestry, water, tourism, health, infrastructure, and mining, underlining the importance of strengthening resilience in vulnerable communities. In the same year, Zambia introduced an NDC Implementation Framework (NDC-IF), costing US\$17.2 million, which covers 11 sectors, 18 outcome areas, 135 measures, and 158 indicators to guide NDC delivery through 2030³.

In 2024, Zambia further reinforced its climate policy framework with the National Green Growth Strategy (2024–2030).

Valued at US\$10.4 billion, the strategy sets the foundation for a low-carbon, resource-efficient, resilient, and inclusive economy by 2030. Its objectives include promoting climate-compatible growth, enhancing natural capital, increasing inclusivity, and strengthening the enabling environment for green investments.

The Green Economy and Climate Change Act No. 18 of 2024 signifies a significant step in enhancing Zambia's institutional framework for climate action.

The law creates the Green Economy and Climate Change Fund to finance projects and measures that promote mitigation, adaptation, and resilience, with the Ministry responsible for Green Economy and Climate Change overseeing its administration⁴. The Fund will support the procurement of technologies, materials, equipment, and practices needed for project implementation, while also maintaining an Integrated Measuring, Reporting, and Verification (iMRV) system. The iMRV will monitor emissions, mitigation and adaptation efforts, financial flows, and technology transfers, and will include components such as a greenhouse gas inventory, mitigation and adaptation actions, climate finance, capacity building, and technology transfer, with potential to incorporate additional elements as specified by the Department of Green Economy and Climate Change.

1 GRZ 2024. *Statement on the Drought Response Appeal by Mr. Hakainde Hichilema President of the Republic of Zambia Tuesday, 16th April, 2024, Lusaka.*

2 GRZ 2016. *National Policy on Climate Change. Ministry of lands, Natural Resources and Environmental Protection.*

3 GRZ 2023. *NDC Implementation Framework for Zambia 2023 – 2030. Ministry of Green Economy and Environment.*

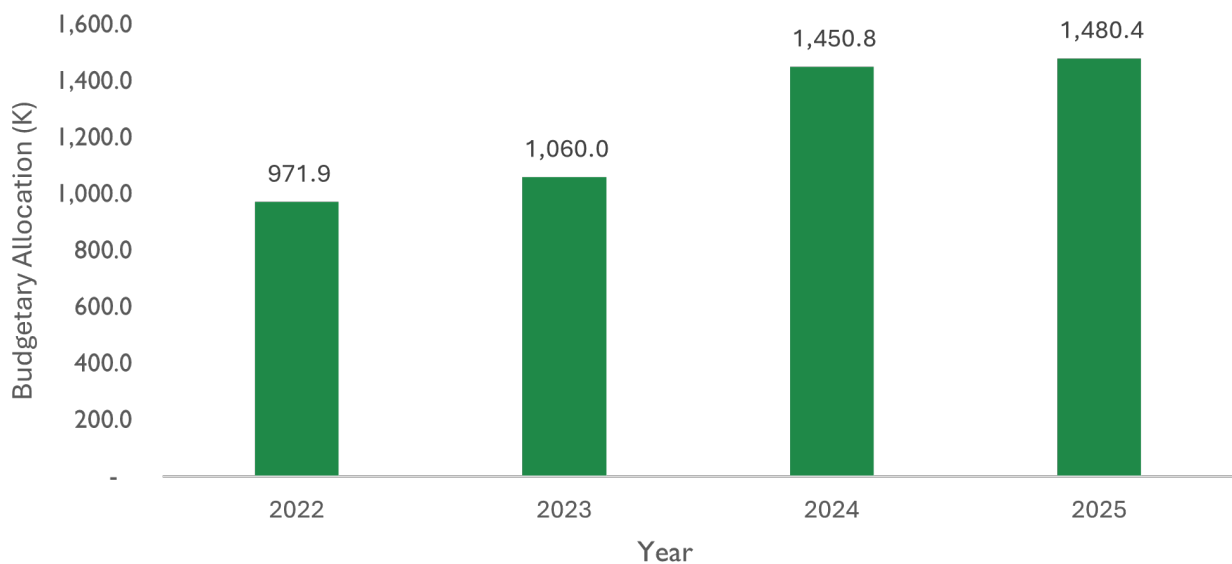
4 GRZ 2024. *Green Economy and Climate Act No. 18 of 2024. Republic of Zambia.*

SIZE AND SPENDING TRENDS

Allocations to environmental protection have risen modestly in nominal terms but remain marginal relative to the overall budget. Between 2022 and 2025, funding increased from K971.9 million to K1.5 billion, reflecting some growth in absolute terms as shown in Figure 1. In real terms, this means that the budget grew from K901.58 million in 2022 (based on

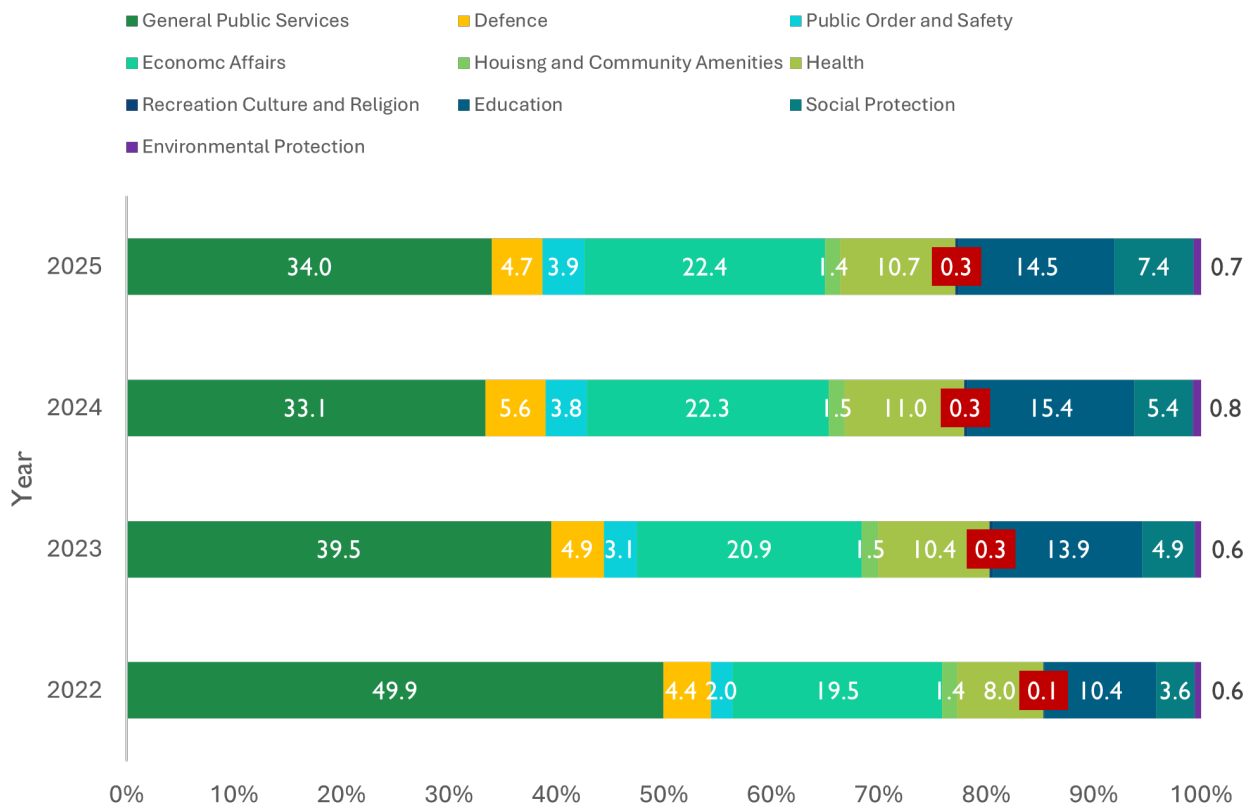
a 7.8% inflation rate) to K1.30 billion in 2025 (based on the September 2024 inflation rate of 15.6%). However, as a share of the total national budget, allocations only slightly increased from 0.6% to 0.7%, highlighting the limited fiscal prioritisation of environmental protection despite escalating climate and environmental challenges.

Figure 1 : 2022 to 2025 Allocation towards Environmental Protection



Source: Author’s own construction from 2022 to 2025 National Budget Addresses by Honourable Dr. Situmbeko Musokotwane, MP, Minister of Finance and National Planning, Delivered to the National Assembly

Figure 2 : Budget Allocation by Function of Government, 2022- 2025



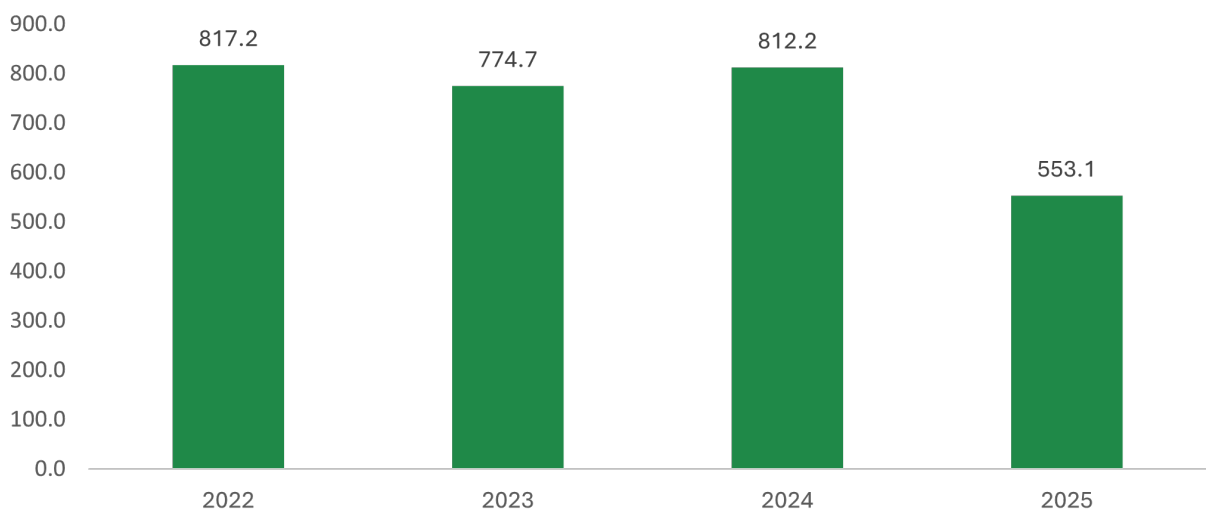
Source: Author’s own construction from 2022 to 2025 National Budget Addresses

COMPOSITION OF CLIMATE-RELATED FINANCING

Funding for climate change programmes through the Ministry of Green Economy and Climate Change has decreased despite growing vulnerability. In 2025, the Ministry’s allocation dropped by 31.9% from K812.2 million in 2024, even as Zambia continues to face the severe impacts of the 2024 drought and the urgent need for resilience-building measures (Figure 3). Within the Ministry, allocations to both Green Economy and Climate Change programmes have reduced significantly. For instance, projected funding for forestry development and management has fallen from K303.9 million in 2022 to K191.8 million, as shown in Figure 4. However, the allocation towards Climate Change programmes has remained more substantial compared to Green Economy programmes (Figure 5). This is because green economy programmes are still in the planning, design, and sensitisation stages during this period.

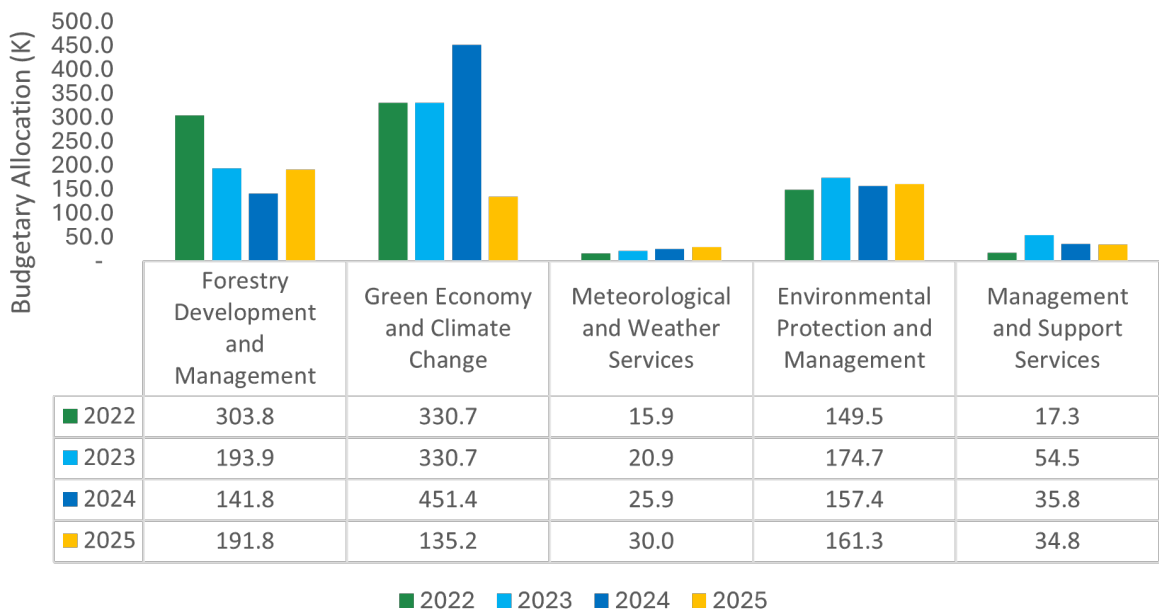
In contrast, the Meteorological and Weather Services programme has received modest funding increases, but resources remain insufficient. The government has committed to expanding and modernising automatic weather stations across all 116 districts and digitising climate data records to improve access to weather information. These investments are vital for enhancing early warning systems and strengthening preparedness, as recent climate shocks have highlighted the importance of timely data for resilience planning. However, considering the scale of climate risks, more substantial funding is needed to ensure the growth and sustainability of meteorological services and to establish the programme as a key element of Zambia’s national climate resilience strategy.

Figure 3 : 2022 to 2025 Allocation to the Ministry of Green Economy and Environment



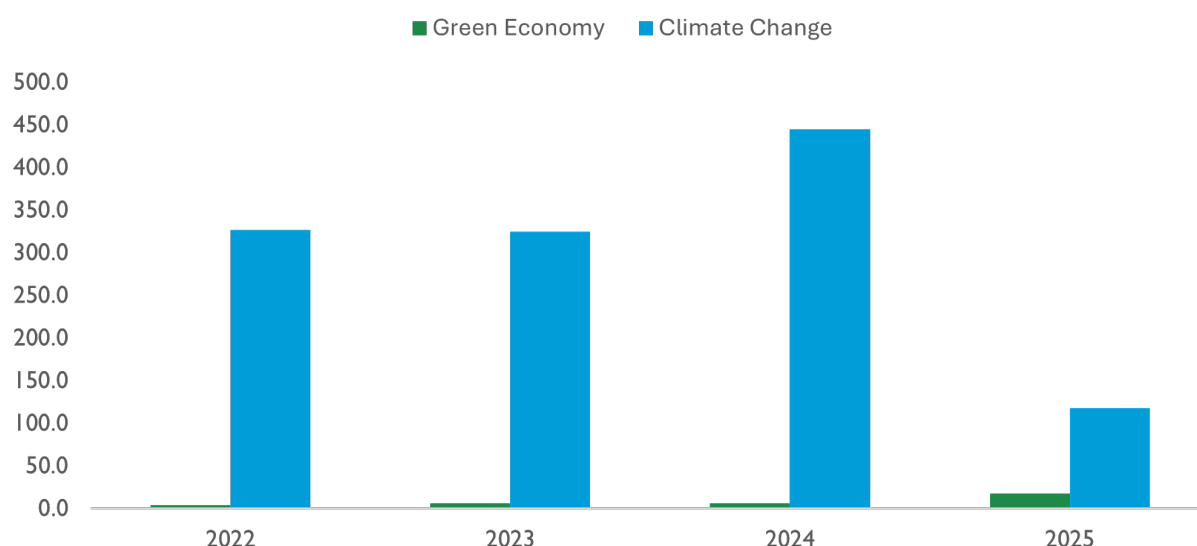
Source: Author’s own construction from 2024 and 2025 Estimates of Revenue and Expenditure

Figure 4 : 2022 to 2025 Allocation towards MGEE Programmes



Source: Author’s own construction from 2024 and 2025 Estimates of Revenue and Expenditure

Figure 5 : 2022 to 2025 Allocation Towards Green Economy and Climate Change Subprogramme



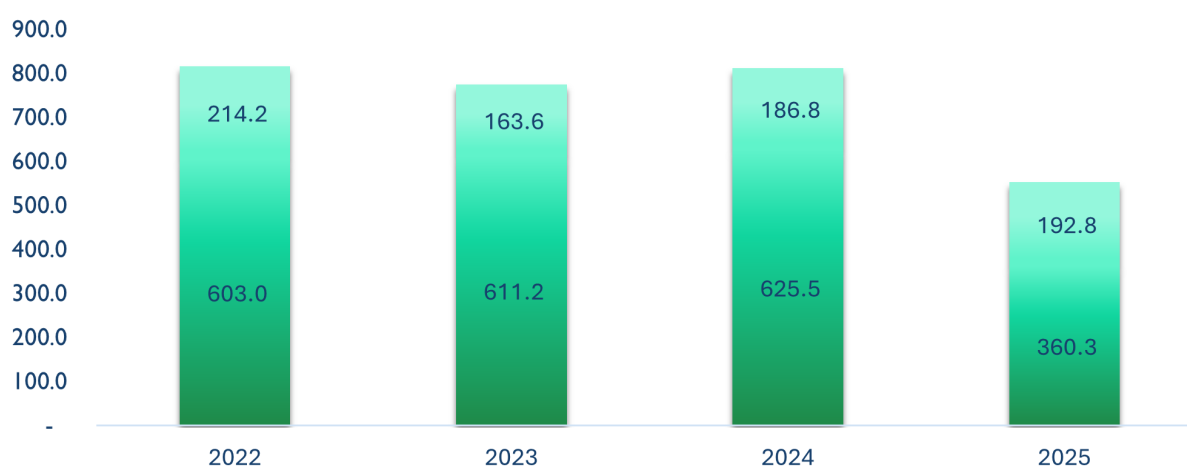
Source: Author's own construction from 2024 and 2025 Estimates of Revenue and Expenditure

COMPOSITION OF CLIMATE-RELATED FINANCING

Green economy and climate change programmes have depended heavily on donor and multilateral funding, making the sector vulnerable to fluctuations in funding. The significant decrease in 2025 allocations reflects a reduction in external support, with only marginal increases from government resources that are still insufficient to close the gap. Between 2022 and 2025, domestic resources have fallen from K214.2 million to K192.8 million, and donor funding has

decreased from K603.1 million to K360.2 million during the same period, as seen in Figure 6. This reliance underscores the urgent need for Zambia to diversify its financing sources by mobilising innovative avenues such as the Constituency Development Fund, contributions from the private sector, and public-private partnerships, to maintain climate action and build resilience.

Figure 6 : 2022 to 2025 Allocations to MGEE Programmes by Source of Financing

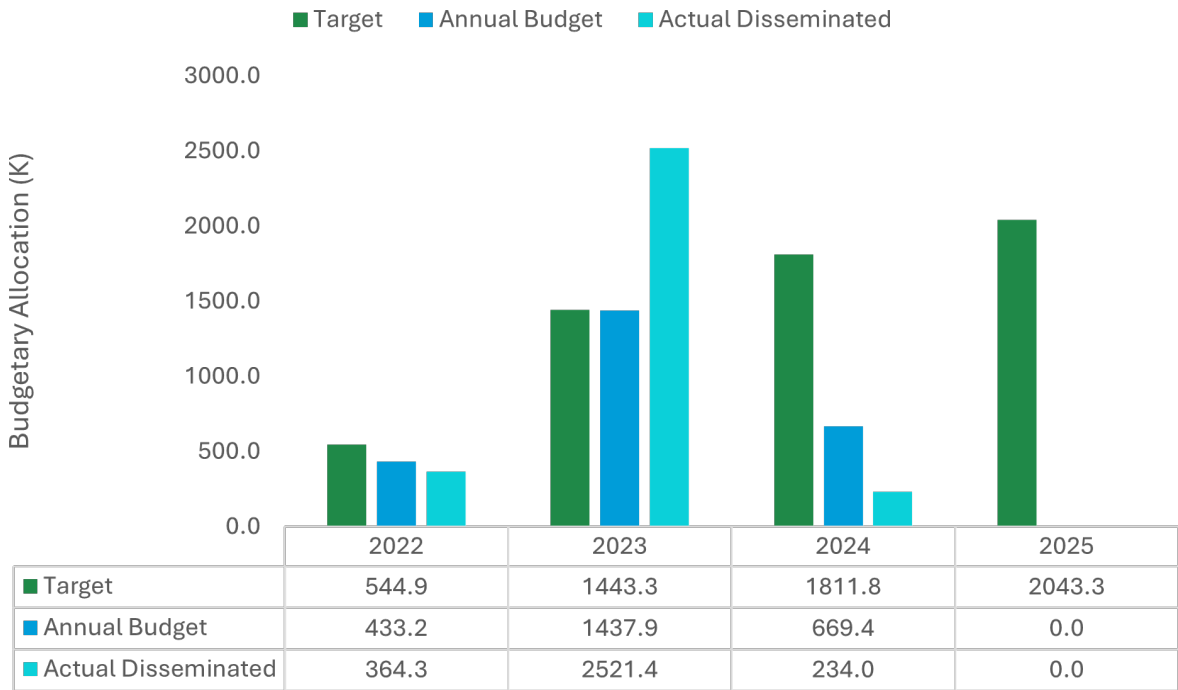


Source: Author's own construction from 2022 to 2025 Estimates of Revenue and Expenditure

A notable gap remains between the targeted and actual spending for the Environmental Sustainability strategic development area under the 8NDP, raising concerns about the reliability of the budget and planning. For example, in 2022, the target was K544.9 million, but only K364.3 million was disbursed from a budget of K433.2 million for that year.

In 2023, although the target was K1.4 billion and the budget was also K1.4 billion, actual disbursements reached K2.52 billion, significantly exceeding both the plan and the allocation. Conversely, in 2024, with a target of K1.81 billion, only K233.9 million was released from a budget of K669.4 million, leading to a considerable shortfall (Figure 7).

Figure 5 : 2022 to 2025 Allocation and Expenditure for the Environmental Sustainability Sustainable Development Area



Source: Author’s own compilation from the 2022 to 2024 Annual Progress Report on the Implementation of the Eighth National Development Plan (8NDP)

This inconsistency, along with reliance on cooperating partners, raises concerns about the sustainability of this strategic development area. While some years, like 2023, have demonstrated overperformance, others, such as 2024, have experienced notable underperformance. The unpredictability of funding releases complicates long-term planning and hampers

the achievement of objectives. Given the heavy dependence on external financing, the sustainability of Environmental Sustainability programmes remains uncertain, emphasising the need for more predictable and domestically anchored funding mechanisms.

CONCLUSION

The 2025 National Budget demonstrates Zambia’s dedication to addressing climate change through investments in mitigation, adaptation, and resilience, yet funding gaps remain. While some programmes have seen increased allocations, overall financing stays unstable, with declining donor contributions and underfunding in vital areas such as the Green Economy, Climate Change, and Meteorological and Weather Services. These shortfalls weaken long-term resilience

and the country’s capacity to prepare for future climate shocks. To deliver a sustainable and inclusive response, the government must prioritise fairer resource distribution, mobilise innovative financing—including public–private partnerships—and bolster institutional capacity. Focusing on vulnerable populations within climate strategies will be crucial for enhancing resilience, protecting development progress, and progressing towards a climate-resilient Zambia.



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