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**EXECUTIVE DIRECTOR'S REMARKS**  
**Mr. Sydney Mwamba**

## **THE IMPORTANCE OF INDUSTRIALIZATION FOR THE AFRICAN CONTINENTAL FREE TRADE AREA**

The African Continental Free Trade Area (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 AfCFTA aims to boost Intra-African trade by providing a comprehensive and mutually beneficial trade agreement among the member states, covering trade in goods and services, investment, intellectual property rights and competition policy. The outcome of the AfCFTA will depend on whether its member states can embrace industrialization and focus on increasing their respective productive capabilities.

It has been suggested that larger economies stand to benefit more from the AfCFTA in comparison to smaller economies because of their developed industrial bases and a more diversified export base to meet the import needs of smaller economies. Although this does not mean that smaller economies will not benefit from the Agreement (for example, smaller member states could provide inputs for the products and services produced by the larger member states and thus become a part of a regional value chain), there certainly is a strong case to be made for improving industrial capacity in order to significantly benefit from the Agreement.

Industrial development will be essential if African countries are to increase their production of value-added products, expand exports of such products and reduce their trade imbalances. At present, the primary industry remains the most important one for many African countries, Zambia included. This is because of the significant contribution to GDP that the agricultural and mining sectors make. Ofa et al. (2012)<sup>1</sup> suggest that the implication of this dependence on the primary industry is a similarity in export structures across countries with a focus on low value-added, poorly differentiated exports. The implication of a small manufacturing sector for the AfCFTA is then that there will be low trade in finished goods which will limit the scope for intra-regional trade.

The key question then becomes how to improve the industrial base. In the case of Zambia, processing plants, multi-facility economic zones (MFEZs) and industrial yards will be critical. These all play a key role in growing the manufacturing sector and industrial base because they provide both backward and forward linkages between different sectors of the economy and produce finished goods. Moreover, they play a key role in the development and strengthening of value chains which aid industrialisation. Furthermore, Zambia should improve business regulations

<sup>1</sup> Export diversification and intra-industry trade in Africa

and enhance access to credit for export-oriented manufacturing firms or those with the potential to do so. Such supportive policies, along with the effective implementation of the AfCFTA, could boost the industrialisation and development of the country's economy.

Another key strategy which can be implemented is that of import substitution, which involves replacing imports with domestic production. This should especially be applied to goods coming from outside the continent. Companies such as United Capital Fertilizer Zambia Company Limited, which produces fertilizer, serve to illustrate that Zambia has the potential to pursue this strategy. Although import substitution is associated with protectionist trade policies, the strategy can be adapted to serve regional needs in addition to domestic ones.

It is also worth noting that while embracing industrialization will affect the outcome of the AfCFTA, the AfCFTA will also promote industrialization. Firstly, the Agreement will help attract foreign direct investment, especially in the manufacturing sector, as the large market can increase profit margins for external investors. Additionally, as alluded to earlier, the AfCFTA can help promote industrial development through the development of regional value chains. The development of these value chains will be aided by factors such as tariff liberalization and simplified rules of origin, and the removal of non-tariff barriers, issues which the AfCFTA seeks to address.

The potential the AfCFTA holds for the continent cannot be understated. The United Nations Economic Commission for Africa has previously estimated<sup>2</sup> that the AfCFTA has the potential both to boost intra-African trade by 52.3% by eliminating import duties, and to double this trade if non-tariff barriers are also reduced. If intra-African trade is to increase, special attention must be paid to industrialization.

Recommended actions to fully benefit from the AfCFTA:

- The Zambian Government should identify the companies involved in the manufacturing sector (for example, African Milling, Zambeef and Tradekings) and provide support for them because they will play an important role in boosting intra-regional trade in the AfCFTA as trade begins. These firms deal in exportable finished goods and stand to benefit from the larger market that the AfCFTA offers.
- PMRC further urges the Government to expedite the implementation of the National AfCFTA Strategy and Implementation Plan for Zambia. One notable goal for trade in goods, as found in the strategy, is to improve domestic supply capability by stimulating production for export, especially among MSMEs (Micro, Small and Medium Enterprises) and cooperatives. To this end, each year, for ten years of implementation of the strategy, 11 SMEs will be identified, “nurtured”, and supported to produce exportable products. Through Government support, these MSMEs will be introduced into an export market and will be supported in establishing a foothold and product diversity. This could serve to grow Zambia's manufacturing sector by increasing the number of finished goods being produced and thereby increasing the scope for intra-regional trade.

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2 Creating a unified regional market: towards implementation of the African Continental Free Trade Area in East Africa.





## **OWNERSHIP OF ARTISANAL AND SMALL-SCALE MINING RIGHTS IN ZAMBIA: CHALLENGES AND OPPORTUNITIES FOR WOMEN'S PARTICIPATION**

In Zambia, the mining sector is the largest contributor to Gross Domestic Product (GDP) and one of the major employing sectors. However, the sector only accounts for about 7.8% of women against 92.2% of men; this is according to Zambia's 2020 Labour Force Survey. Despite the considerable environmental and economic benefits of inclusive participation of women in the sector, such as income generation and participation in the management of natural resources, many women continue to be exploited either informally or in its auxiliary sectors with impediments for women to penetrate. Factors such as education and stereotyping of women have been identified as major gender barriers. In other similar fields, low women's participation is evidenced in the construction and energy sectors.

The emergence of organised Artisanal Small-Scale Mining (ASM) poses an opportunity for better participation of women in the mining industry. However, they tend to earn only one-quarter of what men earn in the ASM sector. In addition, women do not enjoy the same opportunities around access to, control over and benefits from artisanal mining in their communities.

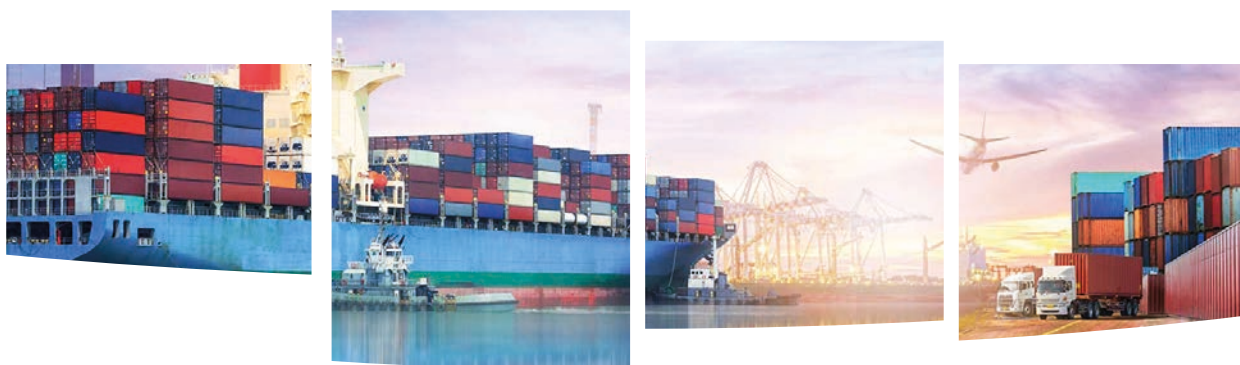
A myriad of challenges negatively impacts women, such as inadequate technical skills, the cost of obtaining mining rights and related fees, limited access to financing, exploitative pricing of minerals as well as negative cultural norms and beliefs. These challenges are mutually reinforcing in nature in that various factors converge to impact women differently depending on their socio-economic status. For instance, women with inadequate access to financing are unable to meet the costs attached to obtaining mining rights which also makes their mining activities vulnerable as they operate outside the legal framework where formalisation strategies have little impact on their productivity. Similarly, they are less likely to have greater negotiating powers over their minerals, thus, limiting their potential to expand and reap the benefits of the sector. Inadequate technical skills and lack of access to geological information is also a major barrier for women to penetrate the sector and improve their financial capacity since geological information is crucial in developing bankable business proposals that can be avenues for funding. This calls for policies that promote women's economic empowerment and inclusion.

The ASM subsector has the potential to drive economic growth, alleviate poverty, and contribute to development. As a new focus is being placed on income-generating opportunities, women can be involved in the various stages of the mineral value chain. The sector presents an opportunity for locals to own their minerals and engage in mining activities since ASM rights are reserved for local citizens as espoused in the Mines and Minerals Act of 1995. However, much of these activities remain undocumented and underdeveloped. Therefore, there is need to map formalisation strategies. Similarly, there is need to redefine the ASM subsector through the development of stand-alone legislation and directorate to adequately support the subsector's growth.

Notwithstanding the various challenges, there are growing opportunities for women to tap into non-traditional

minerals such as aggregate, flat stones and pebbles, among others which are relatively easy to identify and extract. Value addition in ASM is also able to create more jobs for women and youth and encourage innovation for mineral processing. A key example is in the jewellery and artefacts industry. The processing of minerals for value addition is a critical component to increase revenue generation and derive economic benefits for women beyond ASM activities. Therefore, there is need to increase opportunities for women to earn income through value-added livelihood opportunities beyond ASM, which is directly linked to reducing poverty in artisanal mining communities. Thus, investments in processing centres such as the Gemstone Processing and Lapidary Training Centre are a critical aspect to the promotion of value addition of local minerals.

Finally, in order to advance women's engagement in the sector, there is need to improve access to financing and machinery necessary for productivity as well as build capacity and improve access to critical information such as geological information. Similarly, there is need to support the formalisation of these activities in order to account for women's contribution to the mining sector as well as extend financial and technical support to these ventures. In addition, there is need to encourage cooperatives and joint-ventures among women-led initiatives in order to facilitate economic development among women capable of contributing positively to the growth of the Zambian economy.



## **THE IMPORTANCE OF INDUSTRIALIZATION FOR THE AFRICAN CONTINENTAL FREE TRADE AREA**

The African Continental Free Trade Area (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 AfCFTA aims to boost Intra-African trade by providing a comprehensive and mutually beneficial trade agreements among the member states, covering trade in goods and services, investment, intellectual property rights and competition policy. The private sector will play a pivotal role in boosting intra-African trade through the AfCFTA.

According to the Trade Law Centre, in Africa, the private sector accounts for 80% of total production, 66% of investment, 75% of credit and employs 90% of the working age population. In addition, 90% of the firms within the African private sector are Small and Medium Enterprises (SMEs). This is also the case for Zambia where Micro, Small and Medium- sized Enterprises (MSMEs) employ the majority of the country's workforce

The private sector is the engine for innovation, investment, job creation, poverty alleviation and sustainable economic growth for any economy. However, the sector's participation in cross-border trade is often hindered by tariff and non-tariff barriers (including complex customs and trade procedures), high transportation costs and a lack of access to information. These are some of the issues that the AfCFTA will seek to address. It will progressively remove tariffs

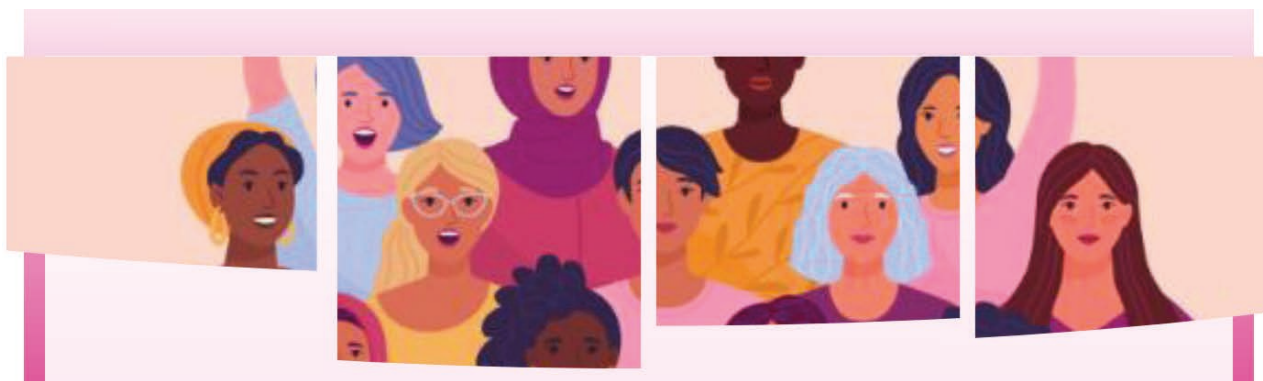
on 90 % of goods (with 10% of sensitive items to be phased in later) as well as resolve the challenges of multiple and overlapping memberships, both of which will make it easier for businesses to trade across the continent. The AfCFTA is also expected to enhance competitiveness of local enterprises and promote industrial development. None of this will be possible, however, unless the legal instruments of the Agreement are fully implemented. These legal instruments represent an opportunity to establish strong governance structures as well as a stable and predictable business climate when trading or investing across borders.

The AfCFTA will need to build on the work done by various Regional Economic Communities (RECs) as it relates to private sector participation. For example, the Southern African Development Community (SADC) Secretariat Directorates, with support from various committees, have established consultative mechanisms with the private sector on various topics, including infrastructure development, food security, customs and mining. Additionally, SADC has the Support to Industrialisation and the Productive Sectors (SIPS) programme, which is supported by the European Union and the German Federal Ministry for Economic Cooperation and Development to facilitate expansion of regional value chains and promote dialogue between the private and public sectors. Such mechanisms and programmes must be infused into the AfCFTA negotiations and implementation of the Agreement. SADC represents just one of at least 8 RECs found across the continent, all of which have approached private sector participation differently. The progress that has been made in these RECs in terms of private sector participation is the key building block for greater private sector participation in the AfCFTA.

To further achieve success in the implementation of the AfCFTA, it will be important for the Zambian Government to actively engage the private sector at all levels because it is a key stakeholder in the Agreement. To date there has been limited direct involvement of the private sector in the negotiations of the AfCFTA, which demonstrates the importance of such engagements. To this end, it is commendable that Zambia's Minister of Commerce and Trade, Mr Chipoka Mulenga recently stated that the private sector will be briefed on the provisions of the agreement and engaged as the negotiations proceed. This will further need to include the likely impacts of the Agreement on the sector as a result of the increase in competition that will come with open borders.

The AfCFTA will not achieve any success without the involvement of the private sector. It is therefore critical that they receive the necessary support in order for them to have a major developmental impact in Zambia and Africa at large.





## **THE COMMEMORATION OF THE 2023 INTERNATIONAL WOMEN'S DAY UNDER THE THEME - "DIGITAL INNOVATION AND TECHNOLOGY FOR GENDER EQUALITY"**

The commemoration of women's day on 8<sup>th</sup> March was an appreciation and recognition of women as equal partners in development in the global community. The 2023 women's day was being celebrated under the theme "Digital: Innovation and Technology for Gender Equality", which is a demonstration of a changing world that embraces technology, innovation and the digital space in blurring an array of barriers that women have historically faced while promoting gender equality and empowering all women and girls. This year's theme envisions a world where anyone can attain their goals and achieve their desired aspirations regardless of their positionality, be it their gender, physical ability, location, economic status or race.

The digital space has become a critical part of life and is envisaged to be a tool for improving the quality of life of people across the globe. The digital space also offers enhanced opportunities for access to education, health services, information, communication, work, leisure, entrepreneurship and innovation. In a world driven by innovation and technology, individuals can be able to apply themselves even in the most challenging fields of work. Technological advancements have been pivotal in diminishing socio-economic barriers and enhancing women and girls' participation and decision-making abilities in the overall development agenda. The digital space also has the potential to enhance the capacity of women to take up challenging roles and increase their contribution to national development.

The evolution of science and technology has made it possible for women to work in spheres previously dominated by men, such as the energy, mining, nautical and aviation sectors. Technology and innovation have gone beyond just blurring gender barriers but also made it possible for women and girls with disabilities to equally play greater roles. In today's world, it is possible for women with disabilities to find meaningful work through the constant evolution of technology and digitisation.

Beyond the world of work, technology and innovation through digital spaces have transformed how women access critical health information and services. Through various innovations, digital applications have been developed to tackle issues ranging from delivering vital health information to pregnant women, improving access to sexual and reproductive health services, to reporting instances of sexual and gender-based violence (SGBV).

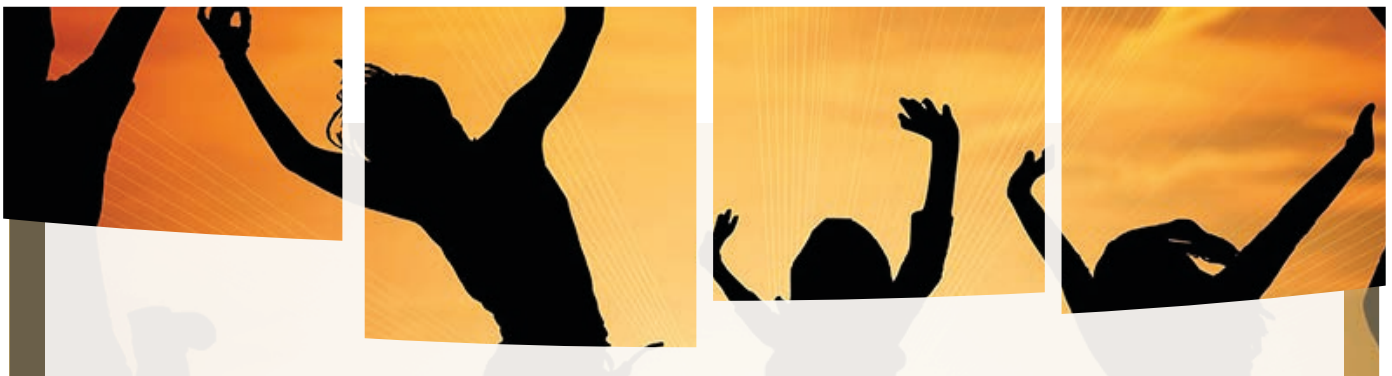
However, access to technology and digital spaces still remains a challenge for many women and girls in Zambia. Studies show that only about 5.8% of females in Zambia are computer literate, while the digital divide between the rural and urban areas remains at 47%, with rural areas still experiencing low digital literacy.

Furthermore, there are still gaps in the gender digital divide characterised by low digital adoption, access and use of technology among women and girls, with 37% not digitally connected, thus, limiting their access to opportunities

in the digital space. Given the critical role of technology and digitisation in the now and the future, there is need to bridge the digital divide that will enhance opportunities for women and girls while addressing gender equality gaps. Additionally, the irresponsible use of the internet, particularly social media, has given rise to negative vices such as sexual harassment and SGBV, which threatens the privacy and safety of women and girls, which is on the rise in the cyberspace. This remains the downside of technology and digitisation hence the need to enhance media literacy to foster positive and responsible use of digital technology.

In recognising that innovation cannot be successful without the full inclusion of every section of society, thus there is need to strengthen policies that promote the participation of women and girls in fields of science and technology, such as increased access to Science, Technology, Engineering and Mathematics (STEM) education as well as increased access to digital skills in line with global trends.

The Policy Monitoring and Research Centre (PMRC) underscores the need to strengthen gender-responsive digital transformation strategies across all Government policies and programs in order to achieve a just and equitable society that responds to global problems and offers greater opportunities for women and girls in the fields of science and technology. In addition, there is need to step up efforts in fostering innovations among women and girls, particularly rural women, to develop solutions to challenges facing them in an effort to transform society into one that offers equal opportunities for all through financial and digital inclusion and the promotion of women and girls in STEM.



## **YOUTH DAY - TRANSFORMING MINDS FOR ACCELERATED YOUTH DEVELOPMENT**

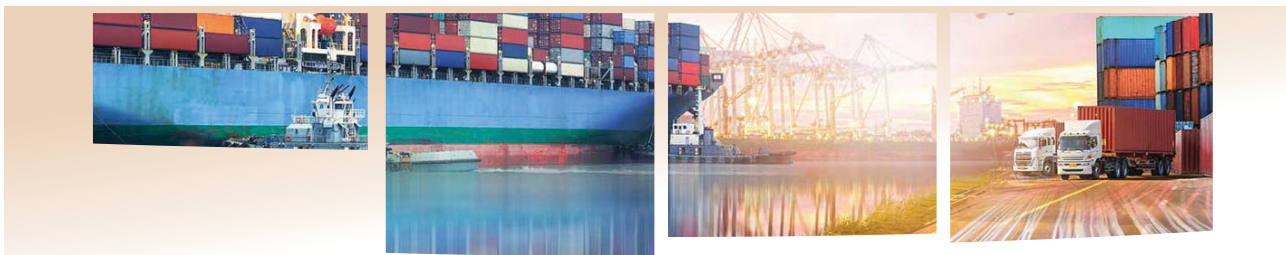
This year, Zambia celebrated youth day under the theme “Transforming Minds for Accelerated Youth Development”. This year’s theme was especially relevant, considering the critical importance of mindset.

It has generally been observed that certain negative traits are detrimental to achieving rapid progress in development. These traits include; poor time management, low productivity, poor entrepreneurship culture, poor working culture, poor reading culture and a low level of innovation. These traits have the ability to hinder Zambian youth from fulfilling their true potential. Therefore, such traits need to be confronted and remedied whilst building on more positive traits. This calls for a change in mindset amongst the Country’s youth or, in keeping with the 2023 Youth Day theme, it calls for transformed minds.

The theme of transformed minds for accelerated youth development highlights the importance of education. Education is a critical tool in shaping individuals to contribute to the development of society. Additionally, education broadens the mind and provides alternative perspectives that can change our young people's outlook and approach to the world. With this in mind, we must continue to celebrate the free provision of education from early childhood to the secondary school level. This will play a key role in transforming young minds for accelerated youth development.

Furthermore, the Government must be commended for increasing its Constituency Development Fund (CDF) budgetary allocation from K25.7 million to K28.3 million in 2023. This indicates Government's commitment to further decentralising functions to local authorities and providing the required financial resources to enable constituency-led projects to drive development. CDF can be used as a vehicle to transform the minds of the youths by encouraging them to be entrepreneurial and innovative. So far, 29,916 youths from vulnerable families in 145 constituencies have accessed skills development bursaries. CDF has put these and many other young people in a position to shape the development of their communities and the nation at large.

The Policy Monitoring and Research Centre (PMRC) urges young people to stay away from vices that could derail their full participation in the national development agenda, such as drug and alcohol abuse, theft and graft and the abuse of social media. Instead, we encourage young people to fulfil their roles and responsibilities diligently and wholeheartedly, knowing that the growth of Zambia's economy will only be possible with their full participation.



## **LEVERAGING OPPORTUNITIES IN THE AFRICAN CONTINENTAL FREE TRADE AREA TO ADDRESS CHALLENGES FACED BY WOMEN IN TRADE**

One group of people who stand to benefit significantly from the AfCFTA are women, particularly those involved in trade. Women have long played an important role in the economic development of Africa, with many engaged in small-scale cross-border trade. However, women have historically faced significant barriers to participating in formal trade, such as lack of access to finance, limited business skills, and discriminatory laws and regulations.

The AfCFTA has the potential to address some of these barriers and promote greater participation by women in formal trade. For example, the Agreement includes provisions to reduce tariffs and other trade barriers, which could make it easier for women entrepreneurs to access markets and grow their businesses. Additionally, the AfCFTA establishes a protocol on the free movement of people, which could help women traders to move more freely across borders and expand their business networks.

Moreover, the AfCFTA recognizes the importance of gender equality and women's empowerment for economic development. The Agreement includes a chapter on gender, which commits signatory countries to promoting women's full and equal participation in the economy, including in trade. This chapter also calls for measures to address gender-based barriers to trade, such as discriminatory laws and regulations, and to support women entrepreneurs through access to finance, business development services, and other forms of support.



However, while the AfCFTA holds great promise for women in trade, there are also challenges that need to be addressed. One of the biggest challenges is the lack of data on women's participation in trade, which makes it difficult to design effective policies and programs to support women traders. Additionally, the informal nature of much of women's trade means that they may not be able to fully benefit from the provisions of the AfCFTA, which are designed primarily for formal trade.

Another challenge is that female entrepreneurs face challenges in accessing finance, including high-interest rates, collateral requirements, and limited access to financial services. Governments and development partners can support women's access to finance by creating targeted financing mechanisms, such as credit guarantee schemes, microfinance programs, and venture capital funds.

To address these challenges, it is important for governments, civil society organizations, and other stakeholders to work together to collect data on women's participation in trade and to design targeted interventions to support women entrepreneurs. This could include initiatives to provide women with access to finance, business training and mentoring, and other forms of support to help them grow their businesses and participate more fully in formal trade.

In conclusion, the AfCFTA represents a significant opportunity to promote greater gender equality and women's empowerment in trade in Africa. By reducing trade barriers, promoting free movement, and addressing gender-based barriers to trade, the Agreement has the potential to support women entrepreneurs and promote greater economic growth and prosperity for all African nations. However, to fully realize this potential, it is important for stakeholders to work together to address the challenges facing women in trade and to design targeted interventions to support their participation in formal trade. By doing so, the AfCFTA can create new opportunities for women entrepreneurs and traders to grow their businesses, create jobs, and drive economic growth on the continent. Women's economic empowerment can also help to reduce poverty, promote gender equality and create more inclusive societies. Therefore, it is crucial to ensure that women have access to the resources and support they need to participate fully in the AfCFTA and the wider economy.



## **THE AFRICAN CONTINENTAL FREE TRADE AREA AND INFRASTRUCTURE DEMAND CREATION**

The African Continental Free Trade Area (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 creates a single market for goods and services among African countries, with the goal of increasing intra-African trade and boosting economic growth. However, for the AfCFTA to reach its full potential, significant investments in infrastructure are needed.

Infrastructure is a critical ingredient for economic development, and Africa faces significant infrastructure deficits. The African Development Bank estimates that Africa needs to invest \$130-170 billion per year in infrastructure to meet its needs against its annual investment of \$60-70 billion per year. The AfCFTA can play a significant role in addressing this infrastructure deficit by providing a framework for regional cooperation and investment.

Infrastructure investments are needed in several key areas to support the AfCFTA. First, transportation infrastructure is essential to connect African countries and enable the movement of goods and people. This includes investments in roads, railways, ports, and airports. Improved transportation infrastructure will reduce transportation costs, making it easier and cheaper for businesses to trade across borders. It will also increase access to markets, opening up new opportunities for businesses in remote areas.

Second, energy infrastructure is crucial for economic growth and development. Energy infrastructure, including power generation and transmission networks, is critical to the success of the AfCFTA as it enables businesses to operate efficiently and effectively, particularly in sectors that are energy-intensive such as manufacturing and agriculture. Reliable and affordable access to electricity is essential for businesses to operate and for households to improve their quality of life. Investments in renewable energy, such as solar and wind power, can help Africa meet its energy needs sustainably and reduce reliance on fossil fuels.

Another important enabler of the AfCFTA which is becoming increasingly important for economic growth is digital infrastructure. The COVID-19 pandemic has highlighted the importance of digital connectivity for remote work, education, and commerce. Investments in broadband and mobile networks can help connect people and businesses across Africa, creating new opportunities for trade and economic growth. Digital connectivity can also help businesses access new markets and customers, reducing barriers to entry and promoting competitive intra-regional trade across African countries.

Finally, investments in social infrastructure will be essential for building human capital and ensuring that people can participate fully in economies. Social infrastructure refers to facilities and services that support the well-being of individuals and communities, such as healthcare, education and housing. Investing in social infrastructure is necessary to ensure that the benefits of increased trade and economic growth are shared widely and that no one is left behind. For instance, providing accessible and affordable healthcare services can improve workforce productivity, while investing in education can equip young people with the skills needed to compete in the job market. Thus, social infrastructure investments will be critical in ensuring that the AfCFTA contributes to sustainable and inclusive economic growth across the African continent.

The AfCFTA can help create demand and mobilize investments in infrastructure by providing a framework for regional cooperation and investment. The Agreement includes provisions for trade in services, which can provide opportunities for businesses in the infrastructure sector to participate in cross-border trade. The AfCFTA also establishes a framework for investment, including the establishment of an AfCFTA Investment Forum to promote investment in the region.

However, significant challenges remain. Financing infrastructure investments is a major obstacle, and many African countries face significant debt burdens. Corruption and lack of transparency can also hinder investment and make infrastructure projects more costly. Addressing these challenges will require strong political leadership, sound governance, and effective institutions. In conclusion, infrastructure investments are critical for realizing the full potential of the AfCFTA because it plays a key role in enabling trade. By investing in infrastructure, Africa can unlock its potential and create a more prosperous future for its people.



## **ENHANCING FLEXIBILITY AND CONTROL IN ZAMBIA'S PENSION SCHEME: GOVERNMENT SIGNS NAPSA BILL ON PARTIAL WITHDRAWAL INTO LAW**

On the 17<sup>th</sup> of April 2023, President Hichilema signed into law the National Pension Scheme Authority (Amendment) Bill of 2023, which allows for the partial withdrawal of pensions. This legislation marks a significant milestone in Zambia's social security system, as it provides more flexibility for contributors to access their pension savings. This article highlights the implications of the amendment on partial withdrawal and its potential impact on the pension scheme and the Zambian economy.

The law now facilitates the withdrawal of a portion of a contributor's pension savings before reaching the retirement age of 55 years. The new legislation permits partial withdrawal for contributors who have contributed to the scheme for at least five years (at least sixty contributions). The amount that can be withdrawn is limited to a maximum of 20% of the total balance, and the contributor can only make one partial withdrawal. This is a significant point to note – the one-off nature of the withdrawal places a responsibility on the contributor to ensure that use of the sum withdrawn is for their maximum benefit.

This legislative reform is a significant development in the social security system as it provides contributors with more flexibility and control over their pension savings early in their work life. The ability to access a portion of their savings before reaching retirement age can be beneficial to contributors – use can be applied to financial needs, such as medical emergencies, education expenses, or housing needs. Further, partial pension withdrawal can serve as a source of capital for individuals who wish to start or expand their businesses. This will invigorate and promote entrepreneurship and business development, leading to the creation of new jobs and ultimately economic growth. Small and Medium-sized Enterprises (SMEs) are often considered the engines of economic growth, and access to pension funds can provide a valuable source of income for such enterprises.

The NAPSA (Amendment) Act of 2023 on partial withdrawal has potential implications for the pension scheme and the economy of Zambia. On the one hand, partial withdrawal may lead to a reduction in the total amount of savings that contributors accumulate over time, which could impact the sustainability of the pension scheme. However this is subject to further analysis over time. On the other hand, partial withdrawal may encourage greater compliance to the scheme, as it provides citizens' with more flexibility and control over their savings. This, in turn, could increase the pool of pension savings and potentially stimulate the economy by providing more long-term funding for sustainable investments.

Furthermore, the NAPSA (Amendment) Act on partial withdrawal is consistent with global trends in social security systems, where there is a move towards greater flexibility and customization for contributors. Countries like South Africa have already introduced partial withdrawal options in their pension schemes, and Zambia's move in this direction is a step towards aligning with global best practices. The introduction of partial withdrawal may also improve the overall perception of the pension scheme among the public, as it demonstrates a willingness to respond to the needs of contributors.

In conclusion, Government's signing into law of the NAPSA Bill on partial withdrawal is a significant development in the social security system of Zambia. The legislation provides contributors with more flexibility and control over their pension savings, while also potentially stimulating the economy by increasing the pool of pension savings as well as individual citizen's investment into various economic ventures that could spur job creation and improve household incomes. The introduction of partial withdrawal is consistent with global trends in social security systems and demonstrates a commitment to improving the overall perception of the pension scheme among the public. However, careful monitoring of the impact of partial withdrawal on the sustainability of the pension scheme is necessary to ensure its long-term viability.





## ZAMBIA'S CURRENT ECONOMIC STATE

### Introduction

Zambia's Minister of Finance and National Planning, Dr. Situmbeko Musokotwane, delivered a speech on May 2, 2023, in which he discussed the country's economic situation at the time. The Government's economic recovery plan was discussed in detail, along with the challenges still ahead and the gains accomplished thus far. The address emphasised ongoing talks with international partners for debt relief and restructuring, both of which are significant challenges for Zambia. Regardless of the Government's economic recovery plan's success, the debt of the nation continues to be an issue of significant concern, and there remains continued negotiations regarding debt relief and restructuring with foreign partners.

### Fiscal Performance

The fiscal performance of the Zambian Government in the first quarter of 2023 is indicative of the country's progress in maintaining fiscal responsibility and prudent expenditure. The Government's reduction of the budget deficit from K16.31 billion in 2022 to K12.7 billion in 2023 demonstrates its commitment to managing the country's finances responsibly. This reduction in the budget deficit is especially important given the country's high levels of debt and ongoing negotiations for debt restructuring and relief with international partners. On the revenue side, the Government managed to collect K26.3 billion in total revenues and grants, which was above the targeted amount by 2.6%. This was largely due to the favourable performance of Value Added Tax (VAT) and revenue from ZICTA. This achievement shows that the Government's efforts to improve revenue collection are yielding positive results. The Government has implemented various measures to increase revenue, such as strengthening tax administration, reducing tax evasion, and improving tax compliance.

Meanwhile, on the expenditure side, Government's spending on goods and services amounted to K3.7 billion against a target of K3.4 billion. The additional expenditure was mainly used for the procurement of drugs and medical supplies, which is an essential expense given the ongoing COVID-19 pandemic. This expenditure demonstrates the Government's commitment to prioritizing critical areas of spending, such as healthcare, even in challenging economic times. Despite the positive fiscal performance in the first quarter of 2023, the country's key sectors, which are crucial for achieving the goals of the Eighth National Development Plan (8NDP) and Vision 2030, continue to face challenges. The agricultural, mining, tourism, and manufacturing sectors have recorded negative growth, which is a concerning situation that could limit the achievement of the country's long-term aspirations.

### Current Economic State

Zambia's economy has been facing a challenging time in recent years. The country has been heavily reliant on copper exports, which accounts for the majority of its foreign exchange earnings. However, the global copper prices have been volatile, and the country's economy has suffered as a result. In addition to this, the COVID-19 pandemic has also affected the country's economic growth, as it has disrupted global trade and investment. According to the Minister of Finance's State of the Economy speech, growth has been recorded in supportive sectors such as ICT, transport, and education, but the key sectors such as agriculture, mining, tourism and manufacturing have recorded negative growth. This is a worrying situation that, if left unaddressed, could hinder the achievement of the country's development goals in the long run.

### What needs to be done?

To sustain and increase the growth rate of the economy, there is a need to exploit and maximize the potential of the key sectors, especially agriculture. The potential of the agricultural sector is yet to be fully exploited, and there

are increased opportunities for innovation, job creation, value addition and foreign exchange inflows. To boost the sector's performance, targeting incentives to existing small and medium farmers, such as irrigation, extension services, and processing for value addition, is crucial, as well as helping emergent farmers attain commercial status. Moreover, diversification in the sector by exploring markets for high-value crops such as cashew nuts, groundnuts, paprika, sorghum, wheat, cotton, and soybeans, among others, remains critical. The focus should also be on reducing post-harvest losses, improving supply chain management, and enhancing market access for smallholder farmers.

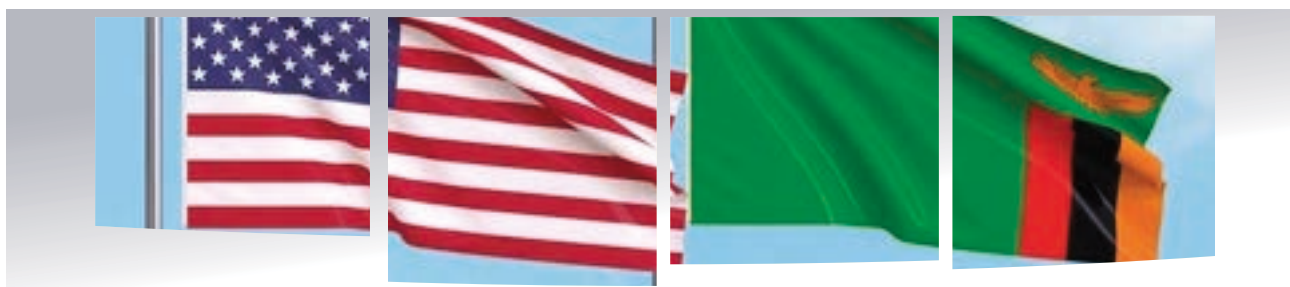
The mining sector also has huge potential in the Artisanal and Small-scale Mining (ASM) sub-sector, which can contribute to job creation as well as expand the growth of the economy through income, revenue, and value addition. However, there are various challenges within the subsector, such as informality, inadequate access to finance, limited technical skills, and lack of geological information, among others, that need to be resolved to maximize the gains from the sector. To address these challenges, the Government needs to work towards formalizing the ASM subsector, providing access to finance, training on technical skills, and geological information. This will go a long way in enhancing the gains from the sector and also ensuring that it is sustainable in the long term. Furthermore, it is essential to address the challenges facing the tourism sector, which is another key sector that has recorded negative growth. The Government is urged to take measures such as investing in infrastructure development, promoting cultural tourism, and improving the ease of doing business to attract more tourists. This will help create jobs and increase revenue for the country.

### **Fiscal Responsibility**

Zambia's economy has made progress in some areas, including fiscal responsibility and revenue collection. However, the country needs to focus on its key sectors, including agriculture and mining, to sustain and increase economic growth. The Government must prioritize diversification and implement policies that support the growth of these sectors to achieve the goals outlined in the 8NDP and Vision 2030. Fiscal responsibility in Zambia has become an increasingly important issue in recent years, as the country has struggled with high levels of debt and a challenging economic environment. Zambia's debt-to-GDP ratio has been steadily rising, reaching over 100% in 2020, which has raised concerns about the country's ability to repay its debts and manage its finances. To address these challenges, the Zambian Government has taken a number of steps to improve fiscal responsibility and strengthen its financial position. One of the key measures has been to implement a series of fiscal consolidation measures, including reducing Government spending and increasing revenue through tax reforms.

The Government has also taken steps to improve transparency and accountability in its financial management processes. This includes the introduction of new budget reporting requirements, which provide greater visibility into how public funds are being used and ensure that resources are being allocated in a fair and equitable manner. However, there is still much work to be done to ensure that Zambia can achieve long-term fiscal sustainability. This will require a continued focus on implementing sound economic policies, managing public finances in a transparent and accountable manner, and promoting greater private-sector investment and economic growth.

The Zambian Government's implementation of an economic recovery plan and its successful efforts to improve revenue collection are making strides towards revitalizing the country's economy as of the first quarter of 2023, despite the obstacles posed by high debt levels, declining copper prices, electricity shortages, as well as the continuing effects of the COVID-19 pandemic. To continue on the path of positive trajectory the Government will need to address some of the structural challenges that are hampering economic growth in Zambia within the key economic sectors and its enablers. This includes improving infrastructure, promoting greater access to finance and addressing the skills gap that exists in the labour market.



## UNITED STATES OF AMERICA'S PARTNERSHIP WITH ZAMBIA: AVAILABLE SECTOR OPPORTUNITIES FOR ZAMBIA'S DEVELOPMENT

### Zambia's Development

The United States of America (USA) Vice-President Kamala Harris, during her nine-day African tour, visited Ghana, Tanzania and Zambia. The visit was part of the ongoing efforts of the United States of America to restructure its partnership with the African Continent. **The two-day visit to Zambia was aimed at demonstrating the United States' commitment to enhancing its cooperation with the country. It was announced that the United States Government intends to provide more than US\$505 million in bilateral assistance during the 2024 fiscal year.** The assistance is earmarked towards economic transformation, expanded global health, innovations towards climate change solutions as well as increased investments in democracy and governance programming. What follows are benefits that Zambia will harness in light of the intended bilateral assistance.

### Trade and Economic Support

Zambia is poised to join five other countries in signing a Memorandum of Understanding (MOU) with the USA. Zambia's Ministry of Commerce, Trade and Industry and the United States Department of Commerce intend to sign a Memorandum of Understanding (MOU) to develop and implement commercial projects of strategic priority. The signing of an MOU will stipulate the mutually accepted expectations of the two Governments as well as deepen and give practical results to the strategic partnership, such as the provision of technical support and capacity building. Currently, Zambia is eligible for preferential trade benefits under the African Growth and Opportunity Act (AGOA) which offers substantial incentives for African countries to continue their efforts to open their economies and build free markets. Therefore, this MOU is timely as it will provide more trade opportunities as well as incentives other than the ones stipulated within the Act.

The United States Government, through USAID and Prosper Africa's flagship Africa Trade and Investment (ATI), intends to launch a Fertilizer Fund at the cost of US\$1.5 million. The Fertilizer Fund intends to address the impacts of the Russia-Ukraine war and the global food security crisis by helping farmers access alternatives to Russian-sourced fertilizer. This Fertilizer Fund will also help to facilitate the movement of foodstuffs across borders, particularly in Southern and East Africa regional blocks. The Vice President also announced that the United States private sector will avail investments worth US\$7 billion to help Africa combat and adapt to the effects of climate change. This is timely, given that Zambia has experienced floods and droughts in some parts of the country. **The resources earmarked for Zambia will supplement Government's efforts in mitigating climate change effects by increasing agricultural production through climate-smart agriculture strategies and increased support for Disaster Risk Reduction.**

The U.S. Trade and Development Agency (USTDA) will support the expansion and reliability of Zambia's renewable energy infrastructure through more than US\$1 million in grant funding for a feasibility study that will help develop a utility-scale battery energy storage system. Zambia has a high dependency on hydro-electricity, which is vulnerable to the effects of climate change. As the country endeavours to enhance its energy mix, the United States' assistance towards the support of expansion and reliability of Zambia's renewable energy will enhance the Government's efforts towards providing alternative energy sources.

### Governance Support

The goal of decentralising Zambia's administrative systems originates from the need for community participation in fostering the effective implementation of significant development programs. It was determined that citizens must have a certain degree of authority to contribute meaningfully to development programs and activities through active decision-making. **The United States**

**Government has pledged US\$10 million towards the country's decentralization.** The Zambian Government is already on the right path regarding the devolution of Government functions. The United States' assistance towards decentralisation is key to enhancing Zambia's fiscal decentralisation.

The 2022 Global Gender Gap Report shows that Women's Political Empowerment Gap has only been closed by 22%. **At the current rates of progress, it will take 155 years to close the Political Empowerment gender gap.** In Zambia, although women make up about 50.5% of the population, they have little representation when it comes to political participation and leadership. At Parliamentary level, women make up **15.4 %, 17 and 10% of Members of Parliament, Cabinet Ministers and Provincial Ministers, respectively.** The United States Government, through USAID, plans to provide US\$3.5 million to support Zambian civil society organisations to enable them spearhead key reforms and oversight activities that will deepen Zambia's democratic processes and support women's political participation. **The program will promote electoral integrity by fostering greater independence, transparency, and effectiveness for the Electoral Commission of Zambia and improve the enabling environment for women in politics.**

Additionally, the United States Government will contribute **US\$3 million to enable USAID's participation in a new four-year Strengthening Good Financial Governance project with the Government of the Republic of Zambia.** The project aims to strengthen the country's financial management systems. Strong public financial management processes and systems are essential for the effective and efficient delivery of public services, transparent public finances, and trust between government and citizens.

### **Health Support**

Health is a key component of human development. As Zambia endeavours to enhance its demographic dividend, it is imperative that the country has a healthy and productive population. **Over the next two years, the United States plans to deploy more than US\$372.1 million in appropriated funding and has requested an additional US\$387.9 million in the President's 2024 fiscal year Budget to be provided during this timeframe to continue this support which is subject to the availability of funds. In addition, the U.S. Government plans to support the Zambian healthcare system by providing equitable access to high-quality, client-centred, integrated health services.**





## AFRICA FREEDOM DAY 2023

Zambia joined the rest of the African continent in commemorating Africa Freedom Day 2023, under the African Union theme “Our Africa, Our Future”. This year’s commemoration is of significant importance as it is the 60th anniversary of the establishment of the Organisation of African Unity (OAU), the precursor of the African Union. Together with the other 54 member countries, today we reflect upon major successes, milestones, challenges and the way forward under Agenda 2063.

Agenda 2063 summarised envisions a prosperous Africa based on inclusive growth and sustainable development; an integrated continent; politically united and based on Pan-Africanism; an Africa of good governance, democracy, respect for human rights, justice and the rule of law. The continental goals are reflected in Zambia’s national values and principles under the Constitution – morality and ethics; patriotism and national unity; democracy and constitutionalism; human dignity, equity, social justice and non-discrimination; good governance and integrity; and sustainable development. The prominence of good governance is articulated in the Eighth National Development Plan (8NDP) (2022-2026), which is one of the four pillars. The 8NDP recognizes the importance of a good governance environment which entails respect for human rights and freedoms, entrenching transparency and accountability, participation, strengthening the democratic process, enhancing access to justice and observance of the rule of law, and upholding our national values and principles. When all these elements work together to present a strong conducive environment for meaningful development, countries thrive and citizens benefit. There must, however, be ownership between the leaders and the led. When the narrative changes to common ownership of the goal, peace and stability become the norm.

Zambia’s development agenda is premised upon a peaceful sub-region as it seeks to leverage its land-linked position; this represents an opportunity to enhance trade with its neighbours. It is strategically located as a hub of production, value addition, and food distribution. This is the current narrative. Historically, this position rendered Zambia a safe haven for neighbouring countries engaged in the freedom struggle. A common thread links the past to the present and on to the future—peace and stability. Zambia has continued to perform acts of good neighbourliness – emergency response to countries in distress as witnessed during the experience with cyclone activity off the coast of Mozambique, which also adversely affected Malawi; Zambia is home to refugees and asylum seekers, among other notable examples.

The recent co-hosting of the Summit for Democracy in March 2022 was an opportunity for Zambia to showcase its successes and milestones as well as report on progress made since the first summit. In furtherance of its commitment to democratic tenets, Zambia reported on its commitment to legislative reforms and strengthening of governance institutions, including the Electoral Commission of Zambia; Government also renewed its commitments in order to effectively address threats to democracy.

Calls for the respect for the rule of law have been echoed over time, examples abound of where the breakdown in social order is attributed to its absence in the governance of a country. It has been agreed that more needs to be done and it is incumbent upon our leaders to recommit to the vision of the founding fathers of the OAU to make Africa united.

This continental agenda reinvigorates us to look inward and draw down Vision 2030 as we seek to restore economic equilibrium. We urge our leaders to remain resolute and make meaningful sacrifices for the welfare of the people as it was 60 years ago when the OAU was established. May the continent abide unwaveringly by the vision of “Our Africa, Our Future.”



## WORLD ENVIRONMENT DAY 2023

The Policy Monitoring and Research Centre (PMRC) joined the global community in observing World Environment Day which fell on June 5<sup>th</sup>, 2023. This year, the world acknowledges the importance of tackling plastic pollution through the theme “Solutions to Plastic Pollution.” PMRC recognises the critical need for collective effort and shared responsibility in addressing this challenge which poses significant risks to the environment and human health worldwide.

This year’s theme further highlights the urgent need for all stakeholders to take action towards reducing, reusing, and recycling plastic waste. Governments, businesses, and individuals worldwide must work together to find innovative solutions to this pressing issue. This will require investments in new technologies, education and awareness campaigns, and a firm commitment to reducing our dependence on single-use plastics.

Like many other countries, Zambia has recognised the urgent need to address the issue of plastic pollution. In recent years, the Government has taken several steps to reduce plastic waste and promote sustainability.

One of the most significant steps taken by the Government has been the implementation of Statutory Instrument (SI) 65 of 2018, which bans the use of plastic carrier bags and plastic-related materials below 30 microns in thickness. This ban has helped to reduce the amount of plastic waste in the country and encouraged the use of reusable bags. The Government has also introduced policies to encourage the use of eco-friendly materials in packaging and has urged businesses to adopt sustainable, eco-friendly practices such as recycling. Recycling presents a valuable opportunity for job creation and revenue generation. By investing in recycling infrastructure and promoting recycling initiatives, the country can create new employment opportunities in waste management and recycling industries.

Furthermore, recycling contributes to climate-friendly and

sustainable solutions by reducing the extraction of raw materials, conserving energy, and minimising greenhouse gas emissions. Additionally, emphasising the use of glass as an alternative to plastic containers can be a significant step towards achieving these goals. Glass is a reusable and recyclable material that has a smaller environmental footprint compared to plastic. By opting for glass containers, both businesses and individuals have the opportunity to actively participate in the reduction of plastic waste and the advancement of a more sustainable future.

There are also several initiatives led by local organisations and communities in Zambia aimed at reducing plastic pollution. For example, the “Zero Waste Zambia” campaign encourages households and businesses to reduce their waste by practicing the 3Rs: reduce, reuse, and recycle. The campaign has gained significant support from local communities and has helped to raise awareness about the impact of plastic waste on the environment.

Zambia has also joined the global movement to combat plastic pollution by participating in international initiatives such as the UN Environment Programme’s **“Clean Seas”** campaign. This campaign aims to engage governments, businesses, and individuals in the fight against marine plastic pollution.

While much work is still to be done, Zambia’s efforts to address plastic pollution are commendable. By working together and taking action, we can all help to protect our environment and create a more sustainable future.



## EXPLOITING ZAMBIA'S RESOURCE ENDOWMENTS: WILL DEVOLUTION UNLOCK ZAMBIA'S POTENTIAL?

Zambia is one of the few countries with access to abundant resources such as water bodies, land, human capital and minerals. These resources have the potential to improve infrastructure and propel growth in the country's key economic sectors, such as agriculture, mining and tourism. A country's resource endowment refers to sources of economic prosperity for the country, such as minerals, land, capital, business enterprise, equipment and labor resources. Devolution involves transferring power from the central government to local or regional administrations, increasing citizen participation in decision-making and service delivery. With one of the world's highest-grade copper resources, Zambia is the seventh-largest copper producer as of 2022. Effectively managed natural resource endowments offer opportunities for growth and development. The African Development Bank found that resource-rich nations underperformed compared to their resource-poor counterparts. This article attempts to explain how Zambia can best realize its potential in diverse sectors with a devolution style of decentralization.

The agriculture industry is crucial for economic growth in both developed and emerging countries and according to a report by the World Bank in 2020, Zambia had approximately 3,800,000 hectares of arable land. With the implementation of devolution, which will allow local governments to carry out projects of their choice, this resource can be utilised. Local governments can mobilize income from existing sources, such as farming, to support cash-generating crops like potatoes, sugarcane, soybeans, rice, wheat, cassava, and cotton. The Maputo Declaration on Agriculture and Food Security, which calls for commitment to spending at least 10% of public funds on agriculture, is one of the international standards Zambia has formally committed to. However, 6.7% of the 2023 national budget resources were allocated to agriculture against the ideal 10% to meet international standards (Maputo Declaration), more funds must be channelled to the sector. A sufficient allocation of resources (10% of public funds) would encourage specialization and crop diversification, creating jobs and improving Zambia's trade balance through agricultural exports.

Local government entities can promote tourism by advertising in their jurisdictions, drawing tourists from domestic and global markets. This not only promotes the region's natural resources but also culture and heritage. Advertising plays a crucial role in acquainting potential visitors with the area. Additionally, investing in recreation facilities like swimming pools, play areas, tennis courts, community gardens, zoos and wildlife sanctuaries can generate income and create jobs within communities. Thus, local authorities should consider investing in such infrastructure at district level.

Zambia still faces significant infrastructure development challenges, including roads, health, education, water, and sanitation. Investment in these areas is crucial for growth, economic diversification, and human development. Council lodges can promote competition, service improvement, and employment opportunities, benefiting the housing and infrastructure industries.

Zambia's mining sector faces challenges in finance, especially for artisanal and small-scale miners. Empowering women and youth through cooperatives can lead to increased profits and community contributions. This can involve financial support, mineral extraction skills development and simplified license application processes. Licenses can reduce fatalities and encourage more youth involvement thus boosting human capital.

The transportation sector can generate income by introducing public buses, allowing local authorities to capitalize on transportation challenges. If managing the business is challenging, they can rent buses to interested parties, and thus generating income from the service. For example, in Namibia, urban road networks are managed by local authorities and regional councils. In addition, a report in April of 2014 by Fortune of Africa disclosed that Windhoek has a municipal bus service with 79 buses for public transport. Despite the private sector's reluctance to capitalize on this subsector, local authorities should offer transportation and food services, especially in remote areas.

Devolution ensures that resources are brought closer to the populace, allowing for local decisions and expenditures. Each constituency has the potential to develop by exploring natural resources and converting them into revenue streams. Devolution in Zambia has the potential to unlock its potential by offering benefits and exploiting various sectors by local authorities. Therefore, in order to better serve its populace and utilise the natural endowments of its territories;

- PMRC urges local authorities to prioritize simple,

economical projects through integrated district plans and leveraging their competitive advantage.

- Local Governments should prioritize populace's needs in projects and decision-making, boosting citizen participation, particularly among women and youth.
- Finally, the Government is urged to support local authorities, especially new and emerging councils, to transform economically through devolution and increase economic viability.



## ZAMBIA'S 2024 BUDGET - REALISING ECONOMIC POTENTIAL

The 2024 National Budget, under the theme "Unlocking Economic Potential," signifies a pivotal moment for the nation. This theme reverberates deeply with Zambia's abundant natural resources, diverse cultural heritage, and a highly skilled workforce. The budget delineates strategic investments in pivotal sectors, including agriculture, tourism, and manufacturing, with the objective of catalyzing economic expansion and employment generation.

### Sector-by-Sector Analysis

#### Agriculture

Agriculture forms the bedrock of Zambia's economy, supporting a significant portion of its populace. Notwithstanding, persistent challenges such as climate change and inadequate investments have hampered the sector's growth. The 2024 budget takes a laudable stride by allocating substantial resources to agriculture. These funds will bolster initiatives such as irrigation development, fertilizer subsidies, and research and development, all of which are integral components for enhancing agricultural productivity and food security. A noteworthy aspect is the increased allocation for strategic food resources through the Food Reserve Agency, facilitating the early purchase of essential crops like maize and soybeans to mitigate post-harvest losses. However, expediting the implementation of the Comprehensive Agriculture Transformation Programme (CATSP) remains crucial to enhancing efficiency within this sector.

#### Tourism

Zambia boasts a trove of natural resources and cultural heritage, yet its tourism sector has not reached its full potential, primarily due to infrastructure deficiencies and insufficient marketing. The budget addresses these issues by allocating resources to tourism infrastructure development and promotional endeavours. This strategic move has the potential to attract a greater number of visitors, foster job creation, stimulate economic growth, and simultaneously safeguard the nation's natural and cultural treasures.

#### Manufacturing

The manufacturing sector holds substantial potential for job creation and economic expansion, but it has grappled with high operational costs and limited access to financing. The budget recognizes the pivotal role of this sector and allocates resources to alleviate these challenges, thereby cultivating a more conducive environment for economic growth. The support of local manufacturing not only reduces import dependency but also encourages entrepreneurship and innovation.

#### Social Sectors

Beyond sector-specific investments, the budget also recognizes the significance of social sectors such as education and healthcare. These sectors have witnessed a record increase in funding, with education allocated K27.35 billion and health K20.91 billion. These investments are instrumental for human development, ultimately contributing to a healthier and more educated workforce.



## **Taxation**

The budget maintains a relatively stable tax regime. While no major changes are proposed, the budget introduces minor adjustments, such as raising the personal income tax exemption threshold and reducing the corporate tax rate for small businesses. These changes aim to stimulate economic activity, encourage entrepreneurship, and alleviate the tax burden on low-income individuals. The mining sector has seen an increase in budgetary allocation in an endeavor to enhance production capacity; a key highlight includes aerial mapping of mineral deposits in the country.

## **Overall Budget Assessment**

The 2024 Zambian national budget is a comprehensive strategy designed to effectively harness the country's economic potential. Through investments in key sectors, enhancements in social services, and modest adjustments to the tax system, it presents a pragmatic approach to drive growth and employment. However, the success of the budget is contingent on its implementation, active collaboration with the private sector, and engagement with civil society. Accomplishing these objectives will enable Zambia to unlock its economic potential, fostering prosperity for all its citizens.

## **Additional Thoughts**

We commend the Government for recognising the imminent threat climate change poses to Zambia's economy and its populace. To optimally leverage the increased budget for environmental sustainability, we urge the Government to:

- Develop comprehensive policies and legislative measures aligned with the National Climate Change Policy.

- Invest in weather stations for early warnings.
- Streamline the Environmental Impact Assessment process.
- Consider supplementary policies for electric vehicle infrastructure and renewable energy incentives.
- These actions will facilitate sustainable outcomes, address climate challenges, and guide the nation towards a greener future.
- The Government ought to operationalize the Comprehensive Agriculture Transformation Programme (CATSP) to create a holistic agricultural transformation future for the sector.

## **Conclusion**

The 2024 National Budget offers a promising trajectory. In addressing the areas of improvement highlighted above, the Government can enhance the budget's efficacy, ensuring that it genuinely unlocks Zambia's vast economic potential and paves the way for a brighter future for all Zambians. Simultaneously, prudent financial management systems, in conjunction with a robust macroeconomic environment, will be pivotal in steering budget implementation for the 2024 fiscal year.



## GERMANY'S FEDERAL PRESIDENT'S STATE VISIT TO ZAMBIA: STRENGTHENING BILATERAL TIES AND ADVANCING DEVELOPMENT GOALS

The State Visit of Germany's Federal President, Dr. Frank-Walter Steinmeier, to the Republic of Zambia on November 1st and 2nd, 2023, marked a significant milestone in the strengthening of bilateral corporations between the two nations. During this momentous visit, President Steinmeier and President Hakainde Hichilema engaged in substantial bilateral discussions that covered a wide spectrum of critical areas of mutual interest. These substantive dialogues, aligned with Zambia's Eighth National Development Plan (8NDP), focused on essential sectors crucial for advancing Zambia's sustainable development and fostering economic growth.

Some of the shared areas of sectoral interest that took center stage in these discussions include:

**Water and Sanitation:** Addressing water and sanitation challenges is a crucial component of achieving the goals set in Zambia's Eighth National Development Plan. Despite the importance of water and sanitation, some major challenges persist in the WASH sector. Low levels of access to and provision of services have been a persistent issue, which may be attributed to historically low budgetary allocations and inadequate private-sector financing. As can be observed in the budgetary allocation trends to the sector, the financing of this critical sector has remained significantly low, posing potential challenges to meeting the Sustainable Development Goals (SDGs) targets.

It is thus commendable that a notable highlight of this historic State Visit was President Steinmeier's announcement of a €10 million allocation from the German government for the improvement of water supply management in Zambia, further fortifying the bilateral relationship. This substantial financial commitment not only addresses the immediate need for improved water supply but also aligns with Zambia's long-term development objectives. President Steinmeier's visit to the water extraction plant on the Zambezi River, a German development cooperation project, further underscored the importance of Zambian-German collaborative efforts in ensuring reliable access to clean water.

**Agriculture:** Constituting a significant portion of Zambia's economy, is recognised as a vital driver for economic

transformation and job creation in Zambia's Eighth National Development Plan (8NDP). The sector encompasses crops, livestock, and fisheries, employing over half of the workforce and contributing approximately 20% to Zambia's GDP. Despite its potential for economic growth due to abundant fertile land and favourable rainfall, agriculture in the country has faced challenges leading to a declining GDP contribution (from 15.60% in 2010 to 3.39% in 2022) and low productivity. These challenges encompass the adverse impacts of climate change, high input costs, limited access to affordable financing, inadequate irrigation infrastructure, suboptimal livestock and crop management practices, and inadequate mechanisation. The recent State visit of President Frank-Walter Steinmeier of Germany underscored the sector's importance and commitment to enhancing agricultural productivity and diversification in alignment with Zambia's development goals, including economic growth, rural development, and poverty reduction.

**Small and Medium Enterprises (SMEs):** Play a pivotal role in Zambia's economic landscape, contributing significantly to job creation, economic growth, and income distribution. Their promotion and sustainability align with the objectives of the Eighth National Development Plan (8NDP) by fostering entrepreneurship, expanding job opportunities, and reducing income inequality. SMEs also hold immense potential for enhancing trade, both domestically and internationally, as they often serve as key participants in local and global value chains. **This dual impact of SMEs on economic growth and trade underscores their essential role in advancing Zambia's socioeconomic development and forms a great bedrock for private sector development.**

**Energy:** A reliable and affordable energy supply is indispensable for industrialisation, infrastructure development, and economic expansion, all of which are pivotal components of the 8NDP. The 2024 National Budget, in alignment with the goals of the 8NDP and the Medium-Term Budget Plan (2024-2026), emphasises the importance of the energy sector in driving economic development and sustainability. This focus is particularly relevant in the context

of President Frank-Walter Steinmeier's recent visit to Zambia. The President's visit has further underscored the significance of the energy sector in Zambia's development trajectory and reinforced the commitment to enhancing energy access, promoting renewable energy, and fostering competition in the energy market. Key priorities within the 2024 budget, including efficiency improvements, private sector participation, and expanding electricity generation capacity, resonate with the discussions held during the President's visit. Additionally, initiatives to enable third-party access to the TAZAMA Pipeline and attract private sector investment in new energy infrastructure align with efforts to diversify the energy sector and ensure long-term energy security. The proposed measures, such as extending the VAT refund term for hydroelectricity generation and removing customs duty on geothermal energy machinery and equipment, aim to attract investment in power generation and promote renewable energy, which are vital for addressing Zambia's expanding energy needs and driving economic growth and development. President Steinmeier's visit has further strengthened the commitment to advancing these critical energy sector goals, marking a significant step towards achieving Zambia's developmental objectives.

**Trade and Investment:** Fostering a conducive environment for trade and investment is of paramount importance, particularly in the aftermath of the German President's historic visit to Zambia. This visit has further emphasised the critical role of trade and investment in attracting foreign capital, stimulating economic diversification, and creating job opportunities. Aligning with Zambia's aspirations outlined

in the national development plan, encouraging trade and investment is pivotal in making Zambia a more attractive destination for businesses and foreign direct investment. The discussions held during the visit have reinforced the commitment to creating an environment that is conducive to trade and investment, which, in turn, will bolster Zambia's economic growth and strengthen its position as an attractive hub for foreign investment, reflecting the country's dedication to its developmental goals.

In conclusion, the State Visit of Germany's Federal President, Dr. Frank-Walter Steinmeier, to Zambia signified a pivotal moment in the fostering of Zambian-German economic cooperation. The commitments made during the visit, such as the substantial financial allocation for water supply management, agricultural development, and renewable energy initiatives, underscored a shared dedication to addressing critical challenges and promoting sustainable development. The emphasis on trade and investment has the potential to further position Zambia as an attractive destination for foreign capital, stimulating economic diversification and job creation. This robust international partnership holds the promise of not only addressing immediate developmental needs but also contributing significantly to Zambia's long-term socioeconomic growth. The visit exemplified the importance of collaborative efforts in advancing global partnerships, showcasing a positive trajectory for Zambia's economic development and enhancing its standing on the international stage.



## THE “JUST” ENERGY TRANSITION - WHAT DOES THIS MEAN FOR ZAMBIA?

Countries around the world came together to discuss tackling climate change at the **28<sup>th</sup> Conference of the Parties to the United Nations Framework Convention on Climate Change commonly known as COP28**, which ran from 30<sup>th</sup> November to 12<sup>th</sup> December 2023. At COP 28, countries negotiated global goals for addressing climate change, presented their individual countries’ plans for contributing to those goals, and reported on their progress. One of the key topics of discussion at this year’s COP was fast-tracking a just, orderly and equitable energy transition. The energy transition concerns the shift from fossil fuels to renewable energy sources in an effort to reduce carbon emissions.

Zambia’s installed generation capacity is 3356.6 MW; this comprises 83 percent of hydro, 9 percent of coal, 5 percent of heavy fuel oil and 3 percent solar PV. The energy transition for Zambia involves shifting focus towards renewable energy sources such as solar, wind and geothermal and less dependence on fossil fuels. This move to transition away from fossil fuels which account for 14% of the country’s energy mix will be instrumental in reducing Greenhouse Gases. According to the United Nations, Fossil fuels are the largest contributor to global climate change, accounting for over 75 percent of global greenhouse gas emissions. The Government intends to reduce greenhouse gas emissions by at least 47 percent by 2030.

The energy transition will require accelerating renewable energy sources in the country. Only 31 percent of Zambians have access to electricity; with 67 percent of the urban population and only 4 percent of the rural population having access to power. There is need for the country to scale up its efforts to provide energy from sustainable and reliable sources. The country has relied so much on hydro power which has been affected by climate change creating energy shortages and thereby there is an urgent need to increase other renewable energy sources. Zambia has the potential to generate 2,300 MW of solar and 3,000 MW of wind, only 76 MW of solar has been installed and no wind power to date.

According to the Ministry of Energy, policy and regulatory shortfalls, and financial and institutional barriers have affected the exploitation of Renewable Energy in the country.

In addition, infrastructure remains an obstacle to Zambia’s electricity development, particularly in rural areas. **The country’s energy infrastructure needs to be upgraded to support the integration of renewable energy technologies. While Government has made significant strides in promoting the development of renewable energies through policy and regulatory reforms there is still significant work that needs to be done for the country to attract meaningful investment in the sector.**

The energy transition will mean a greater demand for Zambia’s minerals as the country is endowed with minerals critical to making the transition a reality. Minerals such as copper, lithium, nickel, and cobalt are essential components in clean energy technologies such as wind turbines, electric vehicles and solar cells. Due to the rising demand for these minerals, it is likely that there will be a boom in the prices of these minerals. Zambia stands to benefit from the anticipated price boom and increase revenue generation for the country. As Zambia seeks to benefit from the demand for transition metals, there is need to ensure that the mining sector is well governed as the mining projects increase. The extraction of these minerals should bring benefits to the citizens where they are mined while also safeguarding the environment. The sector should be transparent, socially responsible, and inclusive and contribute to sustainable economic development.

The energy transition must be “just” meaning that all groups in society should equally benefit from the transition and it should not come at the expense of certain groups. A key way in which energy justice can be fostered is through participation. The Government can support an inclusive, bottom-up engagement, where policy-makers prioritize the feedback from local communities on the suitability of energy project developments. In addition, investment in skills is key to realising the clean energy transition. A major scaling-up of training is required to develop a skilled workforce for the renewable energy and energy efficiency sectors. This will necessitate the development of completely new programmes of education, certification and vocational training.

The COP 28 reminds us that there is urgent need to accelerate

<sup>1</sup> <https://www.theafricareport.com/278535/zambia-will-uae-cooperation-revive-solar-dream-after-world-bank-china-disappointments/>



the energy transition in the country and join the rest of the world in global climate action. Achieving this change will require support from all – Government, businesses and the public. The transition would ensure significant benefits to

the environment, the economy and quality of life for people around the globe and for generations to come.



## ZAMBIA'S ACHIEVED DEBT RESTRUCTURING AND RELATED IMPLICATIONS

### Overview

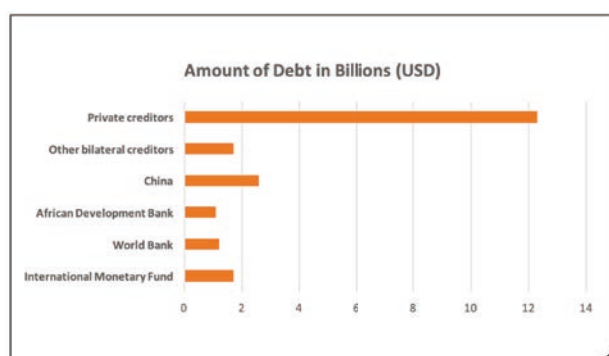
In 2020 Zambia was the first African country to default in paying its creditors; the Coronavirus (COVID-19) pandemic rendered Zambia and numerous other countries with a plethora of economic bottlenecks. However, the global economy shrank in general during the same period, with developing countries experiencing a more severe decline than the rest of the globe.

In the early to mid-2000s, the Zambian Government engaged the International Monetary Fund (IMF) and the World Bank with a move intended to achieve the Heavily Indebted Poor Country (HIPC) challenge for national debt cancellation; this was achieved in 2005. Following a successful debt cancellation for the first time, Zambia's macroeconomic performance became stable. Notably, the country was able to wean off the devastating effects of the 2008/9 global economic slump.

### Current National Debt for Zambia

The projected value of Zambia's external debt is \$18.6 billion. Of this, official creditors such as the World Bank, the African Development Bank, and the International Monetary Fund (IMF) are owed \$6.3 billion. Private creditors, including commercial banks and bondholders, are owed the remaining \$12.3 billion.

The following table shows the amount of debt owed to each creditor as of December 2022:



Zambia's debt to China is estimated to be \$2.6 billion. This makes China Zambia's biggest creditor, accounting for 14% of the country's total external debt.

### Debt Deal Reached

Zambia and its official creditors agreed to restructure their \$6.3 billion debt in line with the G20 Common Framework for Debt Treatment. With the help of this arrangement, Zambia will be able to rearrange its debt payments and lessen its overall debt load. The accord is still awaiting clearance from the IMF and the World Bank, but it is regarded as a significant victory for Zambia's efforts to revive its economy.

### What about the other Creditors not in the Current Deal?

The other creditors not in the current deal for Zambia are the private creditors, who are owed \$6.8 billion. These creditors include:

- BlackRock
- Israel Discount Bank

- Investec
- Standard Chartered
- Other Western private creditors
- Chinese commercial lenders

It is hoped that these creditors will agree to a restructuring agreement that is comparable to the one that was struck with the official creditors. Zambia is still in discussions with these creditors. Zambia might be forced to make a default payment to its private creditors if they refuse to accept a deal.

### **What Happens Beyond the Three (3) Years?**

Beyond the three-year grace period, the effects of Zambia's debt restructuring will depend on a variety of conditions, including the following:

- The state of the economy of Zambia: Zambia will be able to raise more money to pay down its debt if the economy expands at a healthy rate.
- The volume of international investment: Foreign investors will be more willing to invest in Zambia if they have confidence in the country's economic prospects, which will support economic growth.
- The agreement's terms with the private creditors: Zambia would be able to lessen its debt burden and improve its financial situation if the private creditors agree to a settlement that is comparable to the one that was agreed with the official creditors.

The decisions taken by the Zambian Government and the international community will determine how the debt restructuring in Zambia affects the nation after the three-year grace period. Zambia may come out of the debt crisis stronger than ever if the Government successfully puts sound economic policies into place and lures international investment. The

Government has demonstrated resilience during the road to debt restructuring by instituting key economic reforms critical to economic revival. However, if the Government is unable to address the country's economic problems, Zambia may face a long and difficult road to recovery hence the need for multi-stakeholder consented efforts towards the path to economic recovery.

### **Recommendations**

- To improve economic governance: The Zambian Government needs to develop its public finance management systems and increase openness and accountability to improve economic governance. This will allow for the effective and efficient utilization of national resources.
- Reorient economic expansion: Zambia needs to redirect its economy's growth trajectory away from debt-fuelled consumption and towards investments in profitable sectors like manufacturing, tourism and agriculture. These measures will result in increased employment and exports thus increasing the amount of financial resources available critical to paying off the country's debt.
- Attract outside capital: To support economic growth and create jobs, Zambia needs to entice foreign investment. To accomplish this, The Government is urged to improve the business climate, provide incentives to foreign investors and make sure that laws and regulations are transparent and predictable to achieve this policy measure.
- Reform the mining industry: Zambia's mining industry is a significant contributor to debt reduction and an important driver of domestic resource mobilization. The Government must reform the mining industry in order to ramp up production in various mineral value chains to generate sustained economic growth for the nation while preventing environmental degradation.



## ZAMBIA'S PATH TO DEBT RECOVERY: A CRUCIAL MILESTONE

In the last few years, Zambia has faced a crisis of crippling debt. During the last quarter of 2020, the country became the first nation in Africa to default on its debt during the COVID-19 pandemic when it failed to make a US \$42.5 million Eurobond repayment. Zambia made the request through the G20 common framework for sustainable debt treatment in 2020. Consequently, a creditors committee for the country was formed by countries with eligible claims on Zambia. The committee was co-chaired by China and France with South Africa being the vice-chair.

Subsequent to that period, the nation has achieved noteworthy progress in matters pertaining to its debt. This includes the enactment into law of the Public Debt Management Act, No. 15 of 2022, to repeal and replace the Loans and Guarantees (Authorization) Act. The Act was introduced to stem excessive public debt and to formalize decision-making responsibilities relating to the contraction of public debt. It has introduced debt ceilings, strengthened parliamentary oversight of debt management by requiring the Minister to present an annual borrowing plan to the National Assembly 90 days before the start of the next house business year, and improved debt reporting transparency.

The central Government's external debt stock, excluding publicly guaranteed external debt, as at the end of June 2023 increased marginally by 0.8% to US \$14.07 billion from US \$13.96 billion at the end of December 2022. Total publicly guaranteed external debt, declined by 1.9% to US \$1.43 billion at the end of June 2023 from US \$1.45 billion at the end of December 2022.

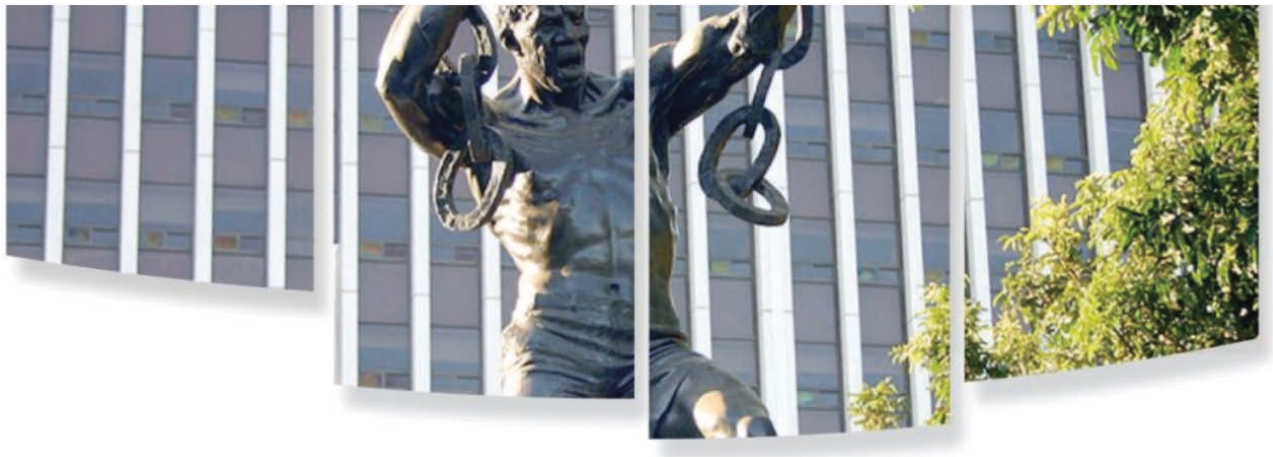
It is against this background that the Policy Monitoring and Research Centre (PMRC) welcomes the recent announcement by the Ministry of Finance and National Planning of the Republic of Zambia regarding the Memorandum of Understanding (MoU) reached with the Official Creditor Committee (OCC). This development is a significant step towards achieving long-term debt sustainability for Zambia and PMRC commends all stakeholders involved for their dedication to resolving the Country's debt overhang.

The implications of this MoU are far-reaching, not only for Zambia's debt situation but for the wider economy as well. PMRC would like to highlight several key points:

- **Debt Sustainability:** The formalization of this agreement is a positive step towards relieving Zambia from the burden of unsustainable debt. The terms laid out in the MoU, once implemented, will create a more manageable debt structure, providing breathing room for Zambia's fiscal policies and budgetary allocation.
- **International Collaboration:** The cooperation of official creditors, notably China, France, and South Africa, underscores the importance of international partnerships in resolving debt crises. PMRC acknowledges the vital role played by these co-chairs and vice-chair in supporting Zambia's efforts.
- **Private Creditors Engagement:** Zambia's commitment to engaging with private creditors is a critical next step. A comparable agreement with private creditors is essential to ensure that debt relief measures are comprehensive and balanced.
- **Economic Revitalization:** Upon the successful completion of the debt restructuring process, valuable resources will be freed up, enabling the Zambian Government to allocate them towards the pursuit of its development objectives. This will be pivotal for reviving the economy and creating opportunities for the people of Zambia.
- **Enhanced Economic Outlook:** The debt restructuring agreement has the potential to enhance the Country's economic outlook in multiple ways. Firstly, it can attract increased foreign direct investment (FDI) as the country becomes more financially stable and less risky for investors. It will also contribute to a more stable macroeconomic environment, fostering growth and job creation. Improved fiscal sustainability through debt restructuring can lead to better credit ratings, allowing Zambia to access international capital markets on more favourable terms. Ultimately, it signals a commitment to fiscal responsibility, consequently instilling confidence in the economy and leading to a generally positive outlook with prospects for sustainable growth and development.

PMRC recognises the diligent efforts of the Ministry of Finance and National Planning, spearheaded by Dr. Situmbeko Musokotwane, and the support from multilateral partners, including the International Monetary Fund, the World Bank, and the African Development Bank. PMRC strongly advocates for the Government to uphold a policy of transparency and open communication with the public in relation to the ongoing debt restructuring process, as demonstrated. This has the ability

to enhance public confidence and trust in the Government's actions. The Government is further encouraged to maintain strict fiscal discipline and adhere to prudent financial management practices to ensure that debt sustainability is upheld in the long run.



## ZAMBIA'S 59<sup>TH</sup> INDEPENDENCE ANNIVERSARY

Zambia celebrated fifty-nine years of independence which was obtained in 1964. We remember the sacrifices and bravery of our forefathers who fought for our freedom.

The theme for this year's Independence Day is "Accelerating national development through equitable distribution of resources" which reminds us of the urgent need to ensure that the country's wealth trickles down to all citizens and translates to meaningful economic and social development. This year's theme is indeed relevant as the country is blessed with mineral wealth, fresh water and wildlife which should ultimately benefit its people.

PMRC encourages citizens to uphold Zambia's national values which are morality and ethics; patriotism and national unity; democracy and constitutionalism; human dignity, equity, social justice, equality and nondiscrimination; good governance and integrity; and sustainable development. These values represent what our country both stands for and aspires to. Zambia has enjoyed 59 years of stability and peace which has been instrumental in creating a stable and safe environment for Zambians to live in. The freedom we have enjoyed is key to dealing with social and economic problems that the country has been faced with such as high levels of poverty and inequality.

Political independence should be used as a means to achieve inclusive development and prosperity. As such, the Zambian Government has been working towards making the country a prosperous nation through improving different sectors of the economy that will ultimately lead to benefits for the Zambian people. The Government is encouraged to continue putting in place an enabling environment that will lead to inclusive economic prosperity.

As citizens, it is our responsibility to continue working hand in hand with the Government to build a thriving nation for ourselves and future generations to live in. It is imperative that we all support the Government's efforts to collectively create a prosperous nation. Active participation of citizens is key towards the development of a nation and PMRC would therefore like to all encourage all patriotic Zambians to reflect on the role that they can individually play towards creating a better and sustainable Zambia.





## INTERNATIONAL LITERACY DAY 2023

The Policy Monitoring and Research Centre (PMRC) joined the global community in commemorating World Literacy Day on September 8<sup>th</sup> 2023, under the theme “Empowering Literacy for a Changing World: Establishing the Bedrock for Sustainable and Harmonious Societies”, a theme that recognises literacy’s profound influence in the face of a swiftly evolving global landscape.

Beyond its core definitions of reading and writing, literacy acts as a catalyst for transformative change, enabling empowerment, communication, and growth across various societal domains. In a world marked by unprecedented transformations—technological progressions, economic shifts, and novel dimensions of interconnectedness, literacy remains the foundational element upon which sustainable and harmonious societies are constructed.

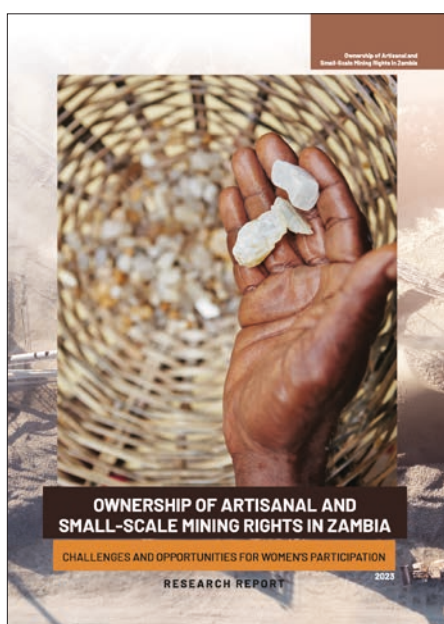
The COVID-19 pandemic underscored literacy’s critical importance in adapting to a dynamic world. Digital learning platforms emerged as vital tools, reshaping the educational paradigm and extending their reach beyond geographical confines. This year’s theme underscores the urgency of cultivating digital literacy, ensuring that every individual remains integrated in this swiftly progressing epoch.

It is evident, however, that various barriers obstruct universal access to literacy. Irrespective of gender, ability, socio-economic status, and cultural diversity, these barriers should not be allowed to curtail access to the empowering facets of literacy. The journey towards sustainable and harmonious societies mandates dismantling these hindrances and promoting equitable literacy opportunities for all.

In Zambia, as mirrored in the 2018 Demographic Health Survey, advancements have been achieved in literacy rates. Nevertheless, discrepancies endure, particularly between urban and rural areas and among genders. These discrepancies impede personal growth and hamper collective advancement. The commitment to “Empowering Literacy for a Changing World” signifies the dedication to addressing these gaps and ensuring that every Zambian possesses the tools to thrive in a progressing society. PMRC lauds the Government’s endeavours, encompassing teacher recruitment and deployment, augmented learning resources, and the amplification of educational infrastructure. However, challenges persist, bringing into sharp focus the need for sustained investment in the education sector, specifically in digital literacy initiatives that can lay the foundation for a more inclusive and prosperous Zambia.

Best wishes are extended for a future where literacy is embraced as the cornerstone of progress. Collectively embarking on the journey to empower individuals, bridge divides, and lay the groundwork for sustainable and harmonious societies is a shared commitment. Through collective dedication and collaboration, a world wherein literacy flourishes, ensuring a brighter future for all, can be nurtured.

## RESEARCH REPORT

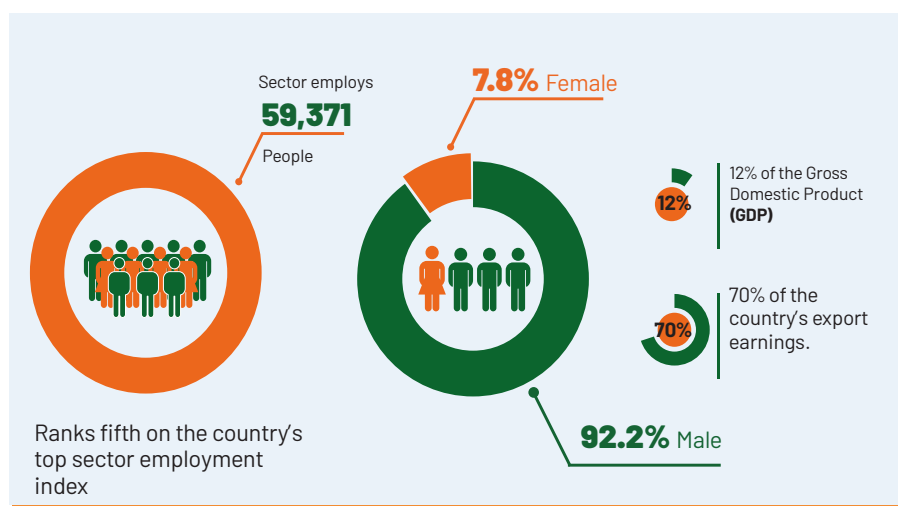


### LINK

[HTTPS://PMRCZAMBIA.COM/WP-CONTENT/UPLOADS/2023/01/OWNERSHIP-OF-ARTISANAL-AND-SMALL-SCALE-MINING-RIGHTS-IN-ZAMBIA.PDF](https://pmrczambia.com/wp-content/uploads/2023/01/ownership-of-artisanal-and-small-scale-mining-rights-in-zambia.pdf)

## OWNERSHIP OF ARTISANAL AND SMALL-SCALE MINING RIGHTS IN ZAMBIA - CHALLENGES AND OPPORTUNITIES FOR WOMEN'S PARTICIPATION

Mining is the major driver of economic activities in Zambia, accounting for about 12% of the Gross Domestic Product (GDP) and more than 70% of the country's export earnings<sup>1</sup>. Further, the sector employs about 59,371 people, making it fifth on the country's top sector employment index. Of the total employed in the sector, 92.2% are male, while only 7.8% are female, exhibiting deep gender disparities<sup>2</sup>.



The emergence of organised Artisanal and Small-scale mining offers better opportunities to change the gender narrative in the mining sector and enhance the social and economic position of women. However, the subsector is not immune to challenges that continue to impede women's full participation. ASM refers to small groups and individuals engaged in the low-cost and labour-intensive excavation of minerals using minimal mechanisation.

1. How Can Zambia Benefit More from Mining (2016) World Bank Retrieved from <https://www.worldbank.org/en/news/feature/2016/07/18/how-can-zambia-benefit-more-from-miningLabour>
2. Force Survey (2020). Retrieved from <https://www.mlss.gov.zm/wp-content/uploads/2022/03/2020-Labour-Force-Survey.pdf>

## BRIEFING DOCUMENT



### LINK

[HTTPS://PMRCZAMBIA.COM/WP-CONTENT/UPLOADS/2023/01/THE-USE-OF-DIGITAL-FINANCING-TO-PROMOTE-SMALL-AND-MEDIUM-ENTERPRISES-GROWTH-AND-WOMEN-ECONOMIC-EMPOWERMENT-IN-AGRICULTURE.PDF](https://pmrczambia.com/wp-content/uploads/2023/01/the-use-of-digital-financing-to-promote-small-and-medium-enterprises-growth-and-women-economic-empowerment-in-agriculture.pdf)

## THE USE OF DIGITAL FINANCING TO PROMOTE SMALL AND MEDIUM ENTERPRISES GROWTH AND WOMEN ECONOMIC EMPOWERMENT IN AGRICULTURE

Technological advancements through digital financing have revolutionized the financial sector by extending finances to the previously underserved/unserved Small and Medium Enterprises (SMEs) and rural women (particularly female smallholder farmers). This has been perceived as a game changer for both SMEs and female farmers as they face numerous challenges, some of which include an unanticipated financial mismatch between their income and expenses to support their growth. Digital finance entails financial services being delivered through mobile phones, the internet or cards linked to a reliable financial system<sup>1</sup>. It includes all products, services, technology and/or infrastructure that permits individuals and firms to access payments, savings and credit facilities through the internet without the need to visit a bank branch or deal directly with the financial service provider. To succinctly appreciate this technological drive, this work unpacks the use of digital financing to promote SMEs growth and women's economic empowerment with a particular focus on how it mitigates SME financial constraints as well as those faced by women in agriculture.



## POLICY BRIEF

# GREEN BONDS, SUSTAINABLE FINANCE, AND CLIMATE CHANGE- CHALLENGES AND OPPORTUNITIES FOR ZAMBIA

### Introduction: What are Green Bonds?

Green bonds are a type of fixed-income security designed to raise capital for projects that have positive environmental or climate benefits (Luo, Wang, & Zhu, 2021). With the increasing awareness of climate change, green bonds have emerged as an innovative and effective way to finance projects that aim to reduce greenhouse gas emissions, promote sustainable energy, and support the transition to a low-carbon economy (Climate Bonds Initiative, 2021). This review examines the potential of green bonds in Zambia, a country that is highly vulnerable to the impacts of climate change, and seeks to unlock challenges and opportunities associated with sustainable financing and climate change in Zambia.

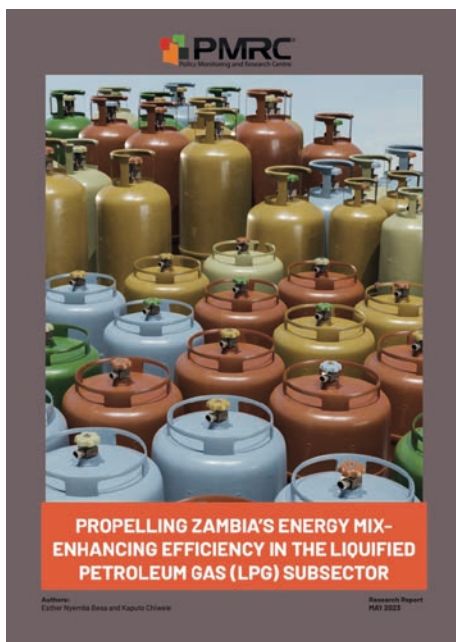
### Background

Zambia is a landlocked country within Southern Africa with a population of approximately 19 million people (Zambia Statistics Agency, 2022), with numerous protected areas and national parks that are home to a variety of wildlife species and ecological resources. However, the country is also highly vulnerable to the impacts of climate change. **Zambia's economy is highly dependent on agriculture, which is not only the leading cause of deforestation in the country but also highly sensitive to changes in climate.** Droughts, floods, and extreme weather events have become more frequent and severe in recent years, affecting crop yields and livestock production. This has led to food insecurity and reduced incomes for farmers, exacerbating poverty in rural areas. **Climate change also affects other sectors, such as energy, water, and transport, with implications for economic growth and human development** (World Bank, 2018).

Link for the Policy Brief

<https://pmrczambia.com/wp-content/uploads/2023/07/Green-Bonds-Sustainable-Finance-and-Climate-Change-Challenges-and-Opportunities-for-Zambia.pdf>





## RESEARCH REPORT

# PROPELLING ZAMBIA'S ENERGY MIX- ENHANCING EFFICIENCY IN THE LIQUIFIED PETROLEUM GAS (LPG) SUBSECTOR

Energy plays a vital role as a driving force for economic development, and Zambia is no exception. Recognising its significance, the country's Eighth National Development Plan (8NDP) identifies the energy sector as a key enabler for the country's economic transformation. Zambia is a landlocked country in Southern Africa with a population of over 18 million people. Access to clean and affordable energy is a critical challenge in the country, with only 44% of the population having access to electricity (World Bank, 2020). The majority of the population relies on traditional biomass fuels such as charcoal and firewood for cooking and heating, leading to deforestation, indoor air pollution, and adverse health effects.

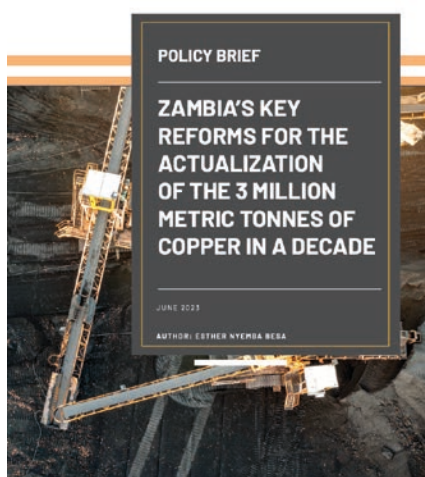
To address these challenges, the Zambian Government has identified the Liquid Petroleum Gas (LPG) subsector as a key priority area for enhancing energy efficiency and expanding access to clean cooking energy. LPG is a clean and efficient alternative to traditional biomass fuels, with lower greenhouse gas emissions and fewer health impacts. However, the LPG subsector in Zambia is still in its infancy, with limited infrastructure, low levels of awareness among consumers, and a lack of targeted policy support from the Government.

It is essential to emphasise the adverse impact of air pollution caused by the combustion of traditional biomass fuels. The emissions released during the burning of charcoal and firewood indoors contribute to indoor air pollution, which can have detrimental effects on human health, particularly respiratory issues. This further underscores the urgency and importance of transitioning to clean and sustainable cooking energy solutions like LPG.

Enhancing efficiency in the LPG subsector in Zambia can provide significant benefits for the country, including improved health outcomes, reduced deforestation, and increased access to clean cooking energy. With the right policies and investments, the LPG subsector can be a critical component of Zambia's energy mix and contribute to sustainable development in the country. By promoting the adoption of LPG as a viable alternative and addressing the air pollution challenges associated with traditional biomass fuels, Zambia can make significant strides towards a cleaner, healthier, and more sustainable future.

[Link for the Research Report](https://pmrczambia.com/wp-content/uploads/2023/06/Propelling-Zambias-Energy-Mix-Enhancing-Efficiency-In-The-Liquified-Petroleum-Gas-LPG-Subsector.pdf)

<https://pmrczambia.com/wp-content/uploads/2023/06/Propelling-Zambias-Energy-Mix-Enhancing-Efficiency-In-The-Liquified-Petroleum-Gas-LPG-Subsector.pdf>



## POLICY BRIEF

# ZAMBIA'S KEY REFORMS FOR THE ACTUALIZATION OF THE 3 MILLION METRIC TONNES OF COPPER IN A DECADE

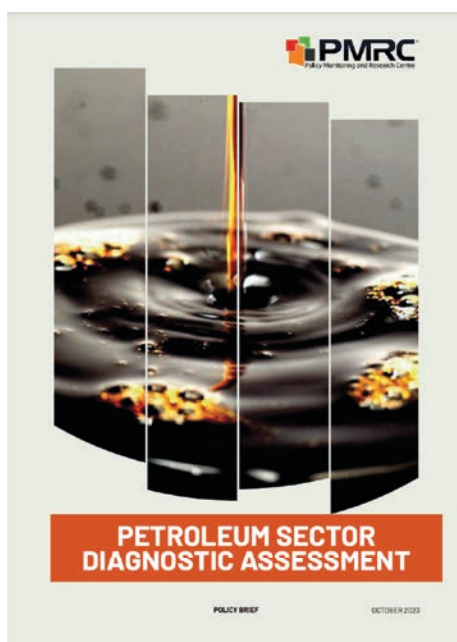
In the 2022 National budget address, the Government announced aspirations to ramp up production from 830,000 metric tonnes to 3 million metric tonnes in a decade (National Budget Speech, 2022). The mining sector, particularly copper, has been the backbone of the Zambian economy for decades. The copper industry has dominated the mining sector in Zambia for several decades despite the existence of other minerals with high private sector participation. The country's mining industry has undergone a significant transformation since its independence from private hands during the colonial era; under public ownership after independence; and then back under private hands during the wave of liberalization in the 1990's (Simpasa et al., 2013; Tsofa et al., 2017). Zambia has an opportunity to benefit from the growing demand for copper to support the global energy transition and Government's aspirations to ramp up production of copper from 830,000 metric tonnes to 3 million tonnes in a decade is timely considering the projected global demand for copper to meet the global net-zero goal, and an impending global supply crunch where the country is poised to benefit and it has the potential to do so.

At its peak in the late 1960s and early 1970s, copper mining accounted for more than 80% of the country's foreign exchange earnings, over 50% of Government revenue, and at least 20% of total formal sector employment. During the period 1969–1975, the country saw an exceptional investment in the construction of new schools, hospitals, and roads, using surpluses from copper revenue. According to the National Mineral Resource Development Policy, 2022, the copper industry faced several challenges after 1975 as a result of under-capitalization, over manning, poor technology, and low copper prices on the international market.

While the sector's contribution to the export revenue remained significant at 94% of the total export earnings from the 1970s to the 1980s, its contribution to Government revenue declined from around 58% in 1970 to 3% in 1976 and little in the 1980s. The collapse of the Zambian economy during the 1980s is related to the poor performance of the copper sector.

[Link for the Policy Brief](https://pmrczambia.com/wp-content/uploads/2023/07/Zambias-Key-Reforms-for-the-Actualization-of-the-3-Million-Metric-Tonnes-of-Copper-in-a-Decade-Policy-Brief.pdf)

<https://pmrczambia.com/wp-content/uploads/2023/07/Zambias-Key-Reforms-for-the-Actualization-of-the-3-Million-Metric-Tonnes-of-Copper-in-a-Decade-Policy-Brief.pdf>



## POLICY BRIEF

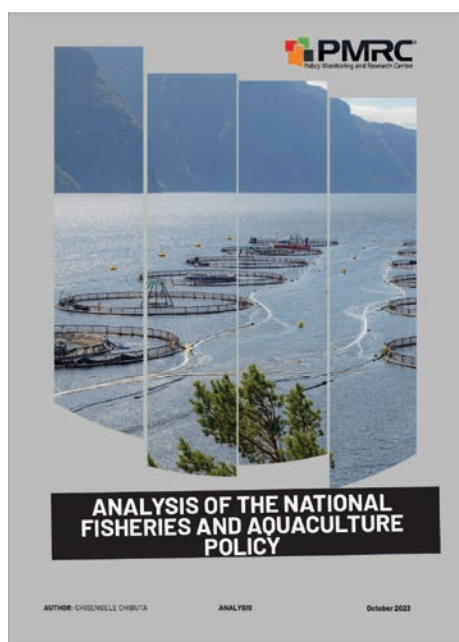
# PETROLEUM SECTOR DIAGNOSTICS

Zambia has since November 2021 embarked on wide-ranging petroleum sub-sector reforms aimed at enhancing the sustainability, resilience, affordability, and security of supply of petroleum products. Key among the ongoing reform efforts is the conversion of the TAZAMA pipeline from transporting crude oil to refined low-sulphur diesel and transformation of INDENI refinery from crude oil processing to biofuel blending and operating as an Oil Marketing Company (OMC). While the reform process has progressed impressively, numerous challenges remain that need to be addressed as part of the ongoing reform process. Using the diagnostic assessment approach, the PMRC commissioned a study to understand the key challenges and constraints facing the petroleum sub-sector.

Our findings are that pipeline security, security of supply, poor road infrastructure, and inadequate border logistics were some of the key challenges highlighted by the key stakeholders. Onerous and duplicative licencing requirements for filling stations and tanker trucks; inadequate storage capacity and facilities; and illegal fuel supply and unfair competition from foreign fuel transporters were all cited as significant challenges facing the petroleum sub-sector. Last but not least, nearly all the OMCs interviewed indicated that they suffered significant financial and exchange losses due to the inefficiency of the current petroleum pricing model (Import Parity Pricing (IPP) model) used by the Energy Regulation Board (ERB).

[Link for the Policy Brief](https://pmrczambia.com/petroleum-sector-diagnostic-assessment/)

<https://pmrczambia.com/petroleum-sector-diagnostic-assessment/>



## ANALYSIS

# ANALYSIS OF THE NATIONAL FISHERIES AND AQUACULTURE POLICY

Zambia is endowed with an abundant array of water bodies that support a thriving fisheries and aquaculture sector. The fisheries sector in Zambia consists of two subsectors, namely, capture fisheries and aquaculture. Capture fisheries involves the harvesting of naturally occurring fish resources in the naturally occurring water bodies such as lakes, rivers, and any impoundments (Shula & Mofya-Mukuka, 2015). The Fisheries Act No. 22 of 2011 defines aquaculture as the “cultivation, propagation or farming of fish, aquatic vegetation, or other living aquatic resources whether from eggs, spawn, spat, or seed or by rearing fish lawfully taken from the wild or lawfully imported into the country, or by other similar process”. The sector plays a significant role in the country’s economy, food security and employment generation, thus making it an essential component of Zambia’s national development agenda. It is estimated that fisheries and aquaculture contribute about 2% to Zambia’s GDP and that fish represents about 30% of the national dietary animal protein (FAO, 2022).

Previously, the fisheries sector in Zambia did not have a standalone policy. Fisheries and aquaculture programs were incorporated into the National Agricultural Policy (2004-2015) and the Second National Agricultural Policy (2016-2020). However, these Policies fell short in adequately tackling the challenges surrounding coordination and regulation within the fisheries and aquaculture subsectors. This is because they cover a number of other sub-sectors including crop production and livestock which has tended to reduce the emphasis on fisheries. Additionally, the fisheries sector now confronts emerging concerns such as fish disease outbreaks, unsustainable fishing methods and the impacts of environmental degradation and climate change. Together, these challenges have necessitated the development of a standalone policy for the sector.

[Link for the Analysis](https://pmrczambia.com/analysis-of-the-national-fisheries-and-aquaculture-policy/)

<https://pmrczambia.com/analysis-of-the-national-fisheries-and-aquaculture-policy/>





## ANALYSIS

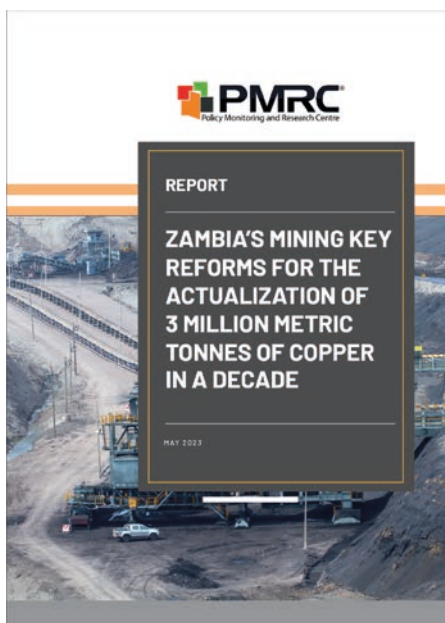
# NATIONAL BUDGET ANALYSIS 2024

The Minister of Finance and National Planning, Dr. Situmbeko Musokotwane, unveiled the K177.89 billion 2024 National Budget on 29th September, 2023 under the theme “Unlocking Economic Potential.” The delivery of the 2024 budget took place in a context marked by concerns and elevated anticipations, stemming from the Country’s successful restructuring of a \$6.3 billion debt with its official creditors in June 2023. Additionally, this budget holds significance as it is the second one following the attainment of an IMF Extended Credit Facility, which was officially announced in September 2022.

The 2024 National Budget seeks to promote economic growth through enhanced private sector investment, increased production and productivity, and improved public service delivery. Government is therefore committed to providing policy framework, resources and incentives to unlock the country’s economic potential. Therefore, this analysis seeks to assess the recommendations made in the budget against critical economic and social sectors and their responsiveness towards the aspirations of the Eighth National Development Plan (8NDP) as well as in meeting global development statutes to which Zambia is a member.

[Link for the Analysis](https://pmrczambia.com/wp-content/uploads-2023-10-pmrc-national-budget-analysis-2024-pdf/)

<https://pmrczambia.com/wp-content/uploads-2023-10-pmrc-national-budget-analysis-2024-pdf/>



## RESEARCH REPORT

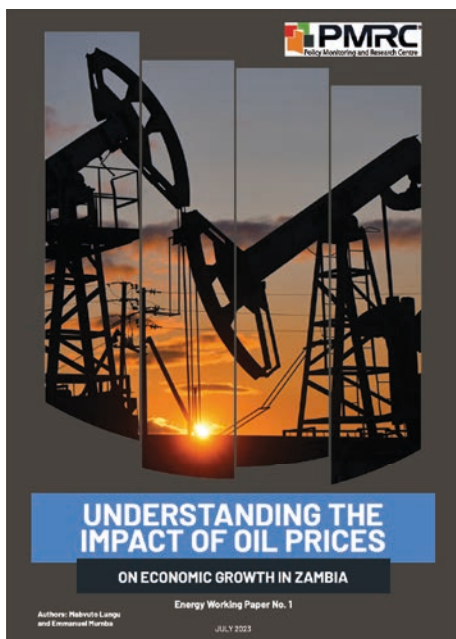
# ZAMBIA'S KEY REFORMS FOR THE ACTUALIZATION OF THE 3 MILLION METRIC TONNES OF COPPER IN A DECADE

The mining sector remains the bedrock of Zambia's economy. Mining has been one of Zambia's major economic activities dating back to the 1920s when the first commercial mine was opened. The sector is a major contributor to foreign direct investment with the mining tax revenues contributing a significant portion of total government revenue (World Bank, 2016). It contributes significantly to GDP and has been the fastest-growing sector in the Zambian economy (Sikamo et al., 2016). In terms of the country's revenue, the mining sector contributes to the treasury through an array of taxes, directly and indirectly. In addition, the sector contributes heavily to the country's trade profile with copper accounting for a staggering 70% of export earnings (Bank of Zambia, 2021).

The copper industry has dominated the mining sector in Zambia for several decades despite the existence of other minerals with high private sector participation. The country's mining industry has undergone a significant transformation since its independence from private hands during the colonial era; under public ownership after independence; and then back under private hands during the wave of liberalization in the 1990s (Simpasa et al., 2013; Tsofa, et al., 2017). At its peak in the late 1960s and early 1970s, copper mining accounted for more than 80% of the country's foreign exchange earnings, over 50% of Government revenue, and at least 20% of total formal sector employment. During the period 1969–1975, the country saw an exceptional investment in the construction of new schools, hospitals, and roads, using surpluses from copper revenues. However, the copper industry faced several challenges after 1975 as a result of under-capitalization, overmanning, poor technology, and low copper prices on the international market (National Mineral Resource Development Policy, 2022).

### Link for the Research Report

<https://pmrczambia.com/wp-content/uploads/2023/07/Zambias-Key-Reforms-for-the-Actualization-of-the-3-Million-Metric-Tonnes-of-Copper-in-a-Decade-Policy-Brief.pdf>



## WORKING PAPER

# UNDERSTANDING THE IMPACT OF OIL PRICES ON ECONOMIC GROWTH IN ZAMBIA

© 2023 UNLOCKING ZAMBIA'S POTENTIAL

The study assessed the impact of oil prices on economic growth in Zambia using time series data from 1990 to 2020. The variables used in the study included; Foreign Direct Investment (FDI) and Real Interest Rate (RIR) from the World Bank Indicators and Knoema, Brent crude oil and inflation rate from British Petroleum (BP) and Bank of Zambia and macro-trends respectively. Augmented Dickey-Fuller (ADF) was used to determine the stationarity of variables. The bounds test for Co-integration was conducted whilst the model was estimated using Autoregressive Distributed Lag (ARDL) approach supported by the relevant post-estimation diagnostic tests. The estimated model revealed that, on average, there is a negative insignificant relationship between oil prices and economic growth in the long run. This entails that although oil prices are negatively related to economic growth, it does not affect economic growth outcomes in Zambia in the long run.

The estimated model also revealed that, on average, a 1% rise in FDI positively impacts economic growth by 3.82%, while inflation rate and real interest rate are negatively related to economic growth but have an insignificant impact in Zambia in the long run. Post-estimation diagnostic tests indicate that the model was stable and had no omitted variables.

[Link for the Working Paper](https://pmrczambia.com/wp-content/uploads-2023-08-pmrc-working-paper-understanding-the-impact-of-oil-prices-on-economic-growth-in-zambia-pdf/)

<https://pmrczambia.com/wp-content/uploads-2023-08-pmrc-working-paper-understanding-the-impact-of-oil-prices-on-economic-growth-in-zambia-pdf/>

## PARLIAMENTARY PRESENTATIONS

The PMRC team submitted their findings to the Parliamentary Committee on Energy, Water Development and Tourism. The Acting Head of Research and Analysis – Leya Tembo, presented on the Tourism Sector Development and the Effectiveness of Tourism Development Strategies in Zambia.

The presentation bordered around;

- The legal and policy framework in place for the development and management of the tourism sector in Zambia.
- The institutional framework and the capacity of institutions promoting and managing the tourism sector in Zambia.
- The various Government tourism development/promotion strategies in Zambia.
- The resilience of the strategies against external shocks.
- The state of infrastructure to support the tourism sector in Zambia.
- The challenges and way forward.
- Policy Recommendations.



**LINK**

**[HTTPS://PMRCZAMBIA.COM/WP-CONTENT/UPLOADS/2023/01/TOURISM-SECTOR-DEVELOPMENT-AND-THE-EFFECTIVENESS-OF-TOURISM-DEVELOPMENT-STRATEGIES-IN-ZAMBIA.PDF](https://pmrczambia.com/wp-content/uploads/2023/01/tourism-sector-development-and-the-effectiveness-of-tourism-development-strategies-in-zambia.pdf)**



## PARLIAMENTARY PRESENTATION

The PMRC team submitted their findings to the Parliamentary Committee on Planning and Budgeting. The PMRC Executive Director, Sydney Mwamba and Acting Head of Research and Analysis –Leya Tembo, presented a Review of the 2022 Third and Fourth-quarter Budget Performance.

The presentation bordered around;

- Expenditure monitoring and tracking of the budget by PMRC.
- Macroeconomic and fiscal policy performance for the third and fourth quarter of 2022-12-22 .
- General economic budget performance during the third and fourth quarter of 2022.
- Recommendations.



**LINK**

[HTTPS://PMRCZAMBIA.COM/WP-CONTENT/UPLOADS/2023/01/REVIEW-OF-THE-2022-THIRD-AND-FOURTH-QUARTER-BUDGET-PERFORMANCE.PDF](https://pmrczambia.com/wp-content/uploads/2023/01/review-of-the-2022-third-and-fourth-quarter-budget-performance.pdf)

## PARLIAMENTARY PRESENTATION

The PMRC team, submitted their findings to the Parliamentary Committee on Cabinet Affairs. The Acting Head of Monitoring and Evaluation- Esther Besa presented on the Implementation of the National Monitoring and Evaluation Policy in Zambia.



## LINK

[HTTPS://PMRCZAMBIA.COM/WP-CONTENT-UPLOADS-2023-12-SUBMISSION-TO-THE-COMMITTEE-ON-CABINET-AFFAIRS-THE-IMPLEMENTATION-OF-THE-NATIONAL-MONITORING-AND-EVALUATION-POLICY-IN-ZAMBIA-PDF/](https://pmrczambia.com/wp-content/uploads/2023-12-submission-to-the-committee-on-cabinet-affairs-the-implementation-of-the-national-monitoring-and-evaluation-policy-in-zambia-pdf/)



## PARLIAMENTARY PRESENTATION

The PMRC team submitted their findings to the Parliamentary Committee on Health, Community Development and Social Services. The PMRC Executive Director, Sydney Mwamba and Researcher - Chisengele Chibuta, presented a Review of the Operations of the Zambia Flying Doctor Service.



### LINK

[HTTPS://PMRCZAMBIA.COM/WP-CONTENT/UPLOADS/2023/02/PMRC-PARLIAMENTARY-PRESENTATION-A-REVIEW-OF-THE-OPERATIONS-OF-THE-ZAMBIA-FLYING-DOCTOR-SERVICE-1.PDF](https://pmrczambia.com/wp-content/uploads/2023/02/PMRC-PARLIAMENTARY-PRESENTATION-A-REVIEW-OF-THE-OPERATIONS-OF-THE-ZAMBIA-FLYING-DOCTOR-SERVICE-1.PDF)

## PARLIAMENTARY PRESENTATION

The PMRC team submitted their findings to the Parliamentary Committee on Planning and Budgeting. The Acting Head of Monitoring and Evaluation–Esther Besa and Research Fellow – Sharon Williams, presented on the Effects of illicit Financial Flows on the Budget and its Sustainability in Zambia.



## LINK

[HTTPS://PMRCZAMBIA.COM/WP-CONTENT/UPLOADS/2023/02/PMRC-PARLIAMENTARY-PRESENTATION-EFFECTS-OF-ILLICIT-FINANCIAL-FLOWS-ON-THE-BUDGET-AND-ITS-SUSTAINABILITY-IN-ZAMBIA.PDF](https://pmrczambia.com/wp-content/uploads/2023/02/PMRC-PARLIAMENTARY-PRESENTATION-EFFECTS-OF-ILLICIT-FINANCIAL-FLOWS-ON-THE-BUDGET-AND-ITS-SUSTAINABILITY-IN-ZAMBIA.PDF)



## PARLIAMENTARY PRESENTATION

The PMRC team, submitted their findings to the Parliamentary Committee on Transport, Works and Supply. Researcher -Chisengele Chibuta, presented on the Operations and Management of Zambia Airways – Challenges and Opportunities.



## LINK

[HTTPS://PMRCZAMBIA.COM/WP-CONTENT/UPLOADS/2023/02/PARLIAMENTARY-PRESENTATION-THE-OPERATIONS-AND-MANAGEMENT-OF-ZAMBIA-AIRWAYS---CHALLENGES-AND-OPPORTUNITIES.PDF](https://pmrczambia.com/wp-content/uploads/2023/02/parliamentary-presentation-the-operations-and-management-of-zambia-airways---challenges-and-opportunities.pdf)

## PARLIAMENTARY PRESENTATION

The PMRC team, submitted their findings to the Parliamentary Committee on Education, Science and Technology. Acting Executive Director -Sydney Mwamba and Researcher- Kaputo Chiwele, presented on the Free Education Policy in Zambia: Opportunities and Challenges.



[LINK](https://pmrczambia.com/wp-content/uploads/2023/02/Parliamentary-Presentation-Written-Memorandum-on-the-Free-Education-Policy-in-Zambia-Opportunities-and-Challenges.pdf)

[HTTPS://PMRCZAMBIA.COM/WP-CONTENT/UPLOADS/2023/02/PARLIAMENTARY-PRESENTATION-WRITTEN-MEMORANDUM-ON-THE-FREE-EDUCATION-POLICY-IN-ZAMBIA-OPPORTUNITIES-AND-CHALLENGES.PDF](https://pmrczambia.com/wp-content/uploads/2023/02/Parliamentary-Presentation-Written-Memorandum-on-the-Free-Education-Policy-in-Zambia-Opportunities-and-Challenges.pdf)



## PARLIAMENTARY PRESENTATION

The PMRC team, submitted their findings to the Parliamentary Committee on National Guidance and Gender Matters. Research Fellow – Sharon Williams presented on Achieving the 50/50 Gender Parity in Governance and Decision-Making Positions in Zambia.



[LINK](https://pmrczambia.com/wp-content/uploads/2023/02/parliamentary-submission-gender-parity-.pdf)

[HTTPS://PMRCZAMBIA.COM/WP-CONTENT/UPLOADS/2023/02/PARLIAMENTARY-SUBMISSION-GENDER-PARITY-.PDF](https://pmrczambia.com/wp-content/uploads/2023/02/parliamentary-submission-gender-parity-.pdf)

## PARLIAMENTARY PRESENTATION

The PMRC team submitted their findings to the Parliamentary Committee on Expanded Budgeting and Planning and made a presentation on Estimates of Revenue and Expenditure for the year ending 31<sup>st</sup> December 2024.

The presentation bordered around;

- The fiscal framework and monetary policy.
- Macroeconomic fundamentals.
- Secured debt structuring deal (bilateral and multilateral) and its impact on the economy.
- 2024 Budget Allocation Against International Protocols.
- Policy Recommendations.



## LINK

[HTTPS://PMRCZAMBIA.COM/WP-CONTENT-UPLOADS-2023-10-PMRC-PARLIAMENTARY-PRESENTATION-PARLIAMENTARY-SUBMISSION-ON-EXPANDED-PLANNING-AND-BUDGETING-COMMITTEE-1-PDF/?FBCLID=IWAR1LQH04000XIY9MMQXELDPD1PNLHIEY-RDXCK2LVGVXMIGL30VV\\_CNHYI](https://pmrczambia.com/wp-content/uploads/2023-10-PMRC-PARLIAMENTARY-PRESENTATION-PARLIAMENTARY-SUBMISSION-ON-EXPANDED-PLANNING-AND-BUDGETING-COMMITTEE-1-PDF/?FBCLID=IWAR1LQH04000XIY9MMQXELDPD1PNLHIEY-RDXCK2LVGVXMIGL30VV_CNHYI)



## PARLIAMENTARY PRESENTATION

The PMRC team submitted their findings to the Parliamentary Committee on Agriculture, Land and Natural Resources and made a presentation on Head 89: Ministry of Agriculture; Head 86: Ministry of Fisheries and Livestock; Head 53: Ministry of Green Economy and Environment; and Head 85: Ministry of Lands and Natural Resources.



## LINK

[HTTPS://PMRCZAMBIA.COM/WP-CONTENT-UPLOADS-2023-10-PMRC-PARLIAMENTARY-PRESENTATION-SUBMISSION-TO-THE-PARLIAMENTARY-COMMITTEE-ON-AGRICULTURE-LAND-AND-NATURAL-RESOURCES-PDF/](https://pmrczambia.com/wp-content/uploads/2023-10-PMRC-PARLIAMENTARY-PRESENTATION-SUBMISSION-TO-THE-PARLIAMENTARY-COMMITTEE-ON-AGRICULTURE-LAND-AND-NATURAL-RESOURCES-PDF/)

## PARLIAMENTARY PRESENTATION

The PMRC team submitted their findings to the Parliamentary Committee on National Security and Foreign Affairs and presented a Budget Analysis of Head 11: Zambia Police Service and Head 5: Ministry of Home Affairs and Internal Security.



**LINK**

**[HTTPS://PMRCZAMBIA.COM/SUBMISSION-TO-THE-PARLIAMENTARY-COMMITTEE-ON-NATIONAL-SECURITY-AND-FOREIGN-AFFAIRS/](https://pmrczambia.com/submission-to-the-parliamentary-committee-on-national-security-and-foreign-affairs/)**



## PARLIAMENTARY PRESENTATION

The PMRC team submitted their findings to the Parliamentary Committee on Education, Science and Technology and presented a Budget Analysis of estimates to the Ministry of Education and Ministry of Technology and Science.



## LINK

[HTTPS://PMRCZAMBIA.COM/WP-CONTENT/UPLOADS/2023/10/SUBMISSION-TO-THE-PARLIAMENTARY-COMMITTEE-ON-EDUCATION-SCIENCE-AND-TECHNOLOGY.PDF](https://pmrczambia.com/wp-content/uploads/2023/10/submission-to-the-parliamentary-committee-on-education-science-and-technology.pdf)

## PARLIAMENTARY PRESENTATION

The PMRC team submitted their findings to the Parliamentary Committee on Energy, Water Development and Tourism regarding the 2024 estimates of revenue and expenditure for Heads 52 (Ministry of Water Development and Sanitation), 62 (Ministry of Energy) and 68 (Ministry of Tourism) with a strategic focus on budget implications as well as policy options key to Unlocking Sector's Economic Potential.



**LINK**

[HTTPS://PMRCZAMBIA.COM/PMRC-PARLIAMENTARY-PRESENTATION-SUBMISSION-TO-THE-PARLIAMENTARY-COMMITTEE-ON-ENERGY-WATER-DEVELOPMENT-AND-TOURISM/](https://pmrczambia.com/pmrc-parliamentary-presentation-submission-to-the-parliamentary-committee-on-energy-water-development-and-tourism/)



## PARLIAMENTARY PRESENTATION

The PMRC team submitted their findings to the Parliamentary Committee on Agriculture and Natural Resources regarding the Performance Audit Report of the Auditor General on the Implementation of the Farmer Input Support Programme (FISP) 2018-2022

### Objectives of the Audit

The overall objective of the audit was to assess the effectiveness of measures put in place by the Ministry of Agriculture (MoA) in the implementation of the FISP to improve supply and distribution of agricultural inputs to small-scale farmers. Audit criteria was drawn from sources such as Ministry of Agriculture Strategic plan 2019-2021, Second National Agricultural Policy 2016 and Farmer Input Support Programme Implementation Manuals 2018/2019 – 2021/2022 Agricultural Seasons. The audit covered the period 2017 to 2022 and established the extent to which MoA:

- Ensured the existence of adequate policies and legal framework, institutional framework and structures to govern FISP;
- Ensured timely, effective and adequate supply of agriculture inputs to targeted small-scale farmers;
- Facilitated the processes of farmer organisations, monitoring and evaluation, and sensitisation;
- Ensured the expansion of markets for private sector input supplier/Agro dealers; and
- Ensured a risk sharing mechanism is in place to share part of the cost of improving agricultural productivity.



### LINK

[HTTPS://PMRCZAMBIA.COM/SUBMISSION-TO-THE-PARLIAMENTARY-COMMITTEE-ON-AGRICULTURE-AND-NATURAL-RESOURCES/](https://pmrczambia.com/submission-to-the-parliamentary-committee-on-agriculture-and-natural-resources/)

## PARLIAMENTARY PRESENTATION

The PMRC team submitted their findings to the Parliamentary Committee on Transport, Works and Supply regarding the Consideration of the Wavis Bay-Ndola-Lubumbashi Development Corridor and the Lobito Corridor Transit Transportation Facilitation Agreements. Researcher Chisengele Chibuta made the presentation.

The two Agreements offer substantial benefits for Zambia such as enhanced transportation infrastructure and efficient trade facilitation. They address key issues like transit traffic, trade facilitation, infrastructure development, environmental protection, and sovereignty. However, to fully realize these benefits, successful implementation and utilization are crucial.

Furthermore, it's essential to consider areas for improvement in both agreements. These include incorporating digital and technological integration, specifying financing mechanisms, addressing environmental sustainability and climate change, focusing on social and labor standards, establishing emergency response mechanisms, involving local communities, and engaging the private sector effectively.

Ultimately, these Agreements are of paramount importance for Zambia's economic development and connectivity. They provide a framework for efficient trade and transportation, contributing to the country's growth, trade competitiveness and environmental sustainability. It is vital that Zambia and the involved parties address these areas of enhancement to ensure the Agreements meet the evolving needs of the region and maximize their potential benefits.



**LINK**

[HTTPS://PMRCZAMBIA.COM/HTTPS-PMRCZAMBIA-COM-WP-CONTENT-UPLOADS-2023-11-SUBMISSION-TO-THE-PARLIAMENTARY-COMMITTEE-ON-TRANSPORT-WORKS-AND-SUPPLY-PDF/](https://pmrczambia.com/https-pmrczambia-com-wp-content-uploads-2023-11-submission-to-the-parliamentary-committee-on-transport-works-and-supply-pdf/)

## INTERNATIONAL ENGAGEMENTS

PMRC Acting Head of Research and Analysis Leya Namonje Tembo presenting on Social Development Strategies to Enhance Women's Economic Participation and Opportunity at the newly launched Africa branch of the International Consortium for Social Development (ICSD) which hosted its inaugural colloquium from 14 - 15 March 2023 in Johannesburg, South Africa. The colloquium themed, "When Crises Collide: Social Development Responses to Intersecting Crises in Africa," was hosted as an intimate in-person gathering of eminent social development experts from across the African continent. The Colloquium was attended by participants from Zambia, Malawi, United Kingdom, Democratic Republic of Congo, Kenya, Zimbabwe, Nigeria, Botswana, South Africa, Australia, Tanzania and Lesotho.



## INTERNATIONAL ENGAGEMENTS

PMRC Executive Director participated in the capacity strengthening workshop organized by Laser-Pulse at the Munyonyo Commonwealth Resort and Conference Centre in Kampala, Uganda. The major objectives of the workshop were to:

1. Strengthen the capacity of research administrators in sub-Saharan Africa.
2. Promote expert-facilitated peer-to-peer learning on issues in the research ecosystem.



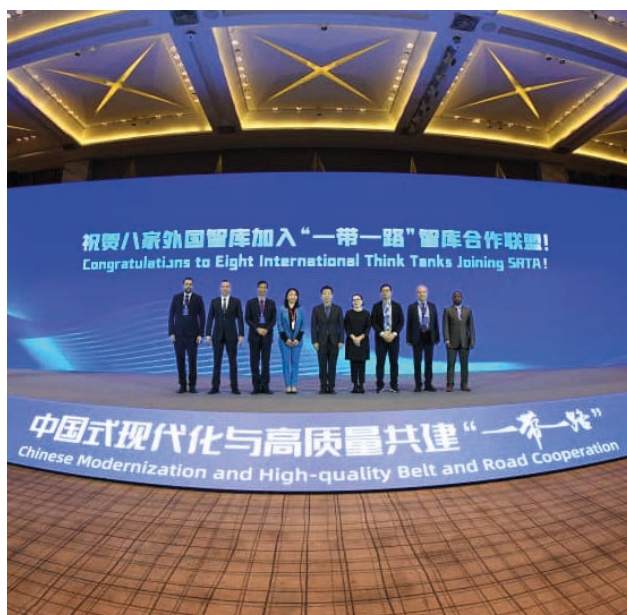


## INTERNATIONAL ENGAGEMENTS

PMRC Acting Head of Research and Analysis Leya Namonje Tembo and Senior Researcher Alice Pearce Phiri presented during the 10th International Annual SASPEN Conference in Mauritius. The duo presented two papers on How Social Protection Enhances Social Justice for Persons with Disabilities and Social Protection Financing - the Case of the Social Cash Transfer.



PMRC Executive Director - Sydney Mwamba, participated in the 2023 China Global Insight Forum in Shenzhen, China. The Forum was themed "Chinese Modernization and High-quality Belt and Road Cooperation". During the same event PMRC joined 7 other ThinkTanks from different countries around the globe in signing an MOU with Chinese Centre for Contemporary World Studies (CCCWS) to enhance bilateral cooperation.





## PUBLIC ENGAGEMENTS

1. PMRC team exhibited at the Lusaka Business Indaba and Expo 2023 under the theme “Creating a Borderless Green Economy Through Market Linkages, Digital Transformation and Innovation”

The objective of Lusaka Business Indaba & Expo was aimed at exploring avenues and unveiling opportunities through which the private sector can benefit from being able to access local, regional and foreign markets, as well as addressing the ease of doing business through digital transformation and innovation.



## PUBLIC ENGAGEMENTS

- PMRC Executive Director Sydney Mwamba made a presentation regarding some key policy interventions on the 2022 Economic Performance and 2023 Budget Execution during the Townhall Forum on the 2022 Economic Performance and 2023 Budget Execution hosted by the Ministry of Finance and National Planning.



- PMRC Executive Director – Sydney Mwamba paid a courtesy call on the Chinese Chamber of Commerce in Zambia (CCCZ) President Prof. Tie Li to discuss various developmental and research aspects.

Others present during the meeting included: PMRC Acting Head of Research and Analysis – Leya Tembo, PMRC Head of Communication and Grants – Melody Simukali and CCCZ Executive President – Huang Jibo.





## PUBLIC ENGAGEMENTS

- PMRC Executive Director -Sydney Mwamba met with Lusaka Chamber and Commerce and Industry President – Alexander Lawrence and International Relations and Cooperation Consultant Maria Chibansa Branchetti based in Italy to discuss various research aspects key to Zambia's economic transformation agenda.



- The PMRC team, led by PMRC Executive Director Sydney Mwamba, presented the findings of a recent PMRC research study on Zambia's key reforms for the actualization of the 3 million metric tonnes of copper in a decade to the Ministry of Mines and Minerals Development Senior Management.

**In pictures:** Acting Head of Monitoring and Evaluation – Esther Nyemba Besa presenting findings of the research study.



Link for the Policy Brief

<https://pmrczambia.com/wp-content/uploads/2023/07/Zambias-Key-Reforms-for-the-Actualization-of-the-3-Million-Metric-Tonnes-of-Copper-in-a-Decade-Policy-Brief.pdf>

6. PMRC team hosted the University of Lusaka students from the School of Business, Economics and Management, Department of Economics. The purpose of the visit was for the students to familiarize themselves with industry knowledge, particularly in issues related to International Political Economy to enlighten them on how they can apply their academic knowledge and skills in a workplace environment.



## 7. 11<sup>th</sup> ZAMBIA INTERNATIONAL MINING AND ENERGY CONFERENCE AND EXHIBITION (ZIMEC)

The PMRC Executive Director Mr Sydney Mwamba speaking at the 11<sup>th</sup> Zambia International Mining and Energy Conference and Exhibition.

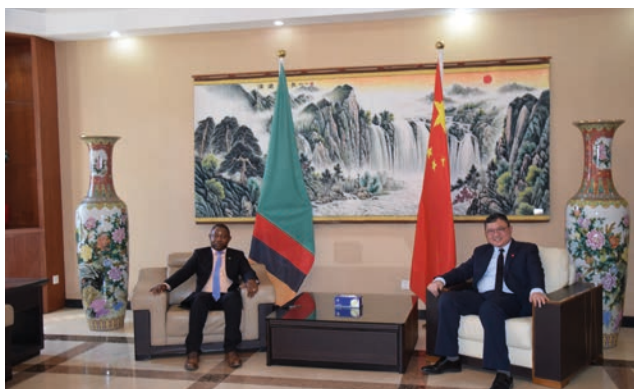
Mr Mwamba opened the session with a presentation on the Study – Zambia's Mining Key Reforms for the Actualisation of 3 Million Metric Tonnes of Copper in a Decade.

Notable key panel discussants included – Dr Hapenga Kabeta, Permanent Secretary, Ministry of Mines and Minerals Development, Charles Sakanya, Chief Executive Officer, Mopani Copper Mines Plc, Mekgwe Mfolo, Chief Executive Officer, BT Pipe System Design and Engineering, South Africa, Sokwani W. Chilembo, Chief Executive Officer, Zambia Chamber of Mines, Anthony Malenga, Country Manager, Barrick Lumwana and Dr Godwin Beene, Country Manager, First Quantum Minerals Limited.



8. PMRC Executive Director Mr. Sydney Mwamba met with Mr. Wang Sheng, Minister Counselor of the Chinese Embassy to Zambia to discuss various research collaborations.

Mr. Mwamba was accompanied by the Head of Communication and grants –Melody Simukali, Acting Head of Research and Analysis – Leya Tembo





9. PMRC Executive Director Mr. Sydney Mwamba speaking during a panel discussion on Contributions of Think Tanks to AfCFTA Implementation and Enhancing their Sustainability at the 9th Think Tanks Summit under the theme “Linking Evidence Policies and Practices to Support the Implementation of the AfCFTA Agreement.

Other Panelists included;

- Mr Garba Abdoulahi; Coordinator, Cellule d'Analyse des Politiques publiques et d'Evaluation de l'action Gouvernementale (CAPEG), Niger
- Mrs. Odilia Gnassingbe; Executive Director, CADERDT, Togo
- Dr. Rose Ngugi; Executive Director, KIPPRA, Kenya
- Dr. Briggs Bomba; Programs Director, TrustAfrica

Mr Mwamba highlighted the need for thinktanks to create platforms for knowledge sharing, joint research initiatives, dissemination of research findings on impact assessments of AfCFTA, establishment of funding collaborations as well as providing valid recommendations to Government on how they can leverage on the benefits of the AfCFTA.



10. PMRC Executive Director Mr. Sydney Mwamba met with Mr. Humphrey Mweemba, Legal Aid Board – Director to discuss future research collaborations key to the country's development agenda.





11. PMRC Research Associate Mwiya Ikabongo participated in a town hall meeting hosted by Consumer Unity Trust Society (CUTS) in Kafue on Public Finance and Tax Justice under the Fiscal Justice for Women and Girls Project.



12. In Pictures: PMRC Research Associate Mwiya Ikabongo and former Assistant Director - Ministry of Finance and National Planning, Mr. Bornface Kambatika, during data collection for a PMRC Research Project on the Assessment of Fiscal and Technical Decentralization at the Subnational Level and its Impact on Programme Implementation in Zambia.



13. PMRC team met with the team from the China Center for Contemporary World Studies, International Department of Communist Party of China (CCCWS) and the Silk Road Think Tank Association (SRTA) to discuss insights for the Third Belt and Road Forum for International Cooperation. China Center for Contemporary World Studies (CCCWS) serves as SRTA Secretariat.

#### CCCWS Delegation

1. Dr. Wang Liyong, Deputy Director General.
2. Mme. Xu Xu, Director.
3. Mr. Shi Taiming, translator.

4. Mme. Li Jiaqi, Research Assistant, Department of Global Situation Analysis.

#### PMRC Delegation

1. Mr. Sydney Mwamba – Executive Director
2. Ms. Melody Simukali – Head Communication and Grants
3. Mrs Esther Besa – Acting Head of Monitoring and Evaluation
4. Mrs Alice Pearce Phiri – Senior Researcher
5. Mr. Ikabongo Mwiya – Research Associate





14. PMRC Executive Director Sydney Mwamba met with Musokotwane Compassion Mission Zambia Executive Director to discuss future collaborations key to ending child marriages.



#### **PMRC / Enterprise Zambia Challenge Fund Stakeholder Consultative Workshop**

15. PMRC in collaboration with Enterprise Zambia Challenge Fund hosted a Stakeholder Consultative Workshop for the Research Study on Strategies to Reduce the Production and Sale of Counterfeit Legume Seed (Soya Bean, Groundnuts, and Common Beans) in Zambia.

PMRC Zambia was engaged by Enterprize Zambia Challenge Fund to conduct the study. This project is being implemented by Self Help Africa with technical support from Imani Development Ltd and funding from the European Union and the Government of the Republic Of Zambia

The primary objective of this study was to assess the current efforts in reducing the availability of counterfeit legume seeds on the Zambian market.

The study aimed to:

- Evaluate the effectiveness of existing measures.
- Identify the sources of counterfeit seed.
- Estimate the volume of counterfeit soybean and groundnut seed sales,
- Analyse the driving factors behind the proliferation of counterfeit seed.
- Explore best practices from Southern and Eastern Africa and provide recommendations to enhance the strategy for controlling the sale of counterfeit legume seed in Zambia.



16. PMRC Executive Director Mr. Sydney Mwamba and his team met with the Chief of Political Section Ms. Gong Xiaodon of the Chinese Embassy in Zambia to discuss research aspects and other critical economic development issues for collaboration.



17. The Head of Division for the Federal Ministry for Economic Development in Germany- Mr. Michael Plesch and Friedrich Ebert Stiftung Resident Representative- Mr. Fritz Kopsieker paid a courtesy call on the PMRC Executive Director Mr. Sydney Mwamba and his team and discussed economic developments in Zambia critical to the Country's economic transformation agenda.



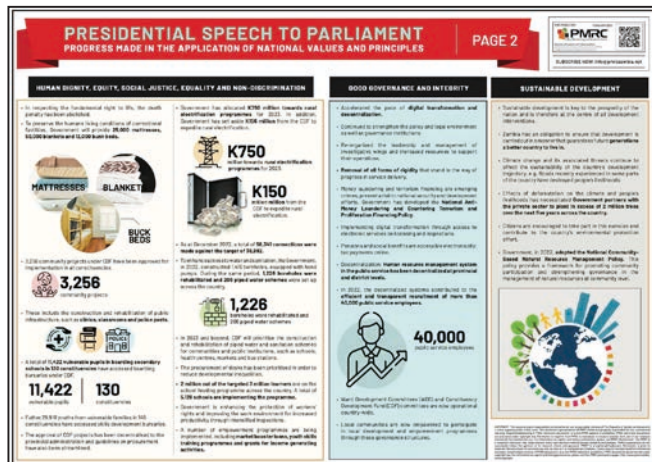
18. **In Pictures:** PMRC team and American Chamber of Commerce in Zambia team after a meeting. The purpose of the meeting was to discuss research aspects and other critical economic development issues for collaboration.





# INFOGRAPHIC

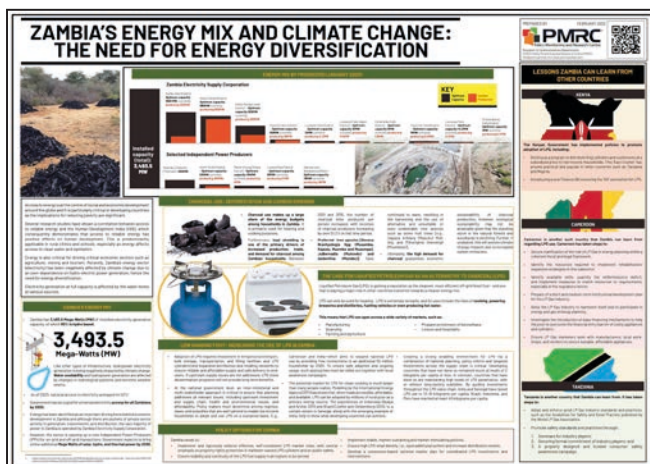
## PMRC Presidential Speech Infographic on Application of National Values and Principles – Part-2



LINK

[HTTPS://PMRCZAMBIA.COM/WP-CONTENT/UPLOADS/2023/02/PMRC-PRESIDENTIAL-SPEECH-INFOGRAPHIC-ON-APPLICATION-OF-NATIONAL-VALUES-AND-PRINCIPLES-PART-2.PDF](https://pmrczambia.com/wp-content/uploads/2023/02/PMRC-PRESIDENTIAL-SPEECH-INFOGRAPHIC-ON-APPLICATION-OF-NATIONAL-VALUES-AND-PRINCIPLES-PART-2.PDF)

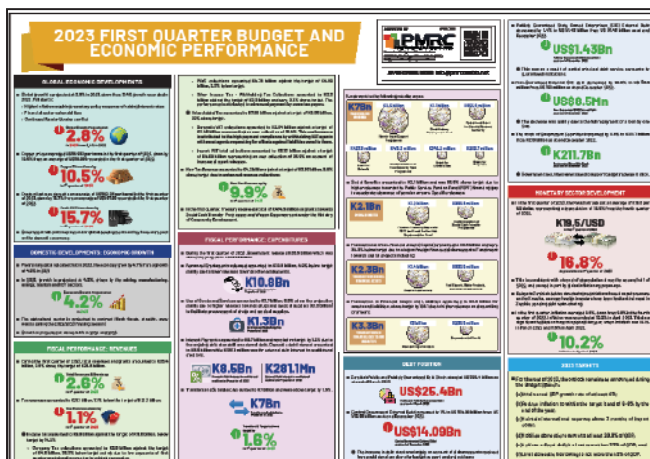
## Zambia's Energy Mix and Climate Change- the need for Energy Diversification



LINK

[HTTPS://PMRCZAMBIA.COM/WP-CONTENT/UPLOADS/2023/02/ZAMBIAS-ENERGY-MIX-AND-CLIMATE-CHANGE-THE-NEED-FOR-ENERGY-DIVERSIFICATION.PDF](https://pmrczambia.com/wp-content/uploads/2023/02/ZAMBIAS-ENERGY-MIX-AND-CLIMATE-CHANGE-THE-NEED-FOR-ENERGY-DIVERSIFICATION.PDF)

## 2023 First Quarter Budget and Economic Performance infographic

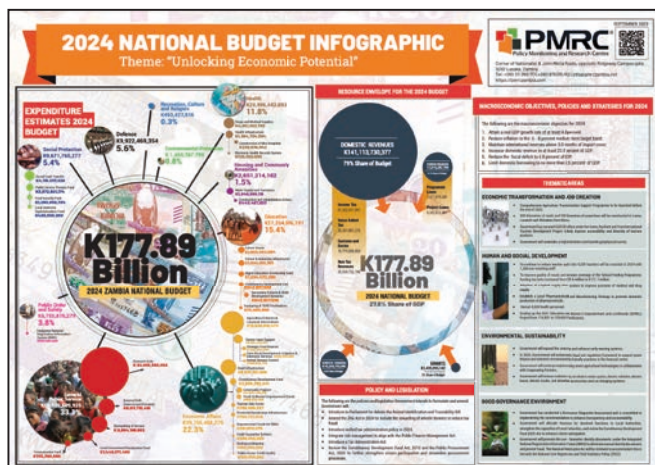


LINK

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# INFOGRAPHIC

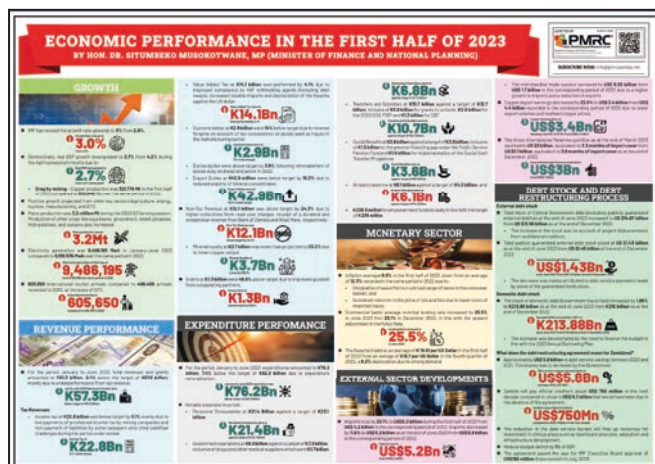
## 2024 National Budget



LINK

[HTTPS://PMRCZAMBIA.COM/WP-CONTENT/UPLOADS/2023/09/2024-NATIONAL-BUDGET-INFOGRAPHIC.PDF](https://pmrczambia.com/wp-content/uploads/2023/09/2024-NATIONAL-BUDGET-INFOGRAPHIC.PDF)

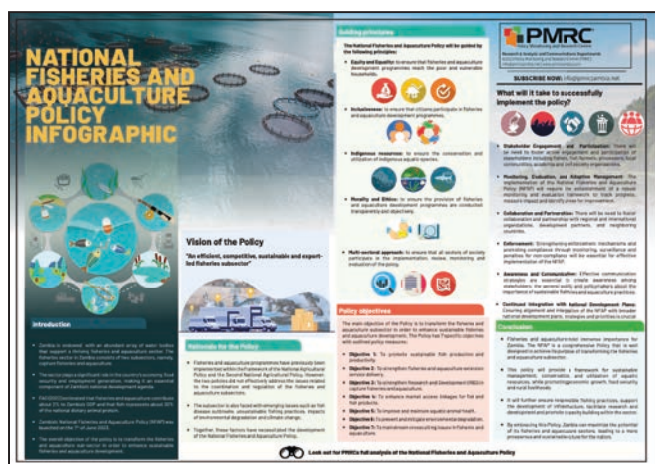
## Economic Performance in the First Half of 2023 Infographic



LINK

[HTTPS://PMRCZAMBIA.COM/WP-CONTENT/UPLOADS/2023/08/ECONOMIC-PERFORMANCE-IN-THE-FIRST-HALF-OF-2023-INFOGRAPHIC.PDF](https://pmrczambia.com/wp-content/uploads/2023/08/ECONOMIC-PERFORMANCE-IN-THE-FIRST-HALF-OF-2023-INFOGRAPHIC.PDF)

## National Fisheries and Aquaculture Policy infographic



LINK

[HTTPS://PMRCZAMBIA.COM/WP-CONTENT/UPLOADS/2023/09/NATIONAL-FISHERIES-AND-AQUACULTURE-POLICY-INFOGRAPHIC.PDF](https://pmrczambia.com/wp-content/uploads/2023/09/NATIONAL-FISHERIES-AND-AQUACULTURE-POLICY-INFOGRAPHIC.PDF)

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