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PMRC ANALYSIS OF THE ZAMBIA ECONOMIC RECOVERY PROGRAMME

"RESTORING GROWTH AND SAFEGUARDING LIVELIHOODS THROUGH MACROECONOMIC STABILITY, ECONOMIC DIVERSIFICATION AND DEBT SUSTAINABILITY"

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TABLE OF CONTENT

LIST OF TABLES

ABBREVIATIONS

AfCFTA	Africa Continental Free Trade Area
DIS	Direct Input Supply
DRC	Democratic Republic of Congo
DSSI	Debt Service Suspension Initiative
E-FISP	Electronic Farmer Input Supply Programme
ERP	Economic Recovery Programme
ESGP	Economic Stabilization and Growth Programme
FISP	Farmer Input Supply Programme
GDP	Gross Domestic Product
FRA	Food Reserve Agency
IDC	Industrial Development Corporation
IMF	International Monetary Fund
MCM	Mopani Copper Mine
MLSS	Ministry of Labour and Social Security
MFEZs	Multi Facility Economic Zones
MYSCD	Ministry of Youth, Sport and Child Development
MNDP	Ministry of National Development Planning
MOF	Ministry of Finance
MoG	Ministry of Gender
MPSAs	Ministries Provinces and Spending Agencies
MCDSS	Ministry of Community Development and Social Services
MTEF	Medium Term Expenditure Framework
MWS	Ministry of Works and Supply
NHIMA	National Health Insurance Scheme
PMRC	Policy Monitoring and Research Centre
PPPs	Public Private Partnerships
SOEs	State Owned Enterprises
TFTA	Tripartite Free Trade Area
VAT	Value Added Tax
ZTA	Zambia Tourism Agency
7NDP	Seven National Development Plan

FOREWORD

Zambia remains steadfast and committed to the social economic development planning as envisaged by return to development planning in 2005. The concept of development planning is not new to the Zambian Government. **The Seventh National Development Plan (7NDP) for the period 2017- 2021 is the successor to the Revised Sixth National Development Plan, which ran from 2013-2016 (R- SNDP) following its expiry in December 2016. Economic Stabilization and Growth Programme (ESGP) that was implemented over the period 2017-2019 was formulated to address various dimensions of our economic challenges.** The Economic Recovery Programme (ERP) builds on the ESGP and sets out the choices to be made as a nation for over three years (2020-2023) and provides a clear road map of strategic policy actions and enablers required to revive the economy and reroute it to a path of sustainable growth and development.

The ERP is anchored on five strategic areas, namely: **restoring macroeconomic stability; attaining fiscal and debt sustainability; dismantling the backlog of domestic arrears; restoring growth and diversifying the economy; and safeguarding social protection programmes. As stated in these pillars, the theme for the ERP is "Restoring Growth and Safeguarding Livelihoods through Macroeconomic Stability, Economic Diversification and debt Sustainability".** By so doing, it refocuses our efforts on building the private sector as the key driver of economic growth. The focus on the private sector is also central to the essential task of developing an indigenous capital base.

The ERP is driven by a number of principles guiding its implementation; Firstly, it focuses on the **restoring of the macroeconomic stability** as a pre-requisite to reinvigorating growth by underscoring growth as key sustainable development and human progress especially in the context of the COVID-19 pandemic.

Secondly strengthen the implementation of Integrated Multi-sectoral Approach by encouraging collaboration between the public and private sector, cooperating partners, faith-based organizations and other stakeholders. Horizontal and vertical coherence will be adhered to attain the objectives of the Programme in an efficient and effective manner that involves both state and non-state actors at national and international levels.

Lastly, the Programme will be guided by the principles of good governance and integrity, promotion of human dignity and sustainable development, embodied in our national values and principles as enshrined in line with Article 8 of the Constitution of Zambia (Amendment) Act No. of 2016.

The success of the ERP is dependent on proper implementation, as well as effective coordination of various components amongst all stakeholders at national and lower levels of our governance system.

Therefore all citizens are urged to play a part in the successful implementation of various interventions in the **strategic areas enshrined in the ERP if the country is live up to the expectations of developing and stabilizing the economy towards the Vision 2030 of becoming a "prosperous middle-income country by 2030".**

PMRC Executive Director
Mrs. Bernadette Deka-Zulu

INTRODUCTION






On 18th December 2020, the President of the Republic of Zambia His Excellency Dr. Edgar Chagwa Lungu presented the Government's 2020-2023 Economic Recovery Programme (ERP) at the Mulungushi International Conference Centre in Lusaka. The Ministry of National Development Planning and the Ministry of Finance are the **two focal points** in the implementation of the program, however, Government will employ a **multi-sectorial approach** that includes the private sector, cooperating partners, faith-based organisations and civil society organisations in order to maximise on the **implementation and operationalization of the programme.**

The ERP is **a successor to the Economic Stabilization and Growth Programme (ESGP) that was implemented over the period 2017-2019.** During the implementation of the ESGP, a number of external and internal shocks continued impacting the economy negatively, setting off track some targets under the Programme. As a result, growth slowed down further, **revenues stagnated, deficits continued to widen and debt became increasingly unsustainable.**

It is for this reason that the recently launched Economic Recovery Program seeks to address key economic challenges **Zambia is facing as a result of the COVID-19 pandemic and a looming global economic recession that has negatively impacted commodity prices.** The program provides a roadmap for far-reaching economic reforms aimed at achieving growth, prosperity and sustainable public debt levels.

The specific targets of the ERP are to:

- Attain real GDP growth rate of **above 3% by 2022**;
- Reduce the fiscal deficit to no more than 9% in 2021, no more than 6.1% in 2022 and no more than 4.9% of GDP in 2023;
- Increase domestic revenue to not less than an average of 18% of GDP over the period 2021 to 2023;
- Reduce and sustain inflation within **single digit by end 2022;**
- Raise international reserves to at **least 3 months** of import cover by 2023;
- Significantly **dismantle domestic arrears** and curtail their accumulation; and
- Reduce the **pace of debt accumulatio**n and ensure sustainability in the next 3 to 5 years.

The program further seeks to ensure economic growth and financial stability by improving the business climate, promoting manufacturing and local industries, especially, agriculture, tourism, mining and energy and reducing poverty and inequality through targeted social programmes. ***The plan is based on five key pillars:***

i. Restoring macroeconomic financial stability;

ii. Attaining **fiscal** and debt **sustainability;**

iii. Restoring economic **growth and diversification;**

iv. Dismantling of arrears;

v. **Bolstering** social protection programmes.

PILLAR 1 RESTORING MACROECONOMIC STABILITY

Restoring macroeconomic stability requires maintaining conditions for the Government, businesses and individuals to **plan, invest and to anticipate changing circumstances. A stable macroeconomic environment entails positive growth, low and stable inflation, low interest rates and minimal volatility in the exchange rate. This can be attained if monetary and fiscal policies are well aligned.** Under this pillar, focus is on measures relating to fiscal and monetary stability. Measures to stem negative growth, reduce inflation, interest rates, fiscal deficits and to build a sustainable external sector that will stabilize the exchange rate will be implemented.

A. Revive and Stabilize Growth

The economy in 2020 contracted to -4.2 percent from 1.4 percent growth recorded in 2019 largely due to effects of the COVID-19 pandemic. Prior to the pandemic, growth had already been slowing down. In order to **reverse the negative growth** and return the economy on a stable and upward trajectory, **the key measures will involve easing of liquidity challenges in the domestic economy, and supporting local production using citizen-centric public procurement and finalizing of major projects that support growth.** As part of the COVID-19 response in 2020, Government provided various fiscal stimuli, issued a COVID-19 Bond to ease liquidity, while the Bank of Zambia provided a K10 billion Targeted Medium Term Refinancing Facility.

B. Ensure Monetary and Financial Stability

The main objectives of the Bank of Zambia are to maintain monetary and financial stability that contributes to a healthy economy and sustainable growth. Monetary stability entails having low and stable inflation and interest rates. **The objective under the ERP is to reduce the inflation rate from the current level of 16.0 percent in October 2020 to the target range of 6-8 percent by 2023.** The Bank remains vigilant to new emerging trends and challenges to the financial system that could undermine financial stability, such as the rise in Non-Performing Loans. In this regard, the Bank will continue to undertake appropriate prudential and regulatory measures aimed at ensuring financial system stability and support pre-emptive actions to prevent systemic disturbances.

C. Narrow the Fiscal Deficit

The conduct of fiscal policy has a critical influence on macroeconomic stability. Government seeks to narrow the fiscal deficit from the projected 11.7 percent of GDP in 2020 to 5 percent by 2023. The lowering of the deficit is line with Government Policy to reduce the pace of debt accumulation.

D. Current Account Sustainability

The deterioration in the external sector, specifically the current account, owing to increased external debt service and declining exports has resulted in significant depreciation of the kwacha against major convertible currencies. **From December 2019 to October 2020, the Kwacha depreciated by 45.0 percent to K20.42 from K14.05 as end December 2019.** This has put further pressure on debt service and contributed to rising inflation due to exchange rate pass-through effects.

During the ERP period, short and medium-term measures will be implemented to restore macroeconomic stability. Some of the short and medium term measures are highlighted below:

Table 1: Summary of Short-term macroeconomic stability Measures

Measure	Action Required	Lead Institution(s)
Revive and stabilise growth	■ Finalise the Kafue Gorge Lower Power Project, to provide reliable electricity supportive of growth.	Ministry of Energy
	■ Payment of domestic arrears to ease liquidity challenges of companies and domestic suppliers.	Ministry of Finance
Narrow the fiscal deficit	■ Undertake cancellation, rescoping and postponement of loans to reduce project disbursements and debt service payments.	Ministry of Finance
	■ Gradual reduction of overall deficit through reduced expenditures on agriculture and fuel subsidies and other administrative expenses.	Ministry of Finance
Current Account Sustainability	■ Increase export earnings by easing restrictions on exports of agricultural commodities.	Ministry of Agriculture
	■ Build reserves to at least 2.5 of import cover by purchases of foreign exchange and mining companies paying tax obligations in US-dollars.	Bank of Zambia
	■ Set up a coordinated foreign exchange purchases system for Government by December 2020.	Ministry of Finance
	■ Engagement of the International Monetary Fund for Balance of Payments support by mid-2021.	Ministry of Finance

Source: Economic Recovery Programme, 2020

Table 2: Summary of Medium-term macroeconomic Stability Measures

Measure	Action Required	Lead institution
Revive and stabilise growth	■ Ensure **liquidity injection into the economy** by continued dismantling of domestic arrears of at least K2.8 billion per annum.	Ministry of Finance
	■ Ensure that all **projects are appraised and only those with the highest economic and social impac**t are included in the budget.	Ministry of National Development Planning
	■ Increase the **participation of citizens in public procurements** in line with the proposed amendments in the Zambia Public Procurement Act.	Ministry of Finance
	■ Amend the Citizens Economic Empowerment Act to **increase the participation of citizens in economic activities.**	Ministry of Commerce Trade and Industry
Monetary & Financial Stability	■ Use **appropriate monetary policy tools to reduce inflation** to the target range of 6-8 percent.	Bank of Zambia
	■ Gradually **reduce Government borrowing** from the financial sector to 3.4 percent of GDP by 2023 so as to boost private sector credit and contribute to lowering of interest rates.	Ministry of Finance
Narrow the fiscal deficit	■ Publish **reduce the overall fiscal deficit to less than 5 percent of GDP** by 2023 through expenditure rationalisation	Ministry of Finance
	■ Publish and adhere to the medium-term expenditure framework to serve as a **hard budget constraint on annual budgets** in line with the Planning and Budgeting Act	Ministry of Finance
Current Account Sustainability	■ Add **gold bullion** to the reserves.	Bank of Zambia
	■ Reducing debt service to moderate call on reserves through **debt restructuring.**	Ministry of Finance
	■ Establish a **trade centre at Kasumbalesa border** post to formalise trade with the Democratic Republic of Congo (DRC) and increase foreign exchange earnings.	Ministry of Commerce, Trade & Industry
	■ Establish a **trade centre at Jimbe border post** to formalise trade with Angola and increase foreign exchange earnings.	Ministry of Commerce, Trade & Industry

Source: Economic Recovery Programme, 2020

PILLAR 2 ATTAINING FISCAL AND DEBT SUSTAINABILITY

Fiscal imbalances, unsustainable expenditure levels and rising public debt have jointly contributed to concerns about the sustainability of Zambia's fiscal policy. Fiscal deficits are estimated to have had an average of 8% of GDP during the period 2016-2020. To their credit, Government, having recognized the importance of fiscal and debt sustainability for macroeconomic stability are prepared to address these concerns by putting in place the necessary policy to reduce fiscal deficits and debt accumulation. Their ultimate objective is to **reduce the overall deficit to 5% of GDP by 2023**. This will ensure that the country returns to a more sustainable growth path.

The Economic Recovery Programme outlines Government's approach to attaining fiscal and Debt Sustainability which will involve:

Revenue mobilization

Expenditure rationalization

Reducing the pace of debt accumulation

Revenue Mobilization

Under revenue mobilization, the main actions required relate to **enhancing tax policy and administration reforms in order to improve compliance levels.** The plan outlines both short term and medium term measures. In the **short term**, the ERP targets five key reforms, namely:

- Updating the customs valuation database in order to prevent under-declarations and thereby safeguard government revenues.
- Improving customer services by making relevant tax information readily available.
- Digitization of services provided by Government institutions.
- Leveraging mineral endowment to enhance domestic financing.
- Transforming Public Private Partnerships (PPPs) into a significant financing mechanism.

The Government has recently demonstrated a commitment towards leveraging mineral endowment by completing the 100% acquisition of Mopani Copper Mines (MCM) from Glencore Corporation on 21st January 2021. A major advantage of the deal is that it comes

at a time when copper prices are increasing. Therefore, revenue generated by the mine can become a key source of domestic financing which can benefit the entire country through economic development and the provision of social services.

In the **medium term** Government will seek to undertake further tax policy and administrative measures in order to enhance domestic resource mobilization. Amongst others, one such measure is to broaden excise taxation by expanding the scope of goods on which excise duty is levied. Excise duties are traditionally charged to discourage the purchase of goods which are harmful to consumers' health or the environment. The Economic Recovery Programme (ERP) does not specify which goods will be included as part of Government's effort to broaden excise taxation. This information ought to be provided as well as reasons why those particular goods will now incur an excise tax.

Additionally, Government is committed to accelerating the mass valuation of properties so that tax base information and property values are kept up-to-date and taxes are properly **assessed, billed, collected and enforced.** The ERP states that the valuation will be done in 2021 and implemented in 2022.

Generally, the measures outlined in the ERP to boost revenue are welcome. Additionally, the Zambia Revenue Authority recently signed a memorandum of understanding with Local Government Authorities to act as tax collection agents on their behalf. They are to collect tax on **rental income**, **base tax** and **turnover tax in markets and bus stations only.** The appointment of revenue collecting agents to improve revenue collection is a commendable step which Policy Monitoring and Research Centre has consistently called for. It is especially required in the informal sector which is large and hard-to-tax. The informal sectors tax potential in Zambia is about 42% of total tax revenues per annum. Realizing this revenue would further consolidate the country's fiscal position.

Expenditure Rationalization

The ERP states that **expenditure rationalization is important in achieving macroeconomic stability and fiscal sustainability, creating fiscal space, increasing allocative efficiency and enhancing efficiency.** A key short-term measure is that Government will seek to reduce the proportion of beneficiaries of Farmer Input Supply Programme (FISP) on the Direct Input Supply (DIS) mode from 80% in 2020 to 60% in 2021. In the medium term, the plan is to fully migrate all beneficiaries under the Farmer Input Support Programme to the cost-effective e-voucher system by the 2022/2023 farming season. E-FISP will help the treasury save on logistical costs (such as transportation and distribution) associated with DIS given the constrained fiscal space. Therefore, this measure of the ERP is to be commended and government must ensure that it is carried out.

Further, short term measures include rationalizing capital expenditure by implementing the Public Investment Management System which will ensure that capital projects are appraised before being included in the National Budget. This is an important action that will **ensure projects pursued are worthwhile and revenue generating as well as prevent unnecessary expenditure.** Additionally, the ERP outlines austerity measures, which will ensure the

continued reduction in the **administrative costs associated with Government operations** through measures such as the **use of electronic platforms.**

In the medium term the Government intends to introduce fiscal rules to cap expenditure growth and limit deviations between money allocated for a particular use and actual outturns. Additionally, the **ERP mentions plans to streamline grant-aided institutions by merging, hiving off and privatizing some of the institutions by 2022.**

Reducing the pace of debt accumulation

Current public debt levels exceed 100% of GDP. This is far above the sustainability threshold of 35% of GDP. In order to achieve debt sustainability, the primary balance must be reduced and the accumulation of new external debt must be prevented.

In November 2020 Zambia became the first nation in Africa to default on its debt during the Covid-19 pandemic. This happened when the country failed to make a $42.5 million Eurobond repayment. The depreciation of the Kwacha against other currencies has contributed to higher debt service than planned. It is therefore prudent that the ERP includes several significant measures and actions that are critical and required for debt management and sustainability. Currently two important short-term measures of achieving debt sustainability such as seeking debt relief by obtaining a formal debt service deferment under the G20 Debt Service Suspension Initiative (DSSI) and to reduce debt service payments by engaging Non-G20 creditors for a similar initiative as well as cessation (**moratorium**) as a Debt Service Suspension Initiative (DSSI). However these measures come at a cost to Government. Despite the high cost of the engagement, Government's move in contracting Lazard Ltd for debt advisory services will indeed go a long way in addressing the country's debt burden if well implemented.

Essentially, another measure is enhancing debt transparency, which **entails publishing of a quarterly report of public debt stock, contractual loans** as well as loan disbursement. Transparency will be key to ensuring that bondholders as well as other creditors are provided with concise information regarding debt usage and consequently provide a leading role in debt relief.

In the medium term, Government will seek to return to debt sustainability by undertaking **project rescoping, cancellation and restructuring of debt by the end of 2022**. The plan also states that the Government will dismantle outstanding external payment areas as well as refinance domestic debt. **This will be achieved by increasing the maturity profile of domestic debt through refinancing of short-term debt to long term**.

Two short-term measures that are particular important are to seek debt relief and this will be done by obtaining formal debt service deferment under the G20 Debt Service Suspension Initiative (DSSI) and to **reduce debt service payments** by engaging non G20 creditors for a similar arrangement and moratorium as the Debt Service Suspension Initiative (DSSI). Despite the high cost of the engagement, Government's engagement of Lazard Ltd for debt advisory services will also go a long way in addressing the country's debt burden.

Crucially, another **measure is enhancing debt transparency which will entail publishing a quarterly report of the stock of public debt, loans contracted as well as disbursed.** Transparency will be key to ensuring that bondholders as well as other creditors provide debt relief.

In the medium term, Government will seek to return to debt sustainability by undertaking project rescoping, cancellation and restructuring by the end of 2022. The plan also states that the Government will dismantle outstanding external payment arrears as well as refinance domestic debt. This will be achieved by increasing the maturity profile of domestic debt through refinancing of shorter-term debt to longer term.

PILLAR 3 RESTORING GROWTH AND DIVERSIFYING THE ECONOMY

2020 was a challenging year for the Zambian economy in terms of growth. The economy was projected to contract by as much as 4.2%, which has not happened in over twenty years. The advent of the COVID-19 pandemic also played a big part in the sharp economic decline. In addition to the sharp decline experienced in 2019 and 2020, there has been a high rate of volatility as well, particularly in the mining and (especially) the agriculture sector. In the period 2011-2019 the agriculture sector averaged negative growth of -0.9% and volatility of 10%, whereas the mining sector in the same period recorded 1.7% growth and 4.2% volatility. The sharp decline of the agriculture sectors contribution to the GDP over the last decade is a major cause of concern. **Government notes that agriculture, mining and manufacturing will be the focus of the Economic Recovery Programme (ERP) given the role they play in employment of the population as well as the strong forward and backward linkages they have.**

Agriculture

Agriculture continues to be a key driver of growth and job creation for the Zambian economy. **Zambia's land area is approximately 75 million hectares.** Almost two thirds of this area is comprised of medium or prime land for agriculture production, with a yearly rainfall of

approximately 800-1400 mm. All these factors make Zambia highly suitable for a range of crops, fish and livestock farming. In spite of all this abundance, unfortunately, large portions of this land are grossly underutilized. Currently, the agriculture sector is faced with challenges of low productivity, high dependence on rain-fed agriculture, limited crop diversity and restrictions on agriculture exports.

As a response to this decline, **Government intends to curb these challenges by transforming the sector in order to promote exports by encouraging private sector participation and promotion of climate resilient agricultural practices.** As a way of achieving this, Government has put out four measures intended to grow and diversify the agriculture sector. The first measure put in place by Government is the promotion of international and domestic markets. This will be done by developing a Crop Marketing and Export Policy which will provide a roadmap of procedures that prescribe the institutional arrangements for the management of crop marketing and exports. Government also will enhance exports of goats, honey, wax and fish in collaboration with private sector through the establishment of trade centres at the borders with Democratic Republic of Congo (DRC) and Angola as well as operationalization of key trade agreements. Government will increase participation on Commodity Exchange Platforms to promote amalgamation of local produce and their supply of domestic and regional value chains by mid 2021 as follows:

ONE

Increased Agricultural productivity

TWO

Diversification

THREE

Government - Private sector action

These measures, if well executed have the potential to revamp the sector. However, a comprehensive assessment of the feasibility of some of the listed actions is prudent to help assess factors such as **cost, scale and context**. Setting up properly functioning internet based extension services (e-extension services) by the end of 2021 for example, or attempting to mechanise the majority of small holder farmers through an organised credit facility by 2022; while commendable, **will probably need a longer timeline to ensure proper and efficient implementation.**

In addition to this, if deemed feasible, there is need for a more comprehensive roadmap that explains how the 'actions required' to achieve the above measures will be carried out. For example, what specific actions are to be taken to ensure that the Mwomboshi and Chiansi irrigation schemes are fully operational by end of 2021 as a way to realise these measures.

The National Agriculture Policy, created to provide guidelines for the agricultural sector is comprised of key components such as; agriculture support and extension services, sustainable use of resources, irrigation promotion, food and cash crop production, agro processing, agricultural marketing and trade, fisheries development and livestock. This Policy is in tandem with the Seven National Development Plan (7NDP) and the above listed ERP measures have the potential, if properly employed to revamping the dwindling agricultural sector. **The Electronic Farmer Input Supply Programme** (E-FISP), for example was brought in as an improvement to Farmer Input Supply Programme (FISP), and has proved as an innovative action. Baltzer and Hansen (2012), shows that under FISP, despite accounting for approximately 40% of the annual national **agricultural sector budget, productivity gains were marginal, with little impact on the reduction of rural poverty.** They revealed that only about 30% and 20% of smallholder farmers were able to gain access to hybrid seeds and fertilizers respectively, while heavy involvement of Government under the traditional Farmer Input Supply Programme (FISP) provided a platform for rampant corruption, racketeering and rent seeking. It also, pushed out the private sector involvement in agricultural input marketing. **Under the E-FISP, program targeting has seen improvement and efficiency as well as diversified on inputs availability to farmers through this subsidy programme.** Farmers now have more choice concerning agricultural inputs other than maize seed and fertilizer. The E-FISP has also made the input sector significantly more attractive to private investors and participation as well as played a key in diversifying agriculture.

Finally, there is need for strengthen of policy in at least three areas: **The provision of resources that facilitate for actualisation of Research and Development (R&D) in the agricultural sector** but also, provide a legal framework that secures and protects farmers' property rights.

The timely development of infrastructure and capital investment towards the growth of food processing zones and the promotion of exports is also a critical to realisation of the ERP.

Development of sustainable irrigation systems, solar usage, as well as other renewable energy sources in order to avoid heavy disruption of farm operations and farm produce supply in the face of climate change and weather variability.

The above measures if implemented timely have the potential to develop Zambia's agricultural sector and increase productivity

Manufacturing

The manufacturing sector has traditionally played a key role in helping developing countries realise economic growth and development. The sector further plays a significant role in facilitating industrialization. The contribution of Zambia's manufacturing sector to GDP remained stable over the period 2015-2019 with an average of 7.9%. The ERP recognizes that **with enhanced support, the sector can contribute positively to economic diversification and job creation.** However, the ERP also notes that the sector's performance continues to be hampered by the high cost of doing business and an unstable macroeconomic environment. These challenges were exacerbated by the COVID-19 pandemic, **which resulted in the shrinking of the manufacturing sector by 4.6% in the second quarter of 2020.**

In view of this, the Government will undertake the following measures in order to revive the manufacturing sector:

1. Support to the manufacturing sector and export promotion.
2. Investment promotion and rural industrialisation.
3. Establishment of various processing plants in collaboration with the private sector

Support to Manufacturing Sector and export promotion

One of the key actions that will be undertaken under this measure is to "aggressively pursue export market opportunities through investment promotion missions" in the Africa Continental Free Trade Area (AfCFTA) and the Tripartite Free Trade Area (TFTA). This is commendable move by the Government, considering that these two Agreements are expected to lead to increased intra-regional trade and consequently resulting in increased job creation, foreign exchange, industrialization and economic growth.

In order to position the country to ensure that it reaps maximum benefits from the AfCFTA and the TFTA Agreements, Zambia should focus on building its manufacturing sector. Presently, the primary industry remains the most important one, with agriculture and mining making the most significant contributions to GDP. **The implication of a small manufacturing sector for the AfCFTA and TFTA is that there will be low trade in finished goods which**

will limit the scope for intra-regional trade. The Zambian Government is urged to identify the companies involved in the manufacturing sector and provide support for them especially during the COVID-19 pandemic because they will play an important role in boosting intra-regional trade in the two free trade areas.

Investment Promotion and Rural Industrialisation

Under this measure, the sole action required, is to undertake an assessment of the economic zones model with the view to stimulate investment in targeted sectors particularly those where there is potential for development of value chains by end of 2021.

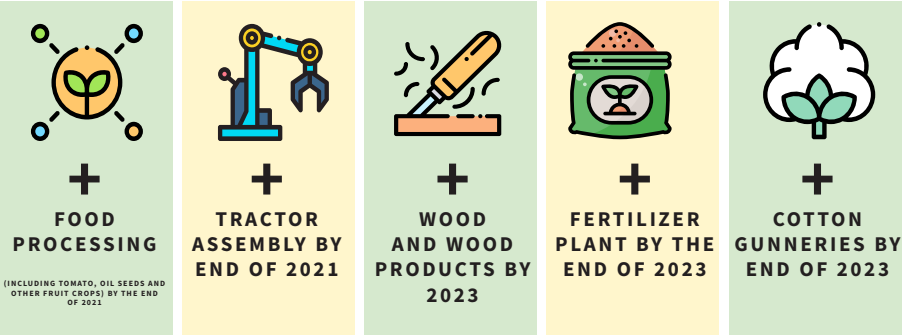
Zambia presently has 8 Multi-facility Economic Zones (MFEZs) across the country with several more earmarked for construction. **The MFEZs are designed to attract foreign direct investment, accelerate industrialization and create jobs.**

By the end of 2019, three MFEZs were operational with investment worth more than US$2.5 billion. Enterprises operating in these Zones are involved in manufacturing and value addition processes in food and beverage, tobacco, cigarettes, pharmaceuticals, and minerals processing. To further stimulate investment in the MFEZs, in the 2021 budget address, Government highlighted the following tax incentive: reduce the investment threshold for a Zambian citizen to qualify for tax incentives under the Zambia Development Agency Act No.11 of 2006 to US$100,000 from US$500,000 for those intending to operate in a priority sector, a multi facility economic zone or industrial park. This policy decision was held as laudable because it could attract more local investors to move their operations to any of MFEZs across the country. **The Government must be commended for this demonstration of commitment to make the MFEZ initiative a success.**

Establishment of various processing plants in collaboration with the private sector

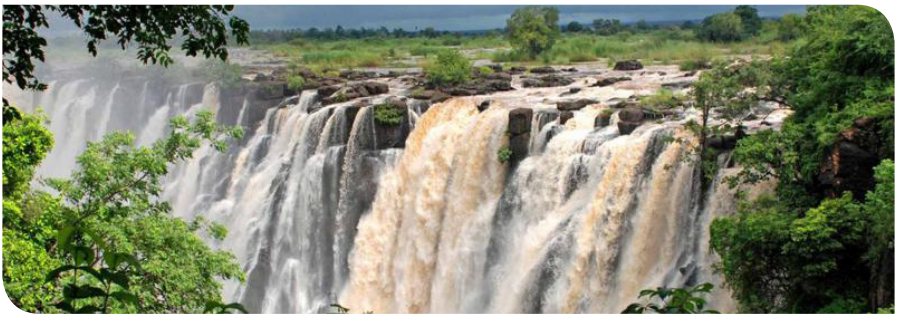
The final measure to be undertaken involves establishing the following:

- At least two food processing plants (including tomato, oil seeds and other fruit crops) by the end of 2021
- A tractor assembly and implements plant by the end of 2021
- A wood and wood products company by 2023.
- A fertiliser plant by the end of 2023.
- At least three cotton ginneries by the end of 202.3



The establishment of these plants will play a key role in growing the manufacturing sector. As Szirmai (2011) notes, **processing plants tend to provide both backward and forward linkages between different sectors. For example, the planned construction of the tomato and fruit processing plants by the Industrial Development Corporation (IDC)** is vital because it will assist in linkages between agriculture and manufacturing, and also promote agricultural exports. It will play a key role in development and strengthening of agricultural value chains. Additionally, collaborating with the private sector through Public Private Partnerships (PPPs) will ease fiscal pressures of the treasury.

Tourism



The tourism sector is an important contributor to the country's **economic development through growth, employment creation and rural development.** Zambia stands out as one of the prime tourism destinations in Africa offering a wealth of natural tourism assets. The tourism sector however, experiences many challenges which the Seventh National Development Plan such as the lack of a comprehensive national tourism plan; underdeveloped tourism-related infrastructure; limited investment in the tourism sector by both local and foreign investors; limited tourism product offering range and scope; inadequate tourism promotion and marketing; low participation by locals in direct and indirect tourism development; and Zambia being perceived as high cost tourism destination. The COVID-19 pandemic has largely affected the tourism sector. During the first half of 2020, the country received only 290,244 international tourists compared to 634,757 during the same period in 2019 representing 56.3 percent decrease. This resulted in loss of income and thousands of jobs.

As a way of mitigating these effects, Government has put in place various measures within the Economic Recovery Programme (ERP). The first measure put in place is the **implementation of the Tourism Master Plan,** the effective implementation of the plan will provide a road map that will facilitate for growth within the sector. The Tourism Master Plan will provide an organized and structured framework for tourism development and promotion within the country. This will include planning for accommodation, transportation, tourist activities, legislation and regulation, and marketing and promotion. **Given that tourism is highly fragmented, consisting of multiple independent industries, the Tourism Master Plan**

will unify these disparate industries by developing a singular vision to improve all of them, as well as the city infrastructure. This doesn't just benefit international tourists, but all of us who live here as well.

Zambia has a number of promotional and marketing activities undertaken by the Zambia Tourism Agency (ZTA) as a way of improving the Country's visibility. However most of this marketing is for the promotion of the Southern circuit as opposed to the Northern Circuit. With the effective implementation of the Tourism Master Plan, it is envisioned that there will be harmonization in the marketing of both circuits. Government also intends to intensify the tourism marketing strategy by focusing on marketing initiatives such as road shows, deployment of tourism attachés to Zambian Missions abroad, tourism fairs and conferences to strategic tourism source markets such as Germany, UK and the USA. **In order to improving local marketing of the sector, Government will enhance the use of social media platforms, which have proven to be very effective with regards to communication.**

Zambia is perceived as a high cost tourist destination, which tends to reduce tourists' length of stay. Most operators in the tourism sector express concern on the licensing and administrative requirements needed to operate in Zambia. While it is critical that the government provides oversight to ensure that quality and standards are maintained, it remains an area of concern in that if the cost of compliance is high in monetary terms, it tends to reflect on the consumers' end. Therefore, the second measure put in place by Government includes tax incentives and other relief for tourism which include;

1. **Reduce Corporate Income Tax rate to 15 percent** for a period of one year from 35 percent on income earned by hotels and lodges on accommodation and food services;
2. **Suspension of annual license renewal fees** paid by hotels and lodges to the Zambia Tourism Agency for an initial period of one year and to be reviewed in line with COVID -19 developments;
3. **Suspension of retention fees paid by tourism** enterprises and hotel manager registration fees, for a period of one year effective 1st January, 2021;
4. **Grant of relief on concession fees for facilities** in the National Parks and Game Management Areas. The relief will be up to 50 percent for the year 2020;
5. **Grant relief on the 60 percent payment** of annual animal quotas to allow Safari operators pay for quotas (animal fees) on an '**as and when' basis**; as and when they have tourist arrivals and not payment based on contract targets up to end 2021;
6. **Provision of relief for the guaranteed minimum occupancy rate** for the facilities in the National Parks to be based on actual occupancy and not the contractual target occupancy rate up to end 2021. This is subject to the Ministry of Tourism and Arts enhancing the verification mechanisms for the reported actual occupancy rate;and
7. **Suspension of customs duty in the importation of safari;** game viewing motor vehicles with a seating capacity of at least 8 people. The customs duty will also be extended to buses and coaches. The relief will be valid for a period of one year effective 1st January 2021 .

The third measure of **restoring growth and diversity within the tourism sector is Reinvigorating Livingstone and the Northern Circuit.** A comparison of tourism products in the Northern and Southern Circuits done by the Office of the Auditor General showed that sites within the Northern circuit were only providing nature based tourism such as waterfalls compared to the sites visited in the Southern circuit which had an array of activities and products such as natural and cultural heritage site and the diverse culture and traditions as well as many adventure activities such as white water rafting, bungee jumping, micro-lighting abseiling, game viewing, boat cruising and of late elephant rides and walking with the lions. As a way of improving tourism products within the Northern circuit, Government will facilitate the development of Samfya Beach and the surrounding attractions as an anchor tourism attraction through construction of facilities such as a 3-star hotel, international conference centre and shopping mall by 2022. The Government will also work with tourism operators to develop packages to boost the under explored tourism products in the Northern Circuit by 2021.

With regards to **reinvigorating Livingstone, Government will Promote Livingstone as a premier centre for Meetings, International Conferences and Events (MICE) in Southern Africa and rehabilitate Maramba Cultural Village and revise the business model for the centre to operate as a full-fledged ecotourism centre by end 2021 and Relocate the National School of Government to Livingstone (former provincial office) and make it mandatory for civil servants to take courses for continuous professional development as a way of boosting domestic tourism by end 2021.** Lastly Government will strengthen Youth empowerment to support tourism product diversification by putting in place a Youth Empowerment Scheme for Artists. As well as support to Local Tourism by putting in place legislation that will compel the introduction of concessional rates for tourism activities or packages for Zambians by 2022

Mining

Mining in Zambia has been in existence for almost 100 years now (Sikamo et al, 2016) and it is regarded as one of the largest producer and exporter of mineral resources such as copper in the continent (igf, 2017). Mining has been the main driver of the Zambian economy contributing about 12 % towards the Gross Domestic Product (GDP), and generating most of the foreign

earnings, foreign direct investments as well as considerable amount of the Government revenue through mining royalties and VAT. However, the sector growth has **slowed down due to poor economic performance in recent years**. As of 2017,the total Government revenue contributions were approximately 29.1 percent (igf, 2017) and it currently stands at 27.77 percent (eiti, 2021). Besides, the annual real gross domestic product (GDP) rate has dropped from 6.8% (2000-2014) to 3.1% between 2015 and 2019 (worldbank.org). This decline in real GDP rate was mainly due to plummeting copper prices on the international market. Also, falling of agricultural outputs as well as hydroelectric power due to lack of rains further increased this. Furthermore, COVID-19 pandemic has also continued to worsen the sector performance through depressed commodity markets which have eventually driven copper prices down.

To restore growth within the mining sector in relation to pillar 3 of the Economic Recovery Programme (ERP), the government intends to review the mining tax policy framework in order to introduce stable mining tax regimes. Also, the government will collaborate with mining houses so that they can invest in systems to increase transparency in order to cover loopholes and accurately quantify as well as value mineral content for purposes of tax. The following will be undertaken in the mining sector during the ERP.

Table 3: Proposed measures for the mining sector during the ERP

Measure	Action Required
Mining Tax Regime	Hold a mining sector indaba within the first quarter of 2021, with a view to putting in place and implementing a stable Mining Tax regime so as to increase investment.
Increase Government stake and find equity partners for Konkola Copper Mine (KCM)	Secure capital to ensure increased production.
	Facilitate the acquisition of majority equity in KCM by ZCCM-IH.
Increase Government stake in Mopani Copper Mines (MCM).	Facilitate the acquisition of majority equity in MCM by ZCCM-IH.
Gold mining	Increase investment in gold mining and processing.
	Streamline gold marketing to increase benefits to the country.
	Facilitate the purchase of bullion standard gold by Bank of Zambia for reserves through ZCCM-IH and other producers.
Geological Mapping	Intensify mapping resource endowment of the country.
Mining Value Addition	Create value addition in the Mining Sector through increased investment in processing and refining capacity for minerals in partnership with the private sector.
Mining Regulation	Create a Mining Regulatory Authority to regulate the sector, address cost structures, monitoring, disputes and ensure better coordination of mineral resources in the country by passing necessary legislation.
Formalization in the sector	Promote formalization of small-scale gold and manganese mining through the creation of cooperatives and establishment of trading centres in the sector.
Creation of Value Chains for non-traditional minerals	Development of value chains for other non-traditional minerals such as manganese and gemstones.

Source: Economic Recovery Programme, 2020

RECOMMENDATIONS

1. Develop and implement mining tax policies that are consistent and stable. This will enable the government to **maximize and benefit from taxes, dividends, corporate income taxes as a result of increased production in the sector.**

2. The Government is urged to amend the Mines and Minerals Development Act No.11 of 2015 to enforce section 20 in order to ensure that Zambians benefit from the mining sector. The amendment of the Act will ensure proper coordination and legal framework governing the mine. Poor corporate governance has lead to the fall of many private and state owned enterprises around the world. It is for this reason that the principles of corporate governance be embedded in the running of the mining sector.

3. The Government is urged to take advantage of off-take agreements to get funding for increasing the stake in the mines e.g., the case of Mopani Copper Mine. This same off-take arrangement can be used to recapitalize other mines because in the long-run it will benefit the national treasury.

4. The Government is urged to also consider investing in mineral resources such as emeralds. This is because the country's emeralds are large, extremely of high quality, competitively priced and also, production could possibly continue to increase.

5. The Government is urged to create a team of experts from different ministries whose mandate is to ensure that the **mining sector survives and sustains production of minerals beyond coronavirus pandemic.**

CLIMATE CHANGE

Zambia has experienced a series of climatic extremes that include drought, seasonal and flash floods, extreme temperatures, and dry spells, with many of these increased frequency, intensity, and magnitude (Gannon et al., 2014). Over the last decades, climate change and variability have emerged as a growing threat to Zambia's sustainable development. According to the World Bank country diagnostic 2018, Zambia has experienced changes in the mean annual temperature and precipitation. Climate trends indicate that the mean annual temperature increased by 1.3°C between 1960 and 2003, or an average of 0.34°C per decade and are projected to increase above the 1970–1999 average by 1.2–3.4°C and 1.6–5.5°C by the 2060s and 2090s, respectively. Mean rainfall has decreased by an average of 1.9 mm/month, or 2.3 percent each decade since 1960, and projections show an overall downward trend in precipitation.

Climate projections specific to Zambia for the period 2000-2050 indicate that the country will experience shifting rainfall patterns and rising temperatures. Different climate models produce varying results for rainfall. While climate models do not agree over the magnitude of changes in rainfall patterns over the coming decades, **there is considerable consensus that the country will be hotter than it is today.** Climate models project that there is 20% chance that droughts will continue in the coming 10 years and likely to increase in intensity due to climate change.

The **climate induced changes are exerting considerable stress on the Zambia's sectors mostly the agricultural, food security and health sector others being water and energy.** While there is ample potential to strengthen Zambia's agriculture, the sector has become more vulnerable to the effects of climate change and climate-induced risks. **Braimoh et al. (2018) suggests that between 1982 and 2016, droughts caused US$438 million in agriculture-ector losses; excessive rainfall and flood cost an additional US$172 million in losses.** Between 2007 and 2016, climate change cost Zambia an estimated 0.4 percent or US$13.8 billion in annual GDP growth. Over the next 10–20 years, agricultural losses related to climate change are expected to reach US$2.2–3.1 billion, largely as results of waterlogged fields, water shortage, destruction of crops, and a higher incidence of crop and livestock diseases (World Bank 2018e). Other sectors that have been adversely affected by changes in climate has been the energy, water and tourism sectors.

The ERP recognizes the challenges that climate change has continued to pose on Zambia's economy and therefore Government will continue mainstreaming climate change adaptation and mitigation across all policy and programme interventions to build the resilience in the economy. Particular attention will be paid to climate sensitive sectors such as agriculture, water and energy. The specific interventions to be implemented during the ERP include; **Enhanced coordination of climate change adaptation and mitigation; Strengthening resource mobilization for climate change action; Building the adaptive capacity of the economy to climate change and Enhancing Community Resilience to climate change.**

RECOMMENDATIONS

1. Mainstreaming planting of trees in social protection programs like Farmer Input Supply Programme (FISP) and Food Security Packs. This will ensure low carbon emissions from agriculture and will act as an adaptive measure to farmers who have an option of planting agroforest trees for soil improvement.
2. Government is urged to consider mainstreaming adaptive measures in all economic recovery programs in order for implementing agencies to have climate adaptation on top of their agenda.
3. Government ought to continue seeking climate adaptation funding from the global climate fund in order to cushion the effects the country is currently facing in the energy, agricultural and health sectors.
4. Government is urged to consider investing in research and development especially

in the agricultural and health sectors as one of the effects of climate change is the introduction of new pests and diseases in the environment that bring about new human, plant and animal diseases. In addition more funding should be provided to agricultural research for development of climate smart technologies such as drought tolerant crop varieties, nutrient use efficient seed varieties as well disease and pest resistant seed varieties of diverse crop species.

5. Government is urged to consider providing economic incentives to households who decide to grow and maintain trees on their land as a way mitigating the effects of climate change.

Energy

Energy is the principal enabler for restoring growth and achieving economic diversification in the medium-term. During the ERP, **Government will continue implementing reforms to improve efficiency and transparency as well as enhance the sector's support to growth.** The reform program will include policy on management of arrears in the energy sector to ensure sustainability. The reforms will also include revision of pricing mechanisms in the petroleum sub sector that will take into account external factors such as exchange rate fluctuations to ensure full cost recovery.

PILLAR 4 DISMANTLING DOMESTIC ARREARS

Government recognizes that they have accumulated significant domestic arrears over the past five years. **This has been attributed to revenue shortfalls, financing challenges and weaknesses in commitment control systems.** The result of this is that domestic arrears have risen from about K641.2 million at the end of 2014 to about K27.7 billion at end the 2019, representing a percentage increase of over 4000%.

As can be seen from the table below, the majority of the domestic arrears are attributable to VAT refunds and road contracts.

Table 4: List of domestic arrears

ARREAR TYPE	4th QTR 2019
	K'Million
Zamtel	62.25
Zesco	136.92
Water - Lsk	107.60
Water	217.36
Provisions	237.00
Other - RDCS	3,181.60
FISP	1,188.51
FRA	179.89
Road Contracts	5,834.39
Pension Arrears	2,967.04
VAT Refunds	6,893.11
Comp & Awards	3,129.44
Capital	3,519.33
TOTAL	**27,654.43**

Source: Adapted from Ministry of Finance

Government notes that the domestic arrears have led to a tightening of financial conditions, constrained the growth of private sector credit and contributed to a rise in non-performing loans which pose a threat to the stability of the financial system.

The 2019 IMF Regional Economic Outlook for Sub-Saharan Africa suggests that as a result of payment delays, government suppliers or SOEs may withhold their tax payments until arrears are settled. If suppliers withhold tax payments, this lowers government revenue which can result in inadequate public service provision and ultimately poor social outcomes. Additionally, suppliers or State Owned Enterprises (SOEs) may respond to arrears accumulation by charging higher prices to compensate for delayed payments, delaying the supply of inputs for government projects if they are financially constrained. Financial constraint could further lead them reduce the size of their workforce, resulting in higher unemployment levels.

To this end, the Economic Recovery Plan outlines a strategy for dismantling the domestic arrears. The two components of the strategy are:

1. Dismantling of arrears
2. Halting accumulation of new arrears

The table below illustrates what actions will be taken in order to fulfil the two measures as well as which institutions will lead in that action:

Table 5: Table 30 on page 50 of ERP on Dismantling of Domestic Arrears

Measure	Action Required	Lead Institution(s)
Dismantling of arrears	Regular stock-taking and validation of arrears claims.	MoF
	Prioritisation of arrears clearance based on defined criteria: socio- economic impact, age, cost, risk, currency and creditor .	MoF/MPSAs
	Liquidation of arrears based on the set principles and prioritisation criteria.	MoF
Halting accumulation of new arrears	Enhance the credibility and realism of the budget through the MTEF.	MoF
	Adherence to commitment control systems.	MPSAs
	VAT arrears: Prevent the build-up of arrears by improving forecasting and ringfencing of funds.	MoF
	Agriculture subsidies: gradually migrate to e-voucher system and limit FRA strategic reserves to 500,000 mt.	MoA
	Fully implement pre-paid services for paying utilities and insurance premiums by end-2021.	MWS
	Restrict the commencement of new capital projects and major equipment procurements until all on-going projects are	MoF/MNDP

Source: Economic Recovery Programme, 2020

The above-listed actions that will be taken in order to dismantle arrears and halt the accumulation of new arrears are commendable. However, there is a need to give a more comprehensive explanation of the principles and prioritization criteria that will be used to determine how arrears are liquidated. This may prove especially beneficial to suppliers who lack understanding about prioritization criteria on payments of suppliers.

In terms of halting the accumulation of new arrears, it will be especially important to restrict the commencement of new capital projects and major equipment procurements. This action will have the dual benefit of ensuring that all on-going projects are completed and that domestic arrears are either accumulated at a slower pace or not at all.

The ERP makes no mention of transparency when it comes to domestic arrears. Government is encouraged to be transparent about the level of their domestic arrears as well as progress towards their settlement. A quarterly report in this regard would be ideal. **This will enhance their credibility before those money is owed to as well as the general public.**

PILLAR 5 SAFEGUARDING SOCIAL PROTECTION PROGRAMMES

Protection of the vulnerable persons in society from economic hardships remains a Government priority. According to the Seventh National Development Plan (7NDP), social protection programs aimed at reducing economic hardships faced by the vulnerable in society are critical to Government's plan to reduce poverty and vulnerability. An array of basic social protection programs have been implemented with the aim to protect, promote and assist the poor and vulnerable in society. **It is for this reason that in the 2021 National Budget, the Government set aside K4.8 Billion representing 4% of the entire budget towards social protection programming.** Key programmes include the Social Cash Transfer, the Food Security Pack, Home-Grown School Feeding and the Supporting Women Livelihoods programmes among others. The flagship Social Cash Transfer programme is currently supporting 632,327 beneficiary households across all the ten provinces and is projected to reach 994, 000 households by the end of 2021.

However, the current economic challenges being faced have the potential to undermine Government's efforts and progress in reducing poverty, vulnerability and inequality in the country. It has been noted that the desired coverage has been affected in the past by high administrative costs in the implementation of the programmes and ensuring that they reach the most vulnerable of society. **Similarly, there have been challenges in the timely disbursement of funds resulting in non-payment of beneficiaries in some cases and delays in payments.** This has been attributed mainly to the current fiscal deficit that has gripped the country over the years. Thus, Government devised an all-encompassing economic recovery programme to safeguard the vulnerable and mitigate the adverse impacts of economic hardships which have been exacerbated by the COVID-19 pandemic. **Government's plan is focused on enhancing Social Assistance, Livelihoods and Empowerment, Protection, Social Security, Social Health Insurance and support to Persons with Disabilities.**

Although the ERP is focused on enhancing social protection programs, in order for Government to achieve its poverty alleviation plan, it will be critical to improve accountability and policy implementation aimed at increasing domestic resource mobilization and prudent distribution and application of resources, particularly at a time when many households are at risk of falling below the poverty line.

Some notable advancements in the Government programming include the **National Health Insurance Scheme aimed at increasing health coverage in both the formal and informal sector, largely with the latter having being left out due to the unstructured nature of the sector.** Similarly, the extension of social security through pension reforms to the informal sector that compel all employees to register their workers regardless of the type of work is

commendable since social security is a critical basic right and will increase access to social security benefits to vulnerable working groups.

The table below highlights the measures Government intends to put in place to strengthen programming in social protection.

Table 6: Government proposed measures for strengthening programmes in social protection

Measures	Action Required	Lead Institution
Strengthen social assistance systems	Improve targeting to ensure the intended beneficiaries are reached. This will reduce inclusion and exclusion errors.	MCDSS
	Implement the Zambia Integrated Social Protection Information System (ZISPIS) to enhance transparency and accountability.	
	Increase coverage of social assistance system so that more poor and vulnerable groups, households or individuals have access to Social Protection interventions. The number of Social Cash Transfer beneficiary households will be increased from the target of 700,000 to more than 994,000 households.	
	Implement a comprehensive Grievance Redress Mechanism for people to officially lodge in complaints.	
	Implement the Cash Plus approach that complements cash support within-kind support.	
Expand Social Health insurance	Increase the coverage of social health insurance in the formal sector and extend it to the informal sector	MoH/NHIMA
Expand Social Security	Undertake Pension reforms that will compel workers employed to register with Social Security Schemes to increase access to Social Security.	MLSS
Extend social assistance empowerment and livelihood programmes	Increase the coverage of empowerment programmes targeting women such as the Supporting Women Livelihoods programme.	MCDSS/ MoG
	Expand coverage of the implementation of Youth empowerment Programmes	MYSCD
Improve Policy and Legal Framework	Develop and review requisite policies and regulations such as the Social Protection Bill, which is in draft form.	MCDSS, MLSS

Source: Economic Recovery Programme, 2020

RECOMMENDATIONS

- Improve targeting of social protection programmes to reach the most vulnerable in society
- Improve on accountability and timely disbursements of social protection funds as this has the potential of undermining its impact
- Implement electronic payment systems such as mobile money in order to cut down on administrative costs and enhance tracking and security of funds

KEY STRUCTURAL AND LEGAL REFORMS

In order to support the smooth implementation of the ERP structural and legal reforms are key guiding principles. Government will put in place these measures mainly to consolidate areas of fiscal and debt sustainability as well as dismantling domestic arrears.

BUSINESS PROMOTION REFORMS

In order to maximize gains from the anchor sectors, there will be need to undertake reforms to create an enabling environment for sustained growth by reducing the cost of doing business and enhancing business support services. The following will be done by Government to achieve this measure:

- Reducing the Cost of Doing Business will help enhance initiatives through the Business Regulatory Review Authority aimed at minimizing the fragmentation of charges for permits and licenses. This will be augmented by rationalising the withholding tax on interest payment on investment loans borrowed locally as well as the enforcement of the use of the kwacha in the conduct of all domestic transactions.

- Enhance Business Support Services to be achieved by facilitating the training of Cooperative Officers that are present in all the districts, with the view to reclassifying them as trainer of trainers for Business Development. Addition effort should be channelled towards addressing the skills gap among SMEs and cooperatives by supporting tailored initiatives aimed at enhancing managerial and digital skills.

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PMRC ANALYSIS OF THE ZAMBIA ECONOMIC RECOVERY PROGRAMME

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