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Table of Contents

Pages

Executive Directors Remarks	3
• Agriculture, Mining, Manufacturing and Tourism: Four Key Economic Sectors to Drive Zambia's Economic Stabilisation Agenda	
Crop Diversification: A key to Unlocking Zambia's Agricultural	6
Equitable Land Access and Ownership among Women, Youth and Persons with Disabilities	8
Social Protection in Light of a Global	9
Zambia's Agricultural Sector: A key to Economic Diversification	10
Climate Change Financing In Zambia: The Role Of The Private Sector In Financing Climate Change Adaptation And Resilience	12
Government's Economic Stabilisation Outlook	14
Infrastructure Development For Economic Growth: The Case Of Energy Infrastructure	16
Launch of the National Lands Policy	18
Africa Freedom day: Arts, Culture and Heritage levels for building the Africa We Want	20
Zambia Reaches a Staff-Level Agreement on an Extended Credit Facility Arrangement with the International Monetary Fund (IMF)	21
Mainstreaming Climate Change Adaptation And Mitigation Issues Across All Policy and Programme Interventions to Build the Resilience of the Zambian Economy	22
A Sustainable and Resilient Tourism Sector in the Face of the Pandemic	23
Zambia's Manufacturing Sector and the African Continental Free Trade Area	24
Youth Day - Enhancing National Development through Sustainable Youth Partnership	25
2022 Zambia National Budget: Human and Social Development	26
PMRC Analysis of the Zambia Economic Recovery Programme: Restoring Growth and Safeguarding Livelihoods through Stability, Economic Diversification and Debt Sustainability	32
National Lands Policy Analysis	33
National Legal Aid Policy Analysis	34
Report of the Auditor General on the Performance of the Tourism Sector in Ensuring an Increase in the Length of Stay of International Tourists	35
2022 Zambia National Budget Analysis	36
Remembering H.E. Dr. Kenneth Kaunda (28 th April 1924 -17 th June 2021) Founding Father of the Republic of Zambia	37
Parliamentary Presentations	38
International Participation	41
Public Engagements	42
PMRC Cartoons	49
Infographics	50
PMRC Corporate Social Responsibility	51
PMRC End of Year Christmas Lunch and Farewell for Outgoing Executive Director	52
PMRC Team	53



Executive Director's Remarks

AGRICULTURE, MINING, MANUFACTURING AND TOURISM: FOUR KEY ECONOMIC SECTORS TO DRIVE ZAMBIA'S ECONOMIC STABILISATION AGENDA

In the last year, the Zambian economy fell into a deep slump, largely aggravated by the COVID-19 pandemic. Real GDP fell by approximately 4.9% in 2020, after growing by at least 4 % in 2018 and 1.9% in 2019. This sharp contraction in output has been the consequence of an unprecedented decline in key sectors of the economy. Manufacturing output plunged drastically due to the disruption of supply chains, whereas the service and tourism sectors saw a sharp drop in private consumption and investment as a result of the stringent measures taken to contain the COVID-19 pandemic. Mining output, which declined initially due to falling global demand for copper, is recovering amidst production disruptions in South America and the surge in demand occurring in the electric car industry. Sustained commodity price increases beyond the current forecast could lead to further economic contraction. Even before the pandemic, the economy was experiencing serious macroeconomic challenges, such as high inflation, continuous widening fiscal deficits, unsustainable debt levels, low international reserves, and tight liquidity conditions. Price levels and the financial sector have not stabilized, despite Government efforts to deploy monetary easing in 2019 and 2020.

Government in its bid to realise Zambia's potential to be a prosperous middle-income country by 2030 aims to **focus on selected key sectors of the economy to drive forward the economic transformation agenda anchored on the Economic Transformation Programme, which will be the overarching framework used to implement various interventions in different sectors of the economy.** The following are four key sectors that Government intends to use to spur the transformation of the country's economy.

Agriculture

Agriculture plays an important role in the Zambian economy, **contributing about 20 percent to the**

Gross Domestic Product (GDP) and approximately 12 per cent to the national export earnings. Over 60 per cent of the population derives its livelihood from agriculture, and yet despite this, the sector's potential has not been exploited fully, chiefly because of **dilapidated agricultural support infrastructure; inadequate delivery of extension services; and natural disasters such as drought and floods due to climate change.**

Government envisages increasing agriculture's contribution to economic growth by not only increasing production for food security but also boosting agro-processing and manufacturing for both domestic and export markets. To achieve this agenda, the following areas will be prioritized:

Agricultural Productivity – Agricultural productivity in Zambia significantly falls short of the minimum required thresholds to deliver profitability for farmers, food security, nutritional needs, job creation and poverty reduction. This low productivity is attributed to the use of inefficient production techniques and inadequate access to agricultural inputs, among other factors. Government will improve agricultural productivity to meet household and national food security en route to becoming the regional breadbasket.

Agricultural Extension Services – Government recognises that the provision of agricultural extension services and access to appropriate technology is an integral part of the agrarian revolution. In particular, **Government will pursue an extension strategy that will not only ensure national food security but will also improve rural livelihoods.**

Market Access – Farmers have been heavily constrained by limited access to markets, mainly because of poor infrastructure such as roads in rural areas, inadequate availability and supply of

agricultural information, and insufficient access to financing. A key focus will be placed on connecting the farmer to upstream domestic and international markets with the view to increasing the farmer's share in final products.

Agri-business Development – This will involve value addition in the entire value chain system, from providing inputs to farmers to connecting with consumers, as well as marketing and distribution. **Government will rebrand the agriculture sector as an attractive, commercially viable and modernised occupation, especially among the youth who generally consider farming to be arduous and an occupation for older people.**

Tourism

Zambia's tourism sector boasts of a wealth of natural assets such as waterfalls, lakes, rivers and diverse wildlife species. **The sector is an important contributor to the country's economic development through; job creation, foreign exchange earnings, contributions to Gross Domestic Product (GDP) and other economic facets.** As a major Foreign Exchange (FOREX) earner. **Zambia's tourism industry contributed 7% of GDP (USD 1,701 million) and 7.2% of total employment (469 thousand jobs), whereas international visitors spent USD 849 million, representing 10% of Zambia's total exports in 2019 (Tabetando, 2020).**

Despite its economic contribution, an array of challenges have continued to impact the sector, from the lack of a comprehensive national tourism plan; underdeveloped tourism-related infrastructure; limited investment in the sector by both local and foreign investors; limited tourism product range and scope; inadequate tourism promotion and marketing; low participation by locals in direct and indirect tourism development, Zambia being perceived as a high-cost destination - and recently the negative impacts of the COVID-19 pandemic.

The Government seeks to remedy some of these challenges by revamping the sector to increase its contribution to GDP and employment. To achieve this, strict adherence and implementation ought to be done with the following measures;

- Maintaining a stable economic landscape to reduce the cost of doing business, including streamlining license acquisition, easing tax compliance, visa processing and exemptions and improving connectivity.
- Putting in place a robust tourism marketing to incorporate all tourism products including traditional ceremonies, visual arts, culture, heritage sites and others
- Promoting tourism diversification to other products.
- Protecting and making Zambia a haven for wildlife by tightening regulations for the licensing of hunting and control of the processing, sell, import and export of wild animals and trophies.

As the country embarks on an economic transformation agenda, **there is a need to extensively rebrand and market the sector both internationally and locally to revive it and maximise its vast natural resources benefits.**

Manufacturing

Traditionally, the **manufacturing sector has played a key role in helping developing countries facilitate industrialization as well as realise economic growth and development.** The contribution of Zambia's manufacturing sector to GDP remained stable over the period 2015-2019 with an average of about 7.9%. However, the sector's performance has been 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 (Zambia Statistics, 2020).

To address these challenges and considering the strategic importance of the manufacturing sector to job creation and economic growth, Government intends to put in place an under-structure that facilitates the growth of this sector by not less than 15 per cent by 2026 and to at least 25 per cent by 2031. Some of the measures to be put in place by Government to facilitate growth include:

- Fiscal discipline and minimize borrowing in the local market so as not to crowd out the private sector;
- Improve regulatory frameworks and remove administrative barriers to business entry and operations and facilitate the development of high growth sectors;
- Create an enabling macroeconomic environment, strengthen the public agencies that support private sector development and enhance public-private dialogue;
- Also, Government will dialogue with all key stakeholders in addressing the various challenges affecting the growth of the manufacturing industry in the country;
- Furthermore, Government will develop targeted policy incentives that attract large capital inflows with required Zambia equity participation; and lastly,
- Foster policy linkages with education to build a skilled labour market which attracts capital into target industries.

Mining

Zambia possesses one of the world's highest grades of copper deposits and is ranked the seventh largest copper producer in the world. **Mining contributes over 70 per cent of the country's foreign export earnings. Zambia also produces about 20 per cent of the world's emeralds.** The mining sector is governed and regulated by the **Mines and Minerals Development Act No. 11 of 2015, which covers types of mining rights, acquisition of mining rights, rights/obligations conferred on the mining right holder, transferability of mining rights, safety, health and environment requirements, and provides for the environmental protection fund, mineral royalties, fees, and export of minerals.**

The main challenges this sector faces are:

- The lack of local participation in this industry,
- A lack of transparency and accountability regarding revenue management, and;
- Uncertainties about energy supply and property rights.

As a result, the country has not managed to fully pass on the benefits of its mineral wealth to the Zambian population. The Government now seeks to redress this by:

- Undertaking a major mining sector policy reform including tax policy and administration reforms that will bring various stakeholders on board to design a sound policy and administration system, with broad policy consideration that will stand the test of time.
- Enhancing monitoring and oversight mechanisms

and technologies to reliably ascertain the volume and content of mining output for taxation purposes to ensure Zambians receive their fair share.

- Promoting diversification both within the copper sub-sector through the extension of the copper value chain, and from copper to other minerals by promoting exploration and processing of gemstones and industrial minerals.
- Promoting small-scale mining as it has closer links with the local economy, generates more local jobs and supports the retention of earnings within the country.
- Working with communities and investors to ensure that the development agreements entered into with Government balance the provision of incentives with concerns of the communities such as environmental impact and labour issues.

Government is urged to take into consideration all the aforementioned measures, in order to facilitate even more investments - as well as an increase in production from the current levels to a more sustained output that will benefit both the country and the sectors' investors, which consequently will grow and stabilize the economy.

Mrs. Bernadette Deka-Zulu
PMRC Executive Director



Crop diversification: A key to Unlocking Zambia's Agricultural Sector

Zambia is a landlocked but linked country with a large landmass of 752,600 km² out of approximately 58% of the arable land is classified as medium to high potential for agricultural production. **Zambia's economy has heavily depended on the mining sector contributing approximately 77% of its export value but fluctuations in commodity prices on the international markets makes the sector non-predictable.** Therefore, Government's strategic focus must now **embrace economic diversification and reinvigorate the agriculture sector as one of key drivers of economic growth.**

The agriculture sector plays a critical role in economic growth and job creation for the rural poor population despite being underdeveloped. Agriculture contribution to Gross Domestic Product (GDP) averaged 9.8 per cent in the period 2006 -2015. The last few years saw a significant rainfall variability that impacted negatively on rain-fed production systems for smallholder farmers and commercial irrigated agriculture due to disruptions in the energy sectors leading to a fluctuating and low sector GDP contribution mainly due to crop failures in 2015 and 2018. However, **despite the sector's negative contribution recently, it is projected that agriculture GDP will increase even further this year due to the favourable weather and bumper harvests recorded.**

Agricultural Development and Strategic Actions

Since Zambia's independence, the agricultural revolution has been driven by state interventions mainly focusing on input supply and centred on maize production hence the failure to deliver a diversified food system which has resulted in poverty, malnutrition, vulnerability to drought, pests and diseases due to climate change and weather variability.

Whilst the **Zambian National Agricultural Policy (NAP-2004)** and the **Revised National Agricultural**

Policy (RNAP-2016) recognizes crop diversification as one of the key measures to achieving food and nutrition security and agricultural transformation, **challenges related to mono-cropping and a policy exercise that is aligned to promote maize production limits the extent of crop diversification agenda.** Crop diversification is pivotal in addressing food and nutrition security, mitigating risks of crop failure and market uncertainties, mitigating price risks, and important in stabilizing, diversifying and enhancing farm incomes. Furthermore, this will result in the establishment and support to private sector-led manufacturing industries to produce inputs (seed, fertilizer and agrochemicals) and mitigate natural shocks such as drought by adopting climate-smart agriculture technologies.

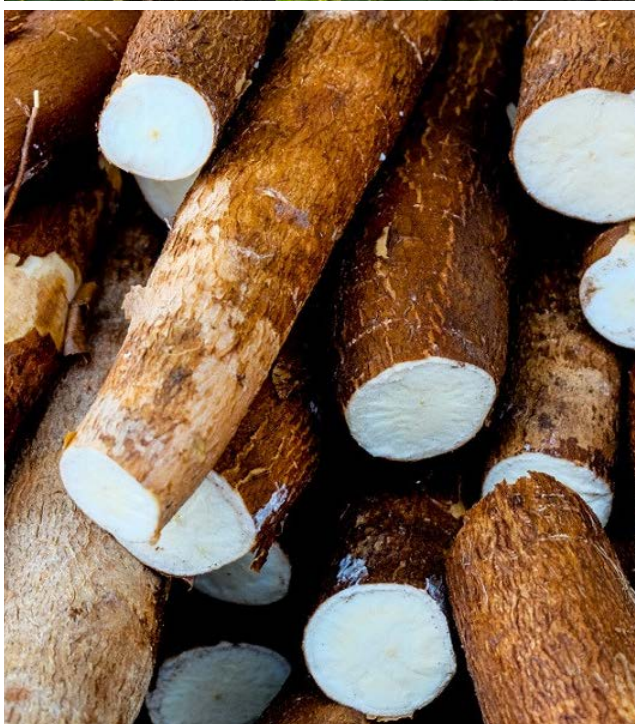
The Government through the Ministry of Agriculture is expected to accelerate the finalization of the Crop Diversification Strategy which has the potential to spur the agricultural industry through value addition (agro-processing), poverty reduction, sustainable environmental management and a sustainable nutritionally diversified food system. For Zambia to achieve this, an increase in the availability and access to diversified seed types through a strongly supported seed policy framework is a must. **Zambia's current seed quality assurance system is one of the best in Africa encompassing the Plant Variety and Seeds Act (CAP 236), Plant Breeders' Rights Act No 18 of 2007 and their respective regulations.** The affiliations to international bodies like International Seed Testing Association (ISTA) and the Organization for Economic Co-operation and Development (OECD) has further strengthened Zambia's position to deliver quality diversified seed types. These measures are capable of delivering a system that is capable of supporting the Government's crop diversification agenda especially when the country enjoys a favourable climate and policy environment.

In addition to the **production of diversified crops, value addition through the establishment of processing hubs and complete transformation of Farmer Input Support Programme (FISP) to Electronic voucher System** allowing farmers to have a choice on available diversified seed types, is critical to a successful crop diversification agenda. Furthermore, the Food Reserve Agency need to rethink their marketing strategy by increasing the number of strategic crops to purchase, in line with SI No.73 of 2012, to include crops such as rice, cassava, soya beans and other food legumes to support the crop diversification agenda.

The Policy Monitoring and Research Centre (PMRC) anticipates that the Government through the Ministry of Agriculture will promote strategies for agriculture that will lead to utilization of a variety of food crops, embrace value addition and allied products to increase the geographical space in terms of nutrition and food security for Zambia.

READ MORE HERE:

<https://pmrczambia.com/blog-crop-diversification-a-key-to-unlocking-zambias-agricultural-sector/>





Equitable Land Access and Ownership among Women, Youth and Persons with Disabilities

Equitable access to and ownership of land is cardinal for fostering socio-economic empowerment for all. However, key sections of society such as women, youth and Persons with Disabilities have continued to face barriers in the acquisition and ownership of land. This is partly attributed to social practices and beliefs as well as the lack of economic inclusion, which have excluded certain section of society from owning land by virtue of their socio-economic status, physical ability and gender.

The United Nations Charter of 1945 which Zambia is signatory to, recognises human rights and economic and social development as closely interrelated. The Charter acknowledged the implications of insecure land tenure on people's livelihoods, dignity and survival. Hence, there is need for changes in societal norms to ensure that vulnerable groups have uninhibited access to land, secure land rights and are empowered to make their own decisions about land use.

Given the dual nature of Zambia's land tenure, women, youth and Persons with Disabilities tend to hold land on customary tenure because it is cheaper and relatively easier to access than state land. However, the lack of security of land due to inadequate documentation to claim ownership has made it easier for people to be displaced. Recognising this challenge, Government has been rolling out a National Land Titling Programme in order to secure land ownership rights to land holders. Still, there is need to amend the 1995 Lands Act in order to recognize and guarantee customary land rights.

As a fulfilment to Government's commitment to uphold human rights, the 2021 National Lands Policy was instituted to address the various challenges related to access and control over land and its resources with special recognition to women, youth and Persons with Disabilities. This is especially important since securing land rights reduces their vulnerability through increased individual agency and socio-economic status.

Several policy measures have been put in place in order to allow for equitable land distribution. These

include; facilitating ownership of land by Zambian citizens in order to promote decent livelihoods and socio-economic development, regulating the land ownership of non-Zambians in order to facilitate reasonable access to land, achieving a gender sensitive and youth friendly land sector which is inclusive of persons living with disabilities and other socially marginalized groups, strengthening the land allocation mechanisms in order to improve security of tenure, among others.

Additionally, land distribution quotas have been effected in order to improve access and ownership of the resource. Government has revised land distribution quotas to 50% of available land for alienation being reserved for women and 20% for the youth and Persons with Disabilities. This pronouncement is also in line with promoting gender equality and socio-economic inclusion of women, the youth and Persons with Disabilities as envisaged in the National Gender Policy, National Youth Policy and National Disability Policy. It has also aided in uplifting livelihoods and enhancing greater participation of all citizens in national development.

Furthermore, Government's revision of the contractual age for youths to own land from 21 to 18 years will make land more accessible to young people and enable them to contribute to the growth of the economy by venturing in agricultural and entrepreneurial activities. This affirmative step will empower women, youths and Persons with Disabilities through ownership of assets which can be used as collateral to obtain financing from formal financial lending institutions such as banks. These policy measures need to be implemented effectively in order to enhance access and ownership of land to key groups and other marginalised persons in line with Government's aspirations of promoting gender equality, inclusivity as well as equitable distribution of the country's resources.

READ MORE HERE:

<https://pmrczambia.com/blog-equitable-land-access-and-ownership-among-women-youth-and-persons-with-disabilities/>



Social Protection in Light of a Global Pandemic

As the world continues to grapple with the COVID-19 pandemic, social inequalities have become more evident particularly in developing countries where poverty is rampant. Social protection is not only a policy measure that seeks to cushion the effects of poverty and bridge inequality gaps through access to the most basic amenities such as food, water and sanitation, housing, clothing and education among others, it is also a fulfillment of one's human rights.

Although social protection is often viewed as a consumptive expenditure by some elite sections of society, Governments continue to strive to provide equitable measures that invest in human capital development as a comprehensive strategy to enhance inclusive growth and safeguard livelihoods among the vulnerable and marginalised sections of society. According to the Zambia Living Conditions Monitoring Survey of 2015, 54.4% of Zambians are classified as poor while 40.8% are extremely poor and 13.6% are moderately poor.

These statistics are a major concern and affirm the need for strong social protection programs to cushion the effects of poverty and vulnerability in society, more so in the face of a global pandemic. **The Government has responded to the need to alleviate poverty through critical interventions that are aimed at tackling poverty by targeting households that are considered to be most at risk of vulnerability.** These include, female-headed households, child-headed households, orphans and vulnerable children, the aged and persons living with disabilities.

The **Government has remained resolute to addressing existing vulnerabilities, and expanding social protection initiatives through the upscale of eligible beneficiaries of several social protection programs.** In the 2021 National Budget, social protection allocation stands at K4.8 Billion representing 4% of Gross Domestic Products (GDP), which is an upward adjustment in comparison to 2020, and 2019 allocations that stood at 2.4%

and 2.5% respectively. Government has been implementing various social protection programs, the **largest** being the **Social Cash Transfer with an allocation of K2.3 Billion in 2021.** As a way of safeguarding the livelihoods of the most vulnerable, Government increased the targeted beneficiaries of the program to **994,000 from 700,000 in 2021.** Other programs include the **Public Service Pension Fund (PSPF)** and the **Food Security Pack (FSP)**, just to mention a few.

One of the negative effects of the pandemic being the disruption of livelihoods and heightened poverty, the increase in beneficiary households could not have come at a better time when an emerging "newly poor" sub-group has been necessitated by the pandemic. Now more than ever, social protection programs across the globe have been stretched to respond to the pandemic by cushioning its effects on individuals and households. **In May 2020, the Government and its cooperating partners financed the Emergency Social Cash Transfer to respond to the growing levels of poverty resulting from the loss of income and disruption of livelihoods.**

In conclusion, we commend **Government for attaining its commitment to the International Labour Organisation (ILO) Recommendation 202, on the Global Social Protection Floors that set the initial annual cost of a basic social protection package at about 3.7% to 10.6% of GDP** of which the 2021 Government spending on social protection falls within this recommendation.

READ MORE HERE:

<https://pmrczambia.com/blog-social-protection-in-light-of-a-global-pandemic/>



Zambia's Agricultural Sector: A key to Economic Diversification

The Seventh National Development Plan (7NDP) and the Economic Recovery Programme (ERP 2020-2023) recognize agriculture as one of the key sectors critical for achieving diversification, economic growth and poverty reduction in Zambia. Agriculture plays an important role in the Zambian economy, **contributing about 20 percent to the Gross Domestic Product (GDP) and approximately 12 percent to the national export earnings.** It is for this reason that the Government has over the years endeavored to invest in the agricultural sector through various initiatives such as; the Farmer Input Support Programme (FISP), reducing customs duty on agricultural equipment and the encouragement of private sector participation. To this effect, Government has been implementing critical programmes in the agricultural sector to enhance productivity and increase its GDP contribution through:

Policy Reforms

The Government through the ERP recognises agriculture as a key driver of growth and job creation for the Zambian economy. Pillar three of the ERP seeks to restore economic growth and promote diversification. In order to increase productivity in the sector, Government has been prioritising the sector by implementation of key programmes to support agriculture development. Government through the Ministry of Agriculture has made changes with regards to the **implementation of FISP by migrating farmers from Direct Input Support (DIS) to Electronic-voucher System (E-FISP).** The programme will be migrated fully to the e-voucher system to promote both cost efficiency and private sector participation. Currently, 80 percent of the beneficiaries are under the DIS system while 20 percent are on the more efficient and cheaper e-voucher input supply system. Government will reduce the proportion of beneficiaries under the DIS to 60 percent in the 2021/2022 farming season

while full migration to e-voucher will be completed in the 2022/2023 farming season.

Through the ERP promotion of international and domestic markets is key. This will be achieved by developing a Crop Marketing and Export Policy, which will guide the management of crop marketing and exports for the country. **Government will also enhance the exportation of goats, honey, wax and fish in collaboration with the private sector, through the establishment of trade centers at the borders Zambia shares with the Democratic Republic of Congo and Angola as well as the operationalization of key trade agreements under the ERP.**

Crop Sub-sector

Government's improved funding allocation to the Food Reserve Agency (FRA) and FISP's continuous transformation is an indication of its commitment to economic diversification and to help increase the agricultural sector's contribution to GDP. Government's policy responses to increasing productivity in the agricultural sector are yielding benefits **as evidenced by the timely delivery of agricultural inputs under FISP, consecutive bumper harvests in the 2019/2020 and 2020/21 agricultural season for maize, Soya bean and other cash crops as well as the early launch of the crop marketing exercise.** These measures are key to improving crop productivity, as farmers will prepare and plant their crops early with available inputs.

Fisheries Sub-sector (Aquaculture)

In the fisheries sub sector, Government has been supporting aquaculture development through the loan facility of **US\$50.9 million obtained from the African Development Bank (AfDB).** The **Zambia Aquaculture Enterprise Development Project (ZAEDP)** is administering this loan. It is currently helping to develop the aquaculture

fish value chain. Further, the stable political climate has provided a conducive environment for investment in the aquaculture sector resulting in an increase of private players' participation along the aquaculture value chain such as fish feed, hatchery, nursery, grow out, processing and value addition operators. These measures have resulted in **thirteen (13) private fish hatcheries developed, complimenting the sixteen (16) Government fish farms in the country.**

Livestock Sector

The Zambian livestock sector makes an important contribution to poverty reduction, household food security and nutrition, economic growth and exports. **Government through the Enhanced Smallholder Livestock Investment Programme (E-SLIP) project has been providing support to the Zambian livestock sector by strengthening its capacity for animal disease control and reducing the incidence of East Coast Fever and Contagious Bovine Pleuro Pneumonia (CBPP), which are among the main causes of cattle mortality in Zambia and affecting growth of beef industry.** Additionally, Government has conducted value chain studies and is developing market-oriented extension manuals for improved cattle, goat, sheep and poultry (improved village chickens) production and marketing. Government has also been assisting farmers and cooperatives with improved cattle, goat, sheep and poultry (improved village chickens) across the country to increase productivity in the livestock sector and household income.

Infrastructure

Key achievements have been noted in the development of warehousing, storage, breeding centers and irrigation, among others. The construction of **87 modern livestock breeding centres as well as the rehabilitation of 15 livestock breeding centres** countrywide have been completed in order to increase livestock production. Government has also completed the **US\$28.3 million Mwomboshi dam** in Chisamba. Moreover, Government will at the end of this year complete the construction and remedial works of 10 dams under the Zambia Water Resources Development Project.

The Policy Monitoring and Research Centre (PMRC) supports Government's efforts in implementing programmes that support economic diversification such as the full migration of DIS to E-FISP, increased support to strategic institutions such as FRA, encouraging of private sector participation, as well as provision of incentives such as removal of customs duty on agricultural equipment. Government is on the right trajectory and is urged to continue implementing the outlined policies and programmes in the agricultural sector in order to grow the sector and promote economic diversification.

DOWNLOAD HERE:

<https://pmrczambia.com/wp-content/uploads-2021-08-pmrc-oped-zambias-agricultural-sector-pdf/>





Climate Change Financing in Zambia: The Role of the Private Sector in Financing Climate Change Adaptation and Resilience

Over the last few decades, climate change and variability have emerged as a growing threat to Zambia's sustainable development. According to the World Bank Country Diagnostic for 2018, **Zambia has experienced changes in its mean annual temperature and precipitation. Climate trends indicate that the mean annual temperature increased by 1.3°C between 1960 and 2003, which translates to an average of 0.34°C per decade. Temperatures are projected to increase to above the 1970–1999 average by 1.2–3.4°C and 1.6–5.5°C by the 2060s and 2090s respectively.** The 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.

These climate-induced changes are exerting considerable stress on some of Zambia's key economic sectors such as agriculture, health, 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.** A study by Braimoh et al., 2018, found that between 1982 and 2016, droughts caused losses amounting to US\$438 million in the agriculture-sector; excessive rainfall and floods cost an additional US\$172 million in losses. In the energy sector, during the 2015/2016 season, poor rainfall led to a 600MW decline in hydro power generation. Other effects have seen an increase in the costs of managing and controlling of climate related diseases such as malaria, the loss of natural environment, damages to infrastructure and disruption of biodiversity.

In terms of economic growth, climate change cost Zambia an estimated 0.4 percent or US\$13.8 billion in annual GDP growth between 2007 and 2016 and a projected 0.9 percent over the next decade. In addition, the World Bank also made similar projections for over the next 10-20

years, cited climate related losses amounting to US\$2.2–3.1 billion in the agricultural sector largely resulting from waterlogged fields, water shortage, destruction of crops, and a higher incidence of crop and livestock diseases.

CURRENT SOURCES OF CLIMATE CHANGE FINANCING IN ZAMBIA

Climate change financing is an important tool in managing **climate risks and shocks in Zambia which can only be achieved through resource mobilization.** As part of its climate change adaptation and mitigation efforts, Zambia with the help of cooperating partners has continued to mobilize both public and private climate finance flows for mitigation, adaptation and building resilience. These climate change financing sources come in different forms. **Among them are the Government national budget, dedicated climate financing (Green Climate Fund and Pilot Programme for Climate Resilience), private sector financing and foreign direct investment.**

This climate financing has been in the form of mitigation and adaptation projects towards carbon emission reduction and building resilience. These efforts among others include; improving surveillance systems for climate change on climate related risks; improving the utilization of climate data and information; strengthening sustainable forest management; diversifying the country's energy mix and promoting crop diversification.

ROLE OF PRIVATE SECTOR IN CLIMATE CHANGE ADAPTATION AND RESILIENCE FINANCING

In the context of private sector involvement in climate change adaptation, the private sector has in the past played a pivotal role in promoting economic development through project financing in agro and mineral processing, the fishing and textile industry as well as in job creation. Evidence

now shows that there has been a shift in the private sector, especially banks, in their traditional mandate by beginning to respond to climate change development demands and challenges although the inflows are not significant.

A study by Pauw in 2015 also highlighted a shift in the private sector towards investing in climate change risk management rather than exploring business opportunities, as adaptation offers limited opportunities in the short term. In their response to climate change financing, the private sector has mainstreamed climate risk in their operations in order to stay in business such as investment in drip irrigation, conservation farming and crop insurance.

Engaging the private sector is essential in climate change financing for adaptation strategies due to multiple reasons. Private sector engagement can lead to mobilization of financial resources and technical capabilities that leverage Government, civil society and community efforts thereby developing innovative climate services and adaptation technologies.

Private entities dominate many investments that are critical to adaptation, such as the location and design of buildings and other infrastructural investments. Private-sector corporations are also key to developing climate innovations and often dominate the design and delivery of many adaptation services such as weather observation technology and early warning systems. Drought-resistant seed varieties and other agricultural innovation products, along with water management infrastructure and technologies, also tend to fall within their sphere.

STRATEGIES FOR PRIVATE SECTOR PARTICIPATION IN CLIMATE CHANGE FINANCING

There are a number of strategies that can be used to engage the private sector in climate change financing strategies for adaptation and resilience. Some of these primary strategies are to **increase awareness on the negative impacts of climate change and the need for a response to it, utilization of public-private partnerships in national climate change efforts, and to engage the private sector in developing products and services to reduce the costs and impacts of climate change.**

Raising awareness on the negative impacts of climate change and the need to respond to its impact is essential as the country plans to engage the private sector in climate change adaptation and resilience efforts. This awareness must include the potential risks of climate change to business and the necessary response measures. **This can be achieved by continuous compilation and wide sharing of this information and contents of**

national documents such as National Adaptation Strategies or National Adaptation Programmes of Action (NAPAs) with all stakeholders which could help improve public understanding on the serious effects of climate change, its consequences to the economy as a whole and appreciate the strategies government is implementing.

Additionally, Government can facilitate private sector efforts through provision of **climate change and weather variability information, adoption of regulations and appropriate economic incentives with the help of public-private partnerships.** One of the highest priorities identified in the NAPA is the development of weather and climate networks for real time observation, local weather forecasting and **dissemination of weather information to improve early warning systems.** The need for effective early warning systems requires infrastructure as well as capacity building and this is where the private sector can provide this infrastructure by deploying a network of automated surface weather and climate observation points which can be used to provide critical weather information necessary for early warning systems. This arrangement can provide a win-win situation between Government and the private sector as it reduces climate change risk, thereby resulting in reduced infrastructure maintenance costs for the Government while giving business to the private sector for providing such a service.

READ MORE HERE:

<https://pmrczambia.com/wp-content/uploads-2021-08-pmrc-oped-private-sector-financing-in-climate-change-pdf/>



Government's Economic Stabilisation Outlook

As of 1st July 2021, the Zambian Kwacha had depreciated to K22.64 per US dollar, this put pressure on debt service and contributed to rising inflation. The depreciation of the Kwacha was attributed to among other factors, the **COVID-19 pandemic, disruptions in production value chains in both local and international markets, the drag in global trade which has slowed down** following the closure of borders and lock downs in major economies as well as the capital flight in the financial markets. This has seen investors diverting their funds from traditional assets such as stocks to safe havens that include the US Dollar triggering its appreciation against other currencies. **It is pleasing to note that for the past few weeks, the Kwacha has been appreciating progressively against the US Dollar, reaching an average selling price of K17 as of the 23rd of August 2021.**

For Zambia to achieve such and other positive economic scores, **there is need for structures, instruments and policies for economic transformation to be designed and put in place. It is for this reason that the United Party for National Development (UPND) Government within its party manifesto have outlined the need to accelerate the transformation of the economy by advancing value addition, industrialization and integration into global markets.** This will be achieved through various programmes such as the **Economic Transformation Programme**, which will be the overarching framework that will bring together Government's interventions in various sectors. **Government will also implement policies to lower the country's fiscal deficit, restore market confidence, restore stability to the economy and ensure debt management and sustainability among others.** Below are some of Government's key areas that aim to transform the country's economy;

Debt and Expenditure Management

Debt and expenditure management are key in achieving Zambia's economic transformation agenda post-COVID-19. **In order to successfully achieve debt and expenditure management, there**

is need for robust fiscal and structural measures that promote a balanced resource mobilization, expenditure within the available resource envelope and transparent and accountable debt accumulation. The following are the measures that Government will put in place to enhance effective debt and expenditure management;

- Streamline the reporting of public debt and ensure full disclosure;
- Tighten the oversight role of Parliament in contracting debt;
- Ensure transparency and accountability in procurement and reporting of public debt;
- Restructure debt management by creating a National Debt Management Office as an autonomous agency responsible for developing and executing debt management policies that minimize financing costs over the long term and for managing the aggregate cash needs of the Ministry of Finance in the most cost-effective way; and
- Strengthen public investment management as well as project selection and financing to ensure any debt contracted for project development gives adequate investment returns to ensure debt sustainability.

In order to reduce the fiscal deficit that has led to an increase in domestic arrears, resource mobilization is key for Zambia's economic transformation. This can be achieved by exploiting bilateral and multilateral relations to secure external sources of funding. Similarly domestic resource mobilization as a source of revenue for economic transformation is a fundamental pillar that should be taken with caution through enhanced tax policies and administration and the diversification of the sources of tax especially through our endowment in resources within the mining and agricultural sectors.

Expenditure within the available resource envelope is important for debt management through fiscal consolidation and prudent use of resources, which is essential for enhanced tax compliance.

Rationalization of expenditure, which is key in reducing debt accumulation, will be achieved through strengthening procurement procedures and public investment management in the selection of projects for financing that have proper investment returns.

Transparent and accountable debt accumulation is very important in reducing the levels of accumulation. **Transparency for debt accumulation will be achieved through tightening of the role of Parliament in acquisition and contracting of debt in the country.** Accountability in public debt acquisition and utilization will enhance the reduction in debt accumulation and this is achievable through formulation of a Debt Management Policy and an independent agent to run the affairs of debt in the country especially debt towards the Eurobond which requires an independent body to oversee the sinking fund.

Tax Reforms

Structural changes in the economy present challenges for tax policy from efficiency, equity and revenue perspectives. Global hurdles such as the COVID-19 pandemic raise new challenges for policymakers and also affect their mechanisms to deal with them. Many aspects of Zambia's tax systems have been designed for the economy of the past and may not always be fit to support inclusive growth today or in the future. It is for this reason that Government will put in place tax and revenue administration reforms tailored to ensure success, which include;

- Develop revenue mobilization systems both at sub-national and national levels;
- Target revenue mobilization efforts away from income on individuals and corporations, to consumption taxes and property taxes that remain underexploited;
- Overall broadening of the Tax base to lower individual burden; reform the personal income tax regime by removing several regressive elements that favour high income taxpayers at the expense of low-income households;
- Streamline the tax incentives to make it more effective, targeted and seal potential tax leakages and maximize in-country capital retentions;
- Address the proliferation of regulatory and licensing fees at all levels of Government that increase compliance costs and corruption; and
- Modernize and strengthen capacities of Government's key revenue.

Trade Policy

One of the major reforms to be undertaken by the incoming Government relates to its trade policy. The focus of this reform is anchored on two driving principles. Firstly, Government has identified the importance of regional and global value chains and they are committed to promoting Zambia's

participation within them. **Now is the time for African countries to focus on the development of regional value chains because the COVID-19 pandemic has caused a shift in focus from global supply chains to more regional and local ones.** Provided the country positions itself well, there are plenty of opportunities to fit within the regional value chains and consequently promote Zambia's industrialization.

Secondly, the Government will endeavour to increase the country's participation in the global market through the export of high quality Zambian products. **By being a signatory to agreements such as the African Continental Free Trade Area, the SADC Protocol on Trade and the African Growth and Opportunity Act, Zambia has a ready market for its products. What remains is to improve Zambia's manufacturing sector. The benefits of a more robust manufacturing sector is higher levels of trade in finished goods which increases the scope for both intra-regional trade as well as trade beyond Africa.**

In order to achieve these reforms in trade, the Government will:

- Develop national export trade strategies, mainstream trade policy and place export strategy and promotion at the centre of our national development policy;
- Harmonize the trade policy with the industrial, commercial, immigration and foreign policies;
- Put in place export financing support instruments to support Zambian businesses; and
- Ensure collaboration with the private sector in undertaking awareness campaigns on market access initiatives and of the quality standards required by the regional and international markets.

It is commendable that the Government will seek to undertake campaigns to promote and create awareness on market access initiatives and of the quality standards required by the regional and international markets. Greater knowledge about markets and their required standards will ensure Zambian producers and businesses are informed and better prepared to participate in regional and international markets. **This is especially the case for the African Continental Free Trade Area Agreement, which is set to include a specific protocol on the issues of women and young people.** Given that many small and medium enterprises in Zambia (and across the continent) are led by women and youth, creating awareness among these two groups will garner their interest in the processes of developing this protocol as well as make them aware of how they stand to benefit from its implementation.

READ MORE HERE:

<https://pmrczambia.com/pmrc-oped-governments-economic-stabilisation-outlook/>



Infrastructure Development For Economic Growth: The Case Of Energy Infrastructure

Introduction

The Government's desire and aspirations have been to ensure increased access to electricity by Zambians and has made significant strides towards the realization of this goal. In the last seven years, the energy sector has been identified as an important driving force behind economic growth in Zambia and **Government has reaffirmed its commitment towards developing as well as maintaining the energy infrastructure and services.** This commitment is realized through investment in both hydro and non-hydro sources of energy, which has resulted into an additional 1350MW to the current 3250MW installed.

Electricity Projects

Government's commitment to increased generation capacity of electricity reached its peak with the **commissioning of the first unit of the 750MW plant at Kafue Gorge Lower (KGL) hydro- electric power station on the 23rd of July, 2021.** The station is located in Chikankata district of southern province and is 90km away from the Lusaka. The power station is the third largest in the country and has a generation capacity of 750MW.

Government also embarked on other non-renewable energy projects during the same period through the Rural Electrification Authority (REA). **These include; the construction of the Chunga Solar Power Plant, located in the Kafue National Park and construction and upgrading of mini-Hydro's in North-Western and Northern provinces.** These projects have been instrumental in the increased installed capacity in the country. **The Kasanjika mini-hydro in Mwinilunga** of North-Western province **generates about 0.64MW** and provides power to approximately 12,000 households in the district. Through the various solar projects the Government has embarked on, such as the Chunga solar project, there has been a significant increase in the contribution of solar energy to Zambia's

electricity capacity from 1% in 2013 to 3% in 2020 whilst overall renewable energy **contribution has increased from 0.7% in 2015 to 4.5% in 2019.**

Benefits of the Electricity Projects

The positive strides made in the energy sector through infrastructure development have been done within the aspirations of the Seventh National Development Plan (7NDP) and the Economic Recovery Programme (ERP 2020-2020). **This demonstrates Government's determination to deliver improved infrastructure to facilitate economic activities that support Growth Domestic Product (GDP) growth and improve socio-economic opportunities in the country.**

Huge infrastructure investments such as the **KGL power plant has generated not only employment directly through construction and operations at the power plant, but has also created an industrial base around the plant that exploits the energy being produced.** The completion and commissioning of the KGL has a multiplier effect on job creation, the country's industrialization agenda and improved human development.

The continued investments in the energy sector especially for electricity generation are an ingredient for the industrialization agenda that Government has embarked on for both local and foreign investors who require electricity as a pre-requisite for investment.

Lastly, as a member of the Southern African Power Pool (SAPP) it is timely that the country continues to invest in electricity production through the extensive power generation pipeline earmarked for development and opportunities being realized in developing of alternative energy supply. **Zambia can also build the capacity to sell into the Southern African Power Pool, thereby generating foreign exchange (FOREX) for the country through power exports.**

Conclusion

The country has already embarked on the economic recovery agenda through the Economic Recovery Programme (ERP 2020-2023), the Government has included the energy sector as one of the sectors to promote growth and stabilization through continued implementation of reforms for improved efficiency and transparency as well as the enhancement of the sector's support to growth. These reform programmes will include policy on the management of arrears in the energy sector to

ensure sustainability. Actualizing these reforms will be essential in attracting investments in renewable energies thereby driving the country's agenda for developing an energy mix through solar, wind and geothermal power.

READ MORE HERE:

<https://pmrczambia.com/pmrc-oped-infrastructure-development-for-economic-growth-the-case-of-energy-infrastructure/>





Launch of the National Lands Policy

The Government of the Republic of Zambia launched a National Lands Policy in a bid to streamline land administration and management services in the development of the country. The National Lands Policy has been put forward to improve land administration and management in order to place the country's land development on a sustainable path. Since independence, land administration in Zambia has lacked an adequate policy framework as the country only operated on fragmented policy pronouncements by Government. A comprehensive land policy framework was only developed in the year 2000 when Government started initiatives to consult various stakeholders in order to come up with a Land Policy.

The Policy Monitoring and Research Centre (PMRC) would like to commend Government for the launch of the 2021 National Lands Policy which has come at an opportune time following the challenges highlighted within the National Lands Policy that retarded social progress, such as indiscriminate use of land and poor land development practices. The rationale of the National Lands Policy is to address such challenges and provide a roadmap for the sustainable management of natural resources, environmental protection and climate change mitigation and adaptation. It is envisaged that the policy will provide an opportunity for every Zambian to access and secure their interests in land regardless of their status and will also strengthen security of tenure and enhance management of land resources.

PMRC would also like to applaud the Government for revising the legal age for citizens to own land from 21 to 18 years. Within PMRC's publication on Land Tenure and Resource Rights for Women and Youths, the contractual age of 21 years in which one would obtain land in Zambia was high, taking into account the increase in child headed households and the number of unemployed youths. The reduction in the contractual age is in line with making land

accessible to the youths which would empower them further to venture into agricultural activities, vital in propelling the economy to greater heights.

Additionally, by driving the inclusivity agenda, women and persons with disabilities have been given special recognition in the National Lands Policy as key target groups in the ownership of land. This has significant implications in ensuring that women and persons with disabilities have access and ownership to land. Land rights have been a major concern among women who are faced with various challenges in land ownership as traditionally men were considered the land owners resulting in women forfeiting their properties in an event of death or divorce of a spouse. However, this has changed and the policy will ensure that more women exercise their land rights.

Last year, Government launched the National Land Titling program, which going forward will see the issuance of four million land titles across the country, as compared to the three hundred thousand as of 2020. The Land Titling program will ensure that private individuals are given formal property rights for land which they have previously occupied informally or used on the basis of customary land tenure. The launch of the program will increase the issuance of land titles which will protect property rights, facilitate land transactions (land conveyance in sale, donation or assignment), and will enable land to be used as loan collateral which will facilitate equity and development. The rolling out of the Land Titling program and simplification of the land titling procedure will also ensure that more women obtain documentation for their land that they can use as collateral. This consequently will result in further empowering women, the youth and persons with disabilities to access credit and capital to finance their business ideas through formal institutions such as banks and other credit facilities.

Furthermore, the policy seeks to secure land for citizens by limiting the land tenure for foreign investors. This is a commendable effort by the Government, as land is not only a critical resource of production but is also a geopolitical space that equally speaks to our heritage as Zambians. The policy has been long overdue as the land management and administration in the country has faced challenges due to the lack of a comprehensive legal framework to govern its management holistically. We would like to thank Government for its wide consultative process in delivering a sound policy that has been accepted by traditional leaders who equally play a

critical role in preserving this important resource, taking into consideration their concerns, as 94% of the land is vested in the traditional authorities. Lastly, we urge Government to implement the National Lands Policy expeditiously as it will provide a roadmap for land administration in Zambia.

READ MORE HERE:

<https://pmrczambia.com/national-lands-policy/>





Africa Freedom day: Arts, Culture and Heritage levels for building the Africa We Want

Zambia joined the rest of Africa in commemorating this year's African Freedom Day under the theme "Arts, Culture and Heritage: Levers for Building the Africa we Want".

It is imperative that we reflect on our African journey to freedom that reminds Africans of their struggle to freedom and the steps made towards achieving our goal of becoming a great continent.

With over 72 ethnic groups, Zambia is endowed with cultural norms and traditional ceremonies that are characterised by festivals such as music, dances and theatre. To safeguard Zambia's arts, culture and heritages, the National Cultural Policy of 2003 was developed aimed at facilitating the participation of all stakeholders in the development and promotion of our culture.

The African Union (AU) aspiration number 5 of Agenda 2063 envisages "An Africa with a strong cultural identity, common heritage and shared values and ethics". This aspiration is critical to the preservation of African Arts, Culture and Heritage as it endeavours to fulfil an African cultural renaissance which is pre-eminent and also inculcates the spirit of Pan Africanism; as well as taps into Africa's rich heritage and culture to ensure that the creative arts are a major contributor to Africa's growth and transformation; as well as restores and preserves Africa's cultural heritage including its languages.

Indeed this has led to the emergence of the Cultural and Creative Industries (CCI) Sector. The cultural and creative industries has the main objective of producing or reproducing, promotion, distribution or commercialization of goods, services and content activities derived from cultural, artistic or heritage origins. To this end, CCI's worldwide play a critical role in economic growth through the contribution to Gross Domestic Product (GDP). It is in this respect that the recognition of CCI's in achieving the Agenda 2063 objectives "regional integration, inclusive and sustainable economic development", that the

African Union has declared the year 2021 as "The AU Year of the Arts, Culture and Heritage: Levers for Building the Africa We Want"

Zambia as a nation believes in the cultural incorporation of social behaviour and societal norms, as well as language, knowledge, beliefs, arts, customs, capacities and habits of various communities. It is in light of this that the 2021 theme is a clear continental declaration for member states to invest more financial resources into the promotion of national and regional unity by investing in African culture and heritages as an engine for promoting and achieving the national economic and social development goals as outlined in Africa's Agenda 2063.

This year's commemoration of the Arts, Culture and Heritage comes at a time when the African continent is still grappling with the effects of the COVID-19 pandemic, which has imposed heavy human, financial and economic costs on Africa. African countries should however, view the pandemic as an opportunity for the increased use of technology to enhance the CCI's sector through the use of digital platforms in the promotion of African goods and services to the World. Finding solutions for Africa starts with us and true solutions to our problems lie within Africa, through unity of purpose. Our unity can make us one great Africa that will live to triumph above its problems. The pandemic has presented itself as an opportunity to retool Africa's socio-economic priorities and direction by focusing on the role that cultural industry plays towards creating and harnessing stronger CCI's as well as more resilient, healthy and social sectors promoting equality, inclusion, social cohesion and resurgence as inspired by a true unity of purpose - the Ubuntu Philosophy.

READ MORE HERE:

<https://pmrczambia.com/pmrc-press-statement-africa-freedom-day-arts-culture-and-heritage-levers-for-building-the-africa-we-want-pdf/>



Zambia Reaches a Staff-Level Agreement on an Extended Credit Facility Arrangement with the International Monetary Fund (IMF)

On the 3rd of December 2021, Zambia and the International Monetary Fund (IMF) reached a Staff-Level Agreement for a three-year program under the Extended Credit Facility (ECF) for US\$ 1.4 billion. According to the IMF, the agreement is based on Zambia's plans to undertake "bold and ambitious economic reforms". It is worth noting that the agreement is different from the US\$ 1.3 billion allocation of Special Drawing Rights (SDRs), which Zambia received from the IMF in August 2021. The Extended Credit Facility (ECF) provides financial assistance to countries with protracted balance of payments problems. The ECF was created under the Poverty Reduction and Growth Trust (PRGT) as part of a broader reform mandate to make the Fund's financial support more flexible and better tailored to the diverse needs of Low Income Countries (LIC's), including in times of crisis. The ECF is the Fund's main tool for providing medium term support to LIC's.

The purpose of the ECF is to support countries' economic programmes aimed at moving towards a stable and sustainable macroeconomic position consistent with strong and resilient poverty reduction and growth strategies. The ECF may also help catalyze additional foreign aid inflows.

Access to ECF financing is determined on a case-by-case basis, taking into account the country's balance of payment needs, the strength of its economic program and capacity to repay the Fund, the amount of outstanding Fund credit and the member's record of past use of Fund credit, and is guided by access norms. Total access to concessional financing under the PRGT is limited to 100 percent of quota per year, and total outstanding concessional credit to 300 percent of quota. These limits can be exceeded in exceptional circumstances, subject to hard caps of 133.33 percent of quota (annual) and 400 percent of quota (cumulative). The normal access limits were temporarily raised following the COVID-19 pandemic to accommodate increased financing needs. Access may be augmented during an arrangement if

needed, subject to applicable limits.

This deal is designed to restore Zambia's macroeconomic stability and promote inclusive economic recovery. Therefore, there are several reasons why such a deal is good news for the Zambia. Firstly, in addition to providing the much needed liquidity in the economy, policies underpinning the IMF deal will assist the Government in paying for needs related to healthcare and education, two critical pillars of human development. Further social sector spending can now be directed at vulnerable groups such as those with disabilities as well as women and youths, all of whom have disproportionately been affected by the COVID-19 Pandemic. Moreover, Zambia's Minister of Finance and National Planning, Dr. Situmbeko Musokotwane has indicated that the deal will reflect Government's implementation of decentralized programming under the Constituency Development Fund (CDF).

Secondly, the IMF deal has implications for Zambia's debt, something the country has been grappling with in the recent past. In the last quarter of 2020, Zambia became the first nation in Africa to default on its \$42.5 million Eurobond repayment during the COVID-19 pandemic due to challenges with its high debt servicing coupled with low fiscal space. This scenario is not different for the 2022 budget where over K78 billion has been allocated for debt service. The IMF deal paves the way for debt restructuring talks with Zambia's external creditors, which are set to take place in the second quarter of 2022. Having such a deal in place will improve international confidence in Zambia's economy. Ultimately, such a deal will move the economy to a more sustainable growth path.

READ MORE HERE:

<https://pmrczambia.com/oped-zambia-reaches-a-staff-level-agreement-on-an-extended-credit-facility-arrangement-with-the-international-monetary-fund-imf/>



Mainstreaming Climate Change Adaptation And Mitigation Issues Across All Policy and Programme Interventions to Build the Resilience of the Zambian Economy

Climate change continues to pose a significant challenge to Zambia's economic recovery, having cost the country an estimated 0.4% (US\$13.8 billion) in GDP growth between 2007 and 2016.

It is projected that over the next 10-20 years, losses in key sectors such as agriculture, will reach approximately US\$2.2-3.1 billion, largely due to waterlogged fields, water shortages, destruction of crops, and a high incidence of crop and livestock diseases. In the energy sector, poor rainfall during the 2015/2016 season led to a 600MW decline in the country's hydropower generation. Other sectors that have been affected by climate change include; manufacturing, health and water.

In order to manage these effects, the Zambian Government through its National Policy on Climate Change, has started to mainstream adaptation and mitigation measures across all policy and programme interventions to re-build the resilience of the economy. However, there are various challenges to the effective implementation of the climate change policy due to the following;

Firstly, there is an inadequate capacity in the development of bankable climate change adaptation/mitigation proposals. Additionally, Zambia has very little proper and concise domestic financing to implement climate change related projects. Another challenge that is faced is the lack of strong partnerships between the Government and the private sector on climate change related projects. Moreover, there is a need for more extensive data collection on climate change impacts in Zambia, such as on biodiversity and ecological systems. Lastly, there needs to be greater emphasis placed on the publicising of climate change related issues to allow the general citizenry to prepare for climate change shocks. Practices such as the cutting of trees for charcoal making and mass land clearing for agriculture must be avoided or done with the utmost caution. However, this can only be achieved by increasing the common citizens awareness levels on the deleterious effects of these practices to the environment.

In order to address the challenges being faced in the implementation of the Climate Change Policy,

Government through the Economic Recovery Programme (ERP) intends to enhance climate change mainstreaming across all policy and programme interventions to foster resilience in the Zambian economy. Particular attention will be directed to climate sensitive sectors such as agriculture, water and energy.

The ERP recommends the following if some of these challenges are to be addressed:

There is a need for a stronger commitment by Zambia to both short- and long-term projects that will enable adaptation/mitigation. It is recognized that this can be a very expensive exercise and thus, what tends to happen is that Government funding for climate related issues is usually restricted to merely being reactive (emergency response when floods or droughts occur for example). Additionally, it is imperative that stakeholder's capacity is enhanced to allow for bankable project proposal development to enable a pipeline of project proposals for submission to multilateral climate funds. Furthermore, there is also a need to enhance domestic resource mobilization for the implementation of climate action: instruments that could be utilized as green bonds. Another recommendation is that Government is urged to establish and strengthen partnerships with the private sector in climate change programmes/projects; as well as promote private sector participation to enhance financing for climate action. Zambia also needs to further build capacity to produce climate change related data, as well as improve existing information systems to better collect data on climate change impacts on biodiversity, ecological systems, and green house gases emissions (GHG). Lastly, systems need to be put in place that effectively raise awareness on climate change, and its potential impacts on social and economic development, livelihoods and ecosystems.

READ MORE HERE:

<https://pmrczambia.com/blog-mainstreaming-climate-change-adaptation-and-mitigation-issues-across-all-policy-and-programme-interventions-to-build-resilience-in-the-zambian-economy/>



A Sustainable and Resilient Tourism Sector in the Face of the Pandemic

Tourism sector with its feature activities continue to play a key role in the economic growth of Zambia with its key contribution to employment creation, source of foreign exchange and its contribution to the country's Gross Domestic Product (GDP). In 2019, the industry contributed nearly 7% of the GDP and 7.2% of the country's total employment. During the same period, international visitors spent about \$849 million, representing 10% of the country's total exports. The COVID-19 pandemic has had negative impact on the tourism sector as measures introduced to contain the virus led to near complete cessation of tourism activities around the world. The tourism sector in Zambia has experienced significant growth in recent years but the pandemic has negatively affected its growth. Without closing its borders, the number of international visitors declined sharply for Zambia. 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 a 56.3 percent reduction.

Zambia's safari tourism and allied sectors such as Airlines and charters are projected to have suffered a loss in income of about USD100 million in 2020. The Government is cognizant of the challenges faced by the sector and has therefore included tourism as one of the sectors for restoring growth and economic diversification in the Economic Recovery Plan (ERP) for the period 2020-2023. During the ERP, Government intends to provide tax incentives and other relief in the 2021 national budget in order to sustain the sector; actualize the implementation of the Tourism Master Plan; Reinvigorate the Livingstone/Northern Circuit; Youth Empowerment Scheme for Artists and support local tourism.

In addition to the priorities in the ERP Government is urged to ensure to restore traveller confidence through adaptation to evolving COVID-19 response measures and utilizing the expanded use of ICTs to publish health and travel related information that can easily be accessed by travellers.

Lastly, the global lockdowns have brought some variable lessons back home on the importance of promoting local tourism, this therefore calls for Government through the Zambia Tourism Agency (ZTA) and the tourism businesses in Zambia to continue the promoting of local tourism through suitable packages that will encourage and motivate local citizens to harness the tourism sector.

READ MORE HERE:

<https://pmrczambia.com/blog-a-sustainable-and-resilient-tourism-sector-in-the-face-of-the-pandemic/>





Zambia's Manufacturing Sector and the African Continental Free Trade Area

The manufacturing sector has been pivotal in the realization of Zambia's economic growth and development and it continues to play a significant role in the country's industrialization agenda. The manufacturing sector's value added as a percentage of Gross Domestic Product (GDP) has steadily grown from about 7.6% in 2010 to 8.1% of the GDP in 2018 and has remained stable over the period 2015-2019 with an average growth of about 7.9%. However, the sector's performance continues to be hampered by the high cost of doing business and an unstable macroeconomic environment. These challenges have been exacerbated by the COVID-19 pandemic, which resulted in the shrinking of the manufacturing sector by 4.6% in the second quarter of 2020. Recognising the important role that the sector plays in the Zambian economy, Government has therefore included specific measures in the Economic Recovery Plan (ERP) to revive growth in the sector and promote stability. One such measure in the ERP is export promotion.

Under export promotion in the ERP, one key action will be to "aggressively pursue export market opportunities through investment promotion missions" in the African Continental Free Trade Area (AfCFTA), which Zambia ratified on 5th February 2020. The AfCFTA is a flagship project of the African Union's Agenda 2063, which is a blueprint for attaining inclusive and sustainable development across the continent over the next 50 years. The Agreement has been signed by member states of the African Union, bringing together 1.2 billion people with a combined GDP of more than US\$3 trillion. This large market offers an opportunity for the country to develop and expand its manufacturing sector, which will result in increased job creation, foreign exchange, industrialization and economic growth.


While Zambia's manufacturing sector is still in its developmental stage, it is important that necessary

pre-conditions are put in place that will ensure the country reaps benefits from the AfCFTA market. Firstly, the Government is urged to focus its efforts on raising awareness about how the Agreement can benefit Zambian manufacturers as well as what risks come with it. The manufacturing sector needs to be prepared for the increase in competition that will arise once tariffs are removed and trade under the AfCFTA begins. This kind of support would ensure that Zambian manufacturers are not crowded out by firms from countries with larger economies such as South Africa and Nigeria. Support must especially be provided for small scale producers in order to avoid crowding out in a market run by the private sector. This support can take the form of enhanced technical, managerial and financial skills to meet industry standards. The Government may assist in investment of these attributes.

Secondly, 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 is that there will be low trade in finished goods which will limit the scope for intra-regional trade. Given the size of Zambia's agricultural sector, a focus on value addition such as agro-processing could kick start the emergence of a vibrant manufacturing sector. The planned establishment of various fruit processing plants (such as Kalene Hills Fruit Company Limited in North-Western Province and the Eastern Tropical Fruits Company in Eastern Province) will be vital in this regard as they will assist in promoting linkages between agriculture and manufacturing, and consequently promote agricultural exports.

READ MORE HERE:

<https://pmrczambia.com/blog-zambias-manufacturing-sector-and-the-african-continental-free-trade-area/>



Youth Day - Enhancing National Development through Sustainable Youth Partnership

This year, Zambia celebrated Youth Day under extraordinary circumstances brought by the COVID-19 pandemic, as the virus continues to cause havoc and remains a danger to the wellbeing of all world over. **Zambia has a youthful population with a mean age of 17 years and 70% of the country's population comprising of youth.** These statistics entail that the exclusion of youths from national affairs is an exclusion of the majority in society.

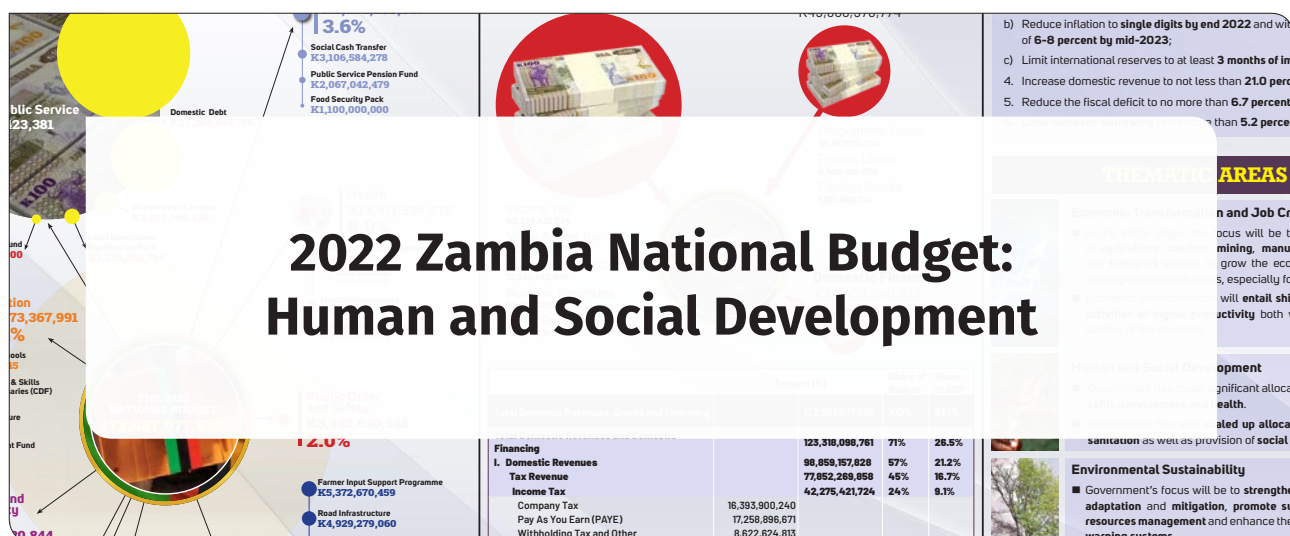
Zambia celebrated this year's Youth Day under the theme: **'Enhancing National Development through Sustainable Youth Partnership'**. Central to this theme are the words 'sustainable' and 'partnership'. They speak of the need to work together both the old and young, present and future, in a manner that benefits society. This year's theme is a reminder that, **in driving our development agenda, there is need to forge partnerships with youths in all spheres of development.** It is also a call to **collective action for the youths** to take up their place in the **socio-economic space** and play their role in the development of the country.

Zambian Youth, like many young people in developing countries, are faced with many challenges. Although Government has intensified measures to improve access to education, **it is sad to note that a large number of youths are not in school, a situation that needs urgent redress if we are to see any form of genuine, sustainable development in the country.** What is even more saddening is that those who have an education are faced with **serious unemployment and underemployment standing at 21.62%.** Government has a critical role to play in **ensuring a positive and conducive environment for job creation and an enabling environment for employment opportunities.** Leadership initiatives are needed to improve the functioning of the skills marketplace and the alignment of the skills supply with employment demand. Further, partnerships among Government, educators and businesses are needed in order to create more channels for young people to move from school to work.

Despite the challenges being faced by the youth, it must be mentioned that they have been front liners in the fights against COVID-19 in the health sector as well as embraced the use of ICTs to ensure the continued provision of goods and services amidst the pandemic. PMRC wishes to acknowledge the hard work that the youths are putting in to ensure Zambians are kept safe, healthy and the wheels that have kept the country's economy running. As the country continues to develop efforts towards the prevention and mitigation of the COVID-19 pandemic, youths must be at the centre to drive the recovery agenda. In this regard the duty also lies on the youths' shoulders to ensure that they step up to the responsibility being asked of them. **They should strive not to keep their minds idle but instead use their time productively and avoid being drivers of illicit activities like violent behavior and substance abuse.**

READ MORE HERE:

<https://pmrczambia.com/wp-content/uploads-2021-03-press-statement-youth-day-enhancing-national-development-through-sustainable-youth-partnership-pdf/>



EDUCATION AND SKILLS DEVELOPMENT



The education sector is a critical pillar in achieving human and social development as it directly contributes to a skilled labour force and is essential for growing the economy as well as reducing poverty. As global trends evolve, the need to link skills with labour market demands cannot be over-emphasised. However, Zambia's education sector is characterised by a myriad of challenges that include; inadequate financial and human resources, poor education quality and low progression rates, among others. These challenges tend to be higher in rural areas due to developmental inequalities, where access to quality education has continued to be affected by distance, poor infrastructure, lack of teachers and inability to pay user fees. Consequently, this impacts development as high levels of unskilled personnel may not be able to significantly contribute to the growth of the economy.

In line with Government's aspirations to make quality education accessible to all, the 2022 budget has allocated K18.1 Billion representing 10.4% of the National Budget to the sector. This is an increase by 32% in comparison to the subsequent allocation of K13.8 Billion in 2021. Government has also set aside K2,188,592,645 to support school operations and K694,331,744 for school infrastructure as well as K199,787,477 for skills development.



K18.1 Billion
allocated to the Education Sector in the 2022 National Budget.



This represents an increase of **32%** compared to K13.8 Billion of 2021.

Several measures have been put in place to improve access to quality education. For instance, Government seeks to recruit 30,000 teachers in 2022 at a cost of K1.7 billion in a bid to guarantee quality education by reducing the teacher-pupil ratio. Another measure set to improve access to education will be through the construction of an additional 120 secondary schools to be financed through a loan obtained from the World Bank. Like primary school education, access to secondary schools is limited in rural areas, hence there is need for Government to target rural areas in order to address challenges such as low progression rates

and distance to schools. Moreover, the continued investment in the development of school infrastructure should be targeted towards increasing the number of STEM schools across the country in order to nurture innovation through science and technology which is an essential tool for development and will help advance the country's technological skills base.

As a means of ensuring equitable opportunities for the girl child, Government will continue to address gender specific challenges that the girl child faces such as walking long distances to school, early marriages, menstrual hygiene and unwanted pregnancies. In this regard, Government will increase beneficiaries on the Keeping Girls in School Programme from the current 28,964 in 2021 to 43,520 girls in 2022.

To realise Government's aspiration for free education from primary to secondary level, user fees such as Parent Teachers Association (PTA), examination fees and tuition fees will be abolished. Furthermore, to cover boarding facilities, bursary schemes will be introduced for vulnerable learners through the K792,226,102 reserved under the Constituency Development Fund (CDF). To ensure this is realised, the provision of teaching and learning materials, grants to primary schools will be increased three-fold in 2022. Further, grants from the Government to public schools will be increased to meet the operational costs that were previously financed by the fees. The removal of school fees is a significant relief for many households as this money can contribute towards other basic needs for the family such as nutrition.

PMRC commends Government for the proposed recruitment of teachers and urges them to decentralize the recruitment process in order to reduce incidences of teachers requesting for transfers. Equally, there is need to look into issues that will act as incentives for more teachers to take up places in rural areas. This is critical for achieving the provision of equitable quality education and bridging the gap between urban and rural learners. Similarly, the removal of user fees in the education sector will allow for greater retention rates among learners from vulnerable households.

RECOMMENDATIONS

- PMRC urges Government to conduct curriculum assessments in order to adequately equip learners with the necessary skills such as those in Entrepreneurship, Science and Technology so as to effectively respond to societal needs.
- Government is urged to continuously conduct skills audits among teachers in order to build capacity to improve the quality of education imparted on learners.
- PMRC urges Government to apply the bursaries to be accessed under CDF on an equitable basis for learners in rural areas in order to improve progression rates.

HEALTH SECTOR



Access to health care is a basic human right and a critical pillar towards achieving the Sustainable Development Goals. Therefore, securing qualified health personnel and providing adequate funding to the sector will enhance the quality of care accessed and the provision of services.

Government has allocated K13.9 Billion representing 8% of the total 2022 budget. This is an increase by 44% in comparison to K9.7 Billion in 2021. Other allocations are towards drugs and medical supplies at K3.4 Billion which represents more than double the allocation in the 2021 budget towards drugs and medical supplies, COVID-19 vaccines at K704,275,000, operations for hospitals at K883,249,509 and health infrastructure at K1.6 Billion.

Furthermore, Government seeks to recruit 11,200 health care personnel as well as place health workers that have been working without a salary on payroll. This measure will not only help address the high

unemployment rate but will also help Government achieve its goal of enhancing the quality of health care across the country. In light of the critical need for improved health care in the face of COVID-19, the recruitment of health personnel and securing funding towards acquiring more doses of the COVID-19 vaccine will help Government reach its vaccination rollout targets.



Government will also continue to invest in health infrastructure development through the construction and completion of health facilities. This is a critical area of focus especially in rural areas where barriers in the access to health services continue to undermine the quality of life of citizens. Another key area that needs investment is in the provision of drugs, medical supplies in health facilities and specialised medical care and skills in order to respond to the health needs of the people. This will help Zambia become an attractive healthcare hub in the region. Facilities such as Maina Soko Military Hospital, Cancer Disease Hospital and Lusaka Specialist Hospital are key examples that can put Zambia on the map for health tourism. This will also help the Government save on medical evacuations to India and South Africa for specialized health services. Therefore, we urge Government to prioritise modernising and equipping of health facilities.

PMRC commends Government for setting up measures to improve supply management systems that will ensure availability of essential medicines and medical supplies through the Zambia Medicines and Medical Supplies Agency in accordance with the Zambia Medicines and Medical Supplies Agency Act No.9 of 2019. Further, PMRC commends Government for its commitment to attaining universal health coverage by reforming the National Health Insurance Scheme as this will make quality health services affordable and accessible to all.

RECOMMENDATIONS

- PMRC commends Government for an increased budgetary allocation towards the provision of health services, however, we urge Government to continue to strive towards attaining the 15% target as set in the Abuja Declaration.
- Further, PMRC urges Government to urgently strengthen procurement systems in the health sector to resolve the various challenges highlighted in the Auditor General's report. This can be done through strict adherence to the Zambia Public Procurement Act and enforcement of measures to curb wastage of resources.
- Finally, there is need for Government to exploit public-private partnerships in order to advance Zambia's health sector to become a hub for medical tourism. Equally, innovative ways of financing the health sector will improve the quality of services accessible to citizens.

WATER AND SANITATION



Government has been making significant strides in the water and sanitation sector as evidenced by the various projects it has embarked on such as the National Urban and Rural Water Supply Programme. These projects have been implemented in Kafue, Nakonde, Chinsali and Chongwe. Furthermore, projects such as the Lusaka Water Supply Sanitation and Drainage Projects are targeted to benefit about 90,000 residents once completed while similar projects are also being implemented in Kafulafuta, Serenje and Mufumbwe districts.

Government with the help of its cooperating partners will continue to undertake a number of water and sanitation projects to improve access to clean and safe drinking water as well as to provide sanitation services. The 2022 budget has increased the allocation in this by 9% from K2.2 Billion in 2021 to K2.4 Billion with additional financing of K145,323,866 under the Millenium Challenge Account.

PMRC commends Government for its continued efforts to improve access to clean water and sanitation, particularly in rural areas in order to address challenges of long distance to points of safe drinking water for communities.

Moreover, the removal of application and registration fees to drill domestic boreholes will help increase access to water across the country. However, more efforts need to be made to safeguard the quality of underground water and reduce contamination. Similarly, there is need to improve drainage systems and solid waste management systems across the country to address issues such as flooding and the indiscriminate disposal of waste as this impacts sanitation particularly in urban and peri-urban areas. There is also an urgent need to scale-up efforts to reach vulnerable sections of society, as basic sanitation has continued to be a challenge in many communities.

RECOMMENDATIONS

- Government is encouraged to expedite the implementation and completion of various water and sanitation projects across the country in order to achieve equitable access to clean water and decent sanitation for all.
- Government is urged to improve the drainage systems and solid waste management systems in order to address the challenges faced from flooding during the rainy season and the indiscriminate disposal of waste as this impacts on sanitation.

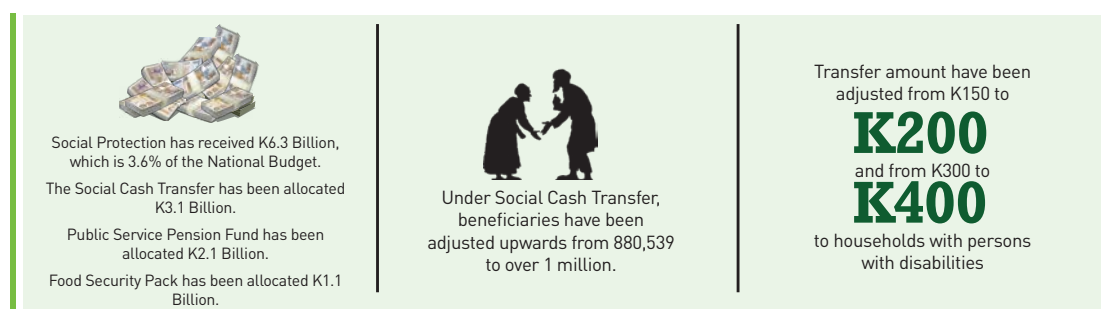
SOCIAL PROTECTION



Social protection is key in reducing vulnerability among poorer sections of society and is a critical policy measure to promote access to basic social amenities that impact on the quality of life. Social protection programming supports development through building human capital, thus breaking the intergenerational transmission of poverty and promoting the reduction of both social and economic inequalities. Programmes such as the Social Cash Transfer, Food Security Pack are essential social safety nets that safeguard livelihoods.

In the 2022 budget, social protection has received an allocation of K6.3 Billion representing 3.6% of the National Budget. This allocation is an increase by 31% from the K4.8 Billion allocated in 2021. The Social Cash Transfer (SCT) has been allocated K3.1 Billion, while the Public Service Pension Fund (PSPF) stands at K2.1 Billion and Food Security Pack (FSP) at K1.1 Billion.

The budgetary increment on various programmes will facilitate the upscaling of beneficiaries. Under the SCT, beneficiaries will be adjusted upwards from 880,539 to over one million in 2022. Equally, the transfer amounts will be increased from K150 to K200 per month and from K300 to K400 per month for households with persons with disabilities. In order to support the most needy in society, PMRC notes that there is need for strengthening human resources in the department of social welfare at ward level to improve the targeting of beneficiaries with the help of community members. While scaling up beneficiaries is commendable especially given the socio-economic impacts of COVID-19 on many households which further exacerbated their vulnerability through loss of income, PMRC suggests the need to link vulnerable households on various social protection programmes to empowerment programmes in order to progressively uplift them from poverty and enable them to effectively participate in development. In addition, PMRC has been advocating for Government to shift from the traditional cash pay-outs to beneficiaries to a more cost effective and efficient electronic pay-out of SCT benefits as a cost saving measure. Furthermore, there is need to strengthen measures aimed at providing timely and predictable disbursement of funds in order to cushion further vulnerability on beneficiary households.



The Food Security Pack Programme has also been earmarked for upscaling from 263,700 to 290,000 households in 2022. This Programme is targeted at the vulnerable but viable farmer households. Similarly, other social protection interventions that will be scaled up include the Girls Education and Women's Empowerment and Livelihood Programme, the Home-Grown School Feeding Programme, Public Welfare Assistance Scheme, and Child Welfare Programmes.

In order to safeguard the livelihoods of pensioners, the 2022 budget has committed funds towards the settlement of pension benefit arrears for retired public service workers that stood at K1.2 Billion. The allocation towards this settlement is K2.1 Billion which is in excess of the arrears in order to curtail further accumulation of arrears. This also indicates that Government has prepared for the next cohort set to retire. Therefore, PMRC commends Government for its efforts to dismantle the arrears owed to pensioners as this will enable them to live dignified lives after work and improve their quality of life. Further, Government is set to review and amend legislation such as the Public Service Pensions Act Cap 260 of the Laws of Zambia, Local Authorities Superannuation Fund Act Cap 284 of the Laws of Zambia and the Pension Scheme

Regulation Act No. 27 of 2005 in order to restructure the current pension system to allow workers to access accrued benefits before retirement. This is a commendable measure that will empower citizens to access their pension contributions for personal investment and development. In addition, the funds accessed under this programme will act as a source of capital for personal ventures that will contribute to uplifting their livelihoods and enable them to continue contributing to the growth of the economy.



RECOMMENDATIONS

- PMRC recommends that Government expedites the shift to electronic platforms for the administration of the social cash transfer in order to improve the security of funds as well as cut down on administrative costs.
- PMRC urges Government to link beneficiaries of various social protection programmes to empowerment programmes in order to sustainably uplift beneficiaries out of poverty.
- PMRC recommends that Government expedites legislative reforms governing pension benefits in order to further empower citizens to access pension contributions for personal investment and development.



PMRC Analysis of the Zambia Economic Recovery Programme: Restoring Growth and Safeguarding Livelihoods through Stability, Economic Diversification and Debt Sustainability

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.

LINK FOR THE PUBLICATION

<https://pmrczambia.com/wp-content/uploads-2021-07-pmrc-analysis-of-the-zambia-economic-recovery-plan-pdf/>

ANALYSIS



National Lands Policy Analysis

On the 11th of May, 2021, Government launched the National Lands Policy in a bid to streamline land administration and management services in the development of the country. The National Lands Policy has been put forward to improve land administration and management in order to place the country's land development on a sustainable path. Since independence, land administration in Zambia lacked an adequate Policy framework as the country only had fragmented Policy pronouncements by Government.

Due to the complexities surrounding land management and administration, a comprehensive Land Policy framework was only arrived at in 2000 when Government embarked on an initiative to consult various stakeholders in order to come up with a Land Policy for the country. This analysis will focus on some of the challenges faced in the management and administration of land and how the Policy seeks to remedy them.

SITUATIONAL ANALYSIS

Land is an important natural resource both politically and economically. Likewise, it is one of the most critical components in the means of production; land, capital and labour. Geographically, land represents spatial space occupied by an entity which translates to socio-political boundaries. Zambia has a surface area of approximately 752,614 square kilometres and a population of about 18 million. As at independence in

1964, Zambia was considered to be one of the least densely populated countries in the Sub-Saharan Africa region with about 94% of its land under the customary land system and administration, while 8% of both state and customary land is reserved for national parks and about 9% for forests. However, it was observed that customary land had drastically decreased as parts of it had been converted to state land. Hence, conducting a comprehensive land audit will be necessary to gather sufficient information on the quantities of land currently held under both systems.

One critical challenge that has continued to affect land management is the limited capacity to provide integrated land use and planning services in customary areas. This has resulted in land related conflicts and disputes. Therefore, chiefdom boundary maps need to be enhanced in order to prevent encroachments on National Protected areas like National Forests, National Parks and other Government and privately owned properties by surrounding villages.

LINK FOR THE PUBLICATION

<https://pmrczambia.com/wp-content/uploads/2021/10/National-Lands-Policy-Analysis.pdf>

ANALYSIS



National Legal Aid Policy Analysis

WHAT IS LEGAL AID?

Legal aid consists of the following:

- a) Legal education
- b) Legal information
- c) Legal advice
- d) Legal assistance, or
- e) Legal representation

THE IMPORTANCE OF LEGAL AID

It is common cause that legal representation in Zambia is costly and not all litigants can afford the fees charged by legal practitioners. That notwithstanding, legal aid is an essential element of a fair, humane and efficient criminal justice system that is based on the rule of law and that is the foundation for the enjoyment of other rights. The Seventh National Development Plan Mid-Term Review (7NDP-MTR) recognised the need to strengthen the Government's commitment to upholding democratic principles, respect for human and the provision of access to justice as part of its development agenda. This was founded on a belief that sustainable development relies on peace, stability, human rights and effective governance, all based on the rule of law. National Vision 2030 acknowledges access to justice as a fundamental human right essential for protection and promotion of rights. To this end, accessibility to justice agencies and institutions, especially by the poor and vulnerable, women and children is important for a well-functioning legislative process

and policy framework driving administration of justice. This is reinforced by Sustainable Development Goal (SDG) 16 – Peace, Justice and Strong Institutions.

BACKGROUND TO THE POLICY FORMULATION PROCESS

The development of the National Legal Aid Policy (2018) was informed by findings of a study supported by the Dutch Institute for Human Rights² which raised a number of key issues. These were principally the following:

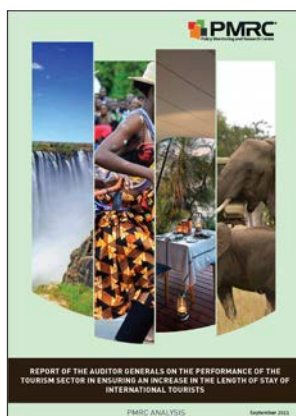
- a) *Forms of official recognition of different kinds of legal services, including legal information and education, legal advice and assistance; and legal representation before courts and tribunals;*
- b) *A proposed policy to address roles and responsibilities of different legal service providers, including ethical and conduct issues;*
- c) *Different kinds of paralegals would be recognised – qualifications, regulation, recognition and services provided would be expressly indicated; and*
- d) *Cooperation.*

The study made recommendations which were submitted to the Ministry of Justice, which resulted into the Government of the Republic of Zambia committing itself to enhancing equal access to justice, particularly for the poor and for vulnerable people. This is the basis of the policy and its supporting framework.

LINK FOR THE PUBLICATION

<https://pmrczambia.com/wp-content/uploads-2021-11-national-legal-aid-policy-analysis-pdf/>

ANALYSIS



Report of the Auditor General on the Performance of the Tourism Sector in Ensuring an Increase in the Length of Stay of International Tourists

Zambia stands out as one of the prime tourism destinations in Africa offering a wealth of natural tourism assets such as waterfalls, lakes and rivers which hold close to 35% of Southern Africa's total natural water resources, and wildlife protected areas occupying about 32% of the country's total land area. Zambia is divided into two tourism circuits, namely the Northern and the Southern Tourism which are highly endowed with the wealth of natural tourism assets (Office of the Auditor General, 2020).

The tourism sector is an important contributor to the country's economic development through job creation, foreign exchange earnings, contributions to Gross Domestic Product (GDP) and other economic facets. **The Seventh National Development Plan (7NDP) recognises tourism as one of the sectors for economic diversification and job creation due to its potential to generate revenue, foreign exchange earnings and employment.** Research conducted by Tabetando in 2020 showed that in 2019, Zambia's tourism industry **contributed 7% of GDP (USD 1,701 million) and 7.2% of total employment (469,000 jobs)** whereas international visitors spent USD 849 million, representing 10% of Zambia's total exports.

It is evident that Zambia's **tourism sector has the potential to contribute to the country's economy**, however, the sector faces a number

of impediments which are highlighted within the Seventh National Development Plan 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.**

The sector has also been one of the most affected by the COVID-19 pandemic. 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% decrease (Government of the Republic of Zambia, 2020). Out of 257 lodges and camps, 165 have closed with over 7000 jobs likely to be lost. In addition, 165 tourism businesses in Livingstone and Zambia's protected areas face bankruptcy (Tabetando, 2020). In order for Zambia to fully benefit from the tourism sector, there is the need for urgent action to address the challenges the sector faces.

LINK FOR THE PUBLICATION

<https://pmrczambia.com/wp-content/uploads/2021/09/Report-of-The-Auditor-Generals-on-the-Performance-of-the-Tourism-Sector-in-Ensuring-an-Increase-in-the-Length-of-Stay-of-International-Tourists.pdf>

ANALYSIS



2022 Zambia National Budget Growth, Jobs and Taking Development Closer to the People.

The Minister of Finance and National Planning unveiled a K172.9 billion 2022 budget on Friday, 29th October 2021. The theme of the budget is “Growth, Jobs and Taking Development Closer to the People.” The 2022 budget was delivered in an environment characterised with anxieties, high expectations as it was a budget that would set in motion the plans and aspiration of the new dawn Government to lift the economy from the pandemic induced slump, fiscal deficit and the debt burden.

The economy, in 2021, has grown at 3.3% against its contraction of 2.8% in 2020, whilst the country continued to experience double-digit inflation of 22.9% as of 31st September 2021. In addition, higher interest rates of 25.9% have been recorded in 2021 compared to 25.1% in 2020 coupled with the continued records of non-performing loans as non-bank financial institutions continue to face challenges with the increase in the ratio of non-performing loans to total loans of 23.1% in August 2021 from the 20.4% recorded in December 2020. This is above the benchmark of 10.0% set in the budget, thus making it difficult for the survival and growth of non-financial banking institutions.

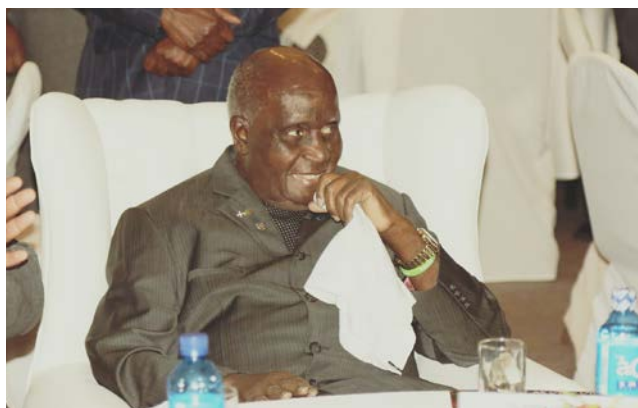
Secondly, the unsustainable external debt servicing obligations of 45.5% of the total budget and about 70% of total domestic revenue constrains the fiscal space to support investment and social spending. The COVID-19 pandemic threatened to collapse the health system and almost paralysed the entire economy due to supply chain disruptions, loss of lives and incomes as well as escalated the disease burden as most of the resources in the health sector and emergency budgets were invested in containing the pandemic.

It is against this background that the 2022 PMRC budget analysis will concentrate on monetary and the fiscal side as well as other policy options suggested in the budget to revamp the economy through economic transformation, job creation and reduced vulnerability. The analysis centres on the 2022 budget expectations meant to promote; sustainable revival of the economy and employment creation through well targeted tax incentives coupled with higher spending on productive sectors; Increased social sector spending that meets international protocols and towards achieving the Vision 2030 as well as the Sustainable Development Goals (SDGs) whilst maintaining an eye on fiscal consolidation; and promotion of private sector participation in economic recovery.

LINK FOR THE PUBLICATION

<https://pmrczambia.com/wp-content/uploads-2021-12-2022-zambia-national-budget-analysis-pdf/>

REMEMBERING HE. DR. KENNETH DAVID KAUNDA
(28TH APRIL 1924 - 17TH JUNE 2021)
FOUNDING FATHER OF THE REPUBLIC OF ZAMBIA



PARLIAMENTARY COMMITTEE PRESENTATIONS

1. PMRC team appeared before the Parliamentary Committee on Health, Community Development and Social Services and presented on Zambia's Preparedness to Respond to Emerging Epidemics and Pandemics.



LINK FOR THE ANALYSIS

<https://pmrczambia.com/presentation-committee-on-health-community-development-and-social-services-zambias-preparedness-to-respond-to-emerging-epidemics-and-pandemics/>

2. PMRC team appeared before the Parliamentary Committee on Energy, Water Development and Tourism and presented on the Fishing Industry in Zambia: Opportunities and Challenges.



LINK FOR THE ANALYSIS



<https://pmrczambia.com/wp-content/uploads-2021-01-committee-on-agriculture-lands-and-natural-resources-the-fishing-industry-in-zambia-opportunities-and-challenge-1-1-pdf/>

PARLIAMENTARY COMMITTEE PRESENTATIONS

3. PMRC team appeared before the Parliamentary Committee on Budgets and presented on the Impact of Trade and other Partnership Agreements on the National Budget.



LINK FOR THE ANALYSIS

<https://pmrczambia.com/presentation-impact-of-trade-and-other-partnership-agreements-on-the-national-budget-policy-and-legal-framework-governing-trade-agreements/>

4. PMRC team appeared before the Parliamentary Committee on Energy, Water Development and Tourism and presented on the Report of the Auditor General on the Promotion of Renewable Energy Sources in Rural Areas in Zambia.



<https://pmrczambia.com/committee-on-energy-water-development-and-tourism-report-of-the-auditor-general-on-the-promotion-of-renewable-energy-sources-in-rural-areas-in-zambia/>

5. PMRC team appeared before the Committee on Energy, Water Development and Tourism: and presented on the Consideration of the Zambia Institute for Tourism and Hospitality Studies (Amendment) Bill No. 29 Of 2021.



PARLIAMENTARY COMMITTEE PRESENTATIONS

6. PMRC team submitted their findings to the Parliamentary Expanded Committee on Planning and Budgeting and presented on the Estimates of Revenue and Expenditure for the Financial Year Ending 31st December 2022.

The presentation bordered around;

- Budget Overview
- Tax Measures
- Monetary Policy
- Debt Management
- Tax Incentives in the Agriculture Sector
- Infrastructure Development, Manufacturing Sector, Tourism, Health, Education, Energy, Social Protection
- Measures for Domestic Resource Mobilisation



LINK FOR THE ANALYSIS

<https://pmrczambia.com/pmrc-2022-budget-presentation-to-parliament/>

INTERNATIONAL PARTICIPATION

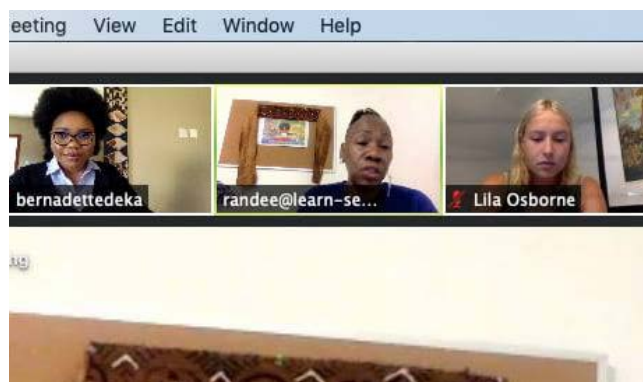
1. UNITED NATIONS CLIMATE CHANGE CONFERENCE OF PARTIES (COP26)

PMRC Executive Director Mrs Bernadette Deka Zulu with Commonwealth Secretary General Ms Patricia Scotland after a side event held on 4th November 2021 at the UNFCCC COP26 in Glasgow. The side event covered Thematic Area (mitigation, adaptation, crosscutting). PMRC was attending the COP26 with support from cooperating partners.



2. Global Summer Fellows Programme

PMRC Executive Director, Mrs. Bernadette Deka-Zulu, during a Global Summer Fellows Programme hosted by Learn Serve International. The purpose of the virtual social entrepreneurship program for students was to enable them gain entrepreneurship skills and use them to address problems in their community, that align with the UN Sustainable Development Goals.



3. SAEDI Consulting Webinar

PMRC Executive Director, Mrs. Bernadette Deka-Zulu, during a webinar hosted by SAEDI Consulting. **Topic: 'Economic Empowerment of Women through Inclusive Natural Resource Management.'**

Other speakers included:

- Ilan Cuperstem- Deputy Regional Director for Latin America C40 (Brazil)
- Rodrigo Paris – International CEO Barefoot College (Guatemala)
- Christine Verheijden – International Consultant Diversity2Change (Netherlands)
- Dr. Jeannette Gurung- Executive Director- Women Organisation for Change in Agriculture and Natural Resource Management (Hawaii, USA).



PUBLIC ENGAGEMENTS

1. WOMEN 'S BUSINESS ORGANISATION INDABA

Her Honor the former Vice President, Mrs. Inonge Mutukwa Wina officiating at the Women's Business Organization Indaba hosted by the Ministry of Gender in collaboration with the Ministry of Commerce, Trade and Industry with support from the Office of the Vice President under the theme: 'Women's Empowerment and Entrepreneurship in the COVID-19 Era'

The speakers at the event on day one and two included:

- Mrs Bernadette Deka-Zulu
- Mr. Chibamba Kanyama
- Rev. Walter Mwambazi
- Mr. Justin Kangwa
- Ms. Beatrice Nkhanza



2. WOMEN 'S BUSINESS ORGANISATION INDABA

PMRC Executive Director Mrs. Bernadette Deka-Zulu speaking during the Women's Business Organization Indaba hosted by the Ministry of Gender in collaboration with the Ministry of Commerce, Trade and Industry with support from the Office of the Vice President under the theme: Women's Empowerment and Entrepreneurship in the COVID-19 Era'

The purpose of the Indaba was to determine the Impact of COVID-19 on Women Driven Enterprises and possible solutions.

Mrs. Zulu presented a paper on the Overview of Challenges caused by the COVID-19 Pandemic on Women Led Enterprises in Zambia.



PUBLIC ENGAGEMENTS

- PMRC Head of Monitoring and Evaluation Leya Namonje Tembo spoke at the Youth Mini Policy Analysis workshop hosted by Action Aid. She presented a paper on the Collaborative Policy Analysis using Designated Instruments : Gaps in the Implementation of the National Youth Policy and the National Climate Change Policy.



<https://pmrczambia.com/key-gaps-in-the-implementation-of-the-national-youth-policy-and-the-national-climate-change-policy-presentation/>



- PMRC Researcher, Mr. Chibuta Chisengele during a virtual presentation on “The Economic Recovery Plan- Restoring Growth and Diversity within the Agriculture Sector” during the Cooperating Partners Group meeting organized by the German Embassy in Zambia.



- PMRC Researchers conducted Data Collection meetings with stakeholders for the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) project on the Impact of COVID-19 Pandemic on Persons with Disabilities in the following provinces: Copperbelt, Lusaka, Southern, Central and Luapula.



PUBLIC ENGAGEMENTS

6. Mr. Lai Bo, Minister-Counselor of the Chinese Embassy to Zambia called on PMRC Executive Director, Mrs Bernadette Deka-Zulu to discuss collaboration themes for the year 2021.



7. Pre-UN Food Systems Summit: Zambia National Dialogue

PMRC Executive Director, Mrs. Bernadette Deka-Zulu, during a Pre-UN Food Systems Summit: Zambia National Dialogue. **Topic:** Perspectives on Policy Issues Needed to Strengthen Food Systems Interventions in Zambia.



LINK FOR THE PRESENTATION

<https://pmrczambia.com/perspectives-on-policy-issues-needed-to-strengthen-food-systems-interventions-in-zambia-presentation/>

8. PMRC Executive Director, Mrs. Bernadette Deka-Zulu, met with The Zambia I Want team to discuss possible collaborations between the two organisations. The Zambia I Want was represented by the Founder and C.E.O., Mr. Chiti Jacob Nkunde, Ms. Mwazipeza Sakala, the Communications Director, and Ms. Vanessa Chinyemba, the Mobilization Director.

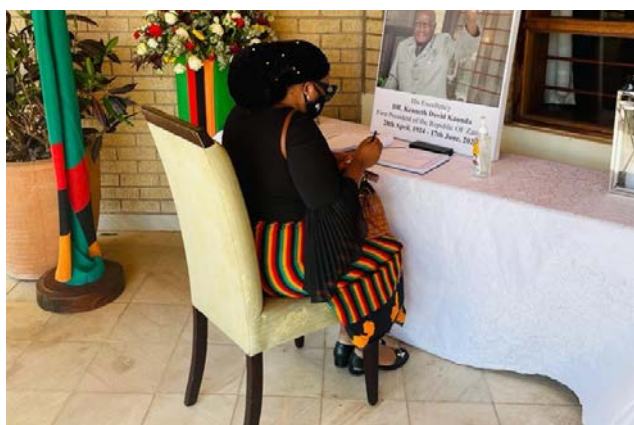


PUBLIC ENGAGEMENTS

9. PMRC Executive Director, Mrs. Bernadette Deka-Zulu, met with the ZANACO Chief Executive Officer – Ms. Mukwandi Chibesakunda ahead of the upcoming PMRC International Public Lecture.



10. PMRC Executive Director, Mrs. Bernadette Deka-Zulu, visited the house of mourning for the late Dr. Kenneth Kaunda (First Republican President of Zambia).



11. PMRC Head of Monitoring and Evaluation- Mrs Leya Tembo made a presentation on How to analyze a political party manifesto using youth friendly tools and practices at a youth workshop hosted by Action Aid.



PUBLIC ENGAGEMENTS

12. PMRC mid-year review & planning meeting: Action planning session.



13. PMRC Senior Researcher Mrs. Esther Besa handed over publications to Mr. Lai Bo, Minister-Counselor of the Chinese Embassy to Zambia.



14. Part of the PMRC team during a tour to various Chinese Enterprises currently operating in Zambia. The visit is part of the PMRC collaborative project with the Chinese Embassy to carry out studies on the impact/contribution of Chinese enterprises on the Zambian economy in various fronts. The following companies were visited: Wonderful Industry, Marcopolo Tiles, Good Time Steel, China National Building Material Zambia Industrial Park and China Jiangsu, who are currently constructing the new Mulungushi International Conference Center. The PMRC team included the Head of Monitoring & Evaluation - Mrs Leya Tembo ,Head Communication and Grants - Ms. Melody Simukali and Researcher Mr. Chisengele Chibuta. Other people in the delegation included; media, academia and the Zambia China Friendship Association.



PUBLIC ENGAGEMENTS

15. PMRC Head of Research and Analysis - Mr. Sydney Mwamba and Head Communication and Grants - Ms. Melody Simukali, met with the Eden University Chief Executive Officer – Mr. Kelvin Kaunda ahead of the upcoming PMRC International Public Lecture.



16. Part of the PMRC team during research work and filming of documentaries for various Chinese Enterprises currently operating in Zambia. The research work is part of the PMRC collaborative projects with the Chinese Embassy to carry out studies on the impact/ contribution of Chinese enterprises on the Zambian economy in various fronts.

The PMRC team included the Head of Monitoring & Evaluation -Mrs Leya Tembo, Head Communication and Grants -Ms Melody Simukali and Researcher Mr Chisengele Chibuta, Communication Specialists – Mr Sambo Mwila and Mr. Chiti Nkunde.





17. Dr. Bona Chitah from the University of Zambia (UNZA) Economics Department, and Dr. Claudia Pollen, Executive Director Consumer Unity Trust Society (CUTS), among others, joined Mrs. Bernadette Deka-Zulu and the PMRC team in a closed-door meeting on debt management and the IMF.

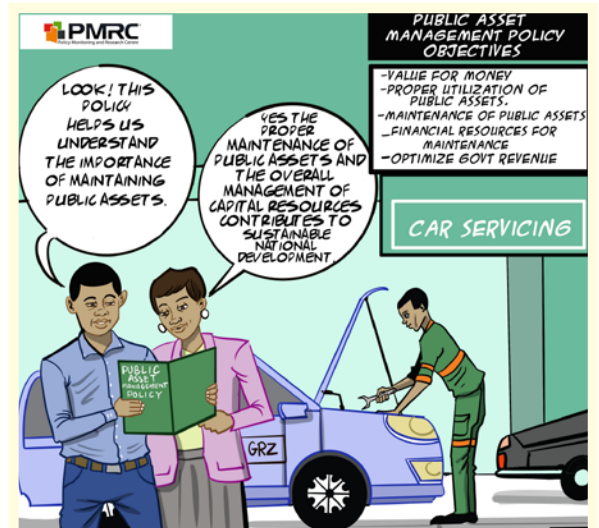
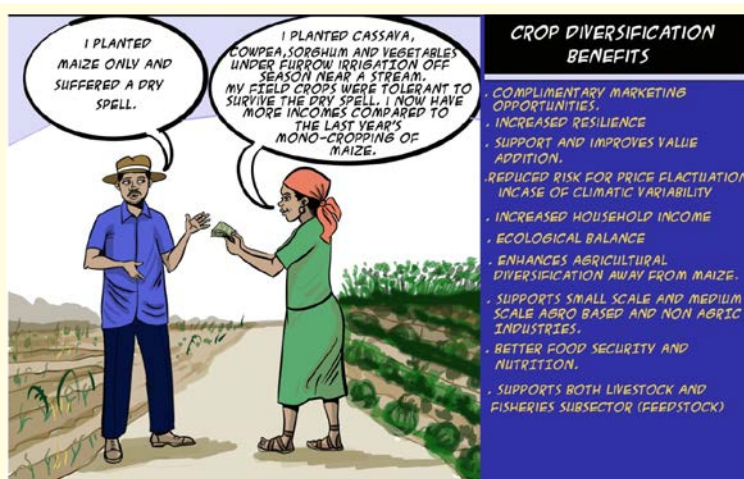
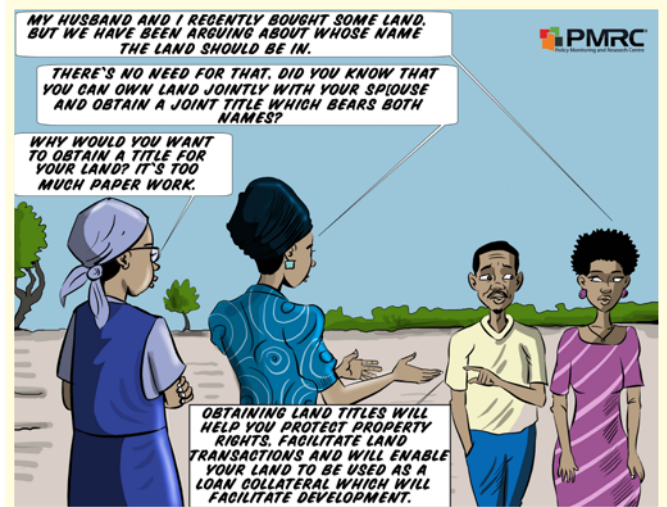
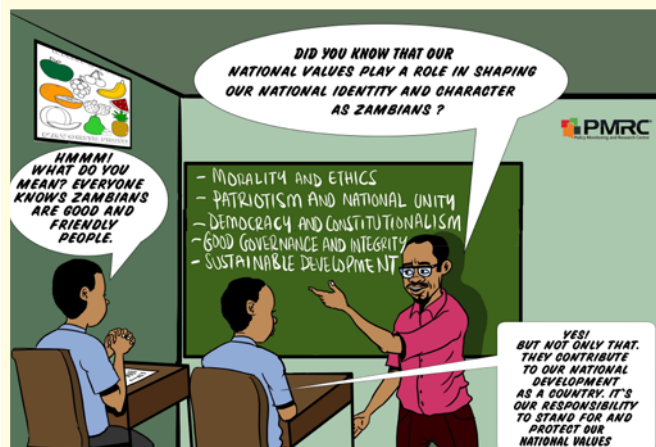
The series of consultative meetings on debt management and debt restructuring are hosted by PMRC.



18. On this day, Mr. Lai Bo, Minister-Counselor of the Chinese Embassy to Zambia, paid a courtesy call on PMRC outgoing Executive Director, Mrs. Bernadette Deka-Zulu, to thank her for leading the collaborations between the Chinese Embassy in Zambia and the PMRC. The meeting also discussed the Embassy's future partnership with the PMRC.



PMRC CARTOONS



INFOGRAPHICS

- Understanding Fuel Procurement in Zambia | Part 2
- Presidential Speech Infographic - Opening of the 1st Session of the 13th National Assembly Part 1
- Presidential Speech Infographic - Opening of the 1st Session of the 13th National Assembly - Part 2
- Presidential Speech Infographic - Opening of the 1st Session of the 13th National Assembly Part 3
- Presidential Speech Infographic - Opening of the 1st Session of the 13th National Assembly - Part 4
- Monetary Policy Committee Statement 1st September 2021 – Infographic
- Minister of Finance Press Briefing Key Messages Infographic
- Government Scores in Enhancing Human Development - Infographic
- Zambia's Infrastructure Development-levers to socio-economic growth – Infographic
- Inauguration Speech By The 7Th President Of The Republic Of Zambia His Excellency, Mr. Hakainde Hichilema Delivered On Tuesday, 24Th August, 2021 Infographic
- 2020 Zambia Sustainable Development Goals National Review Sustainable Development Goal 15 - Life on Land Infographic
- 2020 Zambia Sustainable Development Goals National Review Sustainable Development Goal 17 - Partnership for the Goals
- 2020 Zambia Sustainable Development Goals National Review Sustainable Development Goal 7 - Affordable and clean energy Infographic
- 2020 Zambia Sustainable Development Goals National Review Sustainable Development Goal 8 - Decent Work and Economic Growth Infographic
- 2020 Zambia Sustainable Development Goals National Review Sustainable Development Goal 9- Industry innovation and infrastructure Infographic
- 2020 Zambia Sustainable Development Goals National Review Sustainable Development Goal 13 - Climate Action Infographic
- 2022 Zambia National Budget Infographic
- PMRC Infographic - The Status of Social Protection in Zambia
- 2021 Mid-Year Economic Report Part 1 Infographic
- 2021 Mid-Year Economic Report Part 2 Infographic
- 2021 Mid-Year Economic Report Part 3 Infographic
- 2021 Mid-Year Economic Report Part 4 Infographic

PMRC CORPORATE SOCIAL RESPONSIBILITY

1. The PMRC team took time to visit Merciful Beginnings for Disabled, Orphans and Vulnerable Children Orphanage in George Compound in order to donate blankets, food stuffs and cleaning equipment as our Corporate Social Responsibility. Through our Corporate Social Responsibility, we endeavor to give back to the community as a way of making meaningful differences in the lives of citizens.



PMRC END OF YEAR CHRISTMAS LUNCH AND FAREWELL FOR OUTGOING EXECUTIVE DIRECTOR MRS. BERNADETTE DEKA-ZULU



PMRC TEAM



PMRC team during the 2019 Africa-China Think Tanks Forum



PMRC team during the 2017 Infrastructure Symposium

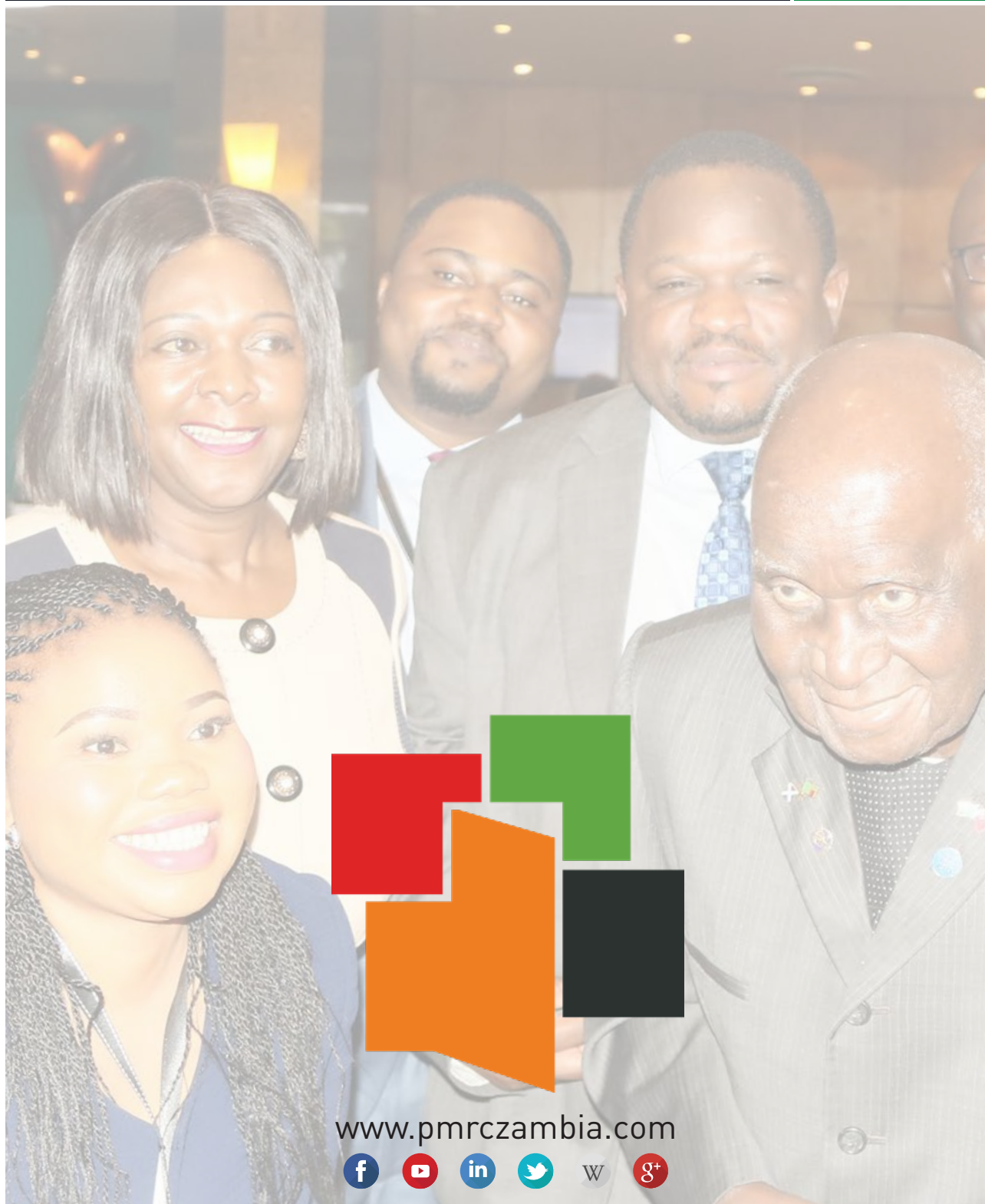


PMRC team during their 2021 Planning Meeting

PMRC NEWSLETTER

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