
SUMMARY PRESENTATION BY MRS. ESNART C. MPOKOSA AT THE ANNUAL WORKSHOP OF NATIONAL FOCAL POINTS HELD IN BRUSSELS, BELGIUM ON 7TH AND 8TH DECEMBER, 2015

DECEMBER, 2015

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ZAMBIA
I. Introduction

The Istanbul Programme of Action (IPoA) for the Least Developed Countries for the Decade 2011-2020 provides an opportunity for Zambia to assess her progress towards creating an enabling environment for sustainable development through increasing productive capacities, diversifying the economy and building the necessary infrastructure so as to reduce vulnerabilities. In doing so, Zambia is also taking into account the new emerging developmental challenges including the effects of the economic crises and climate change, with a strong focus on structural transformation.

II. The national development planning process including key economic, social, political and environmental trends

As an LDC, Zambia is implementing the Istanbul Programme of Action (2011-2020) through its national development plans and policies. These plans and policies are in line with the National Vision of becoming “a prosperous middle income nation by 2030”. The country has in place a Planning and Budgeting Policy aimed at strengthening the coordinated approach in undertaking national development planning and takes into account international initiatives including the IPoA in an effort to address inclusive development agenda.

The country is has in place the Revised Sixth National Development Plan (R-SNDP, 2013-2016) whose strategic focus is “Capital investment in strategic areas with a bias towards rural development and job creation” seeks to accelerate and sustain economic growth, diversify the economy and reduce poverty by addressing the challenges of realizing broad-based pro-poor growth, improving quality human capital, generating full and productive employment and decent work for all particularly for the youths and women and promote rural development and thus addressing the 8 priority areas of the IPoA.

III. Assessment of progress and challenges in the implementation of the Istanbul Programme of Action for the decade, 2011-2020

In terms of performance, there has been making progress made towards achieving the IPoA target of 7.0 per annum reaching 7.3 percent in 2012, from 6.6 percent achieved in 2011. Unfortunately, there has been downward trend to 6.7 percent and 6.0 percent in 2013 and 2014 respectively. This downward trend in growth rate has largely been due to decline in copper production.

Infrastructure development

With respect to infrastructure development, priority has been to invest in energy, road, rail, education and health sectors among others. In this regard, Zambia, in 2012, 2014 and 2015 went to the international capital market to raise funds through issuance of Eurobonds in the sum
of US$750 million, US$1 billion and US$ 1.25 billion respectively to finance infrastructure development.

**Information, Communication and Technology (ICT)**
Zambia’s performance with regard to ICT has been positive with the number of cellular phone subscribers growing from 50,000 in 2000 to over 10,000,000 in 2014. The mobile internet users also increased from 833,455 in 2011 to 2,787,799 in 2014. This increase was as a result of expanded coverage coupled with upgrading of mobile networks that enabled provision of internet service in the peri-urban and rural areas.

**Manufacturing**
In the area of manufacturing, the country witnessed positive growth from 4.8 percent in 2012 to 5.4 percent 2014 respectively. This growth was largely driven by agriculture related products, wood and wood products, paper and paper products, chemicals rubbers and plastics, non-metallic mineral products, and fabricated metal products.

**Energy**
In terms of energy supply, the performance of the energy sector has been favourable with national electricity generation increasing by 3.5 percent from 1767MW in 2011 to 2332.21MW in 2014. However, this does not meet the demand despite the country’s hydropower resource potential being estimated at 6,000 megawatts.

In order to meet the increasing demand for energy, the country has been pursuing a number of measures in order to diversify the energy mix such as the development of global transfer feed-in-tariff aimed at overcoming investment barriers for private investors and promotion of renewable energy sources that are indigenously available in Zambia to facilitate economic development.

Though renewable sources such as solar, mini/micro-hydro, biomass, geothermal and wind are increasingly being used, they still remain insignificant in terms of contribution to the total national energy supply. Further, the sector continues to face the challenges of meeting the country’s electricity demands due to interruption in power supply which is constrained by generation, transmission and distribution capacity.

At regional level, infrastructure projects aimed at enhancing regional security of electricity and opening the regional energy power pool have been undertaken including:

- Zambia-Tanzania-Kenya interconnector which is expected to trade 2,800GW of electricity power annually.
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- Zambia-Democratic Republic of Congo Interconnector Project and
- Zimbabwe-Zambia-Botswana-Namibia Interconnector Project
Mining
The performance of the mining sector which remains the country’s economic backbone generally improved despite registering a slowdown in mining activities which saw copper production declining from 5.4 percent in 2011 to negative growth of 7.2 percent in 2014. This was attributed to operational challenges and maintenance shutdowns of some mines, low grade and stockpiling of concentrates including the copper price volatility.

In order to maximize the socio-economic benefits from the mining sector, emphasis has been on value addition, safety, and safe-guarding the environment.

Financial Development Sector
On the financial development front, the country continued to implement reforms under the second phase of the Financial Sector Development Programme (FSDP) with the objective of addressing weaknesses in the increasing access to finance, enhancing market infrastructure and increasing competition. This has resulted in increased access to financial institutions by 13.3 percent. Other reforms in the review period were modernization and harmonization of the financial sector laws and the launch of the national strategy for financial education aimed at enhancing financial literacy.

Agriculture, food security and rural development
The agriculture sector remains the largest employer absorbing about 67 percent of the available total labour force and provides a livelihood to 85 percent of the rural population. This population which consists of mostly small and medium scale farmers and women is the major contributor to Zambia’s food security and nutrition at both household and national level.

The performance of the agriculture sector was in 2014 positive at 6.5 percent compared to negative 7.4 percent recorded in 2013. This was supported by an increase in area planted for all major crops, coupled with a rise in yield rates. The relatively good rainfall pattern and general increase in investments in the sector also contributed to the positive outturn.

With regard to food security position, the national food balance sheet for the 2014/2015 agriculture marketing season showed that the country produced more than sufficient maize for both human consumption and industrial use. This was evidenced by a surplus of 1,152,505 Mt compared to a surplus of 453,995 Mt during the 2013/2014 marketing season.

Further, there has been noticeable reduction of household level post-harvest losses because the Food Reserve Agency has reduced crop wastage loss to below 1 percent by increasing grain storage capacity to 117,000 metric tonnes after construction of 27 storage sheds.

In terms of sustainable rural development, a number of initiatives such as the Rural Finance Policy and Strategy, the Rural Electrification Programme, the Integrated Rural Development Strategy are being implemented to accelerate the development of the rural areas.
Notwithstanding the positive performance of the agriculture sector, there have been challenges including low agricultural production and productivity, high dependence on rain-fed agriculture, low investments in technology; lack of crop diversification; persistent livestock diseases; limited access to extension services, research, and credit by rural populations as well as poor infrastructure in rural areas to facilitate market access by small scale farmers.

In an effort to address these challenges, Zambia has been working towards improving food security by empowering small scale farmers through programmes such as the Farmer Input Support Programme. Further, the country is implementing an adaptation to drought and climate change project aimed at improving food security by facilitating technologies which enhance the adaptive capacity of farmers to respond to the adverse effects of climate variability and change.

**Trade**

The country’s focus during the period under review has been on increasing the values, volumes and product range of non-traditional, value added export products from industry and broadening market by venturing into new markets. As a result, there has been a steady growth in Non-Traditional Exports (NTEs) both in absolute terms and relative to total exports. In 2010, the NTEs accounted for 9 percent of total exports which grew to 21.8 per cent by 2014. A total of 250 products were exported to 188 countries notably Sub-Saharan Africa, Europe and Asia.

At regional level, Zambia has continued to collaborate with its neighbouring countries in developing infrastructure thereby promoting trade and increasing revenues for countries in the Southern African Development Community (SADC). The Chirundu One Stop Border facility is one such example of integrated regional development which has significantly improved traffic flows between Zambia and Zimbabwe as well as reducing the cost of doing business through the reduction in delays and enhanced efficiency at the Border. The same type of facility will be extended to Zambia-Tanzania at Nakonde.

**Human and social development**

Zambia considers human and social development as key to socio-economic, political and cultural development and recognizes the importance of quality human capital. However, the low quality of human capital remains a concern and is perpetuated by scarcity of manpower and limited access to higher and tertiary education. Additionally, the existing supply of skills does not adequately meet the demand in the labour market.

In addressing issues of human and social development, Zambia has put in place programmes that facilitate access to quality education and health facilities including social protection systems that address and reduce inequality and social exclusion. Interventions such as: Decent Work Programme, Social Cash Transfer, Food Security Pack Programme, Child protection, gender based violence and empowerment of women, youths and persons with disabilities are being implemented to facilitate equal participation in the development process.

**Multiple crises and other emerging issues**
Although the economic growth slowed from 6.6 percent in 2011 to 6.0 percent in 2014, the country continued to show some resilience to external shocks. Government will continue with efforts to diversify the economy away from copper dependence by sustaining growth in agriculture, construction, manufacturing, transport and communications sectors. The continued implementation of a prudent monetary policy, will also improve resilience to external shocks.

With regards to climate change and risk reduction, a number of measures have been undertaken to mainstream climate change in infrastructure, agriculture, energy, water and sanitation, transport and communications.

**Mobilisation of financial resources for development and capacity building**

In terms of mobilizing financial resources for development and capacity building, the country’s performance was positive with domestic revenues standing at 20.6 percent of GDP, above the target of 17 percent in 2011. However, grants from Cooperating Partners continued to underperform and were below target by 55.0 percent. In response, Government has adopted new measures of external resource mobilization, among them, the Eurobond which has improved the country’s financing for development.

**Governance at all levels**

Regarding, issues of good governance, the government has undertaken a number of reforms to enhance democratization, promote human rights and the rule of law, and increase transparency and accountability in the management of public affairs.

The reforms have included enhancement of the Public Financial Management (PFM) systems to increase transparency and accountability of public funds; strengthening of the fight against corruption through institutional strengthening and implementation of the Anti – Corruption policy; undertaking Constitutional review and investing in strengthening Justice Institutions in a bid to enhance democracy and the rule of law.

**IV. The coherence and linkages with the Post 2015 development agenda and other global processes**

Zambia has actively participated in the international, continental and regional meetings including the Third International Conference on financing for Development, the United Nations Summit on the Post 2015 Development Agenda, the Vienna Programme of Action, the African Union 2063 Agenda, the Conference of the Parties of the United Nations Framework Convention on Climate Change, Common Market for Southern Eastern Africa and Southern Africa Development Co among others. Zambia ensures its commitment to these developmental processes by making them part and parcel of the national development agenda. The implementation of the national development plans, policies and programmes takes into account all these international and regional development initiatives. In terms of implementing the Post 2015 Development Agenda, a Joint Sustainable Development Partnership framework has been developed and signed by

V. Conclusion and way forward

Zambia’s economic performance has been positive and this is mainly attributed to the implementation of the policies that aim at transforming the country into a prosperous middle income country. Despite this achievement, there are still a lot of challenges faced and therefore there is need undertake new actions which include, among others, the need to:

• Improve incentives in agriculture, communication, transport and manufacturing sectors to enhance the competitiveness of the sectors
• Promote renewable energy sources that are indigenously available in Zambia to facilitate inclusive economic development
• Invest more in research and development including science, technology and innovation in the key economic sectors to improve production and productivity.
• Maximize the socio-economic benefits from the mining sector through value addition, safety, and safe-guarding the environment
• Improve rural infrastructure to promote rural development
• Address human and social development through easy access to quality education and health facilities including social protection systems that reduces inequality and social exclusion

In conclusion, Zambia remains committed to ensuring that there is sustainable and inclusive economic growth that will enable it graduate from being an LDC before 2030.