



Republic of Zambia

**ZAMBIA NATIONAL REPORT ON THE  
REVIEW OF THE IMPLEMENTATION OF THE ISTANBUL  
PROGRAMME OF ACTION FOR LEAST DEVELOPED  
COUNTRIES 2011- 2020**

November 2019

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## EXECUTIVE SUMMARY

Zambia is among the Least Developed Countries (LDCs) implementing the Istanbul Programme of Action (IPOA) as it strives to achieve its National Vision of becoming a prosperous middle-income country. The IPOA for the Decade 2011-2020 was adopted by the Fourth UN Conference on LDCs in Turkey in May 2011. The goal of the IPOA was to overcome the structural challenges faced by LDCs in order to eradicate poverty. During the implementation of the IPOA, Zambia continued to record growth albeit with marked decline towards the latter years of the period.

### Assessment of Progress

In the assessment of progress and challenges in the implementation of the IPOA, Zambia's performance has been mixed. While progress has been made towards in addressing structural challenges with notable progress made in transportation, ICT, health and education infrastructure development, some priority areas such as youth development and water and sanitation did not achieve the desired results. Other notable progress was recorded in the policy, regulatory and governance environment and a lot of it is still in progress. The country, however, remains commodity dependent, being an exporter of predominantly copper and primary commodities, thus susceptible to fluctuating commodity prices. The IPOA focused on eight priority areas with specific actions that needed to be implemented.

Under the priority area on *productive capacity*, Zambia invested in enablers of growth such as energy, transport, communications sectors to support the drivers of the economy identified as agriculture, mining and tourism as outlined in the Seventh National Development Plan (7NDP). To ensure adequate and reliable supply of energy, work was undertaken to develop infrastructure to increase power generation capacity, with many projects still underway. Another intervention in an effort to increase private investment in the sector was the migration towards cost reflective electricity tariffs

In the transport sector, significant investments were made infrastructure such as roads, airports and railway. The ICT sector recorded tremendous growth in terms of coverage and the ensuing benefits of mobile and internet connectivity such as improvement in service provision through the use of e-commerce.

Another priority area is *agriculture, food security and rural development*, which are key development areas for Zambia. This is because 57.2 percent of the population resides in the rural parts of the country and face numerous challenges including low formal employment opportunities, poor road networks, poor delivery of social services, and a predominant low productivity informal agriculture sector. To address these challenges, Zambia during the IPOA undertook rural roads development and increased investment in agriculture value chain development. Further, the Zambian Government has been promoting diversification in the agriculture through programmes such as the Farmer Support Input Programme (FISP), promoting fisheries through under the Zambia Aquaculture Enterprise Development Project (ZAEDP) among other initiatives.

With regard to the priority area on *commodities*, the Zambian economy remained highly dependent on copper for exports. Thus, commodity prices on the international market have had an impact on Zambia's economic performance. Between 2010 to 2013, Zambia's Gross Domestic Product (GDP) grew at an average of 7 percent owing to relatively high copper prices. However, during the years 2014-2016 copper prices fell

and this among other factors, had a negative impact on the GDP growth over the same period. In this regard, efforts have been underway to promote value addition across to different primary commodities as well as enhance industrialisation through promotion of Foreign Direct Investment.

Zambia continued to implement a liberal *trade* policy, having made substantial trade commitments in the COMESA and SADC regions and a generally open market for goods from the rest of the world. During the review period, the country sought to secure additional market access into the African market and ratified the African Continental Free Trade Area. The country continued to promote Non-Traditional Exports which averaged 26 percent of its total exports. Zambia continued to actively participate in Doha Round negotiations and ratified the WTO Agreement on Trade Facilitation and implemented measures to support trade facilitation such as One Stop Border Posts in with Zimbabwe and Tanzania as well as the Single Window system for trade facilitation.

Zambia also implemented several reforms aimed at improving its business environment and attracting both domestic and foreign direct investment. The country implemented the *Private Sector Development* Reform Programme, which led to substantial progress in streamlining administrative requirements and reducing unnecessary licenses. A notable reform was the enactment of the Business Regulatory Act No. 3 of 2014 that seeks to provide an efficient, cost effective and accessible business licensing system. In the area of corporate governance, Zambia reviewed and updated key pieces of legislation which introduced some corporate governance flexibilities to support the growth of small and medium enterprise.

*Human and Social Development* is another priority of the IPOA and constitutes a major Pillar of Zambia's Seventh National Development Plan. During the IPOA period, the Zambian government undertook several programmes to increase access to *education* as well as to improve the quality of education. For instance, the Zambian government made education at ECE and primary level free at all public schools. To increase access and promote inclusive education, Government embarked on infrastructure development across all levels of the education sector. As a result of these interventions, there has been notable improvement of learner enrolment and retention at all levels. To improve the quality of education, the Zambian Government undertook legal and institutional reforms at all levels of the education system.

With regard to the priority on *population and primary health*, Zambia's population has been increasing at an annual growth rate of 2.8 percent, with the current population being projected at 16.9 million as of 2018. During the IPOA period, the country made notable scores in key indicators of health such as maternal, infant and child mortality as well as those related to nutrition. The National Health Policy was developed to underscore Government's commitment to the provision of equitable access to cost effective and quality health services as close to the family as possible in a caring, competent and clean environment. Zambia introduced the National Health Insurance Act No. 2 of 2018 which introduced the National Health Insurance Scheme as a health care financing strategy that will address issues of resource mobilization, allocation, reimbursement mechanisms among others

Zambia has a youthful population with 36.7 percent of the population aged between 15-35 years. The 7NDP and the 2015 National Youth Policy and the Action Plan for Youth Empowerment and Employment guide the implementation of programmes aimed at

ensuring full and effective participation of the youth in the country. During the review period Government implemented the *Youth Development Fund*, a loan-based facility, to support the integration of the youth into the economy. Other areas of focus included the skills training programmes aimed at providing vocational and lifelong skills to the never-been and out-of-school youth and those who have completed their general education. This programme equipped the youths with knowledge and practical skills needed for self and formal employment. Overall, programmes on youth development are yet to fully yield the intended results and youth development should remain a priority.

*Gender equality and women empowerment* is prioritized in Zambia due to its primacy in the eradication of poverty and attainment of sustainable socio-economic development. During the review period, the country developed and strengthened its gender policies and legal framework to ensure the attainment of gender quality and women empowerment in its development processes as can be seen through the reduction in the Gender Inequality Index (GII). The GII for Zambia reduced from 0.627 in 2011 to 0.517 in 2017.

There was also steady progress towards achieving gender parity in education. For primary school parity has been achieved moving from 0.97 in 2011 to 1.02 in 2018. However, parity at secondary school level is yet to be achieved, even though progress has been made from 0.82 in 2011 to 0.90 in 2017, which subsequently dropped to 0.85 in 2018. this progress can be attributed to the effective policy interventions to improve girls' education.

The importance of *social protection* in national developmental programming was re-emphasised over the IPoA implementation period, in an effort to ease the burden of poverty and inequality among vulnerable groups such as children, women and the Persons with Disability. In 2014, the National Social Protection Policy was developed for purposes of guiding the provision of social protection services in order to mitigate socio economic challenges faced by the above most vulnerable social groups. A number of interventions are being implemented in the area of social protection including the Women Empowerment Program (WEP), Girls Education Women Empowerment Livelihood, Orphan and Vulnerable Children (OVC) bursary, Social Cash Transfer Program (SCT), Public Welfare Assistance Scheme (PWAS), Farmer Input Support Program (FISP), Food Security Pack (FSP) and School Feeding Programme (SFP).

*Climate change* emerged as one of the most pressing challenges affecting Zambia's social and economic development. In response to this challenge, Government formulated the National Adaptation Plan of Action (NAPA) in 2007. The NAPA was intended to respond to the most urgent and immediate adaption needs and identified water, agriculture, energy, natural resources (wildlife and forestry) and human health as the most vulnerable sectors to climate change. In 2011, Government formulated the National Climate Change Response Strategy (NCCRS) which built on the work on the NAPA and expanded on vulnerable sectors to include infrastructure and tourism. The NCCRS also went beyond adaptation to include mitigation efforts or reducing of greenhouse gas emissions.

In *mobilizing financial resources for development and capacity building*, the Zambian Government targeted to increase the use of domestic resources in the financing of national development programmes. Thus, different strategies were employed to increase revenue collection from tax revenue as well as for non-tax revenue. Over the



review period, Domestic revenue collections averaged 17.6 percent of the Gross Domestic Product. Of the Total Domestic Revenues, Tax Revenue collections averaged 15.2 percent while non-tax revenue accounted for 2.4 percent. As a percentage of the budget, Domestic Revenues averaged 72.4 percent.

The stock of public external debt traced a distinctive uptrend over the review period. The increase in debt over the period was mainly due to net disbursements on new borrowing and existing debt. At the end of 2018, external debt stock was at US\$ 10.05 billion, representing 43 percent of GDP, compared to US\$3.18 billion which was 10.3 percent of GDP in 2012. As a result of the rising external debt stock over the period, debt service equally swung upwards over the review period and is projected to spike in 2022, 2024 and the period 2025 to 2028 when the Eurobonds mature.

The high external debt service, coupled with subdued revenue projections for the short to medium term is likely to put pressure on the Treasury with regards to debt service, especially between the periods 2019 to 2027 when the Eurobonds mature. This situation, if not addressed, will likely result in much of the revenues being allocated to debt service, remaining with only a small portion allocated to developmental programmes in the national budget. To ensure debt sustainability, the Government undertook periodic Debt Sustainability Analyses which informed the development of Medium-Term Debt Strategies. In the latter part of the review period, the Government committed to implementing austerity measures to curb further accumulation of debt.

With regard to *governance at all levels*, Zambia's focus was on strengthening the capacities of institutions in various areas such as good governance, rule of law and human rights, gender equality and democratic participation, accountability as well as improving the general policy environment.

Zambia made *progress towards graduation* only with respect to the Gross National Income criterion in which the country had performed favourably. However, on account of its less than desirable overall performance on the Human Assets Index as well as the Economic Vulnerability Index, the country is yet to qualify for graduation from the LDC category in the 2018 Triennial Review.

### **Key Lessons Learned**

A few lessons stand out from the implementation of the IPoA and are useful for implementation of current and subsequent development programmes.

- (i) Investing in people is indispensable. Without notable improvement in human development indicators, Zambia remains an LDC.
- (ii) Structural transformation is a daunting, yet necessary task that needs relentless commitment at all levels. There is need to address structural challenges that inhibit productivity improvement across sectors that can both absorb labour and allow self-employment.
- (iii) Always plan way ahead of the current development needs. It is important to take into account growth trends and key assumptions to plan for the services that the population will need as the economy grows.
- (iv) Some public investments take a longer time to produce the intended benefits.
- (v) Climate change can potentially undermine the development gains attained. There is need for decisive and consistent consideration of climate change in

development interventions.

- (vi) The public sector needs to create a conducive environment for the private sector to grow. It is the private sector that will undertake economic activity and bring about the desired growth including the most craved jobs for the population.
- (vii) Good governance is indispensable not only for internal and international credibility but also in providing a good base for delivery of development results.
- (viii) Development and growth are not real unless and until they impact on, and improve, the lives of people regardless of location. Addressing developmental inequality, is therefore, paramount.

### **Towards the Next Agenda**

Zambia has made progress with notable achievements that has raised the development status of the nation. However, some development challenges remain persistent and the same is true for other LDCs.

The next LDC agenda should strive to make economic diversification a reality. To do this, there is need to strengthen non-mining sectors such as agriculture, manufacturing, tourism and construction as well as provide the necessary infrastructure to support growth. This is possible through the formulation of policies that promote growth and employment creation.

Youth unemployment remains a challenge. There is need to implement programmes aimed at empowering youths. There is need to enhance coverage and impact of youth development programmes. Particular emphasis should be paid to skills and entrepreneurship development to enable youths to be self-employed or gain meaningful employment. In addition to capital provision, youths should also be provided with other forms of support such as business development services, market access support and other skills that enhance entrepreneurship.

This report has demonstrated that women in Zambia continue to face challenges in accessing opportunities at various levels including employment; leadership positions and education to mention a few. The next LDC agenda should focus on expanding the role and opportunities of women in society.

The global economy is now driven by technology. This means competitiveness at all levels requires knowledge of various forms of technology. ICT, especially, is at the centre of most technology changes. Although the report shows significant improvements in ICT infrastructure over the review period, access and use still remains too low to enable Zambia effectively participate in global ICT-driven technological changes. In this regard, the next LDC agenda should focus on promoting increased access and use of ICT. This calls for accelerated integration of ICT in daily activities and all spheres of society. It also calls for strengthening the education curriculum so it is anchored on ICT so as to make digital literacy part of the foundation skills.

There is need to enhance the skills development component under the auspices of TEVET as there is a mismatch between labour market demand and skills supply. Additionally, there is need to develop competent based curriculum with a view to help learners acquire knowledge, skills, values and attitudes that are likely to equip them with competencies that they can effectively use to serve society. Similarly, there is need

to provide modern equipment and address the current curricular at tertiary institutions so it can reflect current changes in technology. Deliberate efforts should be focused on developing mentorship and apprenticeship programmes aimed at transferring skills that training institutions may not provide.

The effects of climate change have continued to impact on the Zambian economy and the lives of citizens. If not mitigated the impact is likely to grow and will negatively affect the socio-economic outcomes of the population. The next LDC agenda should focus on building resilience across all productive sectors including agriculture, energy and water.

Regarding health, the next challenge remains to achieve universal coverage as well as address the emergence of non-communicable diseases. In this regard the next LDC agenda should focus on promoting financing for universal coverage. While providing universal coverage, there is need to ensure quality service by equipping hospitals with modern equipment and machinery, health personnel capacity building and medical supplies.

## **I. INTRODUCTION**

Zambia is implementing various regional and international frameworks that aim to, among other things, support realisation of its national vision of becoming a prosperous middle-income nation by 2030. Among the frameworks being implemented is the Istanbul Programme of Action (IPoA) for the Least Developed Countries (LDCs).

The IPoA for the Decade 2011-2020 was adopted by the Fourth UN Conference on LDCs in Turkey in May 2011. The goal of the IPoA was to overcome the structural challenges faced by LDCs in order to eradicate poverty. The IPoA focused on eight priority areas with specific actions that needed to be implemented by LDCs with support from development partners consistent with their capabilities based on the fundamental tenets of mutual accountability and enhanced international collaboration.

Zambia is a landlocked LDC located in south-central Africa with an estimated population of approximately 16.9 million and is administratively divided into 10 provinces. Zambia is classified as a lower middle-income country by the World Bank, with the economy primarily driven by the mining, agriculture, construction, transport and communication sectors. About 57.2 percent of people in Zambia live in rural areas, where they depend on subsistence agriculture for their livelihoods. Although Zambia has abundant natural resources, economic diversification remains a key developmental challenge. It is for this reason that many policy initiatives have been put in place to address this constraint.

Zambia continued to record growth during the implementation of the IPoA, with marked slowdowns particularly in the latter period. The country continues to be dependent on the copper industry for foreign exchange earnings, thus remaining vulnerable to commodity price fluctuations that continue to impact on the performance of the domestic economy. During the implementation of the IPoA, low electricity generation and the depreciation of the currency (Kwacha), against major convertible currencies are among the challenges that slowed down Gross Domestic Product (GDP) growth. This was despite increased government spending on infrastructure projects to stimulate broad based and inclusive growth. As a result, poverty remained a challenge with 54.4 percent of the population living below the national poverty line.

Growth in Zambia has largely been driven by sectors that have had limited impact on incomes of the larger part of the population. This is due to lack of inclusive economic growth that translates into meaningful increase in incomes to lift people out of poverty. The inability of the recent economic growth to significantly impact on poverty reduction is largely as a result of low employment creation. This is mainly due to economic growth being concentrated in sectors that are not labour intensive such as financial, wholesale and retail and transport, further compounded by the geographic component of economic growth where urban areas have gained more than rural areas.

### **Report Preparation Methodology**

This report provides a review of the implementation of the IPoA in Zambia for the period 2011 to 2018, and where possible, mid-2019. It was prepared by the Government of the Republic of Zambia through the Ministry of National Development Planning (MNDP). The preparation of the country report was a collaborative effort with all relevant sectors, represented by line Ministries, providing input through written submissions on developments in their respective sectors. Secondary sources, mainly reports published by the various institutions and well as international sources, were also

consulted. The report was consolidated by the MNDP and validated through a consultative meeting supported by the United Nations Development Programme (UNDP) country office. The UNDP also supported the editing and printing of the document.

## **Outline of the Document**

The Report is structured into six chapters. Chapter Two outlines the National Development Planning Process while Chapter Three provides an Assessment of progress and challenges in the implementation of the IPoA. Chapter four discusses the coherence and linkages with the 2030 Agenda on Sustainable Development and other global processes and chapter five outlines possible priority areas for the next LDC agenda. The Report concludes with a statistical annex.

## **II. THE NATIONAL DEVELOPMENT PLANNING PROCESS**

In 2005, Zambia returned to national development planning, for guided socio-economic development. Since then, the country has developed a long-term plan, the national ‘Vision 2030’ and four medium-term development plans. The five-year medium-term plans are building blocks towards attainment of the goals of the national vision as well as those of global and regional development initiatives.

In 2013, the country developed the National Planning and Budgeting Policy whose vision was to have a coordinated and integrated development planning and budgeting system that is responsive, transparent, accountable and result- oriented. The Policy seeks to align annual budgets to the development plans and facilitates participation in development planning and annual budgeting processes at all levels with both the top-down and bottom -up approaches being used.

During the period of the IPoA, two National Development Plans were formulated, namely the Sixth National Development Plan (SNDP) and its revision (R-SNDP) for the period 2011 to 2016 and the current Plan, the Seventh National Development Plan, running from 2017 to 2021. The Plan was developed under the theme “Accelerating Development Efforts towards Vision 2030 without Leaving anyone Behind”. Unlike the previous medium-term plans, the 7NDP took an integrated multisectoral approach to planning, an approach that is being used to support the attainment of the Sustainable Development Goals (SDGs) as they have been mainstreamed into the Plan.

The 7NDP is premised on five strategic result areas namely Economic Diversification and Job Creation, Poverty and Vulnerability Reduction, Reducing Developmental Inequalities, Enhancing Human Development; and Creating a Conducive Governance Environment for a Diversified Economy.

Through the 7NDP, it is envisaged that progress will be made to diversify the economy and make economic growth more inclusive by moving away from the mono economy of copper mining which makes it more vulnerable to external commodity price shocks. Attaining Vision 2030 requires that the poor and vulnerable are protected by ensuring that economic benefits of a diversified economy trickle down to the poor. Improvements in Human Development will promote the realization of the rather idle potential inherent in the citizen and ensure their full participation in the economy.

The Plan seeks to bring about a balance in socio-economic development between the rural areas and urban populations by ensuring reduced development inequalities. In

order to foster a diversified and inclusive economy, there is need to strengthen governance mechanisms and institutional capacities. Furthermore, the 7NDP has integrated 86 percent of Sustainable Development Goals (SDGs) using the Rapid Integrated Assessment (RIA) Tool. Most of these programmes in the Plan correspond to the Istanbul Program of Action (IPoA) and as such are being implemented simultaneously as the Plan is being implemented.

### **III. ASSESSMENT OF PROGRESS AND CHALLENGES IN THE IMPLEMENTATION OF THE ISTANBUL PROGRAMME OF ACTION FOR THE DECADE 2011-2020**

Progress is also being made towards the international development agenda including the Istanbul Programme of Action. Zambia is making steady progress in addressing structural challenges with notable progress made in infrastructure development in both the economic and social sectors that is expected to ultimately contribute to economic growth. During the IPoA period, the Government embarked on an ambitious undertaking to develop road, air, ICT, energy, education and health related infrastructure across the country. Equally, notable reforms were undertaken in the policy, regulatory and governance environment and a lot of it is still in progress. This notwithstanding, the country remains commodity dependent, being an exporter of predominantly copper and primary commodities.

Zambia is yet to reap the full benefits of these developments as a lot of work is still underway and there have been some challenges that have impacted on growth, major one being climate change. Additionally, the growth recorded in the economy is yet to have an impact on poverty and inequality, which remain pervasive challenges that the country still needs to address. In spite of the notable progress recorded on human development indicators, Zambia continued to be classified as an LDC even though it is a lower middle-income economy in other classifications.

A few lessons therefore stand out for the current and subsequent implementation of development programmes.

- (i) Investing in people is indispensable. This is particularly relevant considering that 89.2 percent of Zambia's population are below the age of 45. For this reason, Zambia has prioritised human capital development in the areas of education, health and water and sanitation. Zambia remains an LDC without notable improvement in human development indicators.
- (ii) Structural transformation is a daunting, yet necessary task that needs relentless commitment at all levels. For Zambia to effectively create economic opportunities for its population, there is need to address structural challenges that inhibit productivity improvement across sectors that can both absorb labour and allow self-employment. Agriculture, manufacturing and services offer immense opportunities but can only be tapped into with the right mix of policies, strategic intervention and enabling environment.
- (iii) Always plan way ahead of the current development needs. It is important to take into account growth trends and key assumptions to plan for the services that the population will need as the economy grows.
- (iv) Some public investments take a longer time to produce the intended benefits.
- (v) Climate change can potentially undermine the development gains attained.

There is need for decisive and consistent consideration in development interventions including building resilience across all sectors.

- (vi) The public sector needs to create a conducive environment for the private sector to grow. It is the private sector that will undertake economic activity and bring about the desired growth including the most craved jobs for the population.
- (vii) Good governance is indispensable not only for internal and international credibility but also in providing a good base for delivery of development results.
- (viii) Development and growth are not real unless and until they impact on, and improve, the lives of people regardless of location. Addressing developmental inequality is paramount.

#### **a. Productive Capacity**

##### **IPoA Goals and Targets:**

- Increase significantly the value addition in natural resource-based industries paying special attention to employment generation;
- Diversify local productive and export capability with a focus on dynamic value-added sectors in agriculture, manufacturing and services;
- Significantly increase access to telecommunication services and strive to provide 100 per cent access to the Internet by 2020;
- Strive to increase total primary energy supply per capita to the same level as other developing countries;
- Significantly increase the share of electricity generation through renewable energy sources by 2020;
- Enhance capacities in energy production, trade and distribution with the aim of ensuring access to energy for all by 2030; and
- Ensure that the least developed countries have significant increase in combined rail and paved road mileage and sea and air networks by 2020.

To support the attainment of IPoA Goals and Targets, the Zambian Government undertook to promote development in enablers of productive capacity as discussed in this section. This was explicitly emphasised in the Economic Diversification and Job Creation Development Strategic Area of the 7NDP of 2017-2021, where priority has been given to promote enablers such as energy, transport, communications sectors to support key drivers of the economy identified as agriculture, mining and tourism.

## **Energy**

Energy plays a key role in facilitating economic activities in all sectors of the Zambian economy and has contributed to enhancing the productive capacity of the country. Recognizing the role that energy plays in the economy, the Government has been making investments in the energy sector and providing an enabling environment to

improve the participation of the private sector.

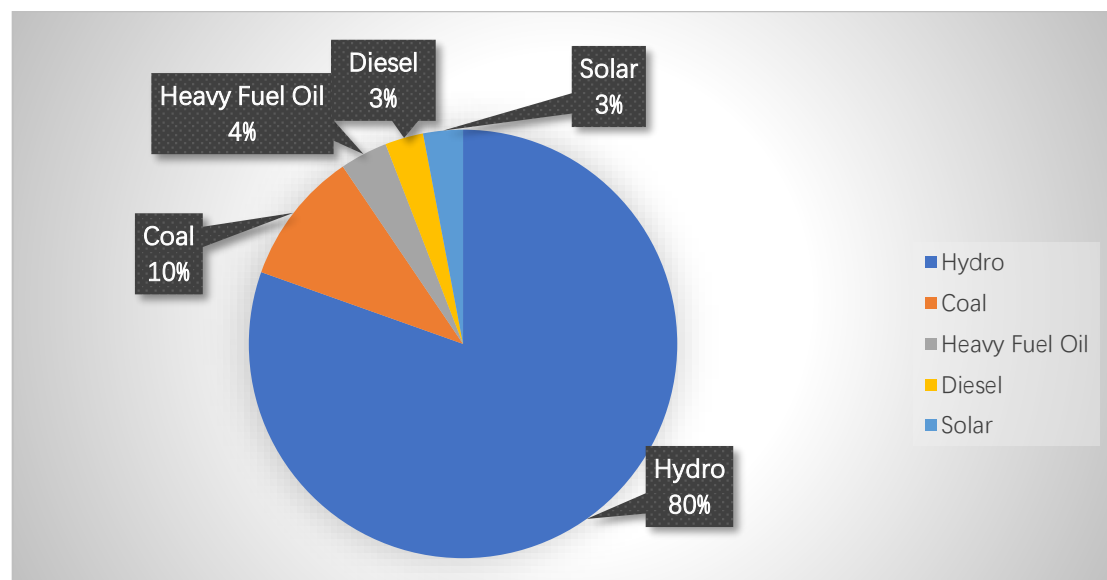
During the period of review, the focus was to ensure that there was adequate and reliable supply of energy. To this end, work was undertaken to develop appropriate infrastructure to improve power generation, transmission and distribution capacity as well as to ensure efficiency and cost-effectiveness in the supply of petroleum products.

The following was the performance of the sub-sectors during the period under review.

#### Electricity

National electricity generation increased from 1,767 Megawatts (MW) in 2011 to 2,974.7 MW in 2018 representing a growth of 68 percent in electricity generation capacity. The electricity generation mix also improved from 99 percent hydropower in 2011 to 80.6 percent hydropower in 2019 with thermal (coal powered) at 10.1 percent (300MW), Heavy Fuel Oil (HFO) at 3.6 percent (105MW), Solar Power at 3 percent (89.85MW) and standby gas and diesel turbines at 2.8 percent (Gas-80MW, Diesel-2.6MW) (See Figure 1 below).

*Figure 1: National Installed Electricity Generation Capacity by Technology, 2019*



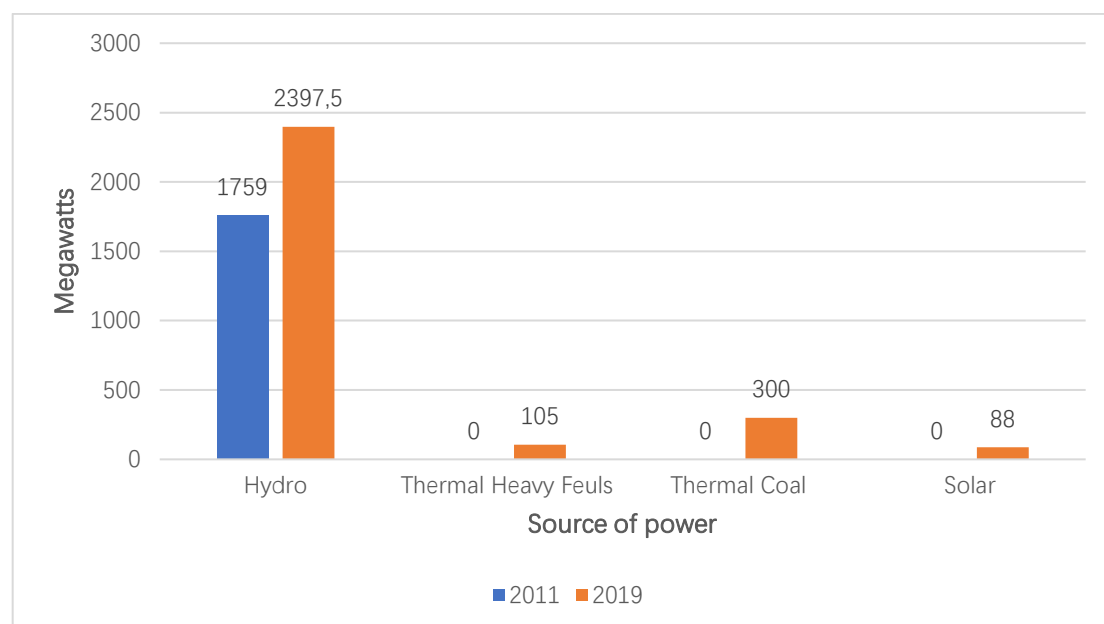
*Source: Energy Regulatory Board, 2019*

The demand for electricity has been growing at an average of 4 percent per annum mainly due to increased economic activity, especially in agriculture, manufacturing and mining sectors.

Notable electricity generation projects that were completed and commissioned during the period under review included a 300 MW Coal-Powered plant in Maamba, Southern Province, 105 MW Heavy Fuel Oil Power Plant in Ndola, Copperbelt Province, and a hydropower plant in Itezhi Tezhi, Central Province. (See Figure 2 below).



Figure 2 Improvement in Power Generation Capacity, 2011 and 2019



Source: Ministry of Energy

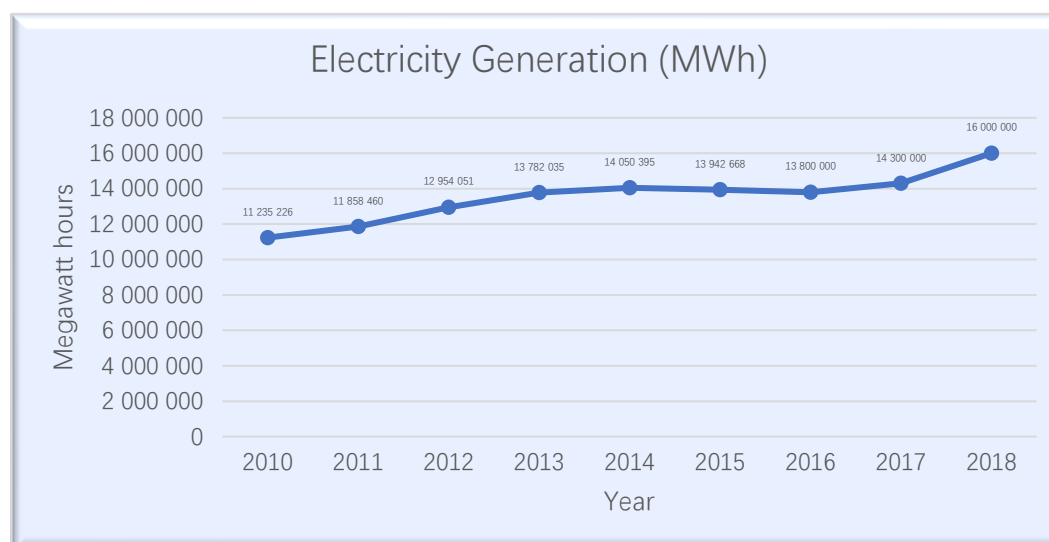
Additionally, off-grid power plants amounting to a total of 88.336 MW were operational during the review period. These were mostly operated by private sector with a few by the public sector.

A number of other power projects are under construction and will come on stream between 2019 and 2022. This will further improve the country's electricity generation capacity.

The diversification of the energy mix improved the country's resilience to the adverse effects of climate change to some extent, although a lot more still needs to be done to further diversify the electricity generation mix from dependence on hydropower.

The evolution of electricity generation capacity in megawatt hours (MWh) is depicted in Figure 3.

Figure 3: Trend in Electricity Generation, MWh, 2010 - 2018



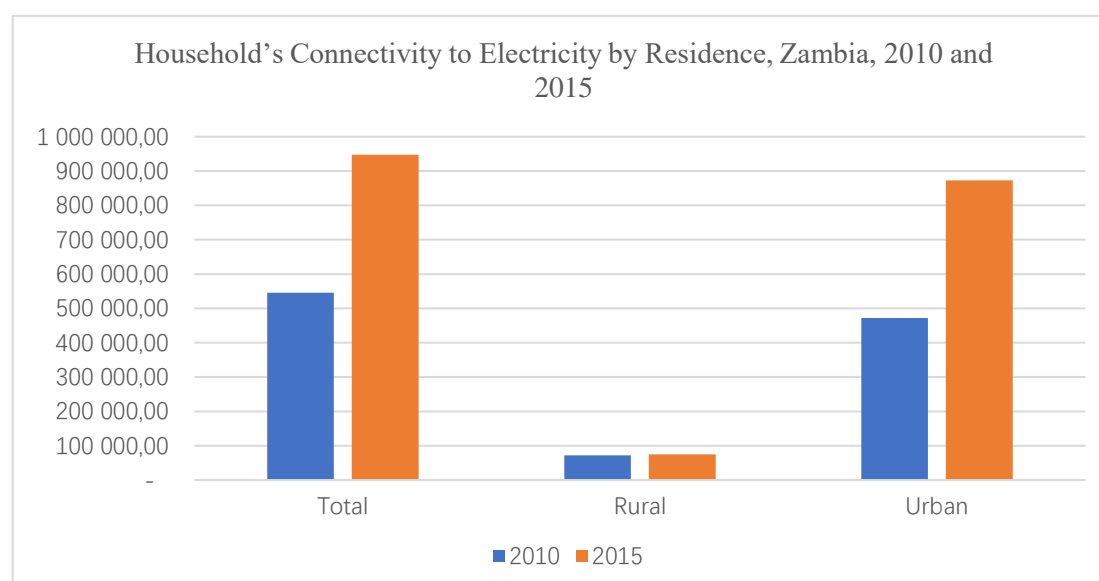
Source: Ministry of Finance, Annual Economic Reports 2010 – 2018

The percentage of households connected to electricity at national level rose to 31 percent in 2015 from 22 percent in 2010. Access to electricity in urban areas improved from 53 percent in 2010 to 67.3 percent in 2015. However, there was a decline in the percentage of households accessing electricity in rural areas from 5 percent in 2010 to 4.4 percent in 2015 due to low investment in electricity generation, particularly off-grid solutions, for rural areas.

During the period, the Rural Electrification Authority (REA), an institution of Government mandated to provide rural electrification infrastructure, successfully completed the implementation of ten (10) carry-over projects in Six Provinces across Zambia. These consisted of nine (9) Grid Extension Projects (GEPs) and one (1) mini hydro power project and is expected to increase the productive capacity of rural areas. By July 2019, the number of customers connected to the national electricity grid had reached one million.

Figure 4 depicts the households' connectivity to electricity disaggregated by rural and urban areas.

Figure 4 : Household's Connectivity to Electricity by Residence, Zambia, 2010 and 2015



Source: Living Conditions Monitoring Survey Reports 2010 and 2015

### Policy Reforms in Electricity Sub-Sector

Zambia in 2013 issued a Statutory Instrument (SI No. 79 of 2013) that legally established technical requirements for connecting to, and use of, the electricity transmission system by parties other than the owning electricity utility in a manner that will ensure reliable, efficient, economic, secure and safe operation. This regulation set the base for private investment in electricity generation. Additionally, the power sector was declared a priority sector under the Zambia Development Agency Act No. 11 of 2006 through the issuance of SI No. 15 of 2011. This regulation declares the building of mini-hydras, solar, thermal and hydropower plants eligible to fiscal incentives.

In terms of policy, the Renewable Energy Feed-in Tariff (REFiT) Strategy was launched in 2017. The REFiT is a Government power sector initiative aimed at accelerating private investments in small-and-medium sized renewable energy projects in order to increase the number of players in the electricity sub-sector and ultimately, increase access to clean energy services.

In 2017, Zambia commenced migration to cost reflective electricity tariffs from tariffs that were highly subsidised, making them lower than the cost incurred in supplying power. The Energy Sector regulator, the Energy Regulation Board (ERB), approved new cost reflective tariffs for domestic and industrial customers which have since been implemented in two (2) phases, starting with 50 percent effective from 15th May 2017 and 25 percent effective from 1st September 2017. Removal of subsidies and making the tariffs cost reflective were meant to attract more investors to the energy sector. This measure is yet to be fully implemented.

In 2018, Government commenced implementation of the Global transfer Feed-In-Tariff (GET-FiT) programme, aimed at overcoming investment barriers for private investors for small scale renewable energy projects of up to 20MW. With the commencement of this programme, there has been development of a total of 200MW comprising 100MW solar and 100MW small hydropower plants.

Zambia is still predominated by hydropower for electricity generation which poses a

challenge as hydropower is highly susceptible to climate change. For example, the climate induced dry spells in the 2014/15 and 2017/18 rainy seasons resulted in low water levels in the main power generating dams thereby reducing the hydro-electricity generation capacity and supply levels. The power deficit in June 2015 stood at 560MW and by December of the same year, had increased to about 1,000MW. For the 2018/19 rainy season, the deficit by third quarter of 2019 stood at 700MW.

These power deficits adversely affected the productive capacity of the economy. There is, thus, need to increase investments in renewable energy to improve the generation mix and cushion the economy against climate impacts.

#### *Investment in Renewable Energy*

The following are some developments that have occurred in the renewable energy subsector, owing to the reforms in promoting investment alluded to above:

- (a) 1 MW mini-hydro powerplant commissioned in 2012 in Shiwang'andu, Chinsali District of Muchinga Province;
- (b) A 60 Kilowatts (KW) solar project completed in 2013 in Mpanta, Samfya District of Luapula Province;
- (c) 1 MW solar plant, commissioned by Copperbelt Energy Corporation in riverside Kitwe District of the Copperbelt province;
- (d) 54 MW Bangweulu solar project commissioned in 2019 in Lusaka District of Lusaka Province; and
- (e) 35MW Ngonye solar project completed in Lusaka District of Lusaka Province.

The Bangweulu and Ngonye Solar PV Power Plants in the Lusaka South Multi-Facility Economic Zone are the first ever solar energy projects to feed into the national electricity grid.

Further, the Government, with support from the World Bank, developed a National Renewable Energy Resource Map focusing on solar and wind. Data collection for both wind and solar was completed and the Resource (Solar and Wind) Atlas was successfully launched on 25th June 2019. The Resource Atlas provides information about the solar and wind resources available in Zambia for power generation and will attract investments in the renewable energy sub-sector.

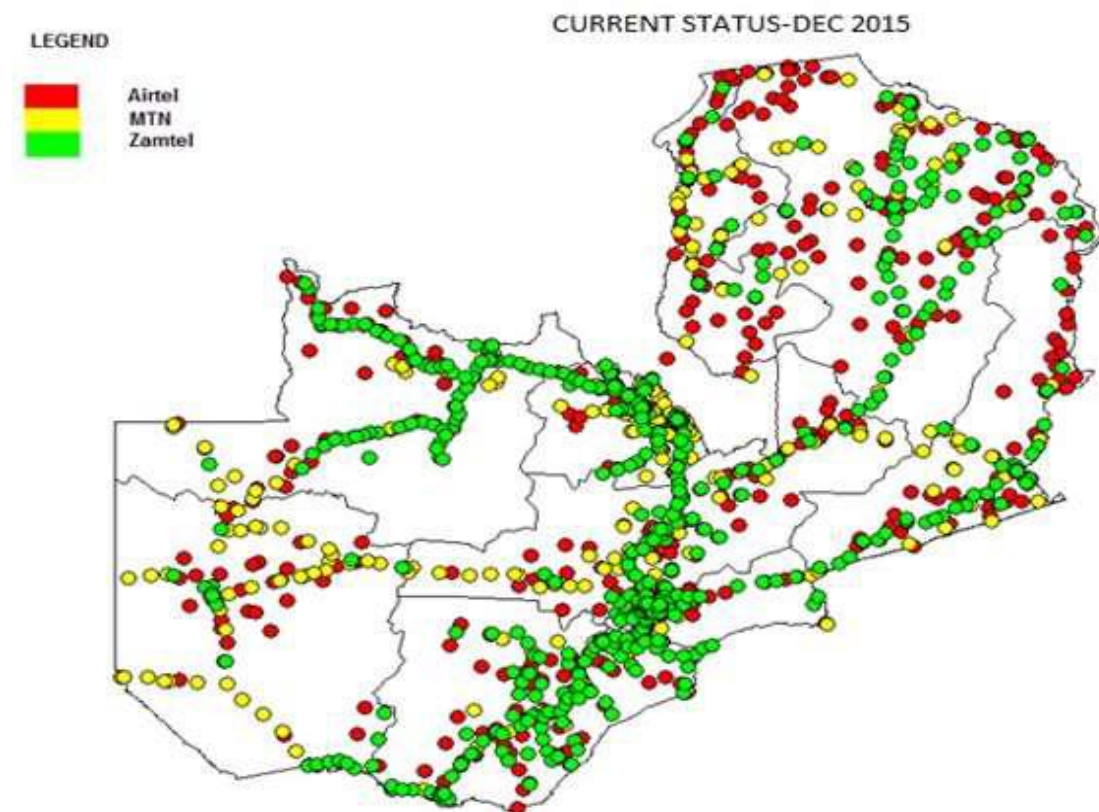
It is worth noting that the measures implemented to promote investment in the electricity sub-sector, including renewable energy power generation are yet to fully yield the desired results. For this reason, Government continues implementing reforms to address challenges inhibiting private investment in the energy sector.

### **Information and Communication Technology**

The Zambian Government has identified Information and Communication Technology (ICT) as a catalyst for socio-economic development as it promotes competitiveness as well as being an enabler of good governance in the country. To this end, during the review period, Zambia has undertaken to improve telecommunication services.

Since 2012, Government has been implementing projects to increase Global System for Mobile (GSM) coverage in unserved and underserved areas. The first phase of the project begun in 2012 and ended in 2015 with the construction of a total of 204 mobile communication towers across the country. The status of the project is shown in Figure 5.

Figure 5: Mobile Communication Towers installed, Dec 2015

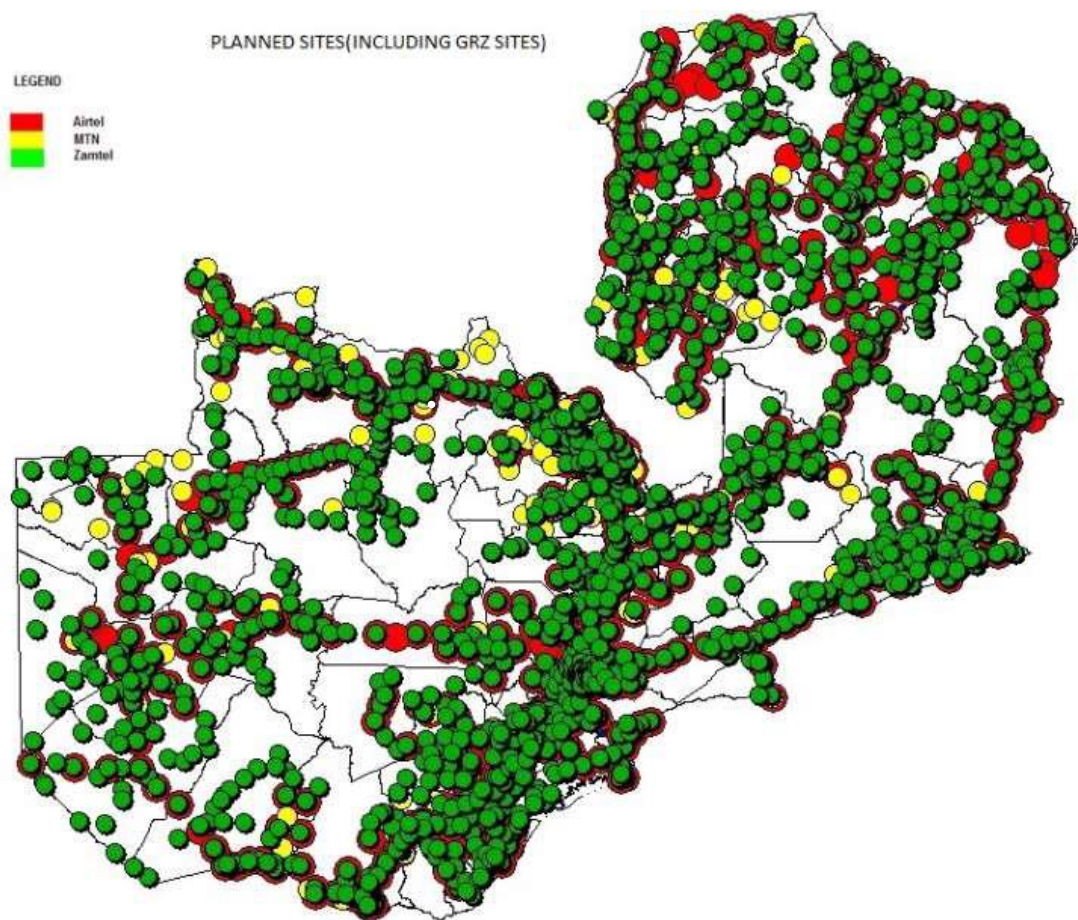


Source: Ministry of Transport and Communications

Phase II of the project started in 2017 and is expected to install a total of 1,009 mobile telecommunication towers. As at end of 2018, telecommunication coverage countrywide stood at 88 percent of the population. By mid-2019, the total number of telecommunication towers installed across the country stood at 667 with over 500 on air. Figure 6 shows the planned installation of telecommunication towers at the end of the project.

In addition, by mid-2019 there were 2,820 telecommunications tower infrastructures countrywide owned by both private and public companies, including the universal access towers.

Figure 6: Planned Sites for Communication Towers



Source: Ministry of Transport and Communication

The installation of the additional mobile communication towers has contributed to raising the mobile cellular subscriber base by 89 percent, from 8,164,553 in 2011 to 15,470,270 in 2018 and has significantly reduced the digital divide between the rural and urban population.

By 2019, Zambia had deployed over 7,000 km of backbone optic fibre cables countrywide. The fibre infrastructure is present in all the ten (10) Provincial centres of the country including some surrounding districts. It also interconnects with the international fibre networks through Namibia, Tanzania, Botswana, Malawi and Zimbabwe (Figure 7). The fibre network infrastructure is owned by both private and public companies.

Additionally, the government has established a three-tier data centre, which is aimed at accelerating e-government and private sector participation.



**ZESCO FIBRE NETWORK**

The map illustrates the ZESCO Fibre Network, showing existing links (red lines) and ongoing projects (blue lines) across Zambia and neighboring countries. Key locations include Kasaba Bay, Mpulungu, Mbala, Mporokoso, Kavwamba, Luwingu, Nakonde, Isoka, Shiwangandu, Chinsali, Chama, Lundazi, Mfuwe, Mpika, Kasama, Mansa, Mwinununga, Lumwana, Solwezi, Luano, Kitwe, Ndola, Mpongwe, Kapiri, Kabwe, Mumbwa, Kafue, Kafue Gorge, Chirundu, Maamba, Monze, Kariba, Mazabuka, Itzhi Tezhi, Senanga, Mongu, Kaoma, Lukulu, Kabompo, Zambesi, Mumbezi, Kalabo, Sesheke, Kazungula, Livingstone, Choma, and Namibia. The network also shows connections to Tanzania & Submarine Cables (Seacom, TEAMS, EASSY), Malawi, Mozambique, and Zimbabwe.

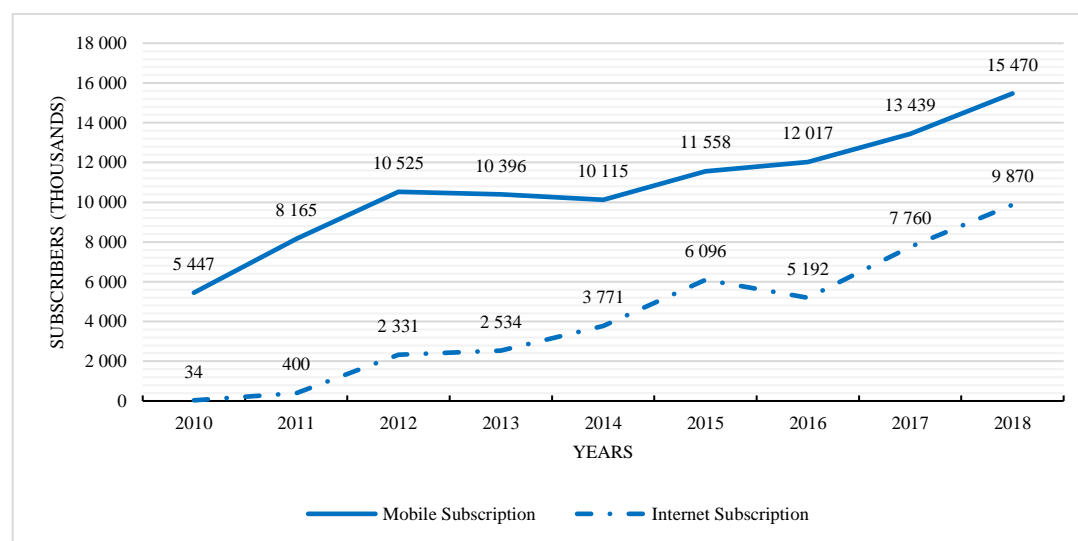
**Key:**

- Existing Links
- Ongoing Projects

Regarding internet<sup>1</sup> subscription, the increase was very significant between 2010 and 2018 and continues to rise. Internet subscription rose from 379, 888 subscribers in 2011 to 9,870,427 subscribers in 2018 (See Figure 8 below). Correspondingly, Zambia's internet penetration rate rose to 58.4 percent in 2018 from 5.9 percent in 2011. The improvement in penetration rate was due to, among other things, better-quality ICT infrastructure, increased competition among the operators as well as the emergence of machine-to-machine (M2M) services, such as point of sale and other data-based devices that utilize SIM cards.

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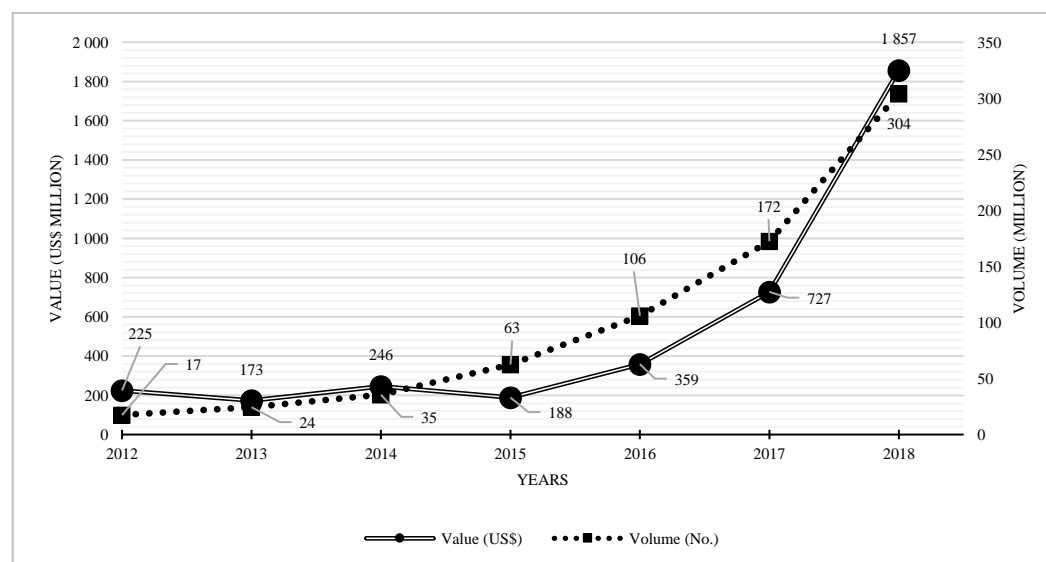
Figure 8: Trend in internet and mobile subscription, 2010 – 2018



Source: ZICTA

The economy has also seen improvement in financial inclusion as a result of improvement of mobile connectivity, particularly for previously unserved areas. This is demonstrated in the volume of mobile money transactions, which increased from 17 million in 2012 to 304 million transactions in 2018 representing a 17-fold increase. The monetary value of mobile money transactions rose to US\$ 1,857 million in 2018 from US\$ 225 million in 2012, an 8-fold increase. This is shown in Figure 9.

Figure 9: Value and Volume of Mobile Transactions, 2012 and 2018



Source: BOZ

The mobile telecommunication coverage across the country has also contributed to improving provision of Government services through the use of e-commerce, tele-medicine, improve National security, simplifying compliance to the Government regulations and statutes, empower farmers with access to market information, strengthen citizen participation, promote transparency and accountability and yield cost-savings for citizens, businesses and the Government.



To strengthen the Policy, Institutional and Regulatory Framework, Government is in the process of unbundling the Electronic Communications and Transactions Act No. 21 of 2009 into three (3) Laws, namely Cyber Security and Cyber Crime Act; Data Protection Act; and the Electronic Commerce and Transaction Act. The enactment of these Laws will facilitate structural reforms and re-alignment of institutions. Additionally, as part of these reforms, the Government in 2016 issued a gazette notice number 836 of 2016 which established the SMART Zambia whose mandate is to implement the e-government agenda.

It is worth noting that despite the growth and improvement recorded, the sector is beset by challenges that include the vastness of the country and sparsely populated rural areas. This situation makes it difficult for mobile network providers and other ICT service operators to take telecommunication services to the far-flung areas and achieve universal access to communication facilities as they are not considered viable business locations. In this regard, the Government is resolute in improving the business environment by undertaking the necessary public investments.

## **Transport**

### ***Transport Infrastructure Development***

Zambia is landlocked, thereby making interconnectivity of transport networks a critical enabler of socio-economic development. Cognizant of this, the Zambian Government, in 2011, embarked on an ambitious programme of transport infrastructure development. This was aimed at driving wider economic benefits such as supporting growth and creation of jobs, raising the productive capacity of the economy, improving efficiency and boosting international competitiveness. The financing for transport infrastructure development was partly sourced from international capital markets. Below are the notable investments in the transport sector during the period 2011–2018.

#### ***- Roads***

Since 2011, over 1,000 kilometres of Trunk, Main and District (TMD) roads have been constructed across the country to facilitate the movement of goods and people. The TMD roads have also contributed to linking different parts of the country and opening new areas for business, thereby increasing the productive capacity of the economy. In terms of maintenance, about 7, 000 kilometres of TMD roads have been routinely and periodically maintained annually during the review period. This systematic maintenance has contributed to ensuring that about 80 percent of the TMD roads are in good condition all the time.

#### ***- Airports***

In the same period, the Government focused on rehabilitating and upgrading of airport infrastructure for the four main international airports.

The Harry Mwanga Nkumbula International Airport in Livingstone was completed in 2015. The scope of works included, among others, the upgrading of the old 250,000 per annum passenger capacity terminal to a new 700,000 per annum passenger terminal and construction of a new runway. The Kenneth Kaunda International Airport (KKIA), the country's main international airport is being upgraded with the scope of works including construction of a 4 million per annum capacity. Terminal Building, a hotel and warehousing Facilities (Cargo Terminal). The upgrade of the airport was about 85 percent complete as of October 2019 and scheduled to be delivered in 2021.

A new international airport, Copperbelt International Airport, is being constructed on the Copperbelt in Ndola. This airport will have a one million per annum capacity passenger terminal and a cargo terminal, among others. As of October 2019, the project stood at 49 percent complete. The Mfuwe International Airport, in a major tourism location is earmarked for construction and will have a new passenger terminal with capacity to handle 600, 000 passengers per annum.

The development of these four international airports is set to increase the passenger and cargo handling volume and enhance the country's productive capacity.

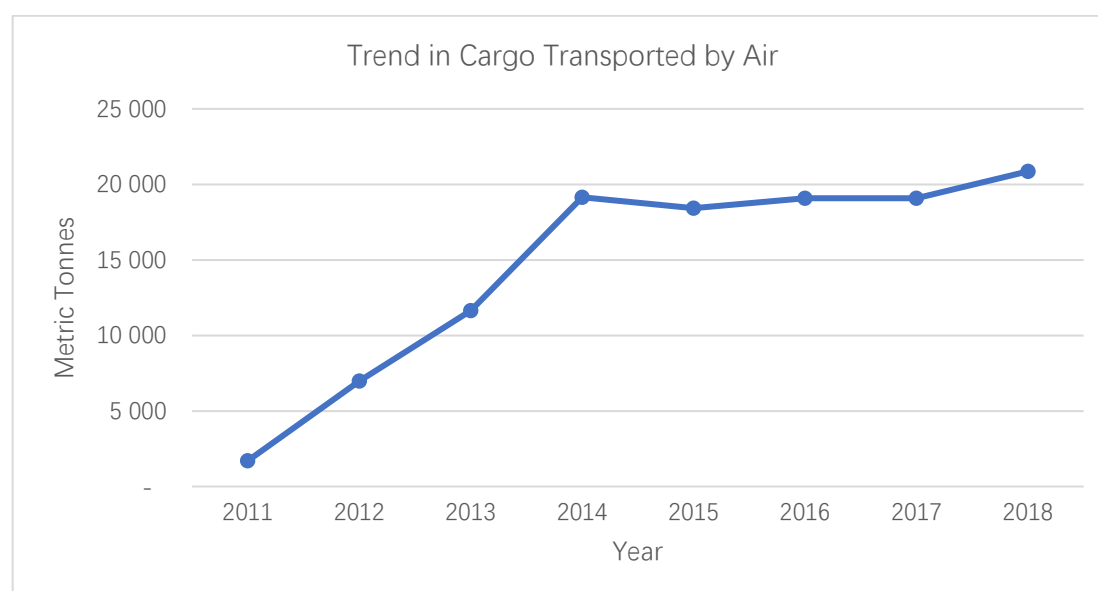
#### - *Railway*

In 2013, the Government allocated some resources to the recapitalization of Zambia Railways Limited, a parastatal railway company. Of these funds 80 percent was deployed to the rehabilitation of the 890 kilometres railway track infrastructure from Livingstone in the Southern Province to Chililabombwe District on the Copperbelt Province, while 20 percent was allocated to locomotive and wagon repairs and procurement of re-railing equipment. The rehabilitation was aimed at increasing the efficiency of movement of passengers and cargo and to improving the performance of the sub-sector.

#### ***Passenger and Cargo Transportation***

The investments made in the development of transportation infrastructure have contributed to the enhanced performance of the transport sector. Cargo transported by air increased by over a 1000 percent to 20,860 metric tonnes (Mt) in 2018 from 1,706 Mt in 2011 as depicted in Figure 10.

*Figure 10: Air Freight Transportation, 2011-2018*

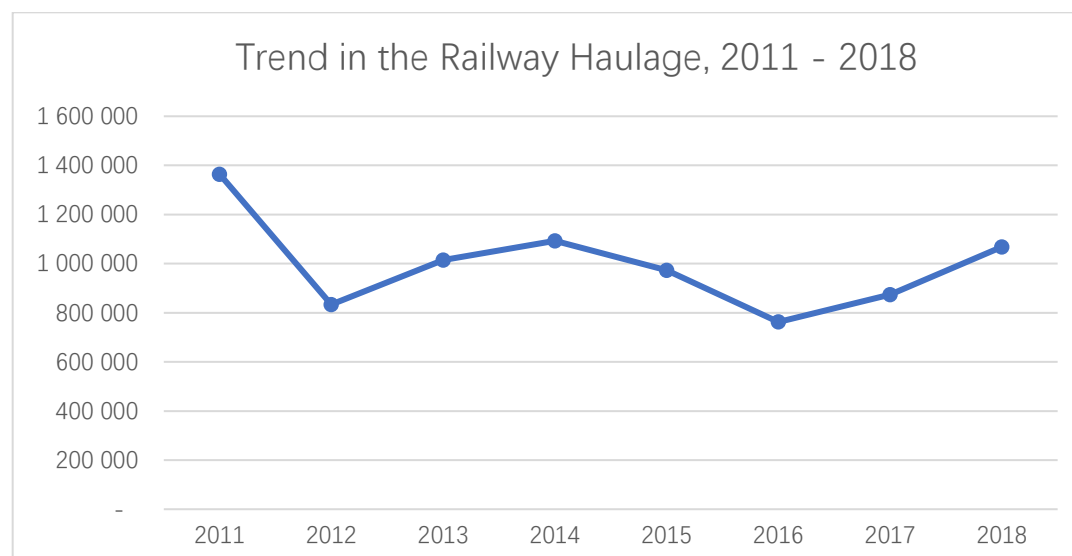


*Source: Annual Economic Reports 2011 – 2018*

Regarding rail transportation, there was a decrease in cargo transported by railway to 1,068,255 Mt in 2018 from 1,363,864 Mt in 2011, representing a 22 percent decline. This decrease is attributed to several factors such as the preference for use of road

transport to haul cargo by businesses as well as inadequate capitalization of the railway sub-sector. From 2016, there has been an upward trend in haulage of cargo on railways as is shown in Figure 11.

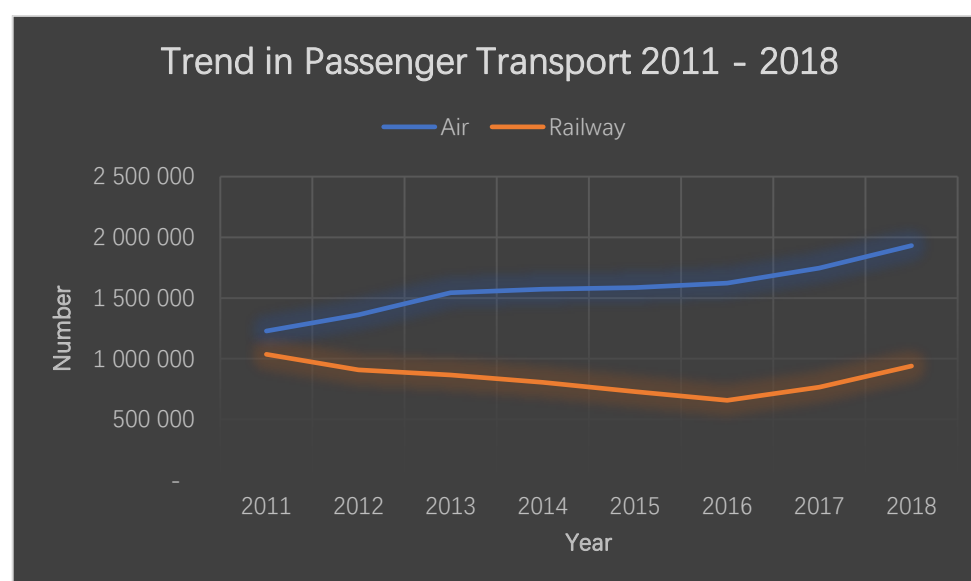
*Figure 11: Trend in Railway Freight Transportation*



*Source: Annual Economic Reports 2011 – 2018*

Regarding passenger transport, there has been growth in the number of passenger movements at the major airports by 57 percent from 1,228,871 passengers in 2011 to 1,931,827 in 2018. This was due to the increase in the frequency of flights as well as expansion of airport infrastructure. However, there was a 9 percent decrease in passengers transported by rail to 941,049 in 2018 from 1,036,841 in 2011. This decrease can be attributed to several factors including inefficiencies as a result of inadequate capitalization of the railway sub-sector. However, from 2016, there has been an upward trend in passenger movement by rail as shown in Figure 13.

Figure 12: Trend in Air and Rail Passenger Transport



Source: Annual Economic Reports, 2011 – 2018

In the review period, the Government strengthened the policy and regulatory environment for the transport sector with focus on increasing haulage and revenue generated by the railways sub-sector. In 2018 Government signed and issued Statutory Instrument (SI) No. 7 that made it mandatory for all transporters of heavy and bulk cargo to transport a minimum of 30 percent by rail transport. The implementation of this SI has already started generating benefits, among them, optimization of capacity in the transport sector, promotion of the sustainability of the rail sub-sector by increasing its market share and preservation of the road infrastructure.

Despite the progress made in development of infrastructure for the transport sector, there continues to be some structural challenges that undermine growth of the sector and make the country less competitive. Zambia is landlocked and is dependent on hauling most of its imports and exports using the road network which is comparatively costly. This makes Zambian products less competitive compared with those produced by countries that use water transport. Additionally, there has been inadequate recapitalization of railways to make them more efficient. For this reason, development of the transport sector will continue to be a priority going forward.

## **b. Agriculture, Food Security and Rural Development**

### **IPoA Goals and Targets:**

- Make substantial progress towards eradicating hunger by 2020;
- Substantially increase investment in rural infrastructure; and
- Ensure access to safe food and emergency food assistance in all least developed countries.

## **Promoting Integrated Rural Development**

Promoting integrated rural development is a key priority area for the Government of Zambia as 57.2 percent of the national population resides in the rural parts of the

country. Also, that the rural population is particularly challenged with low formal employment opportunities, poor road networks, poor delivery of social services, a limited access to electricity and a predominant low productivity informal agriculture sector.

To address these challenges, Government through the Seventh National Development Plan has prioritised the transformation of underdeveloped rural settings into cohesive communities with profitable and productive opportunities where members enjoy equitable access to basic public and social services, such as electrification, financing, water supply and sanitation, housing development. With 89.4 percent of rural households dependent on agriculture for sustenance, agriculture has been identified as a key sector with the potential to positively contribute to integrated rural development. Special attention has been given to the promotion of climate smart agricultural practices, rural infrastructure development, particularly transport and communication infrastructure and rural industrialisation especially agro-industrialisation to create rural employment opportunities.

Further, the Government has been promoting improved partnership and connectivity between urban and rural areas. Specifically, policies to promote urban-rural remittances are being implemented among efforts to improve partnerships between urban and rural areas.

## **Rural Road Infrastructure Development**

Rural areas have inadequate road infrastructure which brings negative effects including challenges with transportation of agricultural produce to markets. The poor rural transport network entails that farmers cannot easily access inputs on time and cannot take their produce to the market in a cost-effective manner. In an effort to reduce the inequality in terms of roads infrastructure between the rural and urban areas, Government, during the review period, invested resources into development of feeder roads. Government, in 2017 started implementing the Improved Rural Connectivity Project which will provide 14, 333 kilometres of rural roads by 2022.

## **Promotion of Agricultural Value Chains and Crop Diversification**

The Value Chain Development Programme is an example of the programmes that have been implemented during the review period to promote rural industrialisation. This programme was specifically designed to move the country away from the production of primary products (both agricultural and natural resources) to that of value-added products, with the intent of providing formal employment opportunities and income sources for enterprising Zambians.

The Value Chain Development Programme has been financed through the Citizens Economic Empowerment Fund and is targeted at specific value chains. This programme is also an effort to promote industrialization at the district level based on the comparative advantage of each district.

The programme has supported the creation of industries at the district level in rural areas. In this way, Government has addressed both the need for industrialization and economic diversification as well as the need to increase participation of the rural people in economic development.

Emphasis has been placed on greater participation of women, the youth and the physically challenged. Government has done this by targeting ninety percent of

empowerment funding to rural areas so that there is a pro-rural bias aimed at ensuring accelerated rural industrialization. Forty percent of the funds have been allocated to the youth and at least thirty percent to women. The disbursement of funds under this programme is preceded by mandatory pre-financing training for loan recipients with business development support in areas such as business planning, enterprise management and financial literacy.

The Enhanced Smallholder Agribusiness Promotion Programme (E-SAPP) is another agro-processing programme being implemented to enhance the development of commodity value chains for small livestock, legumes and rice crops. The programme is also providing matching grants to support establishment of value chains in rural areas. The programme is targeting at least 61,000 farmers across the country. (E-SAPP Project Design Report).

### *Crop Production*

The agricultural sector has potential to contribute to Zambia's GDP given that the country enjoys a favourable climate, fertile land and vast water resources. However, Zambia's agricultural prospects are not yet fully tapped. Arable land covers 47 percent of the country's total land but only about 15 percent of this is under cultivation. Promoting the agriculture sector is therefore one of the Government's priorities to diversify the economy and move it away from its over-reliance on its traditional products and exports, such as copper and cobalt. The total contribution of agriculture to GDP averaged 7.9 percent in the period 2011 to 2018.

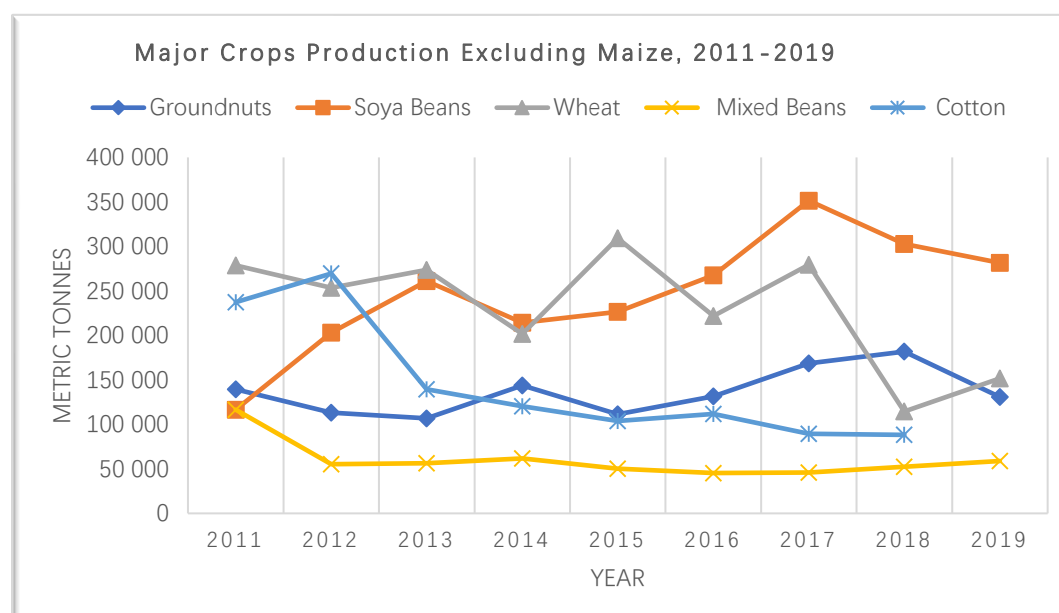
Increased and diversified crop production is a prerequisite for improvement of the agro-processing and value chain development as crops form inputs in production. In terms of performance, production of major crops showed fluctuations during the review period. This was largely attributed to erratic rainfall which negatively affected the yield rates. For instance, maize production in 2011 was estimated at 3.02 million metric tonnes but declined to two million metric tonnes in 2019. The average production of maize during this period is 2.8 million metric tonnes while the highest production in maize was 3.6 million metric tonnes as recorded in 2017.<sup>2</sup> The production of other staples such as sorghum, millet and rice also declined in the same period. The productivity of maize and other cereal crops follows similar trends. The average maize yield declined from 2.4 metric tonnes per hectare in 2014 to 1.29 metric tonnes per hectare in 2019, with fluctuations over the period.

Other major crops that recorded significant declines included Burley tobacco, sorghum, Virginia tobacco, groundnuts, sweet potatoes and cotton. Mixed beans remained fairly constant, while soya beans soared from 116,539 MT in 2011 to 302,720 MT in 2019 mainly due to its increased importance in the stock-feed manufacturing. Figure 13 shows major crop production in metric tonnes during the review period.

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<sup>2</sup> Agricultural Statistical Bulletin: Crop production data 1987 – 2019 published by MOA/CSO

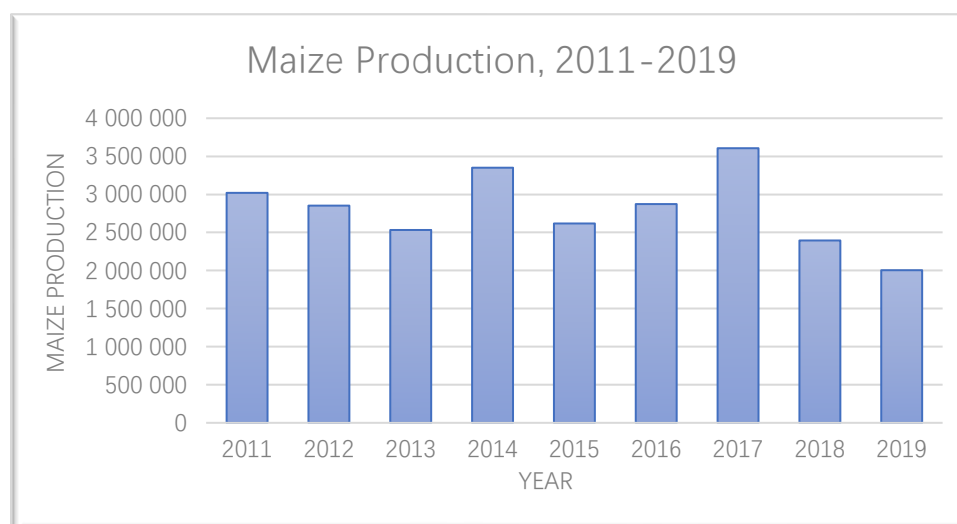
Figure 13: Production of Major Crops, Excluding Maize, 2011-2019



Source: Ministry of Agriculture

Figure 14 depicts production of maize, the staple food crop over the period.

Figure 14: Maize Production, 2011 - 2019



## Key Programmes and Strategies to Promote Crop Diversification

Crop diversification is one of the specified development outcomes in the Seventh National Development Plan (7NDP) as a means of attaining a diversified and export-oriented agriculture sector. The 2016-2020 Second National Agricultural Policy (SNAP) was also developed, among other objectives, to support crop diversification during the review period. A total of 13 crops have been selected as priority in the SNAP. These crops include, Maize, Cotton (seed), Soya beans, Sorghum, Millet, Virginia and Burley Tobacco, Cashew nuts, Cassava, Groundnuts, Rice, Sugar and mixed beans.

Key Diversification programmes include:

- The Cashew Infrastructure Development Programme (CIDP): which is targeting to plant 60,000 hectares of cashew trees and benefiting 60,000 households in Western Province
- The Rice Dissemination Project which is promoting the production of rice as well as research and development
- The Smallholder Productivity Promotion Project (S3P) is promoting good agricultural practices in Luapula, Northern and Muchinga Provinces and has reached over 30,000 farmers.

In addition, Government has also been promoting diversification through the Farmer Input Support Programme (FISP). FISP targets to reach one million farmers every farming season<sup>3</sup>. Through this programme, government provides subsidised inputs to farmers using two modalities, namely the direct input supply and the electronic voucher (E-Voucher). Under the direct input supply programme, the Government promotes crop diversification among farmers by supplying fertiliser and seeds for five major crops, namely; maize, soya beans, groundnuts, sorghum and mixed beans. While under the E-Voucher system the government provides an electronic voucher to farmers to redeem inputs of their choice.

The Government first implemented the FISP E-Voucher starting with 13 pilot districts in 2015/16 and scaled up to 39 districts and countrywide in 2016/17 and 2018/19 agricultural seasons. In the initial 13 E-Voucher pilot districts, about 85 percent of the households redeemed fertilizer and maize seed. Of the remaining 15 percent, the highest share of households redeemed livestock inputs such as veterinary drugs. Data also show that almost half of households redeemed their vouchers on one type of input, 41 percent bought two types of inputs and a small share (9.5 percent) bought three or more inputs. Compared to before the e-voucher, this is an indication that there is great potential for crop diversification.

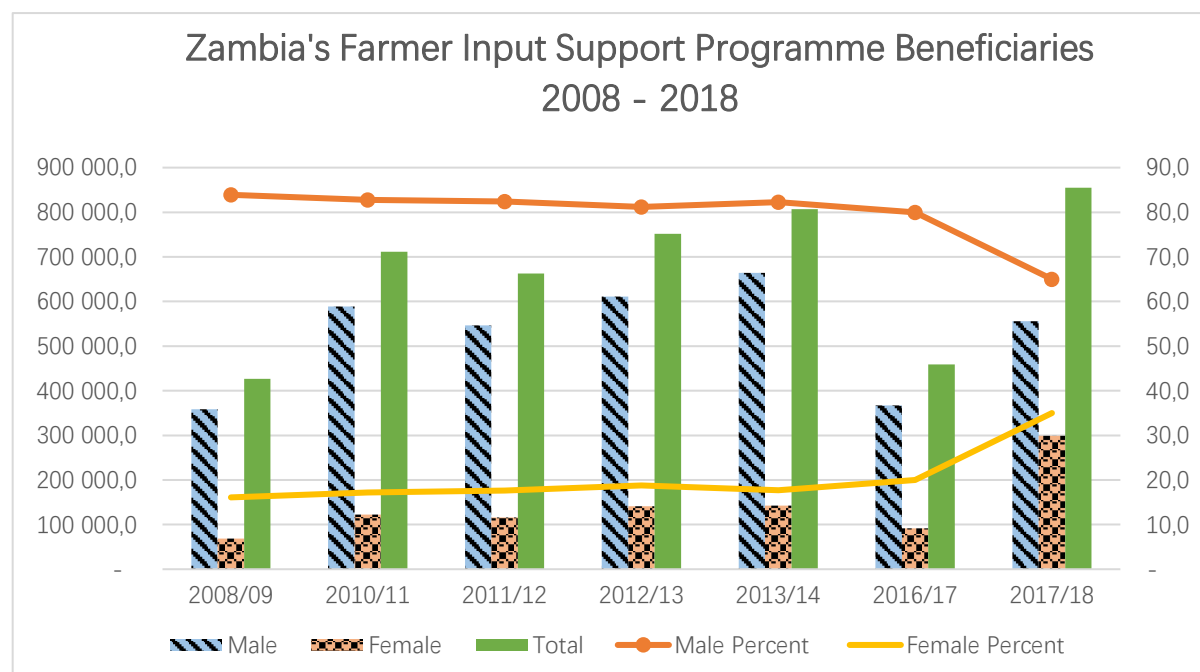
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<sup>3</sup> FISP implementation manual 2018/2019 season



Figure 15 shows the beneficiaries of the FISP.

Figure 15: Beneficiaries of the Farmer Input Support Programme, 2008 – 2018



Source: Ministry of Agriculture

### Fisheries and Livestock

Aquaculture and fisheries have become very important sub-sectors of the economy of Zambia as they contribute to economic diversification, food and nutrition security, improved rural livelihood and sustainable employment generation. The joint extension efforts by the Government of the Republic of Zambia and stakeholders have seen aquaculture expand in all the ten provinces of the country. On the other hand, however, there has been a relatively stagnated growth in fish production from capture fisheries.

During the years 2004 to 2009, small-scale subsistence farmers had dominated the aquaculture sector, with production averaging 5,100 MT mostly for subsistence purposes and with little impact on the total fish supply for ordinary consumers. From 2012 onwards, Zambia experienced increased aquaculture production from 12,988MT to 36,105MT in 2018. This was as a result of the entry of large-scale commercial fish farmers in the industry and expansion of entrepreneurial aquaculture, particularly in the cage culture sector from large scale pond-based enterprises.

Some of the recorded success in the sector is attributed to Government's Aquaculture Empowerment Fund under the Zambia Aquaculture Enterprise Development Project (ZAEDP). ZAEDP was started in 2019 with a focus of first developing commercial hatcheries and nurseries. The project has so far funded 16 projects targeting 12,000 beneficiaries across the country, mainly from rural districts that have abundant water. Out of the approved projects, 25 percent went to women owned projects, while 31 percent and 44 percent went to youth and men owned projects respectively.

Other programs such as the Pass-on the Gift program and the sale of livestock from Livestock Breeding Centre are also some examples that prioritize women for their

empowerment in the sector.

## **Strategies to Combat the Impact of Climate Events on Agriculture**

Given the climatic events over the review period such as flash floods and dry spells, Government increased interventions targeted at the agriculture sector, given its vulnerability. In order to mitigate the effects of climate change, the Government developed a climate smart agriculture strategic framework and a climate smart agriculture investment plan. The Government also included climate smart agriculture in the nationally determined contributions and is promoting the use of climate smart technologies in the livestock sector.

Additionally, Government implemented irrigation development programmes as well as promotion of climate resilient seed varieties. These interventions are further elaborated in the section on emerging issues.

## **Initiatives in Food Security and Rural Development for Poverty Reduction for Marginalized Groups**

The Zambian government continued to recognise the importance of the agriculture sector in fostering food and nutrition security as well as rural development. Among the measures to improve food security, particularly for the rural poor, Government used interventions in the social protection sector to empower low capacity households and vulnerable people to have access to food and nutrition. These programmes are further elaborated under the part on social protection.

Further, through agricultural research and development, bio-fortified nutrient dense crop varieties of maize, beans and sweet potatoes were developed during the review period. As a result of these interventions, the levels of stunting for children under the age of five.

Additionally, Government, through the Food Reserve Agency, continued the purchase maize for strategic food reserves to intervene in times of food insecurity and food price volatility. The FISP has also been contributing to increased food and nutrition security.

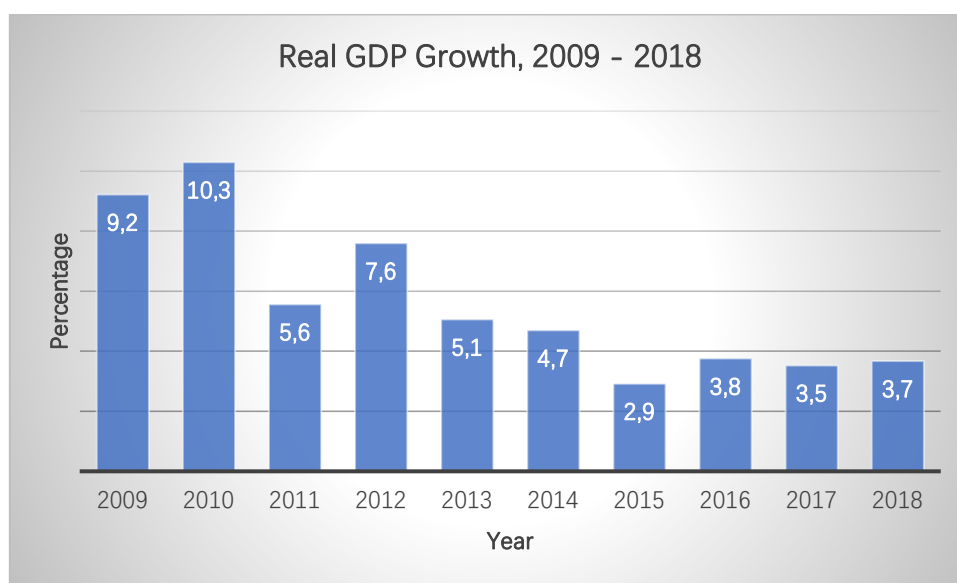
### **c. Commodities**

#### **Goals and Targets:**

- Broaden least developed countries' economic base in order to reduce commodity dependence.

The Zambian economy remained highly dependent on commodities. Commodity prices on the international market have had an impact on Zambia's economic growth. From 2010 to 2013, Zambia's Gross Domestic Product (GDP) grew at an average of 7 percent owing to relatively high copper prices. During that period, Zambia also received additional investment in new large-scale mines, and this led to increased production in quantities of copper. However, due to the decline in global demand during the period 2014-2016, copper prices reduced sharply from an average of US\$ 7,903 per metric tonne in the period 2010 to 2013 to an average of US\$ 5,741 per metric tonne in the period 2014-2016. This, among other factors, had a negative impact on the GDP growth over the same period. Figures 16 and 17 shows the changes in GDP as well as copper prices from 2009 to 2019 and 2011 to 2019 respectively.

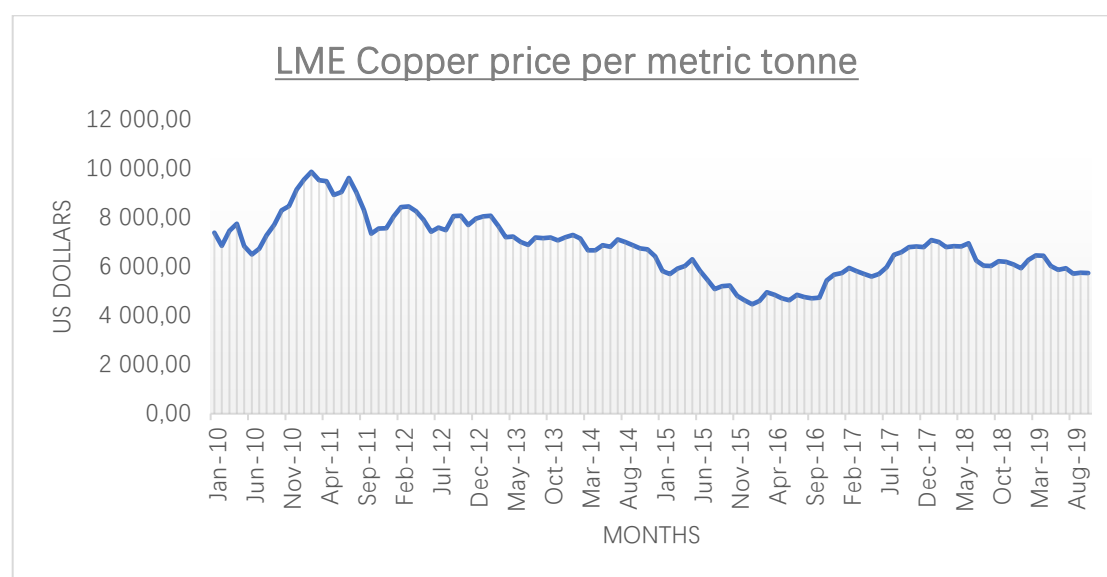
Figure 16: GDP Growth, 2009 - 2018



Source: Ministry of Finance

It is evident from Figure 16 and Figure 17 during the period when copper prices reduced, the GDP growth declined. This indicates the correlation between the copper prices and GDP growth.

Figure 17: Copper Prices, US\$, 2011-2019



Source: Macrotrends LLC, 2010-2019, <https://www.macrotrends.net/1476/copper-prices-historical-chart-data>

Other commodities also showed fluctuating prices, stressing the need to enhance domestic value addition as shown in Table 1.

Table 1: Commodity prices for Selected Items, 2011 – 2018

Commodity	2011	2012	2013	2014	2015	2016	2017	2018
<b>Copper (USD/Mt)</b>	8,820.99	7,949.95	7,326.17	6,859.14	5,501.69	4,863.23	6,162.46	6,525.34
<b>Sugar (US\$/Kg)</b>	0.57	0.47	0.39	0.37	0.30	0.40	0.35	0.28
<b>Maize (US\$/Mt)</b>	291.7	298.4	259.4	192.9	167.8	159.2	154.5	164.4
<b>Cotton (US\$/Kg)</b>	3.3	2.0	2.0	1.8	1.6	1.6	1.8	2.0
<b>Soya beans (US\$/Mt)</b>	537.5	595.5	551.4	484.9	392.1	405.5	393.4	394.4
<b>Tobacco (US\$/MT)</b>	4,485.1	4,382.4	4,588.8	4,990.8	4,908.3	4,806.2	4,679.3	4,862.9

Source: World Bank

In view of the foregoing, over the last 10 years, Zambia has focused on promoting the diversification of the economy and exports. This has been espoused in both the Sixth National Development Plan, and its revision, from 2011-2016 as well as the current Seventh National Development Plan, 2017 - 2021. The aim is to increase production in alternative sectors, especially agriculture, promote diversification within the mining and agriculture sectors, and promote growth in the tourism sector. An important aspect has been the promotion of value addition in all these sectors.

The National Development Plans are complemented by key policy frameworks such as National Industrial Policy, 2018, National Investment Promotion Strategy (2018-2022) and National Local Content Strategy (2018 -2022). The implementation of policies and strategies is expected to promote value addition to primary commodities as a means of increasing export earnings and creating employment opportunities. The overall aim is to transform the Zambian economy into a diversified and competitive industrialised economy which is well integrated into the international trading system.

Other complementary interventions to promote diversification include those highlighted in the section on productive capacity such as infrastructure development in the transport, energy and ICT sectors.

## Specific Interventions

### *Diversifying Within the Mining Sector*

One of the focus areas for economic diversification and job creation is the promotion of an export-oriented mining sector. Efforts have been made to diversify this sector from the predominance of copper to other minerals such as gemstones and industrial minerals. Although the quantities are still low, efforts have also been made to scale up production in other minerals including through small-scale mining.

Figure 18 outlines the production quantities of copper, emeralds and gold from 2011 to 2018.

Table 2: Production Quantities of Mineral Commodities, 2011-2018

Year	Copper (Mt)	Production	Emeralds Production (Kg)	Gold (Kg)
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2011	739759.00	34,406.16	1,941.70
2012	721445.66	28967.66	2,199.10
2013	763805.00	29755.00	4,984.00
2014	708,254.54	30960.74	5,417.40
2015	710,860.00	34534.00	4,241.00
2016	770,598.00	74,742.00	4,517.35
2017	797,266.00	58,622.00	4,564.94
2018	857,848.00	18,868.00	3,730.00

*Source: Ministry of Finance, Annual Economic Reports 2011 - 2018*

Small-scale mining has faced inconsistent production levels. This is a result of various factors such as low grade of mineral ore; inadequate and poor mineral exploration; lack of financing; lack of modern mining equipment; and high cost of hiring equipment. These led to low productivity.

Some progress has been recorded in the production of value-added copper products such as cathodes, wires, rods and electric cables. This follows investment by additional manufacturers in the value chain namely ZALCO and Neelkanth Cables in 2013 and 2016 respectively. Other developments have been recorded in the industrial minerals with increased investment in cement and lime following the introduction of Dangote, Sinoma and Neelkanth lime brands.

### **Promoting Citizen Participation in Value Addition**

Government has been implementing the Value Chain Development Programme as a way to promote broad-based local participation in value addition in all regions of the country. From 2013 to end of 2018, over 1,599 projects in all ten (10) Provinces covering 56 Districts were funded under the Citizens Economic Empowerment Fund. These were targeted at pineapple, honey, dairy, gemstones, fish, cotton, soybean, rice, mango, cassava, beef, poultry, palm oil, groundnuts, block-making and tourism value chains. This programme has also supported market linkages for beneficiaries.

In terms of social distribution of the projects supported, 34 percent went to women-owned businesses, 27 percent to youths, and 1 percent to the Persons with Disability.

### **Promoting Industrialisation**

In line with its industrial policy, Zambia has been promoting local and foreign direct investment with a view to stimulating industrialisation in the country. One notable programme in this regard is the facilitation of the establishment of Multi-Facility Economic Zones (MFEZs).

MFEZs are special industrial zones for both export-oriented and domestic-oriented industries. The zones aim to have the requisite infrastructure and other incentives in place in order to attract and facilitate establishment of world-class enterprises. Presently, three MFEZs are operational with investment worth more than US\$2.5 billion by more than fifty enterprises involved in manufacturing of food and beverages, tobacco, pharmaceuticals and value addition to copper, among others.

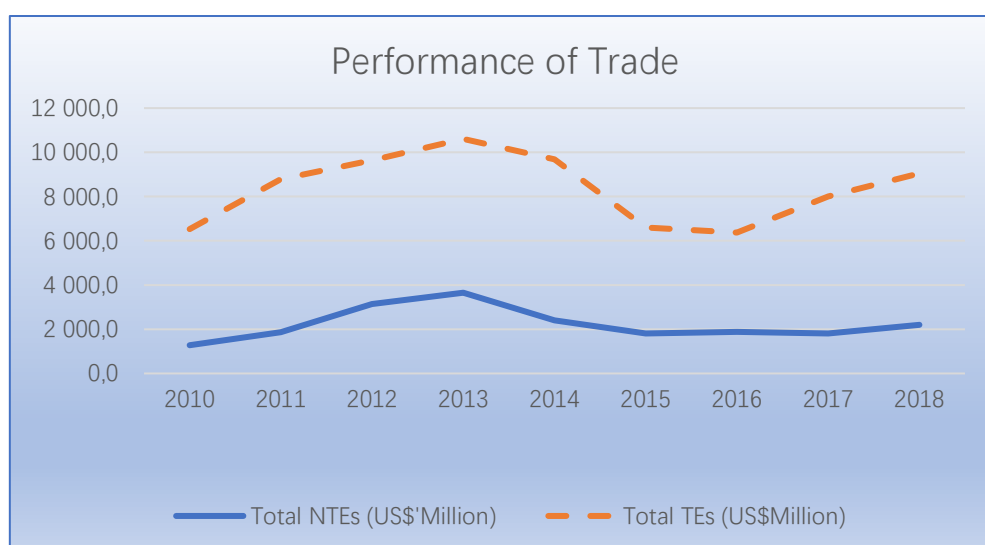
#### d. Trade

##### **IPoA Goals and Targets:**

- Significantly increase the share of least developed countries' trade in global trade with the aim of doubling the share of least developed countries' exports in global exports by 2020, including by broadening least developed countries' export base;
- Make substantial efforts for an early and successful conclusion of the Doha Round of trade negotiations with an ambitious, comprehensive, balanced and development-oriented outcome.

Zambia continued to implement a liberal trade policy, having made substantial trade commitments in the COMESA and SADC regions and a generally open market for goods from the rest of the world. The country's trade openness index<sup>4</sup> averaging 74 percent over the period of the IPoA confirms that trade is important to the country's economy. Traditional Exports (TEs), namely cooper and cobalt, continue to dominate export earnings having accounted for over 70 percent of merchandise exports over the review period. Figure 18 show the relative performance of traditional and non-traditional exports in terms of export earnings.

*Figure 18: Traditional and Non-Traditional Exports, 2010-2018*



*Source: Central Statistical Office*

The relatively low diversity of exports calls for the need to continue with efforts to diversify the country's export base.

Zambia recorded a positive trade balance during the earlier part of the review period until 2015 when the country recorded a negative trade balance, which is progressively reducing up to 2018 with hopes to record positive performance from 2020 onwards. SADC continues to be the largest market for NTEs. On the import side, the country imports a wider range of products mainly consisting of machinery and equipment, which largely go into its productive sectors.

<sup>4</sup> Trade Openness Index = Total Trade/GDP

## **Integrating Trade and Capacity Building into National Development Strategies**

Owing to the relative importance of trade to the Zambia's GDP, Zambia has integrated trade in its national development plan. Beginning with the Sixth National Development Plan (SNDP) and the Revised Sixth National Development Plan (R-SNDP), which ran during the period 2011 to 2016, commerce and trade was identified as a growth sector and Government focused on interventions such as increasing export volumes and facilitating improved market access for Zambian programmes. In the Seventh National Development Plan (7NDP), running from 2017 to 2021, which emphasises an integrated multisectoral approach, trade has been prioritised as a key enabler, anchoring on the key growth sectors of agriculture mining and tourism.

An important focus area in the 7NDP is to enhance capacities of actors along value chains, such producers of primary commodities and secondary activities such as manufacturing, by providing technical support, information as well as facilitating market access and penetration. Also included is emphasis on improving production and productivity at all levels of value chains. The overall aim is to create an export-oriented manufacturing and mining sector as well as enhance tourism exports.

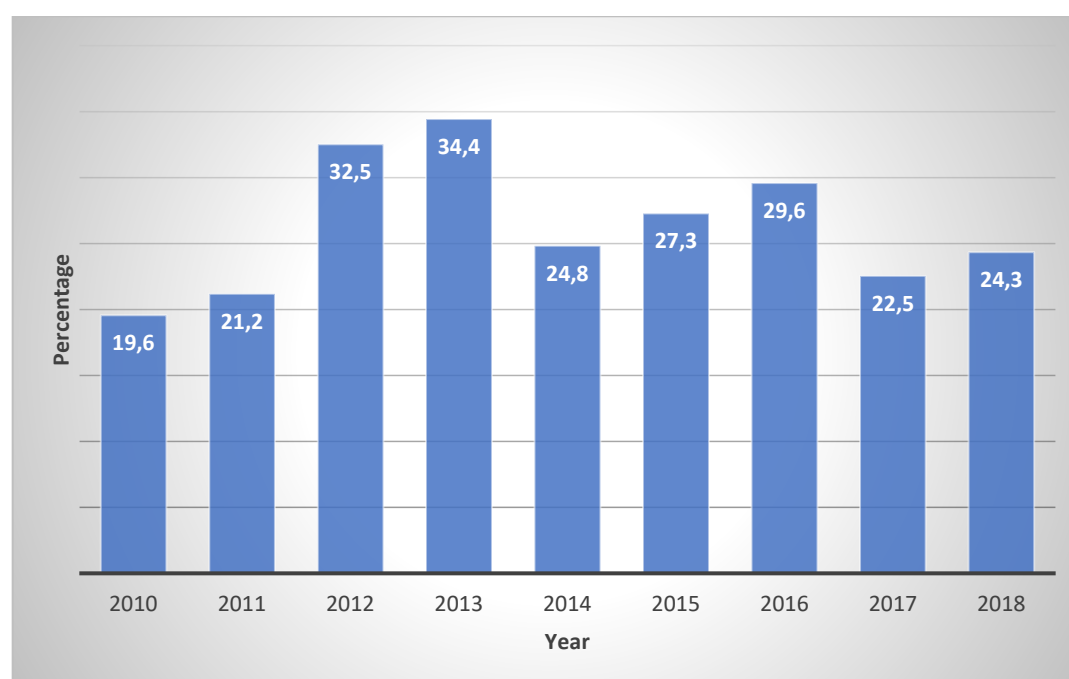
At the policy level, owing to the absence of a dedicated policy on trade, it was observed that certain aspects of trade had been subdued, leading to weak performance. In view of this, Government in 2018 introduced a stand-alone National Trade Policy to replace the previous Commercial, Trade and Industrial Policy and provide for interventions to support the realisation of the country's potential of becoming a net exporter of value-added goods and services and seeks to promote competitiveness at the domestic, regional and international levels. The policy also promotes strong domestic trade. This Policy is complemented by the National Export Strategy and the National Industrial Policy, both of 2018.

At institutional level, implementation of the national policy and planning frameworks is supported by a network of institutions ranging from the custodians of specific sector policies feeding into trade, e.g. agriculture and mining, and support institutions facilitating capacity building, business development and exports. Their functions have been reoriented into the existing integrated multi-sectoral approach.

### **Export Product and Market Diversification**

Primary commodities have continued dominating Zambia's total exports despite some efforts being made towards export diversification. NTEs from manufactured products are however dominated by products such as sugar, copper wire and portland cement. Non-traditional exports (NTEs) present substantial opportunity for export growth and diversification but their contribution remains inadequate, averaging about 26.3 percent of total exports in the last ten years as shown in Figure 19.

Figure 19: Non-Traditional Exports as a Percentage of Total Exports, 2010 - 2018



Source: Central Statistical Office

The Zambian Government has, therefore, continued implementing policies and programmes aimed at diversifying the export base. Emphasis is on promotion of value addition and industrialisation especially in agriculture, mining and the manufacturing sector. Services exports, such as tourism, are also prioritised. Among the interventions underway include promotion of both domestic and foreign direct investment into export-oriented activities, facilitation services and technical support to current and emergent exporters as well as provision of supportive hard and soft infrastructure to spur production and ultimately exports. An important component has been promotion of trade finance services. However, beyond the Zambia Export Development Fund, there is need for a lot more effort. To this end, Government has continued engaging the financial sector to enhance its support to the export sector.

As a result of Government interventions, some of which have been supported by cooperating partners, the diversity of export products beyond copper and cobalt has increased. From as low as 704 products in 2005, the number of export products increased to 1,917 in 2010 and now stands at 1,996. There is still scope to broaden the export portfolio.

In terms of market diversification, Zambia has continued to actively engage in regional trading blocks of the Common Market for Eastern and Southern Africa (COMESA) and Southern African Development Community (SADC), where it is implementing Free Trade Areas (FTAs). Zambia also has duty-free and quota-free access to the U.S. market under Africa Growth and Opportunity Act and, as an LDC, is eligible for the Everything-But-Arms (EBA) initiative of the EU, the Chinese and Canadian Initiatives.

During the review period, Zambia has broadened its trading arrangements to the COMESA-SADC-EAC Tripartite Framework where a Free Trade Area offers opportunity to have market access to countries that are neither implementing the COMESA nor SADC FTAs namely Ethiopia, Eritrea, Democratic Republic of Congo



and Angola. Zambia signed the Tripartite FTA in June 2016 and is in the process of ratifying. Beyond the Tripartite framework, the country signed the African Continental Free Trade Area (AfCFTA) in February 2019 and is yet to ratify the agreement. This agreement offers access to African markets beyond the SADC region such as central and west Africa. The country, nonetheless, has the challenge to increasing its export base in order to take advantage of these new markets.

Apart from the regional and continental trading arrangements, Zambia is still pursuing strategic bilateral trading partners such as the European Union through the Economic Partnership Agreement, being negotiated under the Eastern and Southern African Configuration, that is yet to be fully finalised.

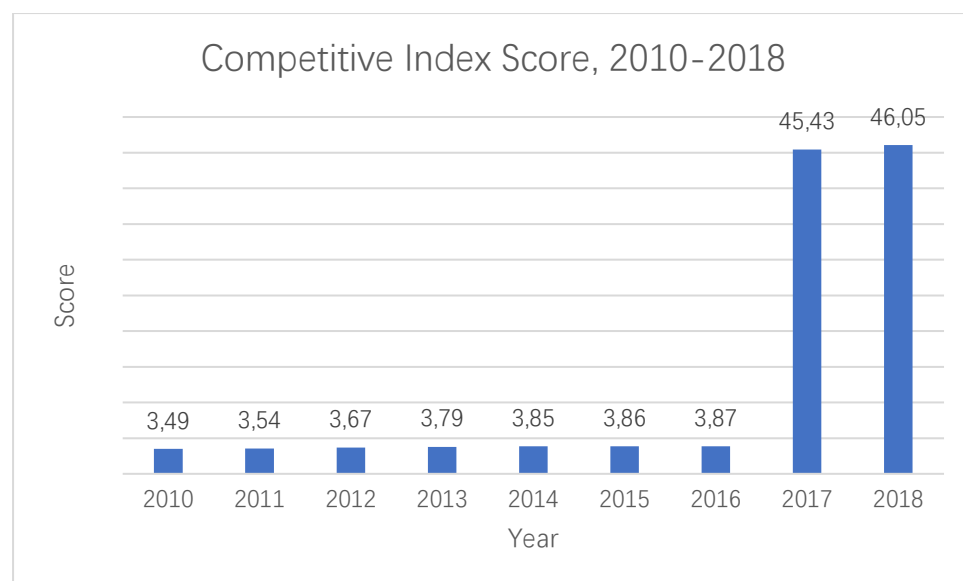
Closer to the level of exporters, Zambia has continued fielding trade missions and exposing exporters to international markets through fairs and exhibitions. Efforts to diversify markets have yielded fruit with Zambia now exporting to 228 export destinations in 2018 from 116 countries in 2010. Government has also continued to engage with trading partners to address non-tariff barriers where such issues arise as they can potentially undermine exports.

### **Promotion of Competitiveness**

An important area of work in promoting export diversification is the promotion of competitiveness at national and product level. At national level, Zambia has been implementing reforms to promote competitiveness. These have included creation of an enabling environment, provision of infrastructure such as road transportation to different parts of the country through the Link Zambia 8000 project and similar road construction projects. Other infrastructure projects include improvements in communication services through the rolling out of the telecommunication towers project to different parts of the country. These infrastructural projects that are still underway are improving access to markets and information for trade related activities both within and beyond the borders of the country and will contribute to reduction in production costs.

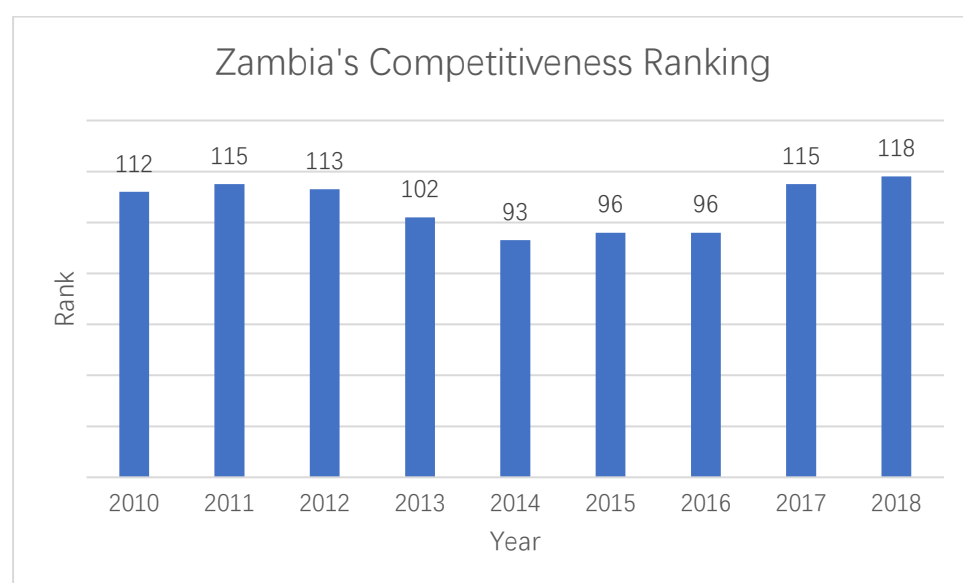
Other interventions to enhance competitiveness include investments in human capital development, and financial systems. Zambia's Competitiveness Index score had averaged 3.72 out of 100 for the period 2010 to 2016 but reached an all-time high of 46.05 by 2018 mainly on account of revision of the methodology to include the role of human capital, innovation, resilience and agility as features of economic success in the fourth industrial revolution. This performance placed Zambia in 2018 at 118th position out of 140 countries from 112th position in 2010 on the Global Competitiveness rankings. Notable reforms related to trade have been in the area of cross border trade facilitation. The fluctuating performance is on account of the number of reforms implemented among countries. However, Zambia remains resolute in implementing reforms to enhance competitiveness at national level. (See Figures 20 and 2 below).

Figure 20: Zambia's Competitiveness Index Score, 2010-2018



Source; Tradeeconomics.com/World Economic Forum

Figure 21: Zambia's Competitiveness Ranking, 2010-2018



Source; Tradeeconomics.com/World Economic Forum

Another important area in which substantial progress has been recorded in promoting competitiveness has been the policy, legal and institutional reforms that have restructured Zambia's National Quality Infrastructure. This is in recognition that one obstacle for Zambian manufactured products to access global markets is the lack of adherence to systematic and internationally acceptable quality standards. In this regard, the first ever National Quality Policy was approved in 2011. It is this policy that seeks to contribute to the production of quality and competitive Zambian goods and services so that they are recognised by trading partners and able to compete favourably on the domestic and international export markets.

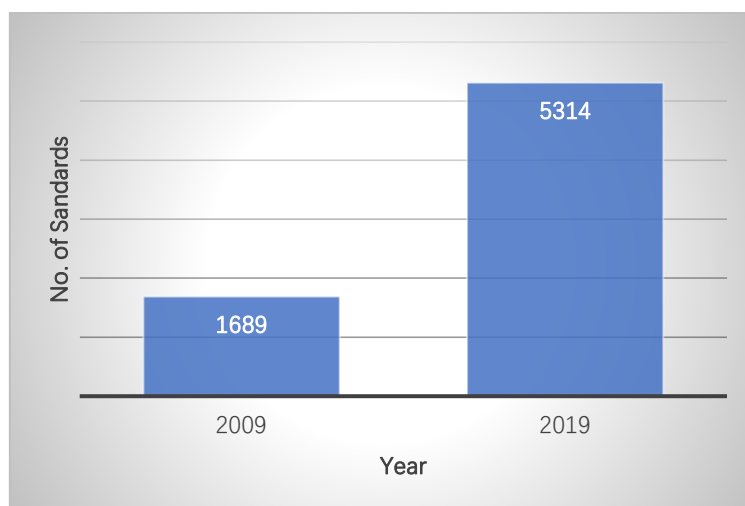
In line with international practice, the National Quality Policy led to legal reforms in the area of standards, compulsory standards and metrology that were undertaken in

2017<sup>5</sup>. As a result of these legal reforms, since 2018, the functions of compulsory standards or technical regulations have now been separated from voluntary standards and all functions related to metrology, i.e. legal, scientific and industrial metrology have been brought together under one agency.

This is unlike the previous case where the Zambia Bureau of Standards undertook voluntary and mandatory standards as well as scientific and industrial metrology. Zambia is also in the process of operationalising its law on technical regulation frameworks. This new institutional framework will provide dedicated attention to issue of standards and quality assurance. As part of these reforms, Government is in the process of operationalising a new technical regulation framework that is compliant with best practice and regional and international obligations to which Zambia is party.<sup>6</sup>

In terms of promulgation of quality standards, there has been a substantial increase. From 2010 to mid-2019, at total 3, 625 standards have been published, bringing the overall number of standards published to 5,314. This demonstrates increasing importance attached to standards in line with the IPoA commitments. Further, it is worth noting that more than 75 percent of Zambian standards are based on international, regional and foreign standards. (See Figure 22).

*Figure 22: No. of Quality Standards Published by 2009 -2019*



*Source: Zambia Bureau of Standards*

What remains is increasing the uptake of these standards by the local industry. For this purpose, programmes are underway to promote the standards and build capacity, particularly among small and medium enterprises. Issues of standard and quality assurance have been integrated in capacity building and business development services provided by public agencies like the Zambia Development Agency.

## **Critical constraints and barriers preventing greater integration into Global Value Chains**

### *Inadequate infrastructure*

The inadequacy and quality of infrastructure development has negatively impacted on

<sup>5</sup> The Compulsory Standards Act No. 3 of 2017, The Standards Act No. 4 of 2017, the Metrology Act No. 6 of 2017.

<sup>6</sup> The National Technical Regulation Act No. 5 of 2017.

economic activity and production costs thereby being a constraint to greater integration to regional and international markets. It is for this reason that Zambia has embarked on major infrastructure development projects in the transport, energy, communication and water sectors to make the country truly land-linked and support growth in production.

#### *Non-Tariff Barriers*

Non-Tariff Barriers (NTBs) as well as inadequate capacity to meet Sanitary and Phyto-Sanitary and technical standards hamper Zambia's capacity to integrate particularly regionally. To respond to this, the Zambian Government, working with cooperating partners, has embarked on capacity building in trade facilitating institutions and the private sector to improve adherence to SPS and technical standards. Zambia continues engaging with trading partners with a view to addressing NTBs. One such measure in COMESA-SADC-EAC is the online mechanism for reporting and monitoring NTBs.

#### *Cost and Availability of Finance*

Access to financial services to support trade activities continues to be a challenge. This is particularly so for long term capital requirements. This is a barrier to effective integration of value chains.

#### *Under-developed domestic value chains*

Though some sub-sectors such as copper, cotton and tobacco are performing relatively well in linking to regional value chains, there has generally been insufficient development of domestic value chains in primary sectors. This undermines the capability to effectively exploit regional and international value chains.

#### *Weak Market Information Systems*

Market information systems have not been adequate to support the desired growth in both domestic and international trade activities. Investment in communication infrastructure will support greater reach of information on market information services.

Mindful of these challenges, the Zambian Government, through the 7NDP is implementing strategies to ensure that the challenges are addressed and the country better integrates into the regional international trading system.

### **e. Private Sector Development**

#### **LDC Actions in the IPoA:**

- Continue promoting an enabling environment for private sector development including for small and medium-sized enterprises through a transparent and rule-based regulatory framework;
- Promote a dialogue between the private sector and government and strengthen public-private partnerships with a view to ensuring that policies address key constraints, including institutional constraints, to the private sector's contribution to sustainable and inclusive growth, promote corporate social responsibility and make use of potential synergies;
- Make efforts to promote the availability of financial services, including banking and insurance, to enhance private sector development and investments across sectors;
- Promote women entrepreneurship to make better use of untapped economic

potential in least developed countries.

Zambia has implemented several reforms aimed at improving its business environment and attracting both domestic and foreign direct investment. During the period of the Istanbul Programme of Action, efforts have been targeted at improving the regulatory and institutional framework, competitive environment and facilitating the ease of doing business.

## **Creating an Enabling Environment**

Through the Private Sector Development Reform Programme substantial progress was made in streamlining administrative requirements and modernising systems. This programme led to the elimination of 114 unnecessary business licenses, reclassification of 43 licences as levies, amalgamation of 31 licenses into one license and the collapse of 38 municipal licenses into a single business levy. A notable reform was the enactment of the Business Regulatory Act No. 3 of 2014 that seeks to provide an efficient, cost effective and accessible business licensing system. It is this law that introduced the requirement for regulatory impact assessments to be undertaken prior to the introduction of regulatory frameworks affecting business.

In the area of corporate governance, Zambia reviewed and updated key pieces of legislation. The Companies Act of 1994 was repealed and replaced with the Companies Act No. 10 of 2017 that introduced some corporate governance flexibilities to support the growth of small and medium enterprise. Also introduced was a dedicated piece of legislation on insolvency, namely the Corporate Insolvency Act No. 9 of 2017. These reforms took into account emerging issues in the area of corporate governance.

## **Enterprise Development**

Other interventions to support micro small and medium enterprise development included capacity building, provision of business development services, trade related information and facilitation of market and business linkages under the auspices of the Zambia Development Agency. Additionally, through the Citizens Economic Empowerment Fund (CEEF), micro and project financing was provided to enterprises with 34 percent of the funds having been disbursed to women-owned enterprises and 28 percent to youth-owned businesses and persons with disabilities.

This facility supported the development of enterprises in value addition to resource endowments in different parts of the country and also supported market linkages. The Citizens Economic Empowerment Commission (CEEC), that administers the CEEF is in the process of setting up industrial yards in most provinces of the country. Industrial Yards will enable entrepreneurs involved in light engineering, wood and wood processing, automotive services and agro-processing to conduct business in an organised environment. These facilities are expected to be operational beginning 2020.

Zambia in 2018 also started implementing the Agribusiness and Trade Project with a market linkages component for SME agribusinesses.

It should be noted the Government is in the process of reviewing the MSME Policy to strengthen the policy framework and support measures for enterprise development.

Other legal reforms were in the area of intellectual property where Zambia revised

legislation to strengthen the recognition and protection of industrial property rights<sup>7</sup>. These revisions took into account the economic situation in the country as well as the need to align Zambia's legal framework to international obligations under various treaties including the World Trade Organisation Agreement on Trade Related Aspects of Intellectual Property Rights.

Zambia also established the Kaizen Institute of Zambia Ltd during the IPoA review period. This institute aims at promoting quality and productivity improvements in both public and private organisations through awareness creation, training and consultancy services in improvement methodologies and applications.

The country also introduced various online services including business registration related services and substantially reduced the time taken to register a business. Other electronic services included tax administration, the migration system for electronic visa issuance, electronic patent registration and an electronic registry or licensing portal for easy, one-stop-shop access to exhaustive information about licensing requirements for business activities in Zambia. This has greatly contributed to reduction in the cost of doing business.

In the area of access to financial services, there has been increased access to financial services such as saving, money transfers and related transactions including for small and medium enterprise. This has been facilitated by the growing use of mobile banking platforms facilitated by public investment as well as the regulatory framework in the communications sector. A notable intervention to promote access to finance, particularly for MSMEs, was the introduction of the Moveable Property (Security Interests) Act No. 3 of 2016 that provides for the creation of security interests as well as a collateral registry for movable property. This law allows for a comprehensive registration regime for secured transactions in movable property to enhance the availability of low-cost secured credit using moveable assets as collateral. The Collateral Registry is operational, and businesses are accessing financing with moveable assets such as motor vehicles, inventory and animals.

## **Trade Facilitation**

Other developments during the period were in the area of trade facilitation. In 2016, through the Zambia Revenue Authority, the national single-window online platform for trade logistics was launched with a view to improving trade. This system, which rides on the Asycuda World platform, is aimed at facilitating and simplifying information flow between traders and government institutions. It facilitates online clearance of imported goods and has helped improve efficiency by reducing inspection time taken at the border. The system also includes six other border agencies. Further, following the ratification of the World Trade Organisation Trade Facilitation Agreement in 2015 respectively, Zambia has set up a legal and institutional framework to support its implementation. This is through the enactment of the Border Management and Trade Facilitation Act No. 12 of 2018 that seeks to provide coordinated border management, among other objectives.

Apart from the 2009 Chirundu One Stop Border Post (OSBP) with Zimbabwe at Chirundu Border Post, Zambia is in the process of operationalising a similar facility with Tanzania at Nakonde/Tunduma Border Post and this was launched in October 2019. The country is also implementing the Simplified Trade Regimes with Malawi

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<sup>7</sup> The Patents Act No. 40 of 2016, The Layout Designs of Integrated Circuits Act No. 16 of 2016 and the Industrial Designs Act No. 22 of 2016.

and Zimbabwe, where procedures and documentations for small scale cross border trade have been simplified to facilitate trade.

Zambia's performance on the Ease of Doing Business rankings during the review period averaged 88 out of 190 economies from 2010 to 2018. (See Figure 24)

*Figure 23: Zambia's Rankings on the Ease of Doing Business, 2010-2019*



*Source: TradingEconomics.com, World Bank*

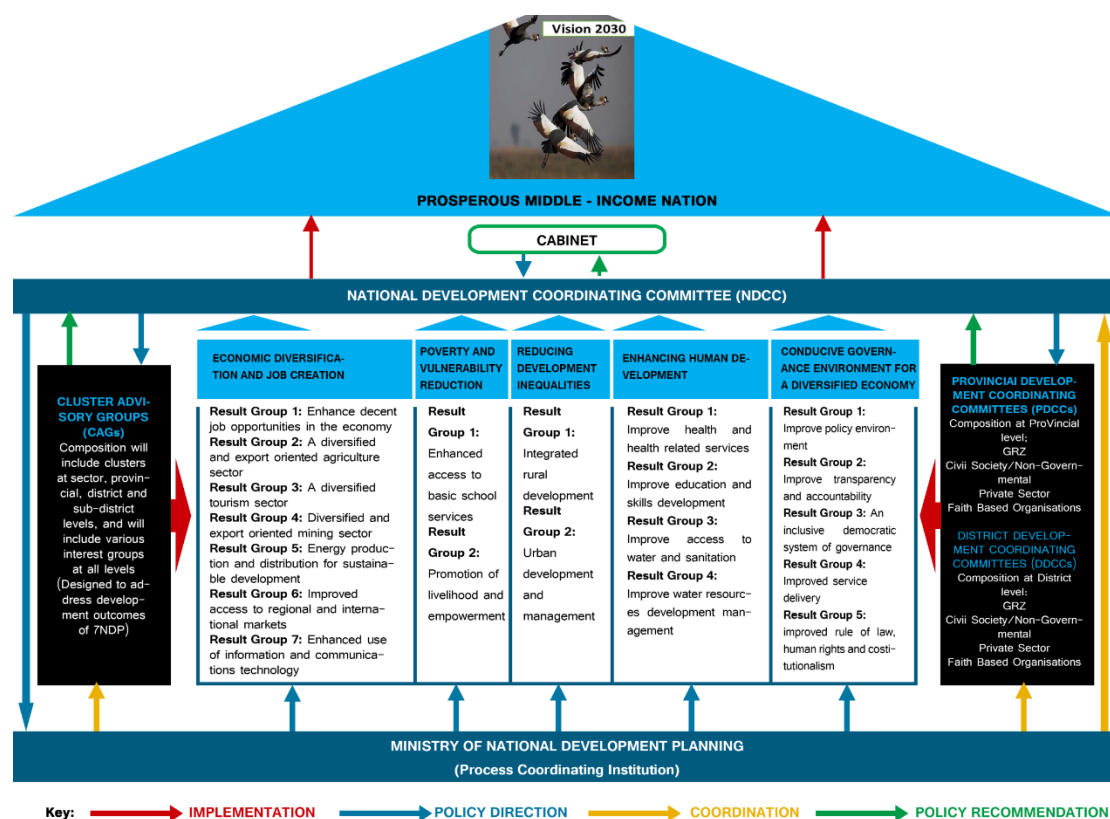
## **Promotion of Public-Private Dialogue**

Apart from requiring consultations for introduction or amendments to regulatory frameworks through regulatory impact assessments as alluded to above, the Zambian Government emphasises public-private sector dialogue in various undertakings, including policy development as well as sectoral and national development planning. During the review period, the consultative mechanisms with private sector have evolved owing to the recent emphasis on integrated multi-sectoral coordination.

Therefore, the previous sector advisory groups, where Government engaged with specific stakeholders on sector-specific issues, have in the 7NDP been replaced with Cluster Advisory Groups where the public sector can interact with non-state actors, including the private sector, civil society organisations, with a view to, among others appreciating key constraints and promoting private sector contribution to sustainable development and the national Vision 2030.

These structures are configured along the development priority areas or pillars of the 7NDP. All of these structures from the district, provincial and cluster level culminate into the National Development Coordination Committee where public, private sector, civil society and cooperating partners deliberate on development issues. This is shown in Figure 24 below.

*Figure 24: Zambia's Public Private Dialogue Mechanisms*



Source: Seventh National Development Plan

Further, a dedicated platform has been revived where Government can interact only with the private sector. Similarly, structures have been set up for civil society and cooperating partners.

## f. Human and Social Development

Zambia's vision 2030 emphasises the need to develop quality human capital. Human capital development is expected to produce a skilled, efficient and productive labour force which can resolve mismatches in workforce demand and supply and enable all citizens to participate in and benefit from the nation's economic growth. The Seventh National Development Plan places human capital development at the core and has a specific pillar on human development with education and skills development, health and related services as well as water and sanitation as key development outcomes. Also included are aspects related to youth development.

## Education and Skills Development

### IPoA Goals and Targets:

- Ensure universal access to free primary education in least developed countries by increasing the enrolment and retention rates, and also increase access to secondary, tertiary and vocational education and skill development training;
- Increase the quality of education and training that is offered at all levels and increase literacy and numeracy rates of adults and children;
- Eliminate gender disparities in education and training and ensure equal quality of education between males and females.



Zambia's education system consists of early childhood education (ECE), primary, secondary and tertiary levels. ECE (pre-school) provides education for children aged 3-6 years while primary level runs from grades 1 to 7 (7-13-year olds). It is worth noting the ECE has been re-emphasised with specific targets in the 7NDP and in the IPOA period given its foundational role in the education sector.

Secondary level runs from grades 8 to 12 (14-18 years old) while tertiary education level includes post-secondary education, training and research at universities, colleges and Technical Education, Vocational and Entrepreneurship Training (TEVET) institutions. The Zambian Government has recognised open and distance learning (using alternative methodologies and technologies) as a mode of education provision in order to increase access to quality education not only in the formal but also the informal education system.

Two carrier pathways namely; academic and vocational carrier pathways for learners at secondary school level are available. The vocational career pathway promotes practical skills acquisition while the academic career pathway is for learners who wish to pursue the academic world.<sup>8</sup> Two pathways are also available at tertiary level; namely academic and skills pathways. The academic pathway consists of universities, TEVET, colleges of education and other training institutions offering programmes leading to qualifications from Diploma to Doctorate level. The skills training pathway, on the other hand, consists of trades training institutions and colleges offering programmes that range from Certificate- Trades Test to Diploma level.

Government has provided an enabling environment for investment in education services. As a result, investment in education at all levels has improved due to the increase of private learning facilities.

In terms of the institutional framework, during the review period, Zambia reconfigured the portfolios in the education sector to provide for dedicated attention to all levels of education from the policy level. Thus, both ECE, primary and secondary education are a mandate of Ministry of General Education, while tertiary levels of education are coordinated by Ministry of Higher Education.

### ***Improving Access to Education***

During the review period, Government made education at ECE and primary level free at all public schools. Zambia is also pursuing a policy to make primary education compulsory. This was with a view to ensuring universal access to primary education. There are two complementary approaches to primary schooling, which are community schools and Interactive Radio Centres provided by the Education Broadcasting Services. These strategies are aimed at ensuring increased access to education at primary level.

### ***Infrastructure Development***

In order to enhance access and promote inclusive education, Government during the review period embarked on infrastructure development the education sector. This included construction of permanent classroom spaces, upgrading of education facilities and construction of tertiary level learning facilities.

The number of ECE centres increased to 1,849 in 2016 from 1,526 in 2015 and 493 low

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<sup>8</sup> Although it comes out clearly at Secondary school level, the Early Childhood education and Primary level provides the foundation linkage for the two-tier system. It allows for greater flexibility and mobility of learners in the education and training system.

cost ECE satellite centres were established in 2018 in all the provinces through a system of one hub controlling a number of ECE satellite centres in rural and hard to reach communities. The Table 2 below provides a snapshot of school infrastructure in 2018. At primary school level there were 43,384 permanent classrooms, 5,470 temporary classrooms and 4,656 incomplete classrooms bringing the total number of classrooms to 56,510.

At secondary school level, there were 10,710 permanent classroom, 400 temporary classrooms and 658 incomplete classrooms bringing the total number of classrooms to 11,768. It is noteworthy that the number of secondary schools has been increasing every year with an annual growth rate of 8.3 percent. Table 3 shows improvements in infrastructure for primary and secondary school levels.

*Table 3: Infrastructure Development in the General Education Sector, 2010 and 2018*

Type	2010	2018
<b>Primary Schools</b>		
No. of Schools		
- Public	4903	5983
- Private/Faith Based/Community	2930	696
<b>Total</b>	<b>8493</b>	<b>9050</b>
No. of Classrooms		
<b>Total</b>	<b>47 752*<sup>9</sup></b>	<b>56,510</b>
<b>Secondary Schools</b>		
No. of Schools		
- Public	498	996
- Private/Faith Based/Community	148	121
<b>Total</b>	<b>646</b>	<b>1 117</b>
No. of Classrooms		
<b>Total</b>	<b>9 473*</b>	<b>11,768</b>

*Source: Ministry of General Education*

At tertiary level, Government embarked on improving access to University and TEVET through the robust infrastructure expansions in line with its mandated. These infrastructure expansions involved constructions of new universities and TEVET institutions, constructions of additional infrastructure like hostels and rehabilitation of dilapidated infrastructure. Thus, 12 more public higher learning institutions were operationalised, namely, 4 public universities and 8 TEVET institutions, bringing the total number of tertiary learning institutions to 384. Table 4 shows the infrastructure development in secondary level education.

*Table 4: Infrastructure Development in the Tertiary Education Sector, 2010 and 2019*

Type	2010	2019
<b>TEVET Institutions</b>		
No. of Institutions		
- Public	19	27
- Private	88	280
<b>Total</b>	<b>107</b>	<b>307</b>
<b>Universities</b>		

<sup>9</sup> \*Based on 2014 statistics. Before 2014, the school system was such that there was basic education (Grade 1 – 9) and secondary education (Grades 10 – 12). Only 2014 was data collected as Primary education (1-7) and secondary education (8-10).

- <i>Public</i>	3	7
- <i>Private</i>	15	55
<b>Total</b>	<b>18</b>	<b>63</b>

Source; Ministry of General Education, Ministry of Higher Education

The Zambian education system shows that the transition rate from primary, through secondary to tertiary education is very low. It is estimated that only 15 percent of secondary school leavers access university education. It is for this reason that the skills development, i.e. The TEVET provides for vocational pathway as an alternative stream to the academic pathway. The large pool of youths that cannot make to the university get absorbed in the TEVET system for lifelong skills training. These are available in each of the 10 Provinces of the country to cater for both rural and the urban youths.

There are currently 7 public universities and 55 private universities. The lower number of institutions and classrooms in higher levels of education, compared to lower ones calls for the need for continued investment to further improve access to education.

### **Enrolment**

The Primary Gross Enrolment Rates (GER) in 2018 was 102.4 percent for primary school level from 111.02 in 2015. For secondary school level, the GER in 2018 stood at 45.8 percent, an increase from 32.3 in 2014. Table 5 shows this.

Table 5: Gross Enrolment rate in Education (Percentage) (Primary and Secondary) 2014 and 2018

	Year				
	2014	2015	2016	2017	2018
<b>Grades 1-7</b>					
Male		111.20	104.75	103.60	100.80
Female		111.20	106.25	105.00	104.10
<b>Total</b>		<b>111.20</b>	<b>105.50</b>	<b>104.30</b>	<b>102.42</b>
<b>Grades 8-12</b>					
Male	35.23	48.10	48.05	48.00	47.58
Female	29.48	42.70	43.28	44.90	44.05
<b>Total</b>	<b>32.32</b>	<b>45.40</b>	<b>45.66</b>	<b>46.40</b>	<b>45.83</b>

Source: Ministry of General Education

In terms of net enrolment, the Net Enrolment Rate (NER) for primary education was 94.26 percent in 2014, while the secondary NER in the same period was 27.93 percent. The NER reduced to 83.62 percent and 20.22 percent in 2018 for primary and secondary school respectively. Table 6 shows the movement in NER for Primary and Secondary education from 2014 to 2018.

Table 6: Net Enrolment Rate in Education (Percentage) (Primary and Secondary), 2014 - 2018

	Year				
	2014	2015	2016	2017	2018
<b>Grades 1-7</b>					
Male	93.12	89.60	88.75	86.50	81.43
Female	95.41	90.90	92.02	89.20	85.84
<b>Total</b>	<b>94.26</b>	<b>89.02</b>	<b>90.38</b>	<b>87.90</b>	<b>83.62</b>
<b>Grades 8-12</b>					

Male	30.91	30.49	26.51	44.70	21.42
Female	25.02	25.68	24.27	41.10	19.00
<b>Total</b>	<b>27.93</b>	<b>28.07</b>	<b>25.39</b>	<b>42.90</b>	<b>20.22</b>

Source: Ministry of General Education

With regard to the male and female NER, the indicator is depicting a decreasing trend which may entail decreasing coverage of males and females at primary level. The NER at secondary school level, is equally depicting a decreasing trend which may denote a low degree of coverage for the official school age population at secondary level. In short, school enrolments have not been keeping up with population growth.

At the tertiary level, there has been improvements in net enrolment at the TEVET and University education levels as shown in Table 7, which shows changes in net enrolment at all levels.

Table 7: Net Enrolment in Education (All Levels), 2010 and 2018

Type	2010	2018
<b>General Education</b>		
Early Childhood Education	60,720 <sup>10</sup>	222,065
Primary Schools (rate)	93.7	83.6
Secondary Schools (rate)	27.9 <sup>11</sup>	20.2
<b>Tertiary Education</b>		
TEVET Institutions	31,053	44,500
University	20,000	94,250

Source; Ministry of General Education, Ministry of Higher Education

Access and participation for children with special educational needs and disabilities are still a challenge for secondary education with only 20,092 participants in 2016 and increased to 23, 804 in 2018. There is a gap in knowledge that stems the acute need to investigate the total number of learners with special educational needs who are not participating or have been pushed out of the school system and notwithstanding, the total number of institutions, teaching and learning materials/equipment remains insufficient.

### **Transition, Retention and Completion Rates**

Transition rates remained low with only about 65 percent of learners transiting to Grade 8. The transition to Grade 10 was even lower standing at roughly 45 percent. A key related challenge has been a shortage of classrooms for Grades 8 – 12, and at the time of this report, the student to classroom ratio was 75.1, when ideally it should be no higher than 40:1. This calls for the need to increase the number of learning facilities at all levels of the general education system.

Of particular note is that the female drop-out rate in Grades 1 to 7 decreased at a higher rate than that of their male counterparts. To improve the transition rate for girls, Government in 2010-11 introduced the 50:50 enrolment policy at Grades 8 and 10.

Completion rates are another important indicator of internal efficiency. The Table 8 shows that grade 9 completion rates have been under 70 percent for the most part of the

<sup>10</sup> ECE was only introduced in 2013 as such statistics are only available from 2013.

<sup>11</sup> Based on 2014 statistics. Before then, the education system was such that secondary school was from grades 10-12 so much so that grades 1-9 was basic school and statistics for grades 8-12 the now secondary school are only available starting 2014.

IPoA review period. However, from 2017 to 2018 they have increase to above 70 percent. Completion rates at grade 12 level have been around 30 percent since 2011 and have been fluctuating since then but have been consistently above 30 percent since 2013. Both trends confirm the limited internal efficiency of the Zambian education system.

Table 8: Completion rates (Percentage), 2011-2018

	Year							
	2011	2012	2013	2014	2015	2016	2017	2018
<b>Grade 7</b>								
Male				88.90	88.00	91.35	93.45	94.82
Female				83.60	83.83	93.39	90.30	99.82
<b>All</b>				86.20	85.81	92.37	91.82	97.34
<b>Grade 9</b>								
Male	51.85	67.80	68.90	60.48	59.63	69.42	73.63	76.62
Female	54.23	55.90	59.60	55.35	55.19	68.25	69.73	77.32
<b>All</b>	53.23	61.90	64.24	57.90	57.31	68.83	71.75	77.01
<b>Grades 12</b>								
Male	35.66	30.37	34.72	34.81	34.35	64.19	34.16	40.42
Female	27.83	23.34	27.44	28.59	27.42	41.45	29.76	31.62
<b>All</b>	31.74	26.83	31.06	31.67	30.83	52.69	31.84	36.00

Source: Ministry of General Education

It is worth noting that for the period 2011 to 2013, Zambia had been implementing the basic education system from primary to Grade 9. As such, statistics on completion rates for Grade 7 are not available.

### ***Improving Quality of Education***

To improve the quality of education, the Zambia Government has been implementing measures including reforms in the legal and institutional framework.

#### ***- Policy, Legal and Institutional Reforms***

For the general education sector, the Zambian Government enacted the Teaching Profession Act No. 5 of 2013. The Act provides for the regulation of teachers, their practice and professional conduct and provides for the accreditation and regulation of colleges of Education. To operationalise the Act, the Teaching Council of Zambia was established in 2014. The Council undertakes the registration of teachers and accreditation of Colleges of Education and ensures that no person is allowed to practice as a teacher or educator unless they are registered with the Teaching Council of Zambia.

Despite recording an increase in enrolments, Zambia's literacy levels still remain lower than desired. This prompted Government to significantly broaden the use of local languages in primary schools six years ago, by introducing National Literacy Framework, in 2013, a policy that promotes instruction in local languages. Learners in public schools from the first to fourth grade i.e. those between the ages of 7 and 13 are taught in one of the 7 major local languages together with English to promote reading and writing. The shift has improved reading and writing among the learners who now receive instruction in the same language they speak at home. In general terms, however, there has been general improvement in literacy levels for persons aged 15 and above improved from 83 percent in 2010 to 87.7 in 2018.

For the tertiary education sector, Zambia enacted the Higher Education Act No. 4 of 2013 to ensure quality of delivery of services by higher education institutions. The Act

provide for quality assurance and quality promotion in higher education and for the registration and regulation of private higher education institutions. This law is being implemented through the Higher Education Authority that began its operations in 2015.

Further, Zambia, during the review period launched the first ever Higher Education Policy in 2019. The policy will, among other things, help in enforcing the 30 percent girls, 30 percent women and 10 percent for people living with disabilities, preferences when it comes to government support in higher education.

Technical Education, Vocational and Entrepreneurship Training (TEVET) is a vehicle for improved productivity through industrialisation and value addition and this leads to the minimisation of inequalities among the people. It facilitates national productivity through empowering of men, women and youths with the skills needed for personal progression and national development. The Government of the Republic of Zambia through this Policy provides guidance in the development and management of the technical education, vocational and entrepreneurship training.

Government, in 2019, revised version of the 1996 National TEVET Policy to ensure among other things that there is an increase access and participation to quality TEVET, promote quality and relevance of TEVET, promote equity and inclusiveness at all levels of TEVET, promote entrepreneurial skills development, promote innovation, research and development in the TEVET system, and to enhance financing mechanisms in the TEVET Sector.

his Policy was developed in recognition of the fact that for the country to attain the Vision 2030, it needs highly skilled and competent citizens especially women, youths and marginalised groups. In this regard, the Policy expresses Government's desire to enhance skills development at all levels starting from trade test certificate to post graduate

Further, the Government of the Republic of Zambia enacted the Skills Development Levy Act No. 46 of 2016 was enacted in 2016 and commenced on 1st January 2017. This Act provides for the imposition, payment and collection of a skills development levy. The Skills Development Levy provides that every employer should pay the levy at a rate of 0.5 percent on the gross remuneration paid, payable, or deemed to be paid or payable to its employees. This includes casual employees and international assignees (expatriates), during each month from 1 January 2017 onwards. However, the Skills Development Levy is not be calculated on the amounts paid or payable to an employee by way of any pension benefit (e.g. gratuity, severance pay, retirement pension). The Skills Development Levy is a deductible expense for the employer.

The collection of the skill development Fund has been through the Ministry of Finance. Zambia Revenue Authority remits the monthly collections to Ministry of Finance from which a specified amount (i.e. K19 million) is supposed to be released to Ministry of Higher Education monthly.

The Fund is meant to help the government in implementing its the main focus in skills development including efforts to increase access to TEVET through infrastructure development, expansion of the two-tier career pathways, revision of the TEVET curriculum, improving pedagogical training and upgrading qualifications for instructors. This resulted in an increased access to TEVET for learners with total enrolments reaching 44,500 in 2018 from 40,108 in 2017. Skills Development Fund is a viable and sustainable financing option for skills development fund.

The Zambian Government formulated the National Policy on Science and Technology

in 1996, whose aim was to embed Science and Technology (S&T) as part of the culture of the key sectors. The mission of the Policy was to promote and exploit science and technology as an instrument for developing an environmentally friendly indigenous technological capacity for sustainable socio-economic development.

During the period under review, Government recognised the global new awareness for the need to integrate Science Technology and Innovation (STI) in socio-economic development. With the world rapidly evolving into a knowledge and innovation economy, there is need to place each country's Science and Technology framework as top priority on the development agenda. As a result, there is a critical need for increased investments in research and development and the development of human capital to drive Science and Technology. More significantly, for research and development to be meaningful, its outputs must eventually reach the market and thus create wealth for socio-economic development.

Furthermore, there have been emerging issues in areas such as Indigenous Knowledge Systems (IKS), biotechnology, climate change, nuclear science, Nano technology, advanced developments in information communication technology, and space science technology, which require Government policy guidelines in the application of science, technology and innovation.

It was, therefore, necessary to review the policy to align it to the Vision 2030 and Seventh National Development Plan, and take into account current trends in science, technology and innovation. In light of this and in its effort to enhance the contribution of science and technology to socio-economic development, the Government revised the 1996 National Policy on Science and Technology in 2019.

The revised Policy seeks to strengthen the science and technology framework and to forge closer links between the programmes of the research and development community and the priority sectors of the economy. It also incorporates the key aspects of Innovation which were largely left out of the 1996 Policy.

### ***Teachers Recruitment***

The Government has an estimated teacher gap of at least 55,201 teachers and in order to meet this gap, the government is expected to recruit at least 5000 teachers annually for the next 10 years. The number of teachers recruited stood at 107,854 in 2018 in aggregate terms, in comparison to 79734 teachers in 2010. As of 2018, the pupil to teacher ratio stands at 61.9 percent and 36.9 percent at Primary and Secondary school level. On this indicator, rural areas tend to have fewer teachers compared to Urban schools and high attrition rate affects primary schools more than secondary schools.

During the review period, the number of contact hours has increased as pupils progress to higher grades. On average learners in grades 1-4 spend 4.2 hours in the classroom in 2017 and in 2018, contact hours spend in classroom increased to 4.8 hours. Grades 5-7 spend 5.7 to 5.0 hours while grades 8-12 spend 6.5 to 6.4 hours. Learners in private schools have the highest contact hours followed by grant aided and Government schools and community schools have the lowest contact hours.

Zambia's Education for All 2015 National Review shows that overall literacy and numeracy rates in the country have now improved. Teacher-student interactions are contributing to these improvements because there is more frequent communication between students and teachers, who are now more comfortable using local languages as a mode of instruction.

### ***Teacher Training Institutions***

During the review period, the total enrolment recorded for early childhood education (ECE), primary and secondary education was 13,425 of which 6,289 were males representing 47 percent while 7,136 were females representing 53 percent. It is worth noting that colleges of education recorded more primary students (9,033) compared to 3,556 secondary students. There were more females' students enrolled than males. The colleges also enrolled 837 ECE education students in 2017. As regards to Lectures, there were 831 fulltime lecturers recorded in 2017; of which 539 (65 percent) were males while 292 (35 percent) were females. However, males still dominate the teaching profession.

### ***Progress Towards Elimination of Gender Disparities in Education and Training***

In terms of gender balance in the education sector, a Gender Parity Index (GPI) of 1 is ideal as it signifies equality between males and females in accessing education. It is worth noting that Zambia demographic structure shows more females than males. This means that the ideal GPI should be higher than 1. While girls outnumber boys in primary education with a GPI of 1.01, the GPI for girls at higher levels is skewed to having more boys. In 2016, the GPI was 0.95 at junior secondary and 0.86 for senior secondary education. This is due, in part, to the attrition rates of girls from school due to pregnancies and other socially related factors.

To address this, the Zambian Government introduced the re-entry policy to help bring girls who were pregnant back to school. Additionally, the challenge of keeping girls in school requires comprehensive strategies that take into account all factors that disadvantage the girl child to access and complete quality education at all levels. Thus, the Government launched the Keeping Girls in School (KGS) Initiative in 2016 aimed at retaining girls in schools because when girls are educated, the nation records high levels of education. The Gender parity index during the review period is 1.02 for Primary school compared to 1.004 in 2010 and 0.98 in 2009 and 0.85 for Secondary school level 0.864 in 2010 and 0.87 in 2009.

Under University Education, Factors that negatively affect female participation in University education range from cultural to socio-economic. They include distance; lack of safety, leading to sexual harassment; lack of sanitary facilities; domestic responsibilities; bias to pay for boys' education; early pregnancies and marriages; and gender stereotyping of programmes. These factors have exacerbated gender imbalance in accessing and participating in higher education.

Nevertheless, Government has made great strides in reversing this scenario. In 2014, gender parity in university education improved to 0.75 from 0.70 in 2012. About 25 percent of enrolled students in these Universities were female from less than 20 percent. This was largely been attributed to the robust TEVET and University infrastructure projects which has led to an increase in the number of Universities both public and private.

Further, within some tertiary institutions, such as the University of Zambia, great improvements have been made with increased female participation, albeit in commercially oriented fields such as Humanities, Business and Education. Female participation is much lower in Science, Technology, Engineering and Mathematics (STEM) programmes at higher education.

In addition, Government interventions targeted at eliminating gender disparities include the promotion of female education, particularly in science, technology, engineering and



mathematics programmes through sensitisation campaigns of traditional leaders; targeted bursary support; and quota allocations to female learners. In its efforts to promote gender equality in national development, Government adopted the National Gender Policy in 2000, which was revised in 2014. The Policy highlights a number of policy areas, which include education and skills training. It takes into account the Convention on the Elimination of All Forms of Discrimination against Women (1979); the Beijing Declaration and Platform for Action (1995); the SADC Declaration on Gender and Development (1997); and the MDGs of 2000.

Under TEVET, Government has strived to achieve fairness and inclusion through interventions in gender, persons with disabilities, HIV/AIDS, geographical location and financial vulnerability. In 2017, the gender parity in TEVET was 0.43 with less than 30.5 percent of enrolled students in TEVET being female. The situation was worse in the participation of female in Science, Technology, Engineering and Mathematics programmes (STEM).

Government, however, has made great improvements with increased female participation, albeit in commercially oriented fields. The participation of females in TEVET in Zambia currently stand at 44.8 percent

In the Vision 2030 and the 7NDP, the Government of Zambia promotes the participation of females in TEVET. Governments' goal on gender equity and equality is to reduce and ultimately eliminate gender imbalances and inadequacies associated with the provision of education, training and development.

The Vision of the National Policy on Learners with Special Educational Needs is that "Persons with Disabilities enjoying equal opportunities that are fundamental for living and development by 2030." One of the Policy objective focus areas is inclusive education and training. In this regard, Ministry of Higher Education (MoHE) developed a Disability Policy on Training which articulates the acquisition of skills training in the TEVET Institutions. Further, in partnership with the International labour Organisation (ILO), government through the MOHE developed guidelines on Inclusive Vocational Training to provide a framework for mainstreaming disability programs in TEVET.

The Geographical distribution of TEVET training institutions had continued to play a role in the ability to access skills training particularly to the rural based population. As at December, 2017 there were 284 institutions registered to offer TEVET programmes, out of which 80 percent were located in urban areas while the remaining 20 percent were in rural areas

Government has strived to increase access to skills training, although the majority of the facilities service urban areas. This is being addressed by increasing access for the rural population by construction of institutions in rural areas such as; Mwense and Milenge in Luapula Province, Kalabo and Sesheke in Western in Muchinga Province, Mporokoso in Northern Province, Lundazi in Eastern Province, Isoka and Mumbwa in Central Province. Mwense, Isoka and Kalabo were completed and commissioned in 2019. The rest are ear marked for completion in the first quarter of 2020.

### ***Curriculum Development and Quality Assurance***

Another area of focus has been in curriculum development. The aim is to develop a comprehensive, diversified and integrated curriculum which secures the human, practical, and vocation relevance of primary education, complemented by an integrated national assessment framework that will equip Zambian children with the necessary literacy, numeracy and survival skills.

At the tertiary level, Government has been addressing the issues of quality assurance in tertiary education. These include revision and development of curriculum to make it responsiveness and relevance to individual, community and national needs. Government has ensured that the student-lecturer ratios (SLR) are within the recommended thresholds.

As a quality enhancement measure, the Government established the Zambia Qualifications Authority (ZAQA) in addition to the existing TEVETA to register, accredit and validate qualifications; and the Higher Education Authority (HEA) to register higher education institutions and accredit learning programmes. The responsibility to assure quality of university and TEVET education delivery lies with the HEA, ZAQA and TEVETA that are mandated to undertake periodic monitoring visits to both public and private higher education institutions, using standardised instruments. This has resulted in validation of a total of 897 qualifications, registration of 80 higher education institutions and accreditation of 90 learning programmes by June 30th, 2019.

Similarly, the establishment and operationalisation of the HEA in 2015 has, led to the development of guidelines for registration as well as accreditation criteria for both programmes and lecturers in universities. With the commencement of the accreditation of learning programmes in 2017 and the strengthening of the policy and legal framework through the development of the Higher Education Policy and the on-going amendment of the Higher Education Act, the sector will see strengthened quality assurance going forward.

Additionally, to improve support to research and development government has increased budgetary allocation to research and has continued promotion of applied research through private participation. Through the Ministry of Higher Education government further commenced consultations on the establishment of a research depository for all research undertaken in institutions of learning in order to take stock of all research and also create a reservoir for upscaling of research products. The consultation was done through the consultative process of the Revised Science Technology Innovation Policy.

To further enhance quality in University education, government embarked on the establishment of centres of excellence. So far two centres of excellence have been operationalised with the support of the World Bank. These are the Centre for Infectious Diseases in Humans and Animal at the University of Zambia (UNZA) and the Centre for Sustainable Mining at the Copperbelt University (CBU).

Government will continue to ensure that the university curricula is continuously revised and developed to make the university education responsive to the social and economic trends and needs.

### ***Skills Development***

Skills Development in Zambia is mainly implemented through the TEVET programs with some facilities available at the general education level. The TEVET system is arranged at three levels, the first being the policy level, with the Ministry of Higher Education and TEVET line Ministries such as the Ministry of General Education, Ministry of Youth, Sport and Child Development and Ministry of Labour and Social Security. At the regulatory level sits the Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA) and at the training provision level are all registered TEVET institutions with different providers, both public and private.

At TEVET level, there are currently 307 training institutions registered with TEVETA. Public institutions account for 32 percent of all TEVET institutions in Zambia. The rest of the institutions are private (30.4 percent), church/faith-based (19.5 percent), community (2.7 percent), trust (2.4 percent), company (8.9 percent) and NGO (4.1 percent). About 82 percent of the training institutions registered with TEVETA are along the line of rail with Lusaka Province having the largest share of these institutions. This implies that rural areas are under-serviced. These institutions provide training at various levels of qualifications ranging from Certificate to Diploma.

To address the above challenge of centralisation in skills training, the Government of the Republic of Zambia has been adopting the use of alternative modes of training such as work-based learning, TEVET Learnership, open distance learning, Recognition of Prior Learning and informal sector training through the Skills Development Fund.

Furthermore, access to TEVET is being addressed through the construction, rehabilitation and maintenance of appropriate infrastructure. The Government recently completed and commissioned Mwense and Isoka Trades Training institutions with a total capacity of 1,500 learners. In addition, at the time of generating this report, new constructions in Kalabo, Sesheke, Mporokoso, Lundazi and Mumbwa are nearing completion. Mporokoso, Lundazi and Mumbwa Trades training institutes are all above 60 percent complete while Sesheke and Kalabo are above 85 percent and are earmarked for completion by the end of 2019.

Additional infrastructure is being constructed at Chipata, Ukwimi, Luanshya, Nkumbi trades training Institute and Northern Technical College (NORTEC). Most of these are for the construction of additional hostels to reduce on the shortage of student accommodation.

In order to improve the financial viability of the TEVET system in Zambia, the Skills Development Fund discussed above is an intervention that has been in place since 2017.

The Zambian Government also offers out-of-school youths and adults skills training through the Schools for Continuing Education Programme in all provinces except Lusaka and Muchinga. This programme offers academic and vocational courses in line the two-tier education system of providing academic education and skills training. This programme which equips learners with knowledge and skills for improved productivity. Skills include carpentry, metal fabrication, food production, bricklaying and plastering.

## Population and Primary Health

### **IPoA Goals and Targets:**

- Achieve targets under Millennium Development Goals 4 and 5 by 2015 and, building on these, further significantly reduce the infant, under-five and maternal mortality rates and child under-nutrition by 2020;
- Provide universal access to reproductive health by 2015, including integrating family planning, sexual health and health-care services in national strategies and programmes;
- Achieve targets under Millennium Development Goal 6 by 2015 and, building on this, further reverse the spread of HIV/AIDS and the incidence of malaria and other major diseases.

Zambia's population has been increasing at an annual growth rate of 2.8 per cent<sup>12</sup>, with the current population being projected at 16.9 million as of 2018<sup>13</sup>. As the population has been growing the demand on the national health care system has also been increasing compounded by long standing structural challenges in the sector.

The Government alongside its Cooperating Partners has developed strategies and implemented several projects to enhance the national health system and services over the review period. The 2012 National Health Policy is among the efforts effected over the period. The Policy is anchored in the country's 'Vision 2030' and is being implemented through successive National Development Plans and National Health Strategic Plans (NHSPs). The National Health Policy Underscores Government's commitment to the provision of equitable access to cost effective and quality health services as close to the family as possible in a caring, competent and clean environment. In this regard, Government continues to prioritise among other programmes, primary health care services, hospital referral services, human resource development and management, medical supplies and logistics, infrastructure development, legal framework and health care financing.

The current NHSP for the period 2017-2021 has identified strategies to significantly reduce the disease burden and accelerate the attainment of the Sustainable Development Goals. The overarching 7NDP places emphasis on strengthening health systems and services using primary health care approach.

Focus areas during the review period, among others include, basic indicators that represent the socio-economic situation and quality of life, such as maternal, infant and child mortality rates, prevalence rates of HIV and AIDS, malaria and non-communicable diseases.

### ***Reproductive Health***

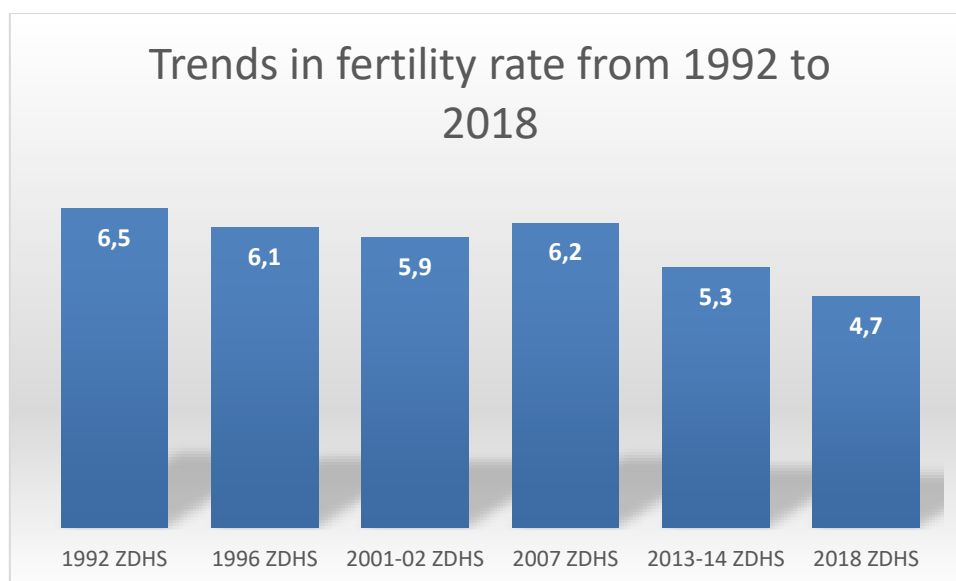
Among programmes on reproductive health, Government has been promoting family planning, with interventions including capacity building for health workers, targeting underserved communities, development of training manuals based on WHO standards, engaging religious and traditional leaders against early marriages and setting up of sub-district structures using community volunteers. The efforts to promote family planning resulted in the increase of modern contraceptives usage by married women from 33 percent in 2007 to 48 percent in 2018, while the percentage of demand satisfied with modern methods increased by 20 percent over the same period. These interventions have had a significant impact on the fertility rates in the country as shown in the figure below. The fertility rate reduced from 6.2 births per woman in 2007 to 4.7 births per woman in 2018. (See Figure 25)

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<sup>12</sup>Labour Force Survey, 2018 CSO

<sup>13</sup> Labour Force Survey 2018, CSO

Figure 25: Trends in Fertility Rates



Source: Zambia Demographic Health Surveys

### **Maternal, Infant and Child Mortality**

To improve maternal mortality, the Zambian Government has been implementing programmes to promote safe motherhood. The country adapted the WHO 2016 Antenatal Care Guidelines for a positive pregnancy outcome. Other interventions include development of the Postnatal Home Visits Guidelines to improve the quality of postnatal care services, scale up of Safe Motherhood Action Groups to create demand for safe motherhood services and training of health care providers in Emergency Obstetric and New-born Care. Zambia also introduced a Public Health Nurse Training, Mentorship programme and has strengthened primary health care and skills.

Zambia has also strengthened maternal death surveillance and response in line with the national declaration that maternal and perinatal deaths are to be treated as a public health emergency.

Zambia's goal is to reduce under-five mortality to 35 per 1000 live births by 2021 (including reduction of Infant and Neonatal mortality rates). To address infant and child mortality, the Government has been implementing the Expanded Programme on Immunisation; Integrated Management of Childhood Illnesses; and Elimination of Mother to Child Transmission (eMTCT) of HIV as well as scaling up interventions to put Paediatric HIV patients on treatment.

Additionally, capacity building programmes have been implemented for health care workers and community health care workers on Essential New-born Care; Early Childhood Development; Integrated Management of New-born, and Childhood Illnesses (IMNCI).

Other interventions include implementation of Kangaroo Mother Care for premature and low birth weight new-borns and the Expanded Programme on Immunisation (EPI) has increased the number of antigens to prevent more vaccine preventable illnesses, as well as increasing access to immunization.

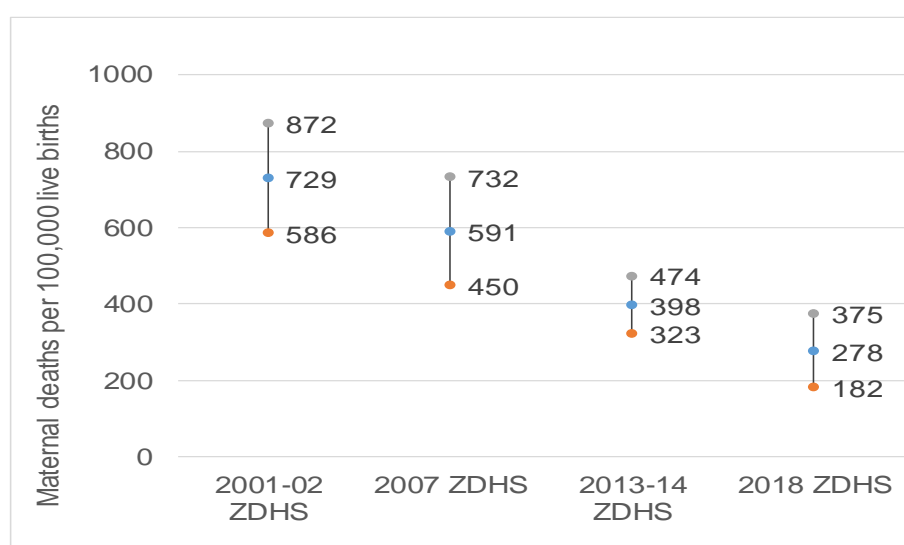
Additionally, efforts have been made to increase access to treatments and interventions against childhood killers e.g. diarrhoea; malaria, pneumonia and malnutrition. Another important programme is the holding of the bi-annual child health week which focuses

on high impact interventions in children including deworming and vitamin A supplementation.

As a result of these interventions, there has been improvement in the areas of maternal, infant, child and mortality. This is evidenced in the trends between the two Zambia Human Development Surveys (ZDHS) conducted during the review period, the 2013/14 and 2018 ZDHS.

Regarding maternal mortality, the 2018 ZDHS confirms significant improvement in the maternal mortality ratio or pregnancy- related deaths. This has reduced from 398 deaths per 100,000 live births in 2013-2014 to 278 deaths per 100,000 live births in 2018. (See Figure 26).

Figure 26: Trends in Maternal Mortality



Source: ZDHS 2001-2007-2013/14-2018

Key indicators on maternal health and safe motherhood as shown in Table 9.

Table 9: Indicators on Maternal Health and Safe Motherhood

Indicator	Status 2014-2017	2018
Modern Contraceptive Prevalence Rate	45 percent	48 percent
Unmet Need for Family Planning	21 percent	20 percent
Antenatal coverage	96 percent	97 percent
Institutional deliveries	67 percent	84 percent
Deliveries by skilled attendant	64 percent	80 percent
Postnatal Care coverage	63 percent	70 percent
Maternal Mortality Ratio (MMR)	398/100 000 live births	278/100 000

Zambia registered an improvement in infant mortality rate<sup>14</sup>, from 45 deaths per 1,000 births in 2013-2014 to 42 deaths per 1,000 in 2018. Under-five mortality rate<sup>15</sup> over the same period was 75 deaths per 1,000 births and improved to 61 deaths per 1,000 in 2018. Child mortality rate<sup>16</sup> equally improved from 31 deaths per 1,000 births during the period 2013-2014 to 19 deaths per 1,000 in 2018. Further, the percentage of children

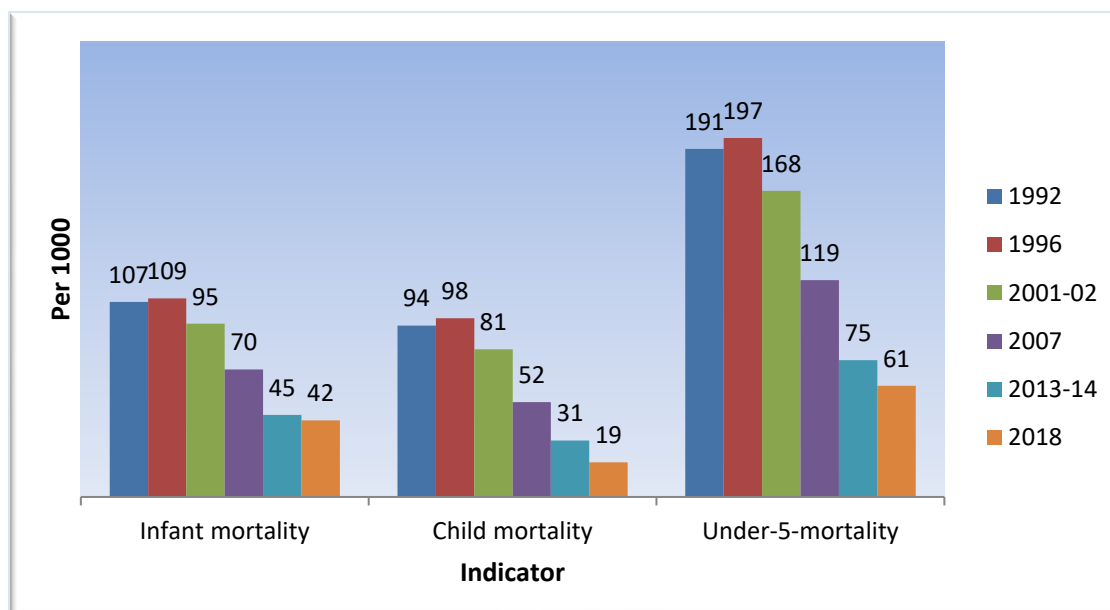
<sup>14</sup> For the age 0-1 years

<sup>15</sup> For age 0-4 years

<sup>16</sup> Children between 1-4 years

fully immunised stood at 93 percent in 2018. The positive trends in early childhood mortality rates give an indicator of the health of the mother during pregnancy and the care received at delivery which has been improving. (See Figure 27).

Figure 27: Trends in Infant, Child and Under-five Mortality 1992-2018



Source: Zambia Demographic Health Surveys

### Child Nutrition

To reduce and eliminate under-nutrition, Zambia has been implementing a holistic approach combining promotive, preventive, curative and rehabilitative measures to address nutrition concerns through public and private health facility as well as community structures and involvement. Four Major Nutrition Programmes have been implemented across the country and have contributed to improvements in child nutrition. These are:

- Maternal Infant and Young Child Nutrition,
- Growth Monitoring and Promotion,
- Micronutrient Deficiency control, and
- Integrated Management of Acute Malnutrition,

Further, the Scaling Up Nutrition 1000 Most Critical Days Program (MCDP) has all the above interventions among the priority high impact nutrition specific interventions.

The factors that have contributed to achievements over the years include:

- Implementation of proven high impact nutrition interventions,
- Integrating and scaling up implementation including the use of community structures and volunteers,
- Adaptation of evidence based recommended interventions and best practices from success stories and contextualizing them to Zambia,
- Availability of guidelines,
- Provision of tools and equipment to use, and
- Legislative and regulatory frameworks in support of interventions such as the Code of Marketing of Breast Milk Substitute (BMS) and food fortification.

As a result of these interventions, there was improvement in stunting and wasting

during the review period. Stunting reduced from 40 percent in 2014 to 35 percent in 2018, while wasting declined from 6 percent in 2014 to 4 percent in 2018. Further, improvement was also recorded in the indicators on underweight children, where improvement was recorded from 16 percent in 2014 to 12 percent in 2018. Table 10 summarises performance in key indicators on child nutrition between 2011 and 2018.

*Table 10: Performance of key indicators on child nutrition*

INDICATOR	2011	Status 2017	2014-2018
% of children aged under five years with wasting	5	6	4
% of children aged 6-23 months who are fed with minimum acceptable diet	-	11	22
% of children aged under five years who are underweight	15	16	12
% of children aged under five years who are overweight	8	6	6
Exclusive breastfeeding rates up to six months of age	75	73	70
% of children aged under five years with stunting	45	40	35
% of facilities achieving 90% coverage of Vitamin A supplementation of children aged 6 to 59 months	60	>80	95

*Source: ZDHS (2007, 2013/14 and 2018)*

## **HIV and AIDS**

The Zambian Government, during the review period, scaled up efforts to reduce HIV incidence, prevalence and deaths related to HIV and AIDS. In line with the Vision 2030 to accelerate the achievement of an AIDS free generation by 2030, the National Antiretroviral therapy Program (NAP) has made notable progress since the introduction of free Antiretroviral drugs (ARVs) in public health institutions. By the end of May 2019, there was an estimated 1.2 million people living with HIV in Zambia, with a total of 1,020,913, comprising 949,856 adults and 49,057 children, being on Antiretroviral Therapy (ART) by end of May 2019. This represents 85 percent of the HIV positive population. As of 2018, 87 percent of HIV positive persons were aware of their status, 89 percent were on treatment and 75 percent of those had achieved viral suppression. UNAIDS 2019.

In 2016, Zambia's HIV incidence rate stood at 0.67 percent (approximately 43,000 new cases annually) among adults aged between 15 - 59 years old according to the 2016 Zambia Population-Based HIV Impact Assessment (ZAMPHIA 2016). The HIV prevalence rate has been reducing from 19.7 percent in 2007 to 12.0 percent in 2016. Despite the reduction, HIV and AIDS remains a challenge for Zambia.

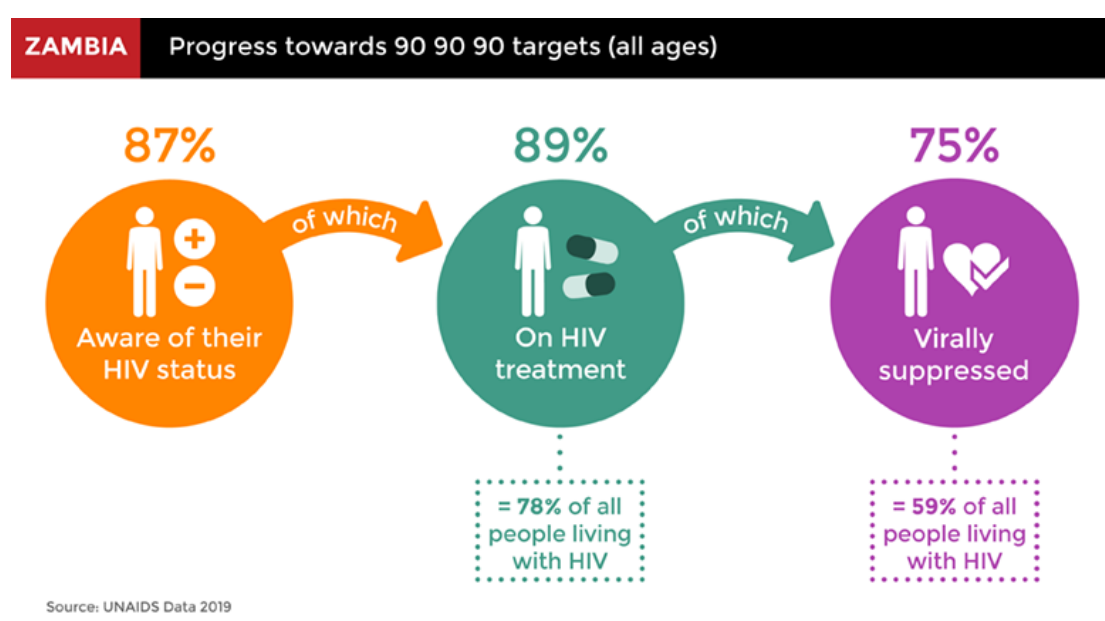
The Zambian Government continued to focus on reducing new infections through expansion of access to HIV prevention services such as male circumcision, condom distribution and Sexually Transmitted Infection (STI) prevention and management, and expansion of HIV treatment services with "Test and Treat" strategy which has been scaled up to the whole country. Efforts were also made in scaling up Elimination of Mother to Child Transmission of HIV (eMTCT) and provision of safe blood programmes.



### - HIV Counselling and Testing Programme

HIV Counselling and testing, being the first step in the prevention, treatment and care services were escalated during the review period. There was increase in the numbers of people that have tested for HIV from 19 percent of women and 12 percent of men tested in 2007, to more than 60 percent having been tested in 2016. To accelerate HIV testing as a vehicle of prevention, the Zambian Government made a policy change in the way HIV and AIDS would be managed, by adopting the “Test and Treat” strategy. This policy promotes that everyone who tests positive is initiated immediately on ART regardless of the CD4 count or clinical condition. This is line with the 2014, the Joint United Nations Programme on HIV/AIDS (UNAIDS). This programme seeks to ensure that 90 percent of all HIV-positive persons are aware of their HIV status, 90 percent of those diagnosed are provided with ART and 90 percent of those treated achieve viral suppression for by 2020.

Figure 28: Progress Toward 90 90 90 Targets, 2018



Avert [www.avert.org](http://www.avert.org)

### - Elimination from Mother to Child Transmission of HIV (eMTCT) programme

Zambia's elimination of mother-to-child transmission (eMTCT) programme has been successful. Almost all pregnant women (96 percent) attending antenatal clinics received an HIV test in 2018. Ninety-Nine percent (99 percent) of the HIV positive pregnant women were started on treatment in 2018. HIV transmission from mother-to-child was 4 percent among HIV exposed infants. If the country continues on this path, Elimination of mother to children transmission will be attained.

### - Voluntary medical male circumcision (VMMC) Programme

Voluntary medical male circumcision (VMMC) is another intervention that was put in place to increase number of clients tested for HIV as well as reduce new HIV infections amongst males. While this may have been the case, there is still need to sensitise the public that male circumcision reduces the chances of contracting HIV/AIDS by 60 percent. In this regard, the sector is escalating the male circumcision programme to increase the numbers of clients that are counselled and tested.

During the year 2018, the program circumcised 482,149 males representing 123 percent

achievement against the target of 392,829. With adverse events at a rate of 0.4 percent and HIV testing of 80.5 percent HIV testing rate. So far, the programme has achieved 75 percent of its operational plan target of 1.9 million males to be circumcised by end of 2020 and averted approximately 26,000 new HIV infections.

- *National Antiretroviral therapy Programme (NAP)*

The decision to provide free ARVs to all eligible patients in Zambia was a bold and decisive one. ART is the most efficacious dual method for treating patients living with HIV and further preventing new infections. This programme is implemented in tandem with the test and treat policy. The graph below shows performance effect of the test and treat strategy. (See Figure 29 below)

*Figure 29: Performance effect of the Test and Treat Strategy, 2017-2018*



Source: Ministry of Health

Considering the test and treat strategy that was put in place, the Government made adequate provisions for ARVs with support from Cooperating Partners such as the Global Fund and the U.S President's Emergency Plan for AIDS Relief (PEPFAR). This has improved the countries capacity to place the remaining 200,000 patients infected with HIV on life saving ART.

New guidelines were developed and rolled out and these guidelines included the Universal Routine HIV Testing, Counselling and Treatment Strategy, HIV self-testing and introduction of better and more effective ARVs such as Dolutegravir (as part of a 3-drug fixed combination of Tenofovir/ Lamivudine/ Dolutegravir – TLD and Tenofovir Alafenamide/ Emetricitabine/ Dolutegravir- TAFED). There are currently 304,000 patients on the new regimens (MOH Regimens Transition Committee reports 2019). Pre-exposure prophylaxis (PrEP) was also scaled up. By June 2019, 8991 Zambians, largely risk key populations, were accessing PrEP. The scale up of routine viral load testing was enhanced with a task force set up to enhance monitoring of individuals on ART.

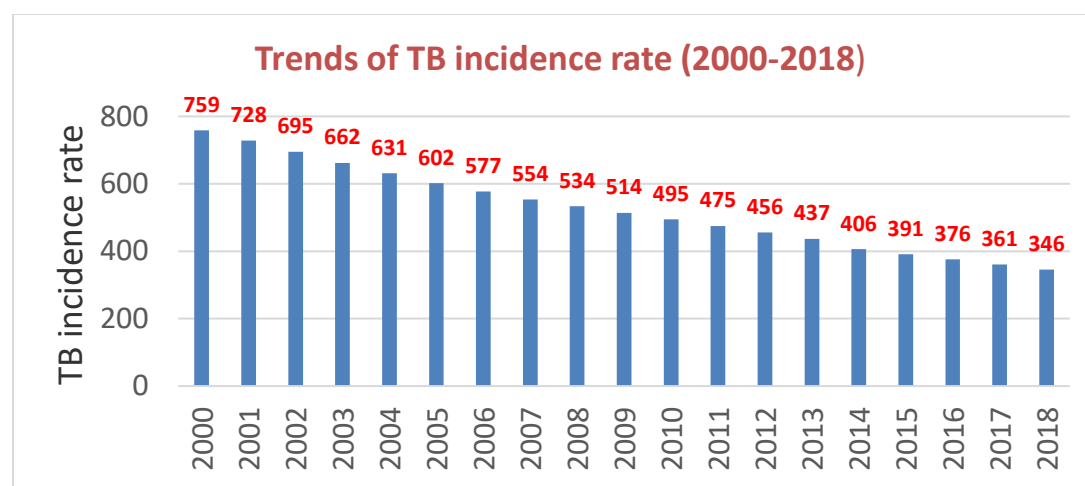
### ***Tuberculosis***

Tuberculosis (TB) continues to rank among the major causes of morbidity and mortality

Zambia. Findings of Zambia's first ever national TB prevalence survey in 2013-2014 showed that the country has a higher TB prevalence than previously estimated by the World Health Organization (WHO).

Zambia has made significant progress in the fight against TB. Over the last two decades, the incidence of TB has reduced by 54 percent that is from an incidence of 759 per 100,000 to now 346 per 100,000. Mortality attributable to TB over the last two decades has equally reduced by 50 percent. Copperbelt and Lusaka Provinces have the highest prevalence of TB, the two provinces contribute about 60 percent of the national TB notifications. The burden of TB is highest in males who are HIV positive and in individuals in the 25-44 age group which is also an economic productive age group. (See Figure 30 Below)

Figure 30: Trends of TB incidence



Source: Ministry of Health

The focus in 2019 has been to find all the missing people with TB and put them on treatment. To attain the goal of TB elimination by 2030, the TB and Leprosy Programme will increase collaboration and coordination with the HIV programme and HIV implementing partners to scale up TB Preventive Treatment (TPT). Scaling up of Programmatic Management of Drug Resistant TB (PMDT) has also been another focus area in 2019. Other essential interventions include the commissioning of a Multidrug-Resistant TB (MDR-TB) admission ward in Mansa-Luapula Province and the supporting of Provincial Clinical expert members to undertake monthly visits to review patients on MDR-TB treatment in the districts.

### **Malaria**

Malaria remains a leading cause of morbidity and accounts for 18 percent of total deaths in health facilities. However, there has been a reduction in malaria incidence and in-patient malaria deaths from 374 per 1000 in 2017 to 312 per 1000 in 2018 and from 8.4 per 100,000 persons in 2017 to 7 per 100,000 persons in 2018 respectively. This success is attributed to effective Case management (Diagnosis, Treatment and Integrated Community Case Management), integrated vector control (long lasting Insecticide Treated Nets and indoor residual spraying), surveillance, monitoring and evaluation and evidence-based program implementation based on data. A total of 1.7 million structures throughout the country were sprayed in 2018 and in 2019 the target is to spray 3.4 million structures, and a total of 1,626,218 ITNs were distributed in health facilities and schools in 2018. The next mass distribution earmarked for 2020 is targeting 8.4 million

nets for distribution across the country.

Zambia has committed to eliminating Malaria transmission by 2021. In the period 2020 to 2022, Government through, the National Malaria Elimination Centre will continue prioritizing interventions aimed at realising Government's vision of making Zambia Malaria free by strengthening on-going interventions and improving the usage of data to guide program implementation.

### ***Non-Communicable Diseases***

The burden of Non-communicable diseases (NCD) such as diabetes, cardiovascular disease, chronic respiratory diseases, and cancers among others has become a great public health concern in Zambia. According to the 2017 STEPS Survey, NCDs account for 23 percent of all deaths in Zambia. Cervical cancer is the most common cancer in Zambia accounting for approximately 30 percent of all new cases seen annually countrywide. From 2016 the Zambian Government continues to support a countrywide establishment of cancer screening centres, which now stand at 97 cancer screening centres. As of mid-2019 700,000 women were screened for cervical cancer.

### ***Strategies to strengthen Health Systems and Service***

The Government of Zambia is resolute to continue making improvements in the health status of its population as indicated in the projects and strategies below:

#### ***- Infrastructure Development***

In 2011, Zambia embarked on an infrastructure development programme with targets including having 650 health posts across the country. Positive strides have since been made in infrastructure upgrade and construction. 342 out of the 650 health posts were constructed. Furthermore, 36 district hospitals are still under construction, several Health Facilities have been upgraded from Health Centres to Level One hospital status such as Matero, Chilenje, Kanyama, Chipata and Chawama; upgrade from General to Central hospitals such as Chipata and Livingstone and the upgrading of Central hospitals to University teaching hospitals such as the Levy Mwanawasa, Ndola and Kitwe University Teaching Hospitals. The University Teaching Hospital (UTH) and provincial hospitals also underwent modernization with the installation of computerized tomography (CT) scans and mammography equipment.

In modernizing University Teaching Hospital (UTH), the casualty has been completed, the Adult Medical Emergency Unit (AMEU) is at 95 percent construction while the new surgical ward is at 75 percent. Other works being done at UTH include construction of water reticulation system, road networking and reconstruction of Central Sterile Service Department (CSSD). The construction of the 240 in-patient bed capacity Cancer Disease Hospital (CDH) was also completed and is operational. Intensive care units in selected general hospitals were also installed.

Construction of Levy Mwanawasa medical university with the capacity of 3000 students is complete and it is operational. Upgrading of Levy Mwanawasa hospital with 850 bed capacity is 80 percent complete.

The specialized hospital along airport road in Lusaka has now reached 75 percent of the works that have been done while women and children specialized hospital and Kasama specialized hospital are at tender stage and design stage respectively.

- *Human Resources for Health*

The Government of the Republic of Zambia continues to address the shortage of health personnel at all levels of care. Given the various needs at different levels of care, the health sector has prioritized funding of critical positions particularly at the front line. Since 2017, a total 20,647 health personnel have been recruited and deployed in facilities countrywide in line with the goals and objectives of the 2017-2021 National Health Strategic Plan (NHSP), which is targeting 30,000 health workers by 2021.

Regarding the training of human resources, a Specialist Training Programme (STP) commenced in January 2018 for training of specialist doctors of which 259 Doctors were enrolled. Additionally, the Ministry has introduced Specialty training programmes for Nurses in areas such as Oncology, Public Health and Trauma and Emergency.

- *Drugs and Medical Supplies*

To ensure commodity (drugs and medical supplies) security in the country, a significant investment was made during the review period to upgrade infrastructure and as well as establish regional hubs. This was in line with the zero-tolerance policy on medicines and medical supplies stock-outs.

To this end, Medical Stores Limited was upgraded to an ultra-modern facility with increased storage capacity from 7000 to 32,000 pallets. Additionally, five regional medical storage hubs are operational. This was all in a bid to enhance efficiency in the supply chain and provide security in stock management

- *Health Care Financing*

Over the years, health financing in Zambia has largely depended government annual budgetary allocations supplemented by support from Cooperating Partners. However, it has become increasingly difficult to meet all health care needs, both on the part of government and Cooperating Partners even though social sectors are given sufficient priority. To address this, Zambia introduced the National Health Insurance Act No. 2 of 2018. This law was established to introduce the National Health Insurance Scheme as a health care financing strategy that will address issues of resource mobilization, allocation, reimbursement mechanisms among others. It is envisaged that the National Health Insurance Scheme will increase the resource envelope for health and enhance universal health coverage.

***Collaborative Approaches***

The Zambian Government seeks to improve delivery of quality health services across the continuum of care including promotive, preventive, curative, rehabilitative and palliative care as well as to ensure that these services are provided as close to the family settings as possible. This is with a view to attaining universal health coverage, through health care with a focus on community health. To do this, Zambia is using various mechanisms such as integrated community and primary health care approach. The health sector is also collaborating with other sectors such as education, agriculture, housing, water and sanitation in promoting good health for the Zambian people. This multi-sectoral integration is facilitated by the coordination and implementation mechanisms as outlined in the 7NDP.

## Youth Development

### **IPoA Goals and Targets:**

- Strive to ensure the full and effective participation of youth in the life of society and in decision-making processes;
- Build the educational and skills capacity of youth and achieve full and productive employment and decent work;
- Enhance youth participation in the economy through improving access to vocational education, volunteering and employment.

Zambia has a youthful population with 36.7 percent of the population aged between 15-35 years. The young people continue to face several challenges that hinder their effective contribution to national development. These include unemployment, limited opportunities to access and attain tertiary education, limited access to land and capital as well as limited participation in decision-making processes. In line with the commitments of the IPoA, several policy measures have been undertaken by the Zambian Government to promote entrepreneurship and employment opportunities for effective participation of the youth in the country's economic, social and political life.

### ***Policy Measures and Programmes for Youth Integration in Economic, Social and Political Life***

The Zambian Government has in place the 7NDP, the 2015 National Youth Policy and the Action Plan for Youth Empowerment and Employment to guide the implementation of programmes aimed at ensuring full and effective participation of the youth in the country. These national documents provide a multi-sectoral response to cross cutting issues facing the youth and seek to facilitate the empowerment and employment of youth in a sustainable, mainstreamed and coherent multi-sectoral approach.

These policies support youth access to secondary and higher education, vocational training, productive employment and healthcare services, especially to young women and girls.

### ***Programmes to Promote Employment Creation and Entrepreneurship Opportunities for the Youth***

#### ***- Youth Development Fund***

Government has, since 2011, been implementing the Youth Development Fund, a loan-based facility, to support the integration of the youth into the economy. The objective of this fund is to avail financing to viable projects of young entrepreneurs as well as enable the youth to benefit from associated training and mentorship services. This should, in turn, promote and stimulate active participation of the youth in the socio-economic development of the country.

The programme is also aimed to encourage out-of-school, marginalised and unemployed youths to venture into sustainable and viable income generating projects. A total of 2,750 Youth Groups benefited from the Youth Development Fund from 2012 to 2015. In addition, the Youth Development Fund created a total of 742 paid jobs between 2011 and 2015. The Fund was suspended in 2016 due to several factors among

them low recovery rates. Government is currently reviewing modalities of enhancing the management of the Fund before it can be re-introduced.

- *Youth Skills Training*

During the implementation of the IPoA, the Zambian Government developed skills training programmes aimed at providing vocational and lifelong skills to the never-been and out-of-school youth as well as those who have completed their general education by equipping them with knowledge and practical skills needed for self and formal employment. Currently, twenty-three (23) Youth Development Centres exist countrywide with an estimated 4,200 graduates annually. The graduates are provided with start-up kits in their relevant field of study to enable them to engage in economic activities as well as prepare them for entrepreneurship and employment opportunities.

From 2011 to date, approximately 18,430 youth have graduated from the various Youth Development Centres countrywide.

- *Youth Resettlement Centres*

The Zambian Government, in line with the IPoA commitments, has been enhancing youth access to productive resources such as land and promoting their participation in agriculture through the establishment of Youth Resettlement Centres. Under this programme, Government provides free land and start-up kits to the youth who wish to venture in agriculture and agri-business. This programme has been developed against the backdrop of the majority of the youth residing in rural areas dependent on agriculture for income generation. It bears in mind economic opportunities provided by agriculture, especially for the rural youth by providing income and job opportunities. The programme also fosters youth entrepreneurship through training and assistance initiatives. Currently, there are three (3) Centres in three provinces, namely: Mwangi Youth Resettlement Centre in Mporokoso District, Northern Province, Mufumbwe Youth Resettlement Centre in Mufumbwe District, North-Western Province and Lukanga Youth Resettlement Centre in Mpongwe District, Copperbelt Province.

- *Youth Information and Communication Technology (ICT) Scheme*

During the implementation of the IPoA, Youth Information and Communication Technology (ICT) Scheme was introduced to provide youth with start-up kits to foster entrepreneurship and create employment in the field of ICT. The programme seeks to promote innovation in ICT related avenues among the youth. The programme has been implemented in 60 districts and has benefited 600 youth countrywide.

- *Comprehensive Sexual Reproductive Health (CSRH)*

Zambia remained committed towards investing in comprehensive sexual reproductive health education, mainly targeted at promoting sexual reproductive health among children and youth. Through the Comprehensive Sexual Reproductive Health, Government facilitates family life education in its Youth Resource Centres. This programme seeks to provide young people with appropriate and useful information on reproductive health, HIV/AIDS awareness, and information for informed decision making on matters related to their sexuality, wellbeing and survival. The programme also equips youths with leadership skills and information on substance abuse and vices. In addition, the Government with support from the Global Fund established an online platform dubbed, “Tune-Me”, where young people can access sexual reproductive health and other health related matters.

- *Youth Participation in Decision-making*

The Zambian Government, in line with the IPoA commitments, has created platforms through which the youth are engaged and voice out their concerns on issues affecting them. These platforms include National Youth Forums, National and Provincial Youth Symposiums. in addition, the youth are engaged in the development and review of various pieces of legislation and policies.

## **Water and Sanitation**

### **IPoA Goals and Targets:**

- Prioritize provision of water and basic sanitation in the country's national development plans
- Enhance water efficiency and water productivity and ensure more equitable and safe provision of basic water and sanitation services to rural areas and disadvantaged populations, including persons with disabilities
- Improve the institutional, regulatory and policy environment in least developed countries to promote private investment in the water and sanitation sector, including in small-scale projects in rural and remote communities
- Strengthen integrated waste management systems as well as improve wastewater collection and treatment systems.

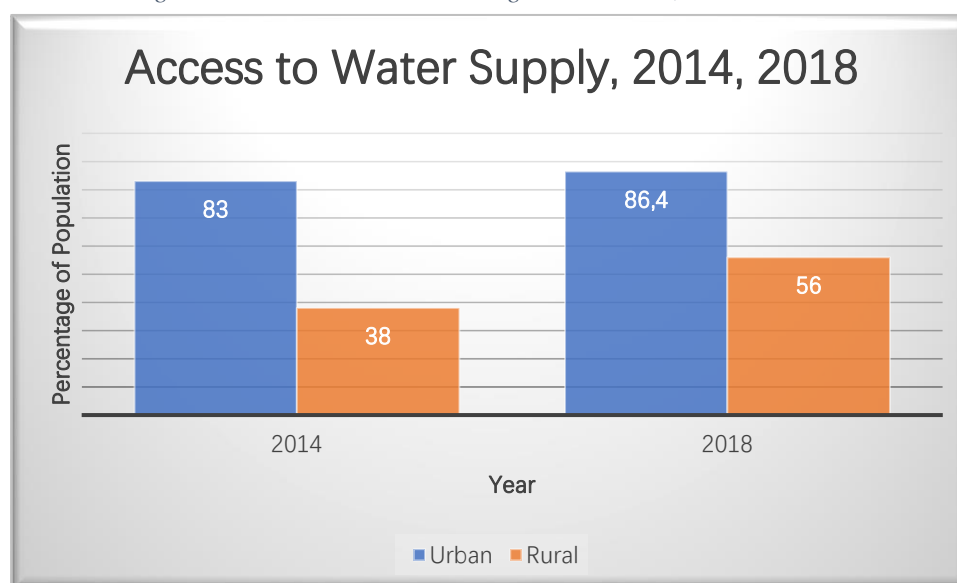
Zambia recognises the importance of access to safe water and sanitation to human health. It is for this reason that the Zambian Government has been implementing projects to improve access to clean and safe drinking water, sanitation and improved personal hygiene promote good health of the people.

### ***Access to Water, Sanitation and Improved Personal Hygiene***

By 2018, Zambia had made notable progress in the access to basic drinking water, sanitation and hygiene facilities. As shown in Figure 31, urban areas in 2018 recorded a higher percentage of access to basic water at 86.4 percent against 56 percent for rural areas. However, there was a greater improvement in the provision of basic water to rural areas from 38 percent in 2014 to 56 percent in 2018 as compared to 83 percent to 86.4 percent in the urban areas over the same period. Figure 31 illustrates this.



Figure 31: Access to Basic Drinking Water Source, 2010 and 2018



Source: Ministry of Water Development, Sanitation and Environmental Protection, Statistical Bulletin 2018

The trend of urban areas recording higher scores was also observed in the percentage of the population with access to basic sanitation services. In 2018, 63.6 percent of the urban population had access while rural areas recorded a lower score at 57.6 percent. The national coverage service in 2018 was 71.2 percent water supply and 65.8 percent sanitation service coverage. By 2018, the proportion of the population with handwashing facility was only 14 percent.

Table 11 shows the performance in terms of access to drinking water, sanitation and personal hygiene services.

Table 11: Access to Drinking Water, Sanitation and Hygiene Services, 2010 and 2017

Year	Residence	Service Type	Coverage (% of Population)	Service Level
2010	rural	Drinking water	38	At least basic
2010	urban	Drinking water	37	Basic Service
2017	rural	Drinking water	42	At least basic
2017	urban	Drinking water	38	Basic Service
Year	Residence	Service Type	Coverage (% of Population)	Service Level
2010	rural	Sanitation	16	At least basic
2010	urban	Sanitation	40	At least basic
2017	rural	Sanitation	19	At least basic
2017	urban	Sanitation	36	At least basic
2010	rural	Sanitation	33	Open defecation
2010	urban	Sanitation	3	Open defecation
2017	rural	Sanitation	32	Open defecation
2017	urban	Sanitation	3	Open defecation
Year	Residence	Service Type	Coverage (% of Population)	Service Level
2010	rural	Hygiene	71	No handwashing facility

<b>2010</b>	urban	Hygiene	41	No handwashing facility
<b>2017</b>	rural	Hygiene	71	No handwashing facility
<b>2017</b>	urban	Hygiene	41	No handwashing facility

*Source: Ministry of Water Development, Sanitation and Environmental Protection*

Despite the challenges in the various service levels, Government through the Seventh National Development Plan (7NDP) has recognised improved access to water supply and sanitation as an important development outcome necessary for enhancing Human development.

The National Urban Water and Sanitation Programme (2015-2030) is being implemented with a view to providing adequate, safe and cost-effective water supply and sanitation to the urban population. Also being implemented is the National Rural Water Supply and Sanitation programme (2016-2030) with the aim of accelerating water supply and sanitation to rural areas. Government has also developed an Open Defaecation free Zambia Strategy (2018-20130) which outlines intentions aimed at ending open defaecation by the year 2030 and promoting hygiene practices.

Further, the 7NDP has put in place strategies aimed at improving access to water supply and sanitation as follows as discussed below.

### ***Strategies in Place***

- *Enhance Provision of Adequate Safe Water and Sanitation*

Government has prioritised water quality monitoring programme to ensure water quality systems are strengthened. All commercial water utilities and business outlets dealing in bottled water are subjected to the national drinking water standard through Zambia Bureau of Standards (ZABS) and the World Health Organisation (WHO). A number of water quality assurance facilities have been put in place both by ZABS and the private sector. For example, the University of Zambia has laboratory facilities for quality assuring drinking water for individual and commercial consumption in both the urban and the rural parts of the country.

The other programme being pursued by government is that of water supply and sanitation improvement. The programme aims at having water supply and sanitation services improved in urban and rural areas. Health facilities and schools are expected to have Water, Sanitation and Hygiene (WASH) facilities to support good health.

- *Improve Availability of Water and Sanitation Infrastructure*

Under this strategy, measures have been put in place such as climate smart water supply and sanitation infrastructure development such that proportion of people accessing climate smart water supply and sanitation infrastructure will increase from 10 percent in 2016 to 35 percent by 2020.

Furthermore, measures to promote sustainable operation and maintenance of water supply and sanitation infrastructure have been put in place. This will ensure management of water supply and sanitation infrastructure is enhanced. One of the benefits of this strategy is to increase the percentage of functional water points from 70 percent in 2016 to 86 percent by 2020.

### ***Policies and Legal Framework on Water Supply and Sanitation***

To improve the institutional regulatory and policy environment for enhanced access to

water and sanitation particularly in rural and remote communities, the Zambia Government is in the process of reviewing the Water Supply and Sanitation Act of 1997 to at incorporating water supply and sanitation utilities and extend their mandate to rural areas among other measures. Another reform underway is the formulation of the 2019 National Water Supply and Sanitation Policy that will aim at accelerating universal access to water and sanitation as espoused in the Vision 2030 and the SGDs, among others.

## Gender Equality and Empowerment of Women

### IPoA Goals and Targets:

- Achieve equal access of women and girls to education, basic services, health care, economic opportunities, and decision-making at all levels;
- Take steps to realize the right of everyone to the enjoyment of the highest attainable standard of physical and mental health, including sexual and reproductive health;
- Accelerate efforts to promote women’s rights and gender equality, including women with disabilities.

Gender equality and women empowerment is prioritized in Zambia due to its primacy in the eradication of poverty and attainment of sustainable socio-economic development. During the review period, the country developed and strengthened its gender policies and legal framework to ensure the attainment of gender quality and women empowerment in its development processes. These include the following:

- (a) The revision of the National Gender Policy in 2014 to strengthen the policy framework in ensuring that gender mainstreaming takes root across all sectors;
- (b) Enactment of the Gender Equity and Equality Act, No.22 of 2015 with the goal of domesticating regional and international protocols on gender such as the Convention on the Elimination of all Forms of Discrimination against Women (CEDAW). The Act seeks to ensure effective and gender-responsive programming, planning and monitoring as well as eliminate of all forms of discrimination against women and girls. The Act also seeks to establish the Gender Equity and Equality Commission to promote the attainment of gender mainstreaming. The Commission is, however, yet to be operationalized;
- (c) Enactment of the Anti-Gender-Based Violence Act No. 1 of 2011 which provides for the protection of victims of Gender Based Violence (GBV); and
- (d) Implementation of the Programme for the Promotion and Protection of Women and Children’s rights in Zambia (PPPWCR) (2013-2017).

Another important legal framework was the enactment of the Constitution (Amendment) Act No. 2 of 2016 that calls for gender equity in various facets of development.

Overall the attainment of gender equality and equity in the national development process is guided by the overarching Seventh National Development Plan. The Plan intentionally incorporates the nation’s Gender Policy, the Sustainable Development Goal number five on achieving gender equality and empowerment of all women and girls as well as the country’s commitments to other international obligations. The aim is to ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, access to basic services, ownership and control over

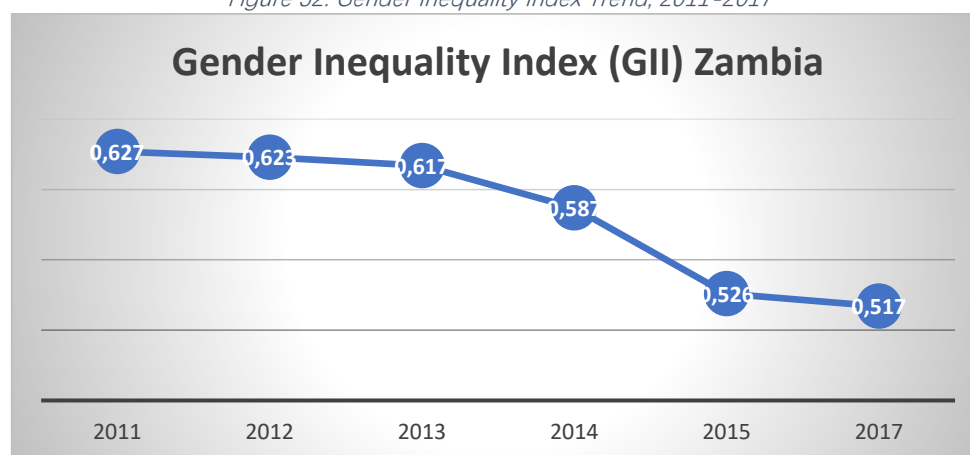
land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance. This is with a view to reduce social exclusion and enhance their productive capacities.

### ***Overview of Zambia's Gender Status: Progress Made and Challenges***

The country has steadily been improving on women and girl's human development status in line with the aspirations of the IPoA. There has been progress made in reducing gender inequality as can be seen through the reduction in the Gender Inequality Index (GII).

The GII is a composite measure reflecting inequality in achievement between women and men in three dimensions: reproductive health, empowerment and the labour market. The GII for Zambia reduced from 0.627 in 2011 to 0.517 in 2017 as indicated in Figure 32 below.

*Figure 32: Gender Inequality Index Trend, 2011-2017*



*Source: UNDP Human Development Reports 2011 to 2018*

#### ***- Education and Skills Development***

Promotion of education among girls has generally faced challenges such as inadequate teaching/learning materials; long walking distances to schools in rural areas; compromised quality of education due to high pupil: teacher ratio. Other challenges emanate from the high poverty levels in female headed households and the preference of educating the boy child when families are faced with limited resources.

To address these challenges, Government has been implementing the following programmes specifically targeted at promoting girls' education.

- (a) the re-admission of girls into school after pregnancy in line with the SDG 14 that seeks inclusive and equitable quality education and to promote lifelong learning for all;
- (b) the re-introduction of free primary education policy;
- (c) bursary schemes for girls;
- (d) the Programme for the Advancement for Girls Education;
- (e) provision of menstrual sanitary facilities in schools;
- (f) the school-feeding programmes;
- (g) provision of weekly boarding facilities;

- (h) the construction of new community schools;
- (i) the upgrading of primary and secondary schools; and
- (j) the construction of new government Secondary schools.

Implementation of these programmes has contributed to improvement in key indicators such as the school enrolment, school attendance, drop-out and completion rates, gender parity in education indicators. These indicators as shown below have been on a positive trajectory during the IPoA implementation period.

#### School Enrolment by Sex and Year (2011-2017)

Within this period as shown in the table below, the total number of female pupils in primary and secondary school increased from 1,79 million to 2,06 million from 2011 to 2017. Though the enrolment of males remained higher than that of female pupils, there was a noteworthy incremental closing in the gap between the two sex groups as shown in Table 12.

Table 12: School Enrolment by Sex and Year (2011-2017)

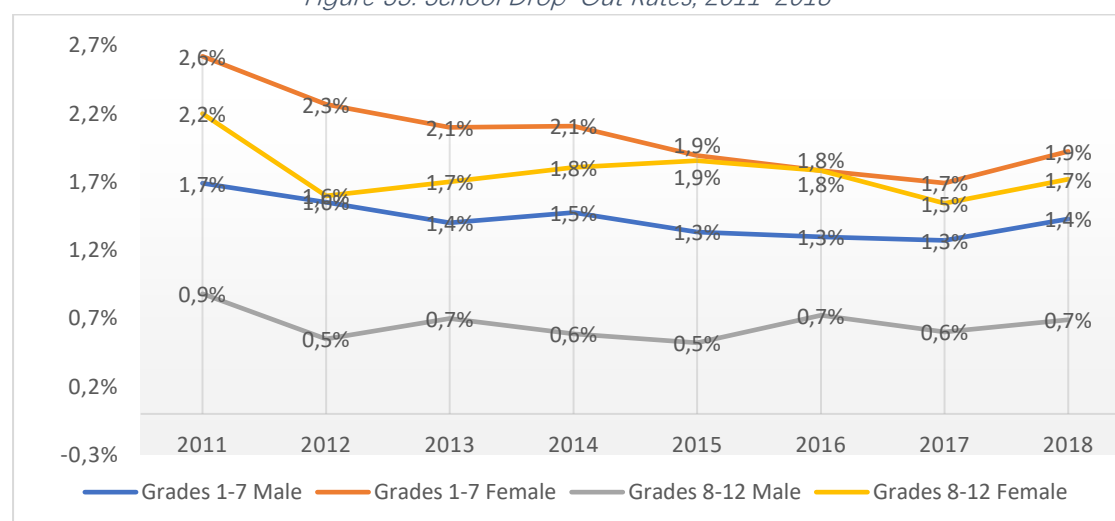
Year	2011	2012	2013	2014	2015	2016	2017	Avg. Annual Growth Rate 2012-2017
<b>Total</b>	3,653,709	3,897,437	3,847,348	4,019,466	4,018,064	4,025,380	4,139,390	2.00%
Male	1,858,574	1,968,038	1,935,949	2,035,339	2,036,552	2,026,186	2,074,567	1.70%
Female	1,795,135	1,911,399	1,911,399	1,984,127	1,981,512	1,999,194	2,064,823	2.20%

Source: Educational Bulletin 2018, Ministry of Education

#### Dropout Rates

During the period under review the dropout rates have reduced for girls in primary schools from 2.6 percent in 2011 to 1.9 percent in 2018, equally secondary school dropout rates reduced from 2.2 percent in 2011 to 1.7 percent in 2018. (See Figure 33 below)

Figure 33: School Drop-Out Rates, 2011-2018

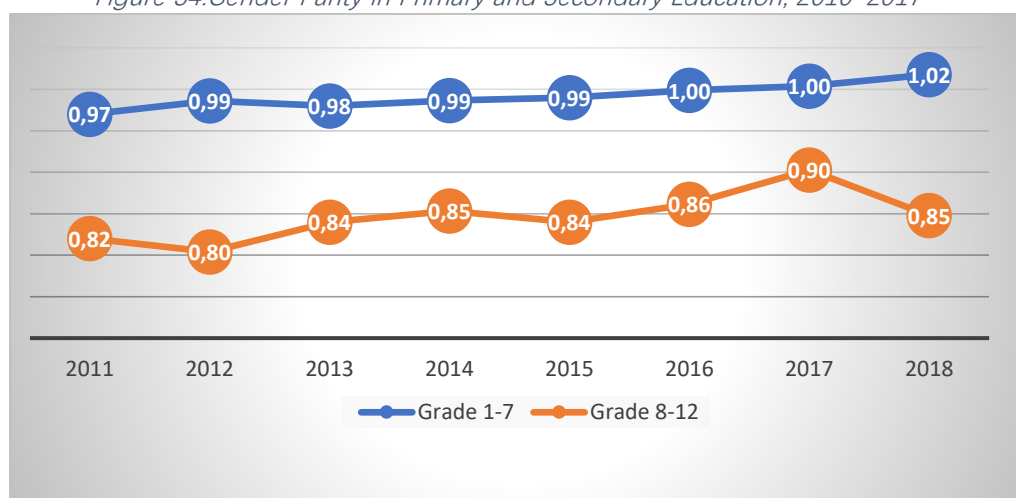


Source: Educational Bulletin 2018, Ministry of Education

### Gender Parity in Education

The Gender Parity Index in Education (GPI), is the ratio of female to male pupils. A GPI lower than one (1) means that there are more males than females attending school, while a GPI greater than one means there are more females than males. There has been steady progress towards achieving gender parity in education. For primary school parity has been achieved moving from 0.97 in 2011 to 1.02 in 2018. However, parity at secondary school level is yet to be achieved, even though progress has been made from 0.82 in 2011 to 0.90 in 2017, which subsequently dropped to 0.85 in 2018. this progress can be attributed to the effective policy interventions to improve girls' education. The recently introduced keeping girls in school (KGS) project, re-entry policy, free primary education policy are among the measures aimed at increasing girl's child education school. (See Figure 34 below)

Figure 34: Gender Parity in Primary and Secondary Education, 2010-2017



Source: Educational Bulletin 2018, Ministry of Education

#### *- Programmes to Keep Girls in School*

The following programmes are some examples that the Government in partnership with Co-operating partners and other key stakeholders in the sector put in place during the review period in the bid to improve the retention of girls in school.

#### Menstrual Hygiene Management (MHM) Programme

MHM Programme aims at keeping girls in school. Due to improved sanitary conditions in schools, there has been an immediate improvement in indicators such as school attendance. Girls in schools with poor sanitary conditions tend to stay away from school for 3-5 days during their menstrual periods. MHM is included as one of the main strategies aimed at keeping girls in school and delaying the age of marriage. Learners (boys and girls) have learnt how to make washable padins/pads. Girls have since successively started using the washable pads/padins in Katete and Senanga among other districts. Further, Government working with Cooperating partners and NGOs is implementing the use of re-usable sanitary towels across the country. The making of re-usable sanitary towels is also a source of income for boys and girls who are involved. Other efforts include; Increasing sensitization on the effects of bad cultural sexual practices boys to make them understand and appreciate the biological make-up of the opposite sex around MHM; Provision of sanitation facilities for personal hygiene and promoting safe disposal of used sanitary towels.

### *Keeping Girls in School (KGS)*

The Girl's Education and Women's Empowerment and Livelihood's (GEWEL) project was launched in 2016 and is being implemented by the Government's three-line Ministries responsible for General Education, Gender and Community Development. The Keeping Girls in School component of the project seeks to help break the intergenerational poverty as well as delay marriage and childbearing. The programme has a target to provide 14,000 secondary school scholarships to girls in rural areas from 16 rural districts over the period 2016 to 2020. The scholarship includes payment of school fees and purchase of other school requisites. The programme has since exceeded the target and is now supporting 16,082 girls. Following the successful implementation of the project, an additional 11 districts have been added to bring the total number of districts to 27.

### *The Re-entry Policy*

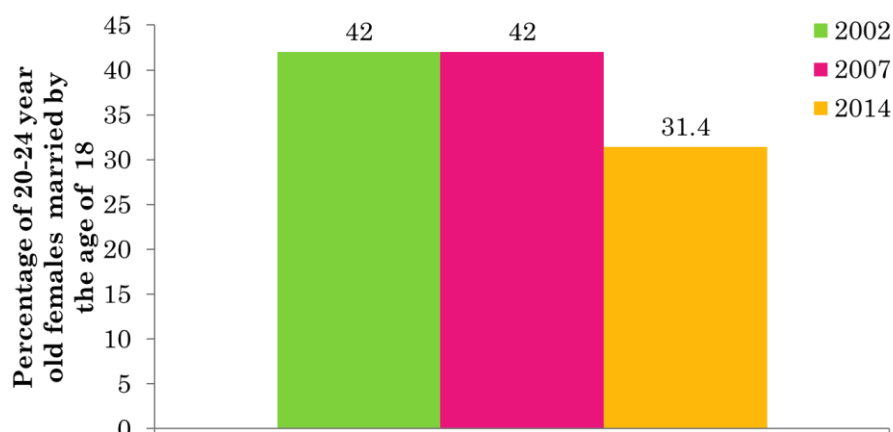
Zambia revised the re-entry policy to enhance the re-admission of pregnant girls and young mothers by including the period of the maternity leave to six months, the revision included the sending of boys responsible for impregnating the girls equally on leave for a period of 3 months for collective responsibility. The policy now allows the girls to continue learning until she is almost due before she can take leave. The proportion of girls that go back to school after taking leave due to pregnancies has recorded a continued increase from 36.9 percent in 2011 to 42.9 percent in 2018 for primary school and 52 percent in 2011 to 69.6 percent in 2018 for secondary school.

### ***Child Marriage***

The country intensified its efforts against child marriage by launching the 2013 nationwide campaign against child marriage. Further in 2016 the National Strategy on Ending Child Marriage, 2016-2021, was developed to provide strategic direction on the prevention and mitigation of child marriage and aims to reduce child marriage by 40 percent by 2021. Further, the National Advocacy and Communication Strategy on Ending Child Marriage was developed and launched in 2018.

Additionally, Government has mainstreamed comprehensive Sexuality Education in the school curriculum, promotion of girl child education and involvement of Traditional Leaders, who have been recognised as the National Champions on Ending Child Marriage (their spouses have been brought on board). This led to the reduction of the prevalence from 42 percent in 2007 to 31.4 percent in 2014. (See Figure 35 below).

Figure 35: Percentage of 20-24-year-old Females married by the age of 18



Source 1: Ministry of Gender

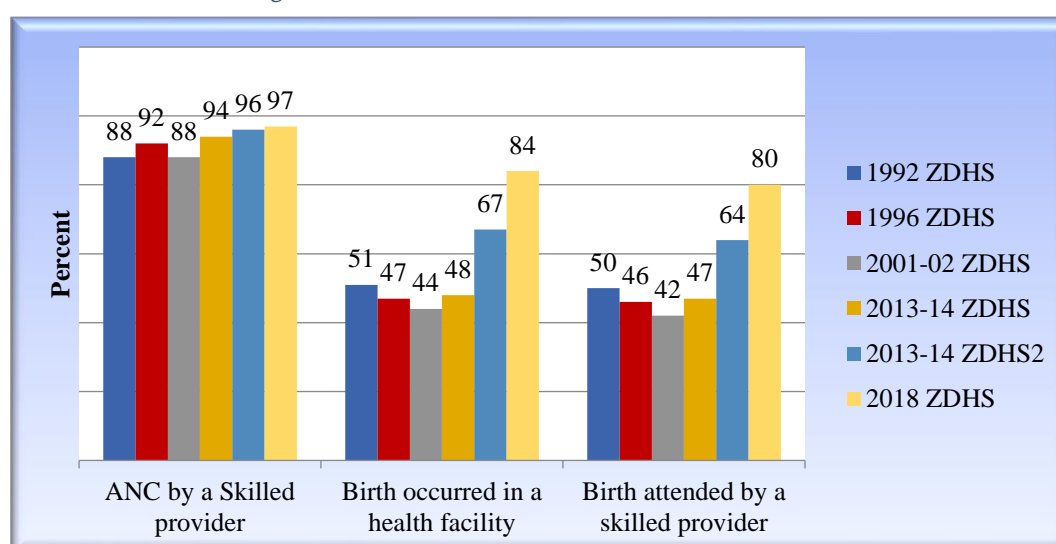
## Health Services

### - Maternal Health Care

The country's maternal health care status indicates that there has been a steady level of improvement of maternal health care from 2007 to 2018. This is as measured by the Antenatal Care (ANC) received from skilled providers, the number of births occurring in a health facility and the number of births attended by skilled providers. As shown in Figure 36 below, ANC from a skilled provider increased from 94 percent in 2007 to 97 percent in 2018, while the proportion of women whose births occurred in health facility increased from 48 percent to 84 percent.

Similarly, births attended by a skilled provider over the same period improved from 47 percent to 80 percent. Figure 36 shows the changes on key health related indicators.

Figure 36: Trends in Maternal Health Care 1992-2018



Source: CSO, Zambia Demographic Health Survey 2018

### - Sexual Reproductive Health Services (SRHS)

Zambia participated in the development of the SADC Sexual Reproductive Health



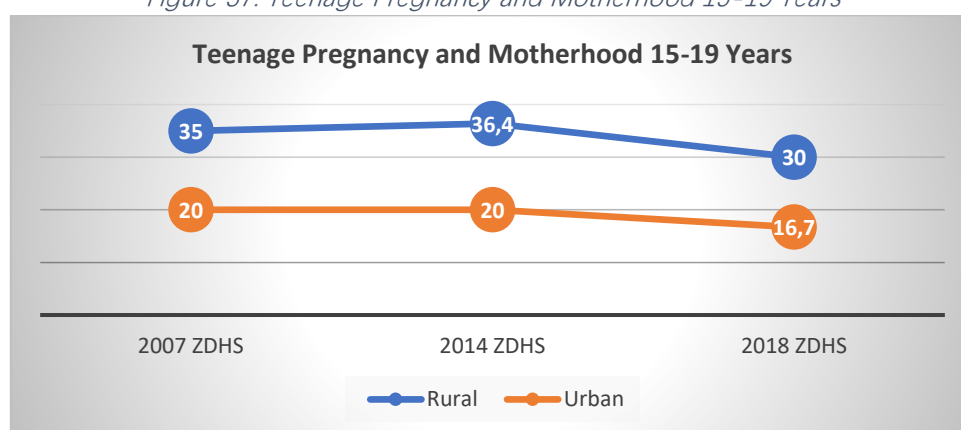
Rights (SRHR) strategy (2018-2030) and Score Card with measurable indicators to track the 2030 SDG targets. As a follow up to this strategy, country specific targets were developed. Further, the Government has been providing free contraceptive services through the public health institutions.

To increase knowledge and access to affordable contraceptive methods throughout the country, Government and stakeholders put in place the following measures: Integrated age appropriate Comprehensive Sexuality Education in the school curriculum; Comprehensive Sexuality Education to out of school adolescents and young people; Community based action groups to sensitize the community members on contraceptives; Institutionalized Youth Friendly sexual reproductive health Services which include provision of family planning services; and Training programmes for health care providers and peer educators in adolescent friendly sexual reproductive health services in districts.

Gardasil, a vaccine to prevent cervical cancer in girls aged between 9 and 13 was introduced.

According to the ZDHS for the period 2007 to 2018 teenage pregnancies have reduced from 35 percent to 30 percent for rural areas and 20 percent to 16.7 percent for urban areas respectively. (Seen Figure 37 below).

*Figure 37: Teenage Pregnancy and Motherhood 15-19 Years*



*Source: Zambia Demographic and Health Survey 2007, 2014 and 2018.*

### **Gender Based Violence**

The 2013/2014 ZDHS reported a reduction in the prevalence of physical violence which was reported at 43 percent compared to the prevalence of physical violence in the 2007 ZDHS report which was reported at 47 percent to respond to the challenge of GBV, there has been a continued implementation of programmes aimed at eradicating GBV. Following the enactment of the Anti GBV Act No. 1 in 2011, there have been several other interventions against the GBV vice. The following highlights some of the major developments during the 2011-2019 period:

- Establishment of Gender Based Violence Fast Track Courts;
- Removal of fees for medical and police reports for GBV survivors;
- Training of community paralegals to increase access to justice and provision of legal aid services;
- Development of a National Legal Aid Policy which recognises the role of

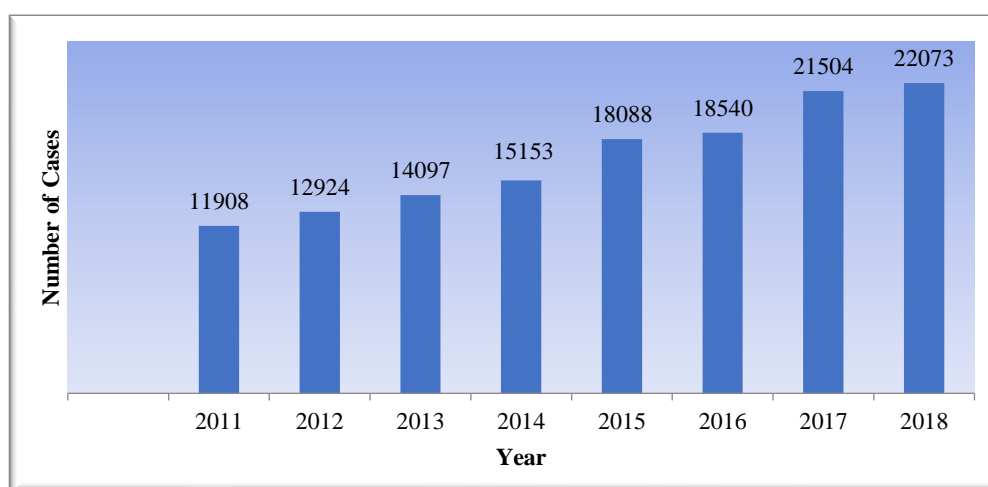
paralegals and bridges the gap for the marginalized persons to access justice;

- Establishment of the GBV specialised unit under National Prosecutions Authority (NPA); and the Government of the Republic of Zambia-UN Joint Programme on GBV 2014-2017.

Due to extensive sensitization undertaken during the period under review, there has been a corresponding increase in the number of cases reported as shown in the graph below, which can also be attributed to the confidence in the systems and structures that have been set up.

These interventions have helped to encourage reporting of GBV cases as well as the timely and just disposal of these cases. As shown in Figure 38, the number of cases reported increased by 43 percent over the period of 2011 to 2018.

*Figure 38: Reported GBV Cases, 2011-2018*



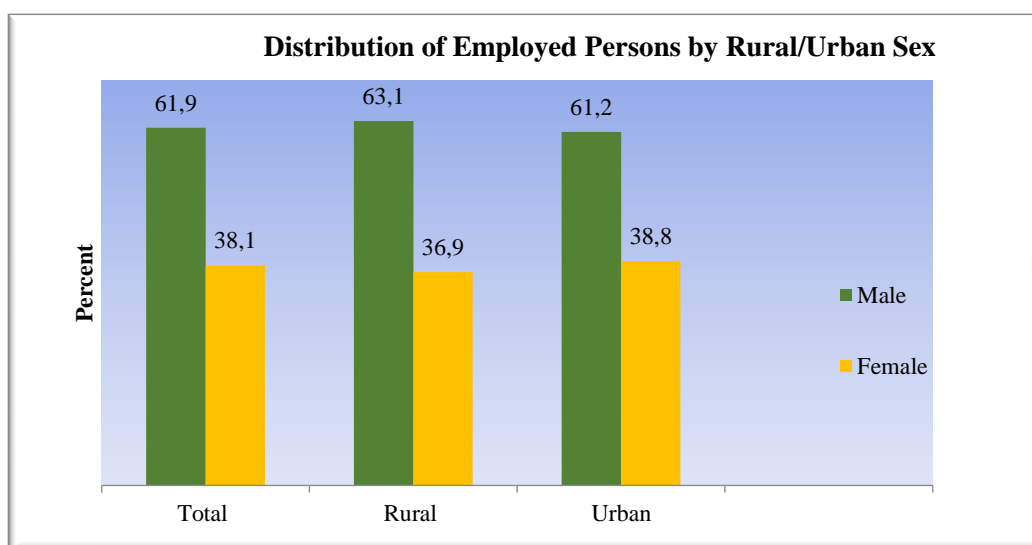
*Source; Ministry of Gender 2018*

### ***Women Empowerment Programs***

#### ***- Employment***

According to the country's most recent Labour Force Survey (2018), the distribution of employed men at national level was higher at 61.3 percent and 38.7 percent for women. Similarly, there were more men employed in both the rural and urban areas as shown in Figure 39.

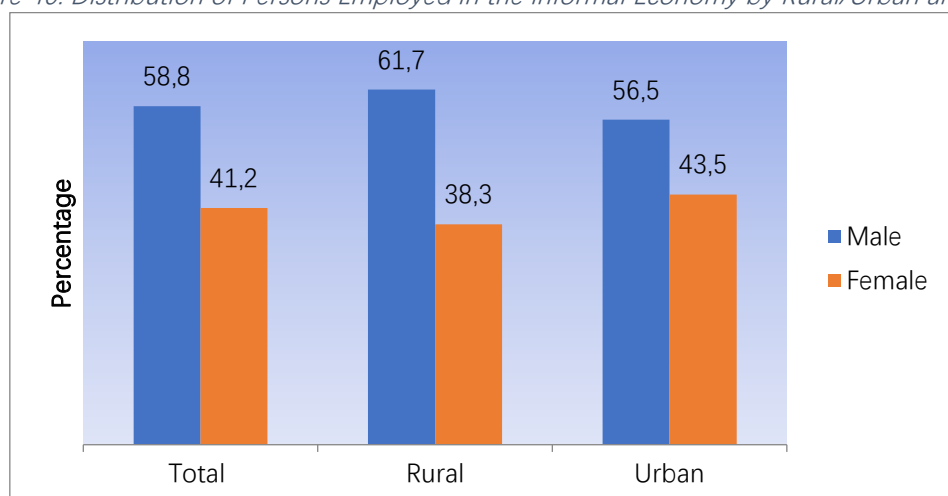
Figure 39: Distribution of Employed Persons by Rural and Urban and Sex, 2018



Source; CSO, Labour Force Survey, 2018

The national employment structure is still characterised by a higher percentage of the total employed persons being in the informal economy. At national level the proportion of employed in the formal sector was only 26.6 percent with 73.4 percent in the informal sector. A similar pattern is observed in both the rural and urban areas as shown in Figure 40 below.

Figure 40: Distribution of Persons Employed in the Informal Economy by Rural/Urban and Sex



Source; CSO, Labour Force Survey 2018

To help tackle the above-mentioned employment challenges, the Government alongside its cooperating partners have been implementing special programmes to promote women in rural agriculture. Agriculture is the major source of income for 89.4 percent of the rural population and women contribute 52 percent of the total labour force in agriculture. Empowering women in agriculture is also an effort towards enhancing food security, increasing household incomes and agricultural productivity. The ADVANCE, CIDP and GEWEL are some examples of the nation's successful programmes for women in the sector.

- *Agriculture Development through Value Chain Enhancement (ADVANCE) Project*

This project was started in 2015 and is still on-going. The programme aims to empower women in rural agriculture. Women are encouraged to belong or form cooperatives and to use mechanized forms of agriculture. This project is targeting to provide agricultural equipment to all the country's 288 chiefdoms. So far women led cooperatives in 100 chiefdoms have been sensitized and trained on the use of tractors (71) and tillers (95) equipment. The program also endeavours to create jobs through the value chain approach by engaging women led cooperatives to be involved in this mechanization of the agriculture sector.

- *Cashew Infrastructure Development Project (CIDP 2015-2020)*

Another programme that was established during this period is the Cashew Infrastructure Development Project (CIDP 2015-2020) with the aim of reviving the cashew subsector (the production, processing and marketing of cashew nuts). The Project is targeting 60,000 small holder farmers of which 30,000 are expected to be women and 7,000 youths. The Project will further create 6,000 full time jobs of which 3,000 are expected to be women and 1,000 youths along the cashew value chain from production, processing to marketing. The Project is currently at 30 percent women's participation and its working towards getting to 50 percent women beneficiaries.

- *Women Empowerment and Livelihood*

GEWEL's economic empowerment component targets to empower 75,000 women in 51 rural districts with entrepreneurial skills and start-up capital worth \$225 per beneficiary. The project is contributing to increasing women's access to finance, their participation in the economy and to the fight against poverty. By mid-2019 the program was supporting 34,626 women.

### ***Access to Productive Resources***

The percentage of women with access to land increased from 14.0 percent in 2014 to 28.3 percent in 2015 and 32 percent in 2017. The increase in access to land has been a result of the country's on-going reforms in service delivery, reinforced by the Presidential directives on land allocation.

### ***Democratic Participation***

With regard to Democratic Participation, Zambia is implementing an inclusive democratic system of governance and strategies aimed at promoting platforms for citizen engagement and participation as well as strengthening electoral processes and systems. Under these two strategies, the nation is implementing continuous voter's registration and update and national registration cards. Women and men are equally considered important in the country's democracy and are targeted in these programmes. Discussions on women participation in decision-making are covered under the section on governance at all levels.

## **Social Protection**

### **IPoA Goals and Targets:**

- Enhance social protection systems to improve the resilience of all, including poor and disadvantaged groups.

The importance of social protection in national developmental programming was re-emphasised over the IPoA implementation period, in an effort to ease the burden of

poverty and inequality among vulnerable groups such as children, women and the disabled. The urgency for Government action was heightened by the compounding effect of the national HIV/AIDS pandemic on these already poor and disadvantaged groups of the population. To advance their resilience using social protection systems, the Government has been working towards strengthening the national social protection frameworks from policy level down to programme level. This section highlights the reforms undertaken to enhance social protection systems in the country during the IPoA review period.

In 2014, the National Social Protection Policy was developed for purposes of guiding the provision of social protection services in order to mitigate socio economic challenges faced by the above most vulnerable social groups. The policy seeks to promote quality and efficiency in service delivery while ensuring optimal use of resources. The Policy is structured along four pillars, representing key policy objectives and measures namely social assistance, livelihood and empowerment, social security/social insurance and protection with disability as a cross cutting issue

Social protection was also mainstreamed in the overarching 7NDP (2017-2021) under one of the plan's key priority development pillars on poverty and vulnerability reduction, with the aim of strengthening the coordination of social protection systems and improving the covering and targeting of social protection programmes.

To support implementation of interventions on social protection, the Ministry of Community Development and Social Services is spread out to all provinces and districts of the country. This brings social protection programmes as close to the people as possible. The country is also receiving support from cooperating partners in the implementation of social protection programmes.

### **Social Protection Measures**

A number of interventions are being implemented in the area of social protection including the Women Empowerment Program (WEP), Girls Education Women Empowerment Livelihood, Orphan and Vulnerable Children (OVC) bursary, Social Cash Transfer Program (SCT), Public Welfare Assistance Scheme (PWAS), Farmer Input Support Program (FISP), Food Security Pack (FSP) and School Feeding Programme (SFP).

#### *- Social Cash Transfer Scheme*

The Social Cash Transfer Scheme is one of the flagship Social Assistance programmes being implemented in the country; it aims at assisting the most vulnerable and incapacitated households in society by meeting their basic needs such as food, health, education and shelter essentials. The programme was started in 2003 as a pilot Social Safety Net Project, supported by a cooperating partner due to the noted positive impact and Government's priorities to enhance social protection. The programme was scaled up by Government over the IPoA implementation period.

The Scheme is, in part, a response to the HIV and AIDS Pandemic, which has led to a growing number of households with no adult breadwinner and households headed by aged persons, children and the chronically ill. The scheme is an alternative to the in-kind assistance offered through community structures and tries to respond to the growing number of poor and vulnerable households. Social cash transfers are regular, non-contributory payments of money provided to target groups. The beneficiaries receive a specified amount of money per month, paid bimonthly. Persons with

disabilities receive double transfers than other vulnerable persons. The scheme is now being implemented in all the Districts.

In 2018, against a target of 700,000, the number of households that benefitted from the programme was 632,327. Out of these, 465,804 were female beneficiary households.

This programme has been successful in not only promoting the dignity of recipients but also of uplifting their standards of living, with some being able to send children to school and attain food and nutrition security.

- *Food Security Pack*

The Food Security Pack Programme is aimed at helping vulnerable but viable farmer households become food secure. It is one of the programmes being implemented along the livelihood and empowerment pillar of the National Social Protection Policy. This is done by providing households with farming inputs such as Maize/Orange Maize seed, Beans, Soya beans, Groundnuts, Cowpeas as well as Urea and Compound D Fertilizers. The Orange Maize is being promoted to respond to reducing stunting as it is rich in vitamin A. In response to the climate change Government has included alternative livelihood interventions to drought prone areas which are supplemented by legumes.

Another important aspect of this programme is the incorporation of intensive training in Conservation farming methods, food processing and handling and preservation and food bank management.

This programme, that commenced in 2001 when the number of beneficiaries was at 200,000 and has been scaled up to 750,000 beneficiaries receiving support countrywide in the 2018/2019 farming season. Focus has been on households that take in orphans, households that are headed by people living with disabilities and households headed by women, children, the terminally ill, unemployed youth and aged persons.

In the 2016/2017 farming season, a total of 32,000 households benefited from the programme. The inputs distributed costed about 35.9 million and the farmers harvested in food security worth 53.9 million of cereal and 4.9 million of legumes.

*Table 13: Distribution of the Food Security Pack by Criteria/ Household Characteristics in 2018*

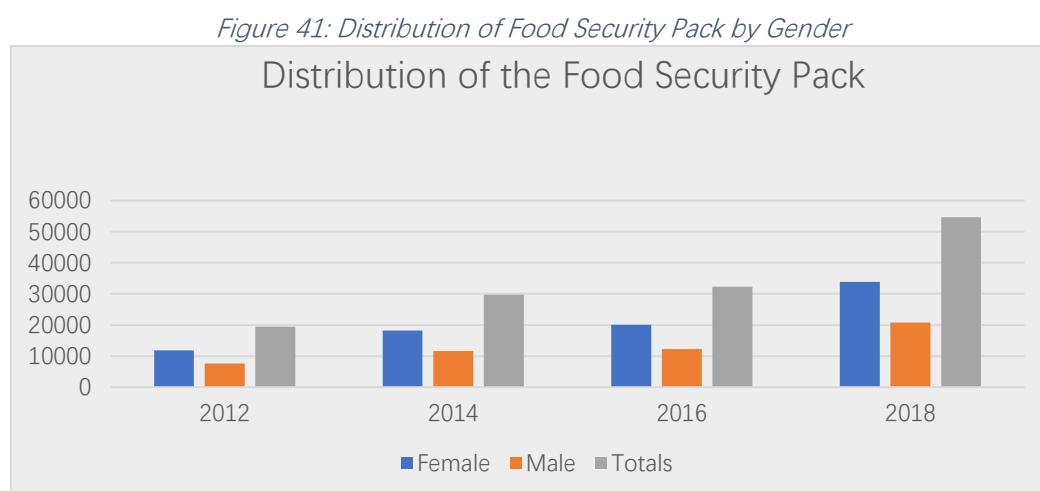
PROVINCE	FEMALE HEADED HOUSEHOLD	HOUSEHOLD KEEPING ORPHANS	CHILD HEADED HOUSEHOLD	TERMINALLY ILL HEADED HOUSEHOLD	HOUSEHOLD HEAD WITH DISABILITIES	UN EMPLOYED YOUTH HEADED HOUSEHOLD	AGED HEADED HOUSEHOLD	TOTAL BENEFICIARIES BY PROVINCE
<b>PREDOMINATELY URBAN PROVINCES</b>								
LUSAKA	1,038	912	0	63	157	472	503	3,145
CENTRAL	1,887	1,085	29	57	403	1,037	1,268	5,766
COPPER BELT	1,474	951	0	95	380	761	1,093	4,754
SOUTHERN	1,986	1,264	0	60	421	1,505	782	6,018
<b>TOTAL URBAN BENEFICIARIES</b>	<b>6,385</b>	<b>4,212</b>	<b>29</b>	<b>275</b>	<b>1,361</b>	<b>3,775</b>	<b>3,646</b>	<b>19,683</b>
<b>PREDOMINATELY RURAL PROVINCES</b>								
EASTERN	2,137	1,241	69	69	620	1,032	1,724	<b>6,892</b>
LUAPULA	1,496	1,208	116	173	575	1,036	1,151	<b>5,755</b>
MUCHINGA	1,330	1,197	89	133	266	887	532	<b>4,434</b>
NORTHERN	1,838	1,460	108	54	378	1,135	432	<b>5,405</b>
NORTH - WESTERN	1,592	1,027	51	51	308	1,335	719	<b>5,083</b>
WESTERN	2,060	2,207	54	147	294	1,913	736	<b>7,411</b>
<b>TOTAL RURAL</b>								

*Source: MCDSS, 2018*

As seen in Table 13 above, the predominantly rural provinces of Zambia received 34,980 (i.e. 64 percent) food security packs compared to 19,683 (i.e. 36 percent) which went to predominantly urban provinces. This shows government's deliberate policy to target rural marginalized individuals in an effort to promote food security especially in rural areas.

Female headed households in the rural areas received the biggest share 19 percent, followed by households keeping orphans in the rural areas 15 percent, followed by unemployed youth headed households in the rural areas 13 percent. This was followed by female headed households in the urban areas 12 percent, then households headed by the aged in rural areas accounting for 10 percent of the total beneficiaries. Next were households keeping orphans in urban areas accounting for 8 percent of the total beneficiaries, followed by unemployed youth headed households and aged headed households in urban areas both accounting for 7 percent of the total beneficiaries. The others were households headed by persons with disabilities in the rural and urban areas accounting for 4 percent and 2 percent respectively. The child and terminally ill headed households in both rural areas and urban areas each accounted for 1 percent of total beneficiaries.

Figure 41 shows the distribution of the Food Security Pack by gender.



*Source: MCDSS*

As shown in the figure above, though the percentage of women recipients of the food security pack remained higher than that of men, the number of female beneficiaries of the agricultural food security pack has been increasing steadily from 2012 to 2018 due to Zambia deliberately targeting women headed households.

Notwithstanding the success scored with regard to promoting social security, Government faced some challenges in implementing the food security programmes key challenges include:

- (a) programmes were found to be fragmented and reached only a small fraction of the poor and vulnerable;
- (b) vulnerable and poor children, in particular, were not sufficiently covered by existing social protection programmes and their needs were not adequately addressed;
- (c) people in the active age group had little access to livelihood promotion

programmes, such as the Farmer Input Support Programme (FISP) thus not reaching the poorest farmers;

- (d) the social protection systems were primarily geared towards rural areas, with little provision for vulnerable and poor people in urban areas;
- (e) the perception of “double dipping”, limited potential for complementarities across programmes in the protection and promotion pillar, and the establishment of sustainable graduation strategies.

To mitigate the above-mentioned challenges, Government has made efforts to enhance the targeting and coverage of the programmes highlighted above. Further, Government has drafted a Social Protection Bill has been drafted to provide for a legislative framework in the provision social protection framework. The bill addresses social protection from two perspectives namely; contributory and non-contributory. In 2018 a single window for social protection services was rolled out in six districts. It is aimed at providing an integrated approach in the delivery of social protection services and allow for linkages and synergies in programming so as to increase impact and sustainability of social protection investments. In addition, the social security coverage has been extended to the informal sector and a social health insurance scheme has been introduced.

#### *- Community Skills Development*

Community Skills Development is offered by Government through Provincial Skills Training Centres in eight of the ten provinces of Zambia except for Muchinga and Lusaka.

Programmes offered provide self-employment and livelihood skills such as Home Management, Power Electrical, Carpentry and Joinery, Bricklaying and Plastering, Tailoring and General Agriculture.

#### *- Women Empowerment*

The Girls Education and Women Empowerment Livelihood (GEWEL) project, supplements Government efforts of empowering and improving women and girls' livelihoods. The programme targets to support vulnerable women with life and business skills as well as productivity grants to engage in economic activity.

This programme commenced in 2016 and so by mid-2019, had supported 34,626 women from a total of 51 districts, representing 10 provinces of the country. The overall target is to reach 75,000 women by 2020. Currently targeting is under way in 20 districts which is the finale phase of the programme.

### ***Social Security and Social Health Insurance***

#### *- Social Security*

Social Security is broadly defined as “measures designed to protect individuals and families against income insecurity caused by contingencies such as unemployment, employment injury, maternity, sickness, invalidity, old age and death.

The Social Security landscape in Zambia consists of public and private pension houses, a pension regulator, fund managers and other stakeholder institutions. Presently, there are five public social security institutions namely National Pension Scheme Authority



(NAPSA), Local Authorities Superannuation Fund (LASF), Workers Compensation Fund Control Board (WCFCB), Public Service Pension Fund (PSPF) and National Health Insurance Management Authority (NHIMA). Zambia also has 245 private occupational pension schemes registered under the Pensions Scheme Regulation Act No. 28 1996. Key social security schemes include the following:

**NAPSA:** NAPSA is established under the National Pension Scheme (NPS) Act No. 40 of 1996. It is the largest social security scheme covering both private and public sector employees. It provides monthly pension that covers old age, invalidity, survivor's benefits and funeral grants. In addition, it also provides a lump sum that covers old age, invalidity and survivors benefits in the event that a member does not meet the eligibility criteria for a monthly pension.

Table 14 shows the coverage of NAPSA from 2011 to June 2019.

*Table 14: Number of persons in employment registered (active) with NAPSA from 2011 to June 2019*

2011	2012	2013	2014	2015	2016	2017	2018	2019
546,693	596,244	620,132	672,320	701,374	727,833	768,591	810,408	820,538

*Source: Ministry of Labour and Social Security*

There has been a 50 percent increase in the number of persons in employment registered with the scheme from 2011 to June 2019. This represents an increase of approximately 273845 persons in employment registered with the Scheme from 2011 to June 2019.

**PSPF and LASF:** PSPF is established under the Public Service Pension Act No. 35 of 1996 while LASF is established under the Local Authorities Superannuation Fund Act Chapter 284 of the Laws of Zambia. Both Schemes provide the following benefits; old age, ill health (medical ground), retrenchment, Survivors, resignation/discharge and dismissal. The Schemes pay a lump sum up to two thirds and monthly pension (annuity). PSPF and LASF have been closed to new entrants since 2000. All new entrants have joined NAPSA. The PSPF Scheme is in principle, a closed scheme for members who did not join before the year 2000, except military members who continue to be members of the scheme.

The coverage of LASF and PSPF from 2015 to 2019 is shown in Table 15.

*Table 15: Coverage of LASF and PSPF, 2011 - 2018*

Year	2015		2016		2017		2018		2019	
Institution	LASF	PSPF	LASF	PSPF	LASF	PSPF	LASF	PSPF	LASF	PSPF
No. of persons in employment registered with LASF & PSPF	4,428	93,060	4,174	92,990	3,737	92,365	3,600	94,671	3,501	93,800

*Source: Ministry of Labour and Social Security*

There has been a steady decrease in the number of employees registered with the LASF due to reasons highlighted above. There was a decrease of 929 in the number of persons in employment registered with the scheme for the period 2015 to June 2019. However, for the PSPF scheme, it can be observed that there was a slight increase in the number of persons registered of 740 for the same period.

**WCFCB:** The WCFCB was established by the Workers Compensation Act No. 10 of 1999 of the laws of Zambia. The workers compensation Act No 10 of 1999 was

designed to provide for the establishment and administration of a Fund for the compensation of workers disabled by accidents occurring during the course of their employment, or diseases similarly contracted by workers. It makes provision for payment of compensation to dependants of workers who die as a result of such accidents or diseases.

Table 17 shows the coverage of the WCFCB from 2015 to June 2019.

*Table 16: Number of persons in employment registered with WCFCB from 2015- June 2019*

<b>Year</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
No. of persons in employment registered with WCFCB	283,581	354,476	364,386	390,814	404,632

*Source: Ministry of Labour and Social Security*

As seen above, for the period 2015 to June 2019, there was an increase of 121,051 in the number of persons in employment registered with the WCFCB scheme.

#### *- National Health Insurance Scheme*

Investment in health is key to economic development, and that Health Care Financing is an essential pillar on which a nation's health system stands. It is on this basis that the National Health Insurance Act of 2018 was enacted. The Act put in place a national health insurance (NHI) scheme which entitles contributing members to a predetermined set of healthcare benefits. The NHI will promote universal health coverage through continuum of care that encompasses health promotion, prevention of disease, quality curative services and palliative and rehabilitative care (Ministry of Health, 2018).

### ***Reforms in Social Protection***

In 2012, Government made a decision to have a singular legal and institutional framework that would contain explicit provisions for social protection. This was against a background of an absence of a comprehensive and integrated regulated framework for social protection programmes which resulted in fragmentation of social protection programmes across various line Ministries, statutory bodies and civil society organisations.

To address these challenges, the Government of the Republic of Zambia launched the National Social Protection policy (NSPP) in 2014 and resolved to undertake comprehensive reforms, which would include bringing contributory and non-contributory social protection programmes under one unique institutional framework to enhance co-ordination, avoid overlaps and improve cost efficiency in administration and implementation.

In 2012, recommendations of the Pensions Reform Technical Committee constituted led to the development of a draft Social Protection Bill to cover a wide range of contingencies and is meant to provide Zambians protection across a mix of risks throughout the life cycle through a combination of pension, occupational injury and disease and social assistance. It also provides for institutional arrangements and regulation of the social protection industry. The Bill is yet to be enacted. The bill is undergoing consultations with stakeholders as part of the process that will lead to its enactment into law.

To improve service delivery across all social protection programmes, including social cash transfer, the Zambia integrated social protection information system was

developed. The system is projected to be operational in 2020 and it will enable the Government to track the payment of transfers through providing real-time reporting and authentication of beneficiaries.

Zambia, in 2019, also launched an integrated framework of Basic Social Protection Programmes with a view to enhancing coordination and reducing fragmentation in the provision of social protection services. The system seeks to address duplication of efforts and promote optimisation of the use of resources. Under this framework, there are several initiatives being implemented such as the single window system, which serves as a single-entry point to all the basic social protection programmes. Another notable feature of this framework is the introduction of the Cash-Plus concept, which promotes complementarity in the implementation of social protection programmes in order to have a meaningful impact on either poverty or vulnerability reduction. For instance, a beneficiary of the Social Cash Transfer can also benefit from the Farmer Input Support Programme.

- *Extension of Coverage*

National Strategy on Extension of Coverage to the Informal Economy: The extension of social security to the informal economy is pivotal in the creation of a comprehensive social security system in Zambia. The existing social security programs in Zambia were primarily designed for the formal sector workers in mind and thus there is no significant participation among the informal economy workers. According to the 2018 Labour Force Survey, 2,030,802 of the total number employed of persons were in the informal sector while 917,011 were employed in the formal sector. This means that of the total employed persons, approximately 69 percent are in the informal sector.

To ensure that the informal sector is not left behind, Government, with support from social partners, is in the process of finalising a National strategy on Extension of Social Security to the Informal Economy. The National Strategy is expected to guide and provide the overall national framework for expanding coverage of existing social security programs, as well as for designing new innovative solutions that will help in the extension of coverage in a sustainable manner over the long-term. The Strategy is envisioned to run up to 2030 once launched.

It is expected that an increase in social security coverage levels for the informal economy workers will improve their protection against financial hardship from life cycle risks, reducing vulnerabilities, social exclusion and poverty thereby translating into higher levels of social and economic development for the nation.

- *Extension of Coverage to the Informal Sector (ECIS)*

Government through the Ministry of Labour and Social Security working with NAPSA has put in place efforts to extend social security to workers in the informal economy through the creation of the ECIS project which focuses on extending coverage to bus drivers, traders, Marketeers, construction and domestic workers.

Furthermore, NAPSA has eased the process of complying with the NPS Act through the introduction of a web-based eServices Portal, referred to as 'eNAPSA', through which employers can register their employees and file monthly returns. NAPSA members can equally register on the portal and keep track of their member details and contributions and benefits information online. Other IT innovations include NAPSA mobile App with self-registration capability, VISA payment option, Mobile money

payment platform, Agency Module on eNAPSA.

The Authority is also leveraging partnerships with various stakeholders, key among them are the different associations and unions representing the interests of domestic workers, taxi and bus drivers, marketeers, Sawmillers and smallholder farmers. This is aimed at adequately capturing the different types of informal sector employees for social security inclusion.

- *Maternity Protection*

The international Labour Organisations maternity protection convention 2000 (183) provides for maternity leave, maternity benefits, health protection for pregnant or breast-feeding women, employment protection and non-discrimination, and nursing-breaks. Zambia has domesticated the provisions of the conventions through the enactment of the Employment Code Act No. 3 of 2019. The Employment Code Act has also introduced paternity leave as a feature that relates to maternity protection. The Maternity Protection Convention provides for 14 weeks maternity leave, which the Employment Code Act has accordingly adopted by increasing maternity leave from 12 to 14 weeks.

- *Paternity Leave*

The Employment Code Act provides that a male employee who has served the employer for a continuous period of not less than one year immediately before the date of commencement of the Paternity leave, is entitled to paternity leave of 5 continuous working days, if the employee satisfies certain conditions.

- *Statutory Instrument No. 72 of 2019 – National Pension Scheme (Informal Sector) (Membership and Benefits) Regulations, 2019*

As indicated above, a large portion of the Labour Force is in the informal sector and therefore not covered by National Pension Scheme Authority (NAPSA). The National Pension Scheme Act No. 40 of 1996 was not enabling enough for the self-employed workers to become members and make contribution to NAPSA.

This is because the Act requires that there should be an employer and employee relationship who would share equally the contribution rate of 10 percent and that contributions are remitted to NAPSA by the 10th day of the following month. These requirements plus absence of short term benefits such as Family, Funeral, and Maternity benefits among others, have made NAPSA unattractive and inappropriate to workers in the informal sector, some of whom are employers and employees at the same time, have low and irregular income (season income) and they are more interested in short time benefits.

Government has therefore issued a Statutory Instrument to extend social security coverage to the informal economy. The Regulations provides for registration (membership) of informal sector workers (self – employed) with some flexibility in contribution taking into account seasonality and the level of income in this sector and additional of short-term benefits which include funeral and maternity benefits and absence of penalties.

### ***Protection***

Protection focuses on the preservation of rights, dignity and respect for vulnerable

individuals, families and communities. Government renders protective services to families and children in need of care by providing a safe, permanent and stable environment that supports their wellbeing. The focus for welfare of children in need of care and their families responds to various vulnerabilities faced by children in institutional care, children in conflict with law, circumstantial children and street children. Further Government also protects the rights gender-based violence and human trafficking victims through integrated community level case management.

### ***Disability***

During the review period, Zambia remained committed to the promotion of the rights of persons with disabilities. Among the key measures included the mainstreaming of disability in programmes such as promotion of the inclusion of sign language and braille in various institutions. Government is moving towards Community Based Inclusive Development (CBID).

Other policy measures include waiver of duty on the importation of modified vehicles for persons with disabilities and integration of disability in the targeting of social protection programmes such as the Social Cash Transfer scheme, Food Security Pack and education programmes. Social Cash Transfer has education.

### ***School Feeding Programme***

The School Feeding Programme (SFP) has had tremendous impact on school attendance in the rural areas. During the 2006-2010 period the number of learners in schools increased from 310,451 to 850,000 learners in the 2011 -2015 period. With regard to coverage, the programme extended to 8 provinces and was implemented in 2,400 schools during the 2011 - 2015 period, compared to 4 provinces supporting 829 schools during the 2006 - 2010 period. In the period 2016-2019 Government has increased the number of schools benefiting from this programme from 2400 to 2618 schools. The number of districts was also increased to 39 districts which are predominantly rural. This programme has contributed to improving school attendance and retention of learners especially in rural areas where children sometimes walk long distances compared to their urban counterparts to get to school.

### **g. Multiple Crises and Other Emerging Challenges**

#### **IPoA Goals and Targets:**

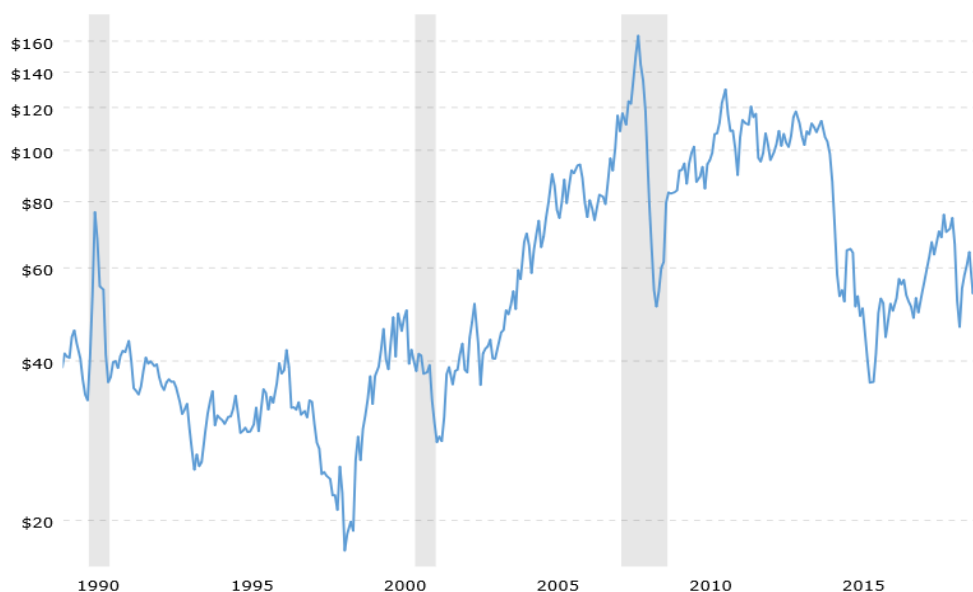
- Build the resilience of least developed countries to withstand economic shocks and to mitigate their adverse effects;
- Strengthen least developed countries' ability to withstand and overcome the adverse effects of climate change, enhance sustainable growth and protect biodiversity;
- Build the resilience of least developed countries to withstand natural hazards in order to reduce the risk of disasters.

### **Commodity Prices**

As a commodity dependent country, Zambia remains vulnerable to economic shocks emanating from fluctuating commodity prices. This is not only true for our export products such as copper and agricultural commodities, but also with major imported

commodities, notably crude oil, which is a critical import to the economy. It is well noted that commodity prices tend to fluctuate and that has been the case in the period of the IPoA.

Figure 42: Crude Oil Prices - 1995-2019



Source: Macrotrends LLC, 2010-2019, <https://www.macrotrends.net/1369/crude-oil-price-history-chart>

To this end, the Zambian Government continues to implement policy and regulatory frameworks that seek to support the resilience of our country to shocks emanating from crises in commodity markets. These are enshrined in the country's industrial policies, the 7NDP that emphasise the need to enhance value addition and exports of a wider diversity of non-traditional exports. This is as discussed in the section on productive capacity and commodities.

Regarding fluctuating crude oil prices, the seventh National Development Plan espouses the need to enhance the country's strategic oil reserves as well as enhance foreign exchange reserves for importation with increase resilient value-added exports.

## Climate Change

Climate change has emerged as one of the most pressing challenges affecting Zambia social and economic development and is posing serious threats its development process including the attainment of its national Vision 2030. The country has been experiencing climate induced hazards, which include drought and dry spells, seasonal and flash floods and extreme temperatures. Some of these hazards, especially the droughts and floods have increased in frequency and intensity over the past few decades and have adversely impacted on the food and water security, water quality, energy and sustainable livelihoods of rural communities.

In response to this challenge, government formulated the national adaptation plan of action (NAPA) in 2007. The NAPA was intended to respond to the most urgent and immediate adaption needs and identified water, agriculture, energy, natural resources (wildlife and forestry) and human health as the most vulnerable sectors to climate change. In 2011, government formulated the national climate change response strategy (NCCRS) which built on the work on the NAPA and expanded on vulnerable sectors

to include infrastructure and tourism. The NCCRS also went beyond adaptation to include mitigation efforts or reducing of greenhouse gas emissions.

Given that the bulk of the country's agriculture rain fed, the sector is susceptible to climate variation. This in turn, not only affects production and productivity for the crops and livestock sub-sectors, but also in downstream activities. Low rainfall equally negatively affects electric power generation, particularly given the country's reliance on hydro power. This impacts on productivity in other sectors and ultimately economic growth.

For instance, in 2015, the agriculture growth declined by 7.7 percent and notably, when the country experienced a prolonged dry spell during that year's farming season. During this period, GDP growth went down to 2.9 from 4.7 percent the previous year. In the following years, the agriculture sector grew by 3.7 percent and 9.8 percent in 2016 and 2017 with GDP growth at 3.8 percent and 3.5 percent. This was due to favourable rainfall. This pattern is always repeated, however, in the last five years, there has been more persistent dry spells than favourable rainfall. This demonstrates the impact of rainfall patterns on GDP growth rate.

Regarding energy, in terms of growth rate, in 2013, when the electricity sub-sector grew by 8 percent, GDP growth was at 5.1 percent. When the sector contracted to 1.9 percent in 2014, GDP growth equally took a nose-dive, contracting by 4.7 percent. In 2015, the sector went down to negative 1.5 percent, GDP growth further contracted by 2.91 percent. However, when the sector did rebound in 2017 with a growth of 23.6 percent, there was a rebound in GDP growth by 3.5 percent.

### ***Policy and Strategic Framework on Climate Change***

The country has joined the rest of the world in effecting climate change actions. Zambia is a signatory to the United Nations Framework Convention on Climate Change (UNFCCC). It has also ratified subsidiary instruments under the UNFCCC such as the Kyoto protocol and the Paris agreement. Further, in response to the threat of climate change, the Zambian Government developed the following frameworks that have guided its interventions in this regard.

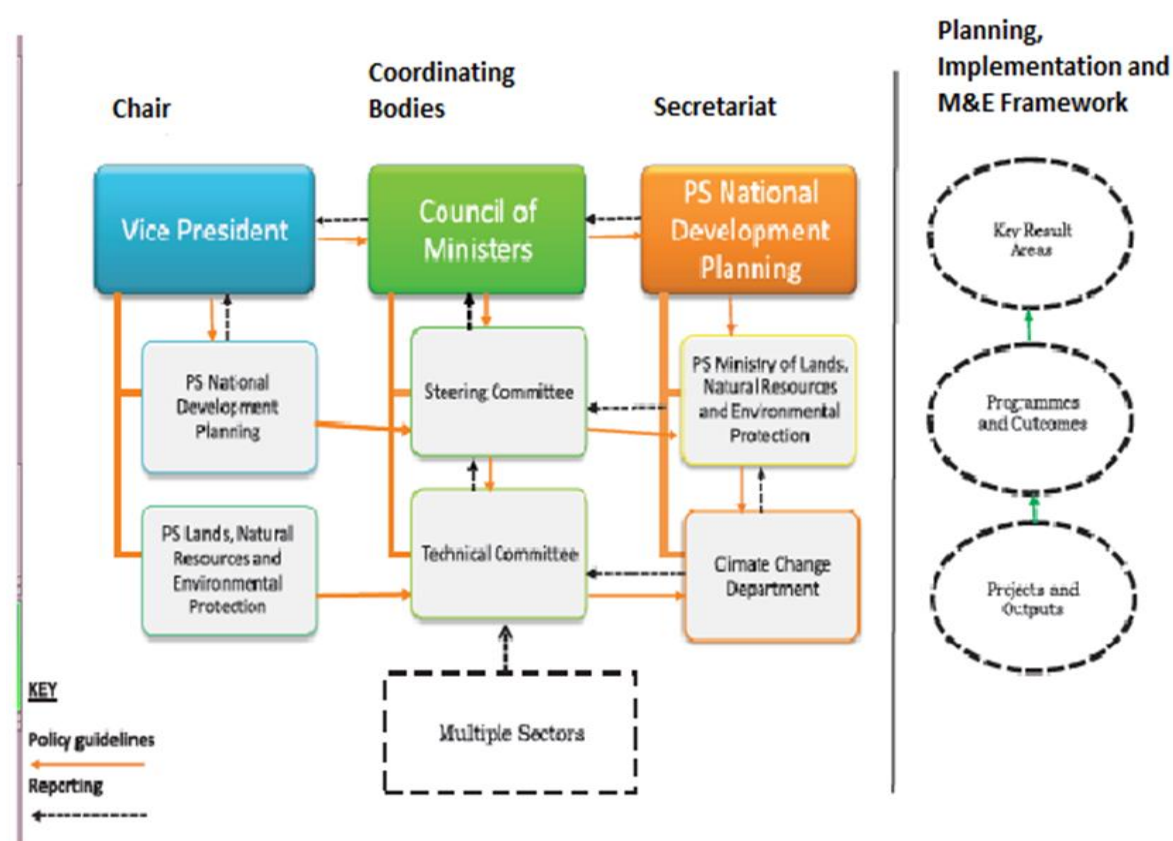
- (a) National Adaptation Programme of Action of (NAPA) of 2007 to respond to the immediate and urgent adaptation needs as a Least Developed Country;
- (b) Commission a study on the Economics of Climate Change in Zambia, 2011 to assess the economic impacts of climate change on the Zambian economy and the cost of addressing the challenge;
- (c) A Technology Needs Assessment (TNA) in 2014 to identify the country's technology needs and priorities for both adaptation and mitigation interventions on climate change;
- (d) Nationally Appropriate Mitigation Action (NAMAs) of 2015 to identify mitigation actions which are appropriate to country's circumstances and may result in win-win situation,
- (e) Nationally Determined Contribution (NDC) of 2015 to contribute to the attainment of the overall objectives of the Paris Agreement,
- (f) The National Policy on Climate Change (NPCC) of 2016 to provide a policy framework for a coordinated response to climate,



- (g) The National Strategy to Reduce Deforestation and forest Degradation (REDD+) of 2015 to reduce deforestation and forest degradation in order to ensure sustainable natural resource management, improvement of livelihoods and achievement of a green economy, and the
- (h) Forest Investment Plan to identify and prioritize ways in which deforestation can be reduced in Zambia. The Investment Plan would also be used for resource mobilization for the identified activities.

Through the National Policy on Climate Change, Zambia has established a framework for a coordinated response to climate change as well as a supporting institutional framework. The Policy established a governance system on climate change with the Council of Ministers as the apex policy and decision-making body headed by the Vice President followed by the steering committee on climate change of permanent secretaries as the main advisory body to the council of ministers on policy, program coordination and implementation. Then there is a technical committee on climate change as the technical advisory body to the steering committee on policy, program, coordination and implementation. Figure 43 shows the institutional framework on climate change response in Zambia.

Figure 43: Institutional Arrangement for the Coordination of Climate Change Action in Zambia



Source: National Policy on Climate Change, 2016

The aim of the Policy is to provide guidance at high level on how the Zambian economy could grow in a sustainable manner, thereby fostering a smooth implementation of the National Development Plans towards the achievement of the Vision 2030. Among the critical sectors being considered under the sector are agriculture, energy, water development, and forestry.



In addition, to protect the environment, Zambia developed its Second National Biodiversity Strategy and Action Plan (2015 – 2025), which provides a framework to guide interventions on biodiversity conservation in the country as well as act as a resource mobilization tool to enable successful implementation in a coordinated and effective manner. The National Policy on Wetlands (2018) was also developed to provide a framework for coordinated action for sustainable wetland management in Zambia. The legal frameworks on the management of the forestry sector have also been revised to promote the sustainable use of timber and non-timber forestry resources.

Zambia is also implementing various projects supported by development partners to promote adaptation to and mitigation of climate change. Interventions are being undertaken in various areas including agriculture, energy, forestry, wildlife management and contributing to mindset change and sustainable development.

- *Climate Response Measures*

Agriculture

Agriculture is one of the most affected sectors as regards to climate change. This is because agriculture in Zambia is largely rain fed. With prolonged dry spells and erratic rainfall, over the past decade, agricultural production has largely been affected, and this has threatened national food security. Largely affected is the southern region of Zambia, which has traditionally been the food hub for production of both crops and livestock. The reduction in rainfall and resultant low levels of surface and ground water has threatened food security due to lower production levels of food. Livestock production has also been affected due to reduced pasture and drinking water.

To that effect, Zambia is promoting conservation and climate smart agriculture by promoting drought resistant crops and climate smart agriculture practices. This is set out as one of the major priorities under the Nationally Determined Contributions (NDC) to the Paris agreement which Zambia ratified in 2016. In addressing climate vulnerability and food insecurity, Zambia is implementing the farmer subsidy program (FISP) that has incorporated an insurance scheme to address small scale farmers' vulnerability to climate change. The FISP program under the E-voucher system also promotes diversification of the agricultural sector that allows farmers to access inputs that reduce vulnerability to climate change.

Further, Zambia implemented the adaptation to adverse effects of climate change and variability in agriculture project (2010-2015) in the western and southern parts of Zambia which was aimed at improving agricultural productivity and enhanced food security. In addition, it implemented the scaling up of conservation agriculture project which was implemented from 2013-2017. Some of the major outputs of this project were to conduct adaptive conservation agriculture (CA) research, promote CA advocacy, scaling up of efficient and effective E-voucher system as well as promoting information services.

Other interventions include the promotion of conservation agriculture and climate smart agriculture among the smallholder farmers in the country. Currently there are 250,000 farmers that are practising conservation agriculture in the country. In addition, the Ministry is implementing development of irrigation infrastructure such as the Irrigation Development Programme which intends to bring 5,000 hectares of land under irrigation, the Up-scaling Smallholder Irrigation project which targets 25 sites across the country and will bring at least 25,000 hectares of land under irrigation and the

Chiansi irrigation scheme which is expected to bring at least 3,800 hectares of land under irrigation.

During the review period, the government completed the development of three irrigation schemes for the smallholder farmers in Southern Province which irrigate a total of 290 hectares of land in areas that are prone to droughts.

The Ministry of Fisheries and Livestock through the Zambia Aquaculture Enterprise Development Project (ZAEDP), Climate Resilient Livestock Management Project (CRLMP) and The Enhanced Smallholder Livestock Investment Project (E-SLIP) have developed and incorporated climate smart technologies that respond to mitigating the effects of climate change in the sector.

The ZAEDP is responding to climate change risks through promotion of water recycling systems in fish hatcheries that are efficient in water utilization, promotion of liners as water retention facilities and promotion of catfish production that are resilient to relatively poor-quality water and shallow ponds.

CRLMP has built resistance in small livestock holders through training and encouraging them to adopt use of improved practices that enhance livelihood such as making fire breaks around rangelands and has distributed livestock breeds that are resilient to climate change. The project has also set up sustainable livestock pastures and is constructing 15 tier 1 structures that are fitted with GHG emissions reduction technologies in Northern and Muchinga Provinces as well as constructed a Bio-gas digester at livestock service centres and slaughter facilities. The project is in the process of procuring solar powered submersible water pumps to be used in boreholes in designated areas.

E-SLIP has been promoting the use of sustainable Forage and Fodder Seed production and utilization.

LDAHP facilitated the construction of piggery units and addressed the effects of climate change by constructing bio-gas digesters.

Zambia is also implementing a project dubbed Strengthening climate resilience of agricultural systems in agro-ecological zones I and II (SCRALA). The project is being implemented in 16 districts in the country. Realising the vulnerability in the agricultural sector, Zambia further developed the Agriculture national adaptation plan to identify and address climate change adaptation measures for the agriculture sectors in relevant national planning and budgeting processes.

SCRALA is among the interventions being implemented by the Government of Zambia in partnership with the United Nations Development Programme and the Green Climate Fund (GCF). SCRALA is being implemented through the Ministry of Agriculture with the objective of building the country's climate, food and water system's resilience. This project also responds to Zambia's climate change strategies and Nationally Determined Contributions in the Paris Agreement. The project will run for 7 years from 2018.

The project endeavours to develop small holder's farmer's capacity to mitigate climate risks in farming as well as to promote climate resilient crop's production and diversification. The project further aims at improving access to markets and the commercialisation of climate-resilient agricultural commodities.

The Government of Zambia anticipates reaching over 3 million indirect beneficiaries through the project – approximately 18 per cent of the total population – which will

work in 16 districts which include: Mambwe, Nyimba, Chongwe, Luangwa, Chirundu, Rufunsa, Chama, Mafinga, Kazungula, Siavonga, Gwembe, Namwala, Shangombo, Senanga, Sesheke, and Mulobezi.

### Energy

Drought and reduced rainfall have also affected energy production in the country. This is because Zambia relies on hydroelectricity for productive sectors such as mining and manufacturing.

Consequently, Zambia is promoting the use of alternative energy sources such as solar energy and biofuels. For rural areas, Zambia continues to implement the Rural Electricity Master Plan to ensure that rural areas are connected to the national hydropower grid. In the bid to promote clean energy, Zambia has also decommissioned six (6) diesel power generating stations and replaced them with hydro-power station generators and connected the affected areas to the electricity grid. Zambia has further prioritised renewable energy and energy efficiency in its nationally determined contributions (NDC) targets. A number of specific interventions has been highlighted in section b (productive capacity) above.

### Forestry

Forests play an important role in the realisation of climate change adaptation and mitigation, as well as in realising the social and economic aspirations of the country. The forests also play a critical role in rural livelihoods who depend on it for a number of forest and non-wood forest products.

According to the ILUA II baseline assessments, forests are disappearing at an alarming rate of 275,000 Ha per annum. The immediate drivers of deforestation in Zambia have been identified as agricultural expansion, unsustainable charcoal and wood production practices, unmanaged fires and uncontrolled livestock grazing.

In this regard, the country has revised the forestry Act of 2015 which provides provisions for the establishments of community forests. Further the country has prioritised sustainable forest management in its NDC targets. In realising these targets, the country has developed the forest fire management plan and the forest fire monitoring system. It has further embarked on national tree planting program. It has further developed REDD+ strategy and the forest investment plan. Among OTHER interventions, the country is further implementing the Zambia integrated forest landscape project (ZIFL) in eastern province is further promoting climate resilient community-based regeneration of indigenous forests in Zambia's central province. Its further implementing the strengthening management effectiveness and generating multiple environment benefits within and around the Kafue national park and west lunga national park in Zambia

Zambia has prioritized reforestation and promotion of sustainable forestry management by increasing the number of forest hectares planted and formulating forest management plans. The Zambian Government has also prioritised sustainable forest management in its nationally determined contributions (NDC).

### Health

The health sector was identified as one of the vulnerable sectors to climate change. In response to this challenge Zambia developed the Health National Adaptation Plan

(HNAP) which identified climate risks and adaptation measures relevant to the health sector. Further, Zambia implemented the reducing unintended persistent organic pollutants (UPOPS) and mercury releases from the health sector (medical waste project) whose objective was to promote best practices and techniques for health care waste with the aim of minimizing or eliminating releases of UPOPS and phasing down the use of mercury containing medical devices and products. This intervention in the long term will reduced the carbon emission levels from medical waste incineration.

### Disaster Risk Reduction

Zambia is implementing a number of risk reduction programs/activities in order to lessen the impact of climate shocks on vulnerable communities. The activities include improving early warning systems through the establishment of a National Emergency Operation Centre for dissemination of real-time information to communities at risk.

- Establishing a platform for sharing of climate change information among stakeholders
- Strengthen community resilience and enhancing coping capacities through the community-based disaster risk management programs (CBDRM)
- Zambia also conducts a vulnerability and needs assessment yearly to assess the impact of climate variability on livelihoods. Data from this survey is used by communities to adapt and counter the negative effects of climate change.
- Zambia with other cooperating partners has also embarked on a program to translate weather forecast data in various local languages for use by the communities.
- Further, Zambia has enhanced the collection and utilisation of climate change data through the establishment of more rainfall stations and meteorological stations.

The country has further implemented the GRZ/UN joint program on climate change and disaster risk reduction (2012-2018). The government is implementing the southern African science service centre for climate change and adaptive land management (SASSCAL) program.

### Resource Mobilisation for Climate Response

Zambia has been receiving support from various Cooperating Partners in its climate response efforts and several projects have been developed and financed to mitigate and strengthen resilience against the impacts of climate change. Further, to enhance resource mobilization, Zambia established the National Designated Authority for the Green Climate Fund and Adaptation Fund in August 2015. This was established to coordinate all climate change programming and financing to ensure that the projects and programmes are within the development priorities for Zambia as outlined in the National Development Plans.

## **External Debt as an Emerging Issue**

The stock of public external debt traced a distinctive uptrend over the review period. At end 2018, the stock of public external debt was US \$10,047.8 million, accounting for 38 percent of GDP. This represented an increase of 45 percent from the end 2016 stock of US\$6,947.3. The increase in debt over the period was mainly due to net

disbursements on new borrowing and existing debt.

As a result of the rising external debt stock over the period, debt service equally swung upwards over the review period and is projected to spike in 2022, 2024 and the period 2025 to 2028 when the Eurobonds mature.

The high external debt service, coupled with subdued revenue projections for the short to medium term is likely to put pressure on the Treasury with regards to debt service, especially between the periods 2019 to 2027 when the Eurobonds mature. This situation, if not addressed, will likely result in much of the revenues being allocated to debt service, remaining with only a small portion allocated to developmental programmes in the national budget.

#### **h. Mobilizing Financial Resources for Development and Capacity Building**

##### **Domestic Resource Mobilization**

###### **IPoA Goals and Targets:**

- Enhance the mobilization of domestic resources, including by raising domestic savings, increasing tax revenue and strengthening institutional capacity.
- Reduce corruption and increase transparency at all levels.

To foster economic development, the Government targeted to skew the financing of the national development programmes towards the use of domestic generated resources. In this regard, the Government effort focused on a minimum domestic revenue collection of 18 percent of Gross Domestic Product over the review period. Domestic Revenue consists of both Tax Revenue and Non-Tax Revenue. Non-Tax Revenue is composed of User Fees, Fines, dividends, interests and capital repayments.

To achieve the stated targets, different strategies were planned for tax revenue as well as for non-tax revenue. Under tax revenue, the main focus has been ensuring tax buoyancy through initiatives to raise compliance, stabilization of the mining tax regime and of the tax system. Specifically, Government addressed the following measures to improve domestic revenue collection:

- *Addressing Base Erosion and Profit Shifting (BEPS)*

Government reviewed legislation on transfer pricing in order to curtail revenue leakage through transfer pricing. Further, Zambia has been re-negotiating and replacing Avoidance of Double Taxation Treaties (DTAs) which are outdated, provide for no taxing rights for Zambia and pose a threat of tax treaty abuse.

- *Rationalisation of Tax Incentives and Processes for Facilitation*

The Zambian Government has been continually reviewing and streamlining the tax incentive structure and facilitation processes to ensure that incentives are sustainable and better targeted and not over generous to provide a leak of domestic revenue. The most recent was the realignment of priority sectors for tax incentives, reduction of tax holidays from 10 years to 5 years under 2018 budget.

- *Modernisation of Tax Administration*

Government introduced electronic payment systems such as the Tax Online systems to

allow for e-filing and e-payment of taxes, hence lessening the burden of tax compliance. The aim was also to enhance availability of information on transactions that take place in the economy, which is essential for tax purposes. Going forward, Government is moving towards the introduction of Electronic Fiscal Devices to raise collections under the VAT.

Further, to minimize revenue leakages associated with manual processes, Government continues to ensure that major revenue collection processes are fully automated.

- *Appointing Withholding Agents*

To improve collections of output VAT at source, some companies including Government have been appointed as Agents. Agents have been appointed for the collection of other taxes, including withholding taxes on rentals, turnover tax, presumptive tax and base tax.

- *National Land Titling Programme*

Government will, going forward roll out the land titling programme to increase the number of land parcels on title and consequently, make them obligated to pay ground rents.

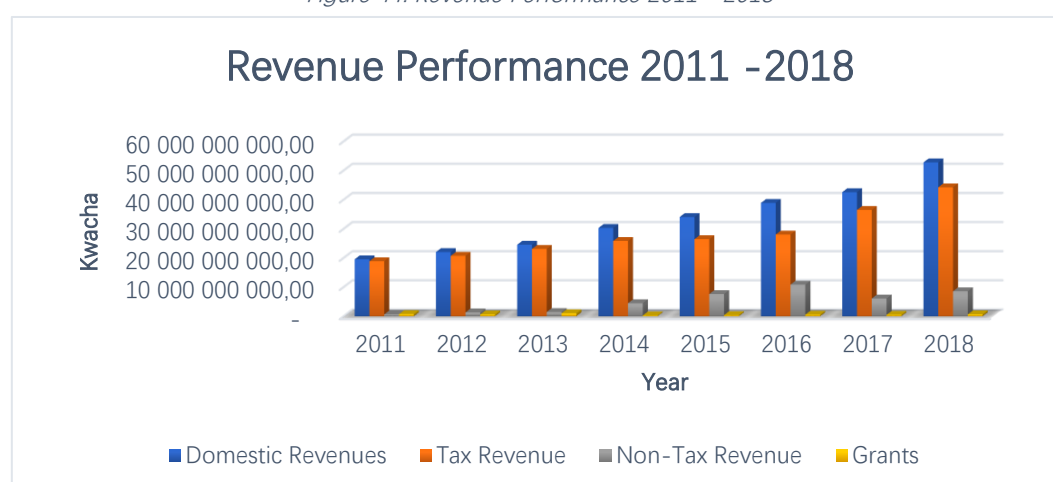
- *Telecommunications and Transaction Monitoring System (TTMS)*

Government has commenced installation of equipment to implement the TTMS project. This will ensure telecommunication traffic is properly monitored so that taxes and fees are properly accounted for by Telecommunication service providers.

### ***Domestic Revenue Performance 2011-2018***

Over the review period, Domestic revenue collections averaged 17.6 percent of the Gross Domestic Product. Of the Total Domestic Revenues, Tax Revenue collections averaged 15.2 percent while non-tax revenue accounted for 2.4 percent. As a percentage of the budget, Domestic Revenues averaged 72.4 percent. (See Figure 44 below).

*Figure 44: Revenue Performance 2011 - 2018*



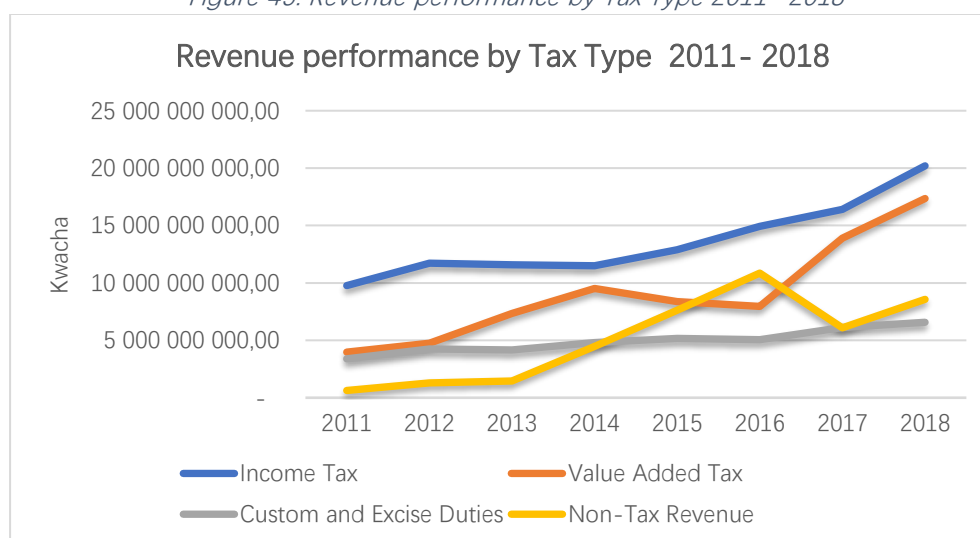
*Source: Ministry of Finance*

Collections under the Tax Revenue category were at the peak in 2011, at 16.6 percent of GDP and lowest in 2016 at 12.9 percent of GDP, mostly attributed to subdued prices of copper on the international markets and low electricity generation due to drought.

Over the review period, VAT collections showed the highest growth rate, a reflection of improved compliance and systems such as the appointment of withholding agents including government to collect VAT at source. Low buoyancy in the management and consultancy fees under withholding tax and under declarations in corporate tax affected Income tax collections. Collections from Customs and Excise duty showed the lowest growth rate, specifically, customs duty and mainly attributed to Trade diversion arising from the various concessions existing under the regional economic blocks that the country belongs to.

Efficiencies in collections methods such as the direct depositing system, electronic payment systems, upward revisions in fees and fines accounted for positive growth of non-tax revenue collections. (See Figure 45 below).

Figure 45: Revenue performance by Tax Type 2011- 2018



Source: Ministry of Finance

## Official Development Assistance

### IPoA Goals and Targets:

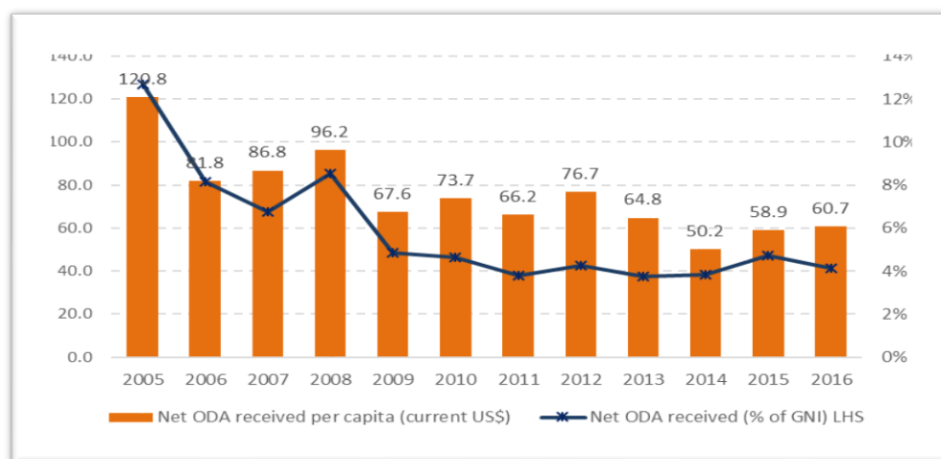
- Ensure the fulfilment of all ODA commitments to least developed countries;
- Ensure the alignment of aid with least developed countries' national priorities and increase the alignment of aid with least developed countries' national systems and procedures.

Historically, Zambia has had a high level of aid dependency, from 1990-2005 the average ratio of ODA to Gross National Income (GNI) was 23 percent. ODA continues to make a significant contribution to public finance, but as the economy has grown, the relative importance of ODA has declined as a proportion of GNI (below 20 percent in 2010-2011) and as a proportion of the national budget. Since Zambia attained the Middle-Income status, some CP's have scaled down their support to Zambia (JASZ 2011-2015). As a Lower Middle- Income Country, Zambia's eligibility for the more concessionary external finances diminished, reducing the country's fiscal space. Between 2008 and 2010, the country had received US\$ 3.43 billion but this marginally declined to US\$3.10 Billion in the period 2011 to 2013. In the period 2014 to 2017,

Zambia received US\$ 2.79 Billion.

In per capita terms, net ODA decreased from US\$ 73.7 in 2010 to USD64.8 in 2013 before declining further to US\$ 60.7 in 2016 as shown in Figure 46. The decline in external development assistance as a percentage of Gross National Income (GNI) can partially be explained by increase in GDP growth rate and government expenditure. Additionally, the decline in the share of ODA in the national budget experienced over the years is consistent with most countries transitioning to the middle-income status.

Figure 46: Trends in Net ODA per capita and as percentage of GNI 2005 to 2016



Source: Constructed from Development Cooperation Reports

The modalities through which Zambia receives ODA includes sector-wide approach (SWAP), sector budget support (SBS), project support (PS) and direct budget support (DBS). Government's preferred modality of ODA is the direct budget support. However, the current pattern appears to be that most cooperating partners prefer to earmark funds and to manage initiatives through project approaches, i.e. off-budget. Thus, project support constitutes the bulk of ODA flows in the country with its share increasing from an average of 52 percent over 2006-2009 to 81 percent over 2011-2013. The preference by donors for the project mode is partially explained by the perceived weak accountability systems and low donor confidence in the common basket funding. Cooperating partners also preferred to channel resources to projects and programmes aligned to their country support strategies while retaining direct control in how the funds were utilised and accounted for.

The proportion of budget support in total ODA declined to 10.9 percent over the period 2011-2013 from 26 percent in the period 2006-2009. Similarly, the share of ODA resources channelled through common basket (largely in form of SWAPs) have declined to an average of 4.9 percent from 16 percent over the two periods. Table 17 illustrates these changes. The share of loans in total ODA has been stagnant and accounted for 12 percent.

Table 17: ODA Received by Zambia, 2006 - 2013

	2006	2008	2009	Total (2006-9)	Avg share (2006-8)	2011	2012	2013	Total (2011-13)	Share (%)
General Budget Support	136.2	243.9	238.2	618.3	26.8	153.2	131.9	51.2	336.3	12.9



Grants	0.0	31.8	32.6	64.4	2.7	122.5	109.4	51.2	283.1	10.9
Loans	136.2	212.1	205.6	553.9	24.1	30.7	22.5	0.0	53.2	2.1
Sector Budget	15.0	18.4	17.6	51	2.2	0.0	16.1	9.7	25.8	1.0
Common Basket	80.9	145.4	125.4	351.7	15.3	71.2	24.0	30.9	126.0	4.9
Projects support	322.7	431.6	460.0	1214.3	52.7	578.2	659.5	860.7	2098.3	80.9
Grant	229.8	352.0	394.1	975.9	42.3	508.5	563.9	147.3	1785.8	68.8
Loans	92.9	79.6	65.9	238.4	10.4	69.7	95.5	713.4	312.5	12.0
Humanitarian	33.9	17.6	15.8	67.3	3	6.3	0.0	0.0	6.3	0.2
<b>Total (Grants Loans)</b>	<b>588.7</b>	<b>856.9</b>	<b>857</b>	<b>2,302.6</b>	<b>100</b>	<b>808.8</b>	<b>831.33</b>	<b>952.54</b>	<b>2592.7</b>	<b>100</b>

Source; Ministry of Finance, Development Cooperation Reports, 2009, 2010, 2013, 2016

Table 18 summarises the flow of ODA over the period 2016 to 2017.

Table 18: ODA to Zambia (USD million, 2016 prices and exchange rate)

ODA to Zambia	Share (%) in Africa	2010-2017 Annual average	Annual Amounts		
			2015	2016	2017
	1.9	928	795	964	1008

Source: oecd.org

Regarding disbursement of ODA by sector, the health, infrastructure, agriculture and education sectors predominated in the period 2011 to 2016. This has been in line with the priorities of the Istanbul Programme of Action as well as the sixth and seventh national development plans. The flow of ODA to the health sector as a proportion of total ODA declined from 48.7 percent in the period 2011 - 2013 to 38.2 percent in the period 2014 – 2016. On the other hand, the flow of ODA to the infrastructure sector as a proportion of total ODA increased to 18.6 percent in the period 2014 - 2016 from 4.5 percent in the period 2011 – 2013. Table 19 below shows the summary of disbursement of ODA by sector in the periods 2011 - 2013 and 2014 - 2016.

Table 19: Summary of Disbursement to Sectors 2011-2016

	2011-2013 (US\$' m)	Percentage	2014-2016 (US\$' m)	Percentage
<b>Health</b>	1108	48.7	839.3	38.2
<b>Education and skills</b>	124	5.4	141.2	6.4
<b>Agriculture</b>	113	4.9	210.4	9.6
<b>Budget support</b>	336	14.8	28.6	1.3
<b>Energy</b>	79	3.5	24.2	1.1
<b>Water and Sanitation</b>	161	7.1	64.1	2.9
<b>Infrastructure</b>	103	4.5	407.7	18.6
<b>Support</b>	218	9.6	186.2	8.5
<b>Others/Cross-cutting</b>	32	1.4	295.5	13.4
<b>Total</b>		<b>100</b>	<b>2,197.0</b>	<b>100</b>

Source; Ministry of Finance (Development Cooperation Reports, 2009, 2010, 2013-2016)

As observed, there has been a general decline in ODA flows in the period under review. Informed by this trend, the Government developed and is implementing innovative strategies which encompass engaging traditional partners such as the World Bank, the African Development Bank, the European Union and the UN System through the re-

established Government and Cooperating Partners High Level Policy Dialogue (HLPD) held twice a year.

### ***ODA Alignment to National Priorities***

To guide its development agenda, Zambia produces five-year medium development plans. During the implementation the Sixth National Development Plan 2011-2015, CPs in collaboration with the Government of Zambia developed the Joint Assistant Strategy for Zambia JASZ (2011-2015). The objective of the JASZ was to deliver aid effectively to support the development outcomes of the SNDP. This culminated into the formulation of the Division of Labour (DoL) matrix. The basic principle of the DoL was to make development assistance more effective by ensuring that donor support was evenly spread across sectors.

The CPs were committed to increasing the impact of Aid and the achievement of the Zambia's development plans, guided by the five pillars of the Paris Declaration on Aid Effectiveness: Ownership, alignment, harmonization, Management for development Results and Mutual Accountability. Furthermore, Government and the CPs held bi-annual (2) Poverty Reduction Budget Support (PRBS) meetings to review adherence to the Underlying Principles, performance and budget execution. A framework referred to as the 'Performance Assessment Framework' (PAF) was developed for assessing performance. The PAF provided the basis for the bi-annual discussions regarding the effectiveness of budget support. Other meetings such as the joint sector reviews were also held to promote policy dialogue between Government and the CPs.

Additionally, the Government has made the composition of consultative structures for the implementation of the Seventh National Development Plan (7NDP) such as the National Development Coordinating Committee (NDCC) and Cluster Advisory Groups (CAGs) more robust and comprehensive by including Cooperating Partners (CPs), the Private Sector and Civil society Organizations, among others. These dialogue structures provide a platform for discussions of policy, programme priorities and suitable financing modalities, review progress on development cooperation effectiveness indicators and other commitments made in development cooperation agreements. Through these fora mistrust between the Government and CPs is dissipated and CPs are encouraged to be forthcoming with ODA pledges and disbursements.

### ***Emerging Donors***

Notwithstanding the traditional CPs, the Government is also engaging non-traditional partners, particularly the BRICS, the private sector, South-South cooperation, philanthropic organisations, sustainable development and climate change funds, as alternative sources of development finance. As an example, in 2018, the Government succeeded in securing a total of United States Dollars 84.5 Million, made up of grants and concessional loans, from the Green Climate Fund for the implementation of two climate change projects in the agriculture and energy sectors.

The flow of ODA into Zambia over the period under review has not been without challenges. As earlier outlined, most CPs prefer to channel ODA disbursements through project support as well as sector-wide approaches, which have a potential risk of diverting attention and critical resources away from joint planning, implementation and mutual accountability. The earmarking of funds reduces government's ability to allocate funds across its priority sectors to meet its objectives as effectively as it would wish. Further, there has been unpredictability in the flow of ODA into the country

attributed to non-receipt of pledged support from some Cooperating Partners.

To address the challenges and create an enabling environment for the flow of ODA, the Government is finalizing the revision of the 2007 Aid Policy and Strategy into the National Policy on Development Cooperation. The revised National Policy on Development Cooperation will ensure that the country has a clear, systematic and well-coordinated approach for soliciting and managing ODA, thereby optimising its development prospects. The revised policy intends to bring on board the changing trends in the global aid architecture. Development cooperation needs to foster inclusive partnerships that include Civil Society Organizations (CSOs) the private sector, increased role of South-South Cooperation for mobilizing resources to foster sustainable development.

The Government is positive about progress being made in the implementation of the IPoA and has emphasised inclusive partnerships in its quest to meet the targets. Thus, the importance of ODA cannot be overemphasized.

## External Debt

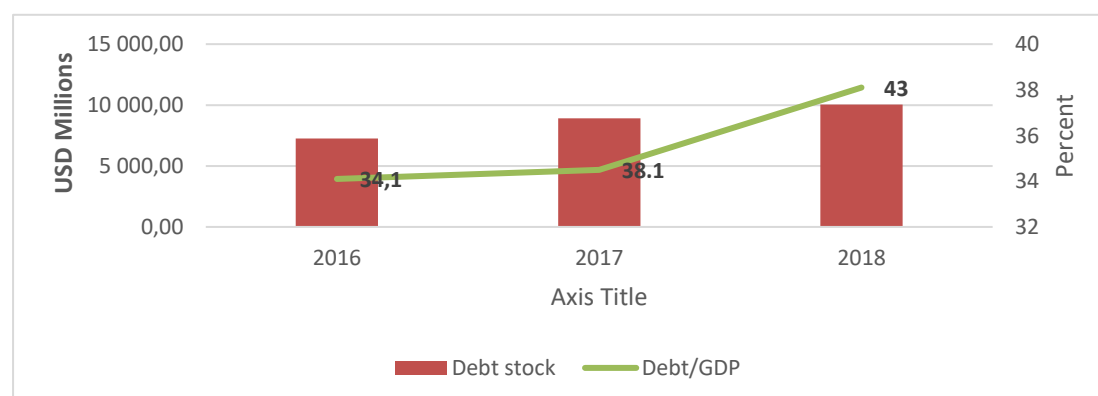
### IPoA Goals and Targets:

- Achieve sustainable debt levels in all least developed countries, bearing in mind least developed countries' special development needs.
- Remain vigilant in monitoring the debt situation of least developed countries and continue to take effective measures within the existing frameworks.
- Provide specific debt relief measures for least developed countries that are not HIPC countries on a case-by-case basis.

### External Debt Trends

Zambia's stock of external debt has been rising since 2012. At the end of 2014, external debt stock was at US\$4.81 billion, representing 18.27 percent of GDP, compared to US\$3.18 billion which was 10.3 percent of GDP in 2012. In 2015, external debt was US\$6.41 billion, and as at end of 2016 the external debt had reached US\$6.95 billion, representing 28.5 and 34.1 percent of GDP respectively. Public external debt increased significantly in 2018, rising to US\$ 10.05 billion, representing 43 percent of GDP. This represented an increase of 45 percent from the end 2016 stock of US\$6.95 billion. (See Figure 47 below)

Figure 47: Public External Debt (2016-2018)



Source; Ministry of Finance

The increase in the stock of debt during the 2011 - 2015 period reflected, to a large

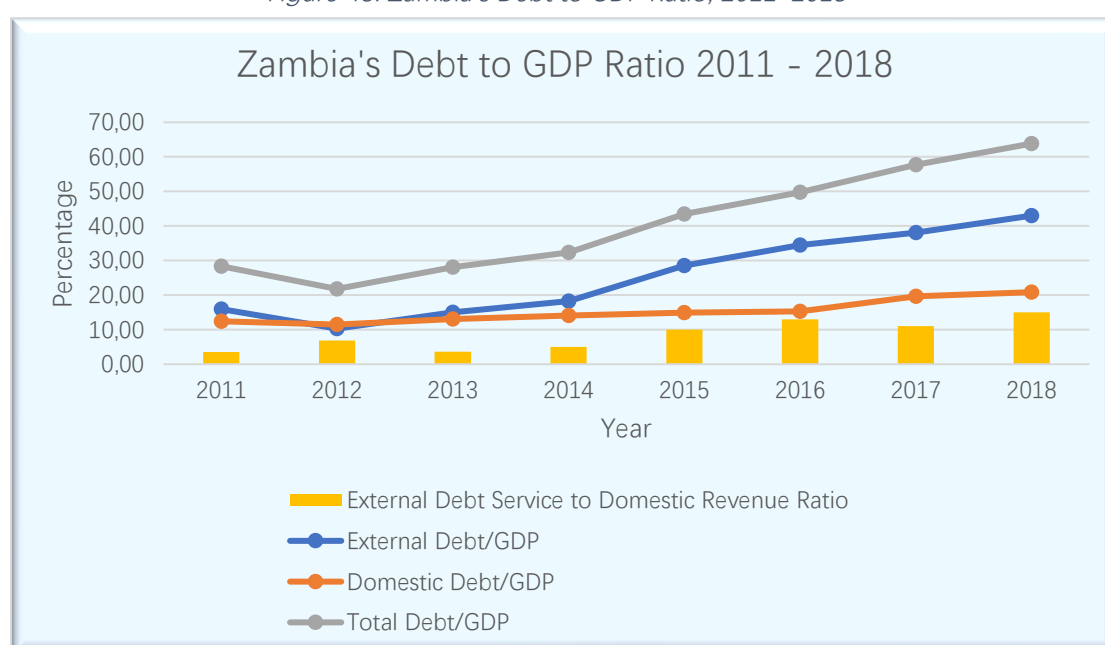
extent, the issuance of bonds in 2012, 2014 and 2015, while the increase in debt over the period 2016 -2019 was mainly due to net disbursements on new borrowing and existing debt which were meant for infrastructure development.

### ***Debt to GDP***

Zambia's Debt to GDP ratio has been increasing steadily from 2012 as can be seen from the upward trend in the External Debt to GDP, Domestic Debt to GDP and Total Debt to GDP ratios in the Figure 46 below. External debt to GDP during the review period was 15.9 percent of GDP in 2011 and increased to 43 percent in 2018. For a low-income country like Zambia, external debt is sustainable if its ratio to GDP is below 40 percent.

Another point to note is the low Debt Service to Domestic Revenue ratio which was 3.5 percent in 2011 and increased to 15 percent in 2018. This indicates that Zambia's revenue has generally been adequate to meet the current debt service requirements. (See Figure 48 below).

*Figure 48: Zambia's Debt to GDP Ratio, 2011-2018*



*Source; Ministry of Finance*

The external debt-to-GDP ratio breached the sustainability threshold (40 percent) between 2017 and 2018, while the present value of debt service to revenue ratio has not yet breached the debt sustainability threshold (20 percent). The latter is, however, expected to be breached in 2022 and 2024 when the first two eurobonds mature.

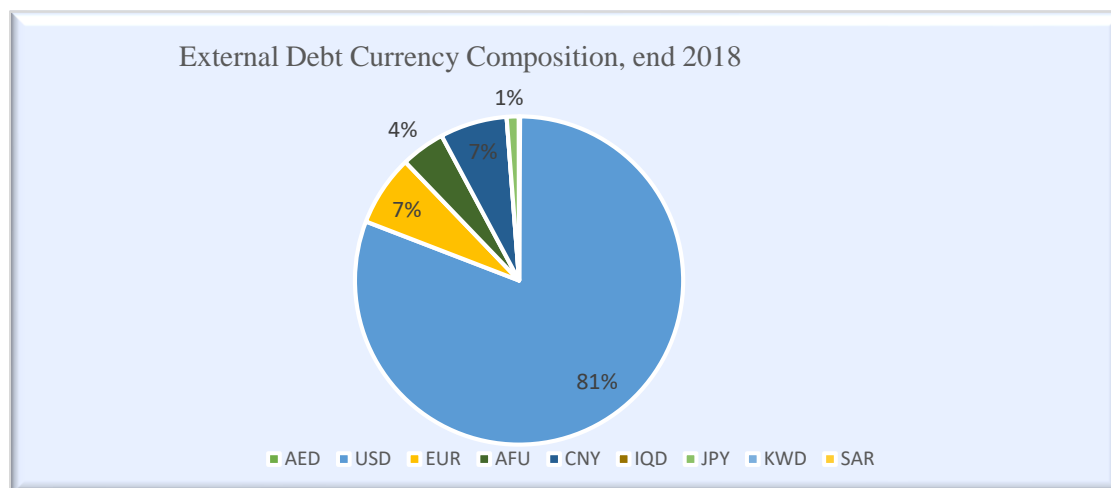
Sensitivity analyses, nonetheless, show that all indicators breach relevant thresholds in the face of shocks related to export earnings, growth and the exchange rate. The external debt-to-GDP ratio breach is the main concern. The debt-service-to-revenue breach can be avoided with a more active approach to debt management that smooths the debt profile and reduces refinancing risk.

### ***Cost and Risk Indicators***

Among the cost and risk indicators of external debt is exchange rate risk through exchange rate volatility, particularly, the depreciation of the kwacha against major

trading currencies especially the United States Dollar. From the pie chart below, 81 percent of the external debt stock was denominated in United States Dollar as at end 2018. This external debt currency composition in turn makes the total debt stock (external and domestic debt) significantly vulnerable and exposed to exchange rate risk. (See Figure 49 below)

*Figure 49: External Debt Currency Composition, end 2018*



*Source: Ministry of Finance*

The total public debt portfolio is also exposed to the refinancing risk, driven mainly by the significant proportion of domestic debt repayments as well as the Eurobond repayments falling due in 2022, 2024 and the three-year period starting in 2025.

Interest rate risk is another risk factor. The end 2018 debt portfolio had a notable portion with variable interest rates which must be re-fixed in conformity with variations in the respective reference rates. This notably exposes our debt to interest rate risk.

### ***Measures taken to maintain debt sustainability***

In line with the international best practices in debt management, Zambia undertakes its annual Debt Sustainability Analysis (DSA) to ascertain the sustainability of its debt stock, both external and domestic. Based on the DSA outcome, a Medium-Term Debt Management Strategy (MTDS) is developed to provide a guidance on how debt management should be conducted in the short to medium term which is in line with Zambia's debt management objective of making sure that the country's financing needs are met with minimal risk and cost. In this regard, Medium Term Debt Strategies were prepared in 2012, 2014, 2017 and 2019. It is on the basis DSA and MTDS that public debt management policies are formulated to ensure responsible borrowing and sound debt management policies.

Further, the Zambian Government is cognizant of the need to achieve debt sustainability and is currently implementing the following measures:

- (a) Indefinite postponement of the contraction of new non-concessional loans;
- (b) Cancellation of some signed but undisbursed loans;
- (c) Increased control and management of disbursements on foreign financed loans and, reduce the deficit to induce lending to the private sector; and

- (d) Increased control on the issuance of Sovereign Guarantees to state owned enterprises.

## **Foreign Direct Investment**

### **IPoA Goals and Targets:**

- Attract and retain increased foreign direct investment in least developed countries, especially with the aim of diversifying the production base and enhancing productive capacity.
- Enhance initiatives to support investment in least developed countries.

### ***Policy and Legal Framework on Foreign Direct Investment***

The policy framework on Foreign Direct Investment (FDI) in Zambia is espoused in the National Industrial Policy, of 2018, which is a revision of the 2010 Commercial Trade and Industrial Policy. The vision of the Policy is for Zambia to be an industrialised and competitive nation with a diversified, innovative and globally competitive industrial base, which contributes to sustainable growth and employment creation by 2027. The overall objective of the Policy is to transform Zambia from a producer and exporter of primary products into a net exporter of value-added goods utilising local primary resources with increased citizens' participation.

The Policy is complemented by the National Investment Promotion Strategy of 2018 and implemented through the Zambia Development Agency (ZDA) Act No. 11 of 2006. The ZDA Act seeks to foster economic growth and development by promoting trade and investment in Zambia through an efficient, effective and coordinated private sector led economic development strategy. Further, the Seventh National Development Plan recognises and calls for private investment, including FDI, into the drivers and enablers of economic diversification.

Zambia is also a signatory to the Multilateral Investment Guarantee Agency (MIGA) of the World Bank and other international agreements. This guarantees foreign investment protection in cases of strife, disasters, and other disturbances. The country has remained among the most peaceful economies in the world, with the US Department of State listing the country among the top ten safest countries to visit in 2018 hence providing an ideal investment environment. Furthermore, Zambia has signed bilateral reciprocal promotional and protection of investment agreements while the country also offers further security for investments in the country through the signing of the Investment Promotion and Protection Agreements (IPPAs).

### ***Priority Sectors for FDI***

Among its specific objectives, the National Industrial Policy seeks to increase actualised domestic and FDI in priority sectors namely, processed foods, textiles and garments, engineering products, wood and wood products, leather and leather products, mineral (metallic and non-metallic) processing and products (beneficiation), pharmaceuticals and the blue economy.

These priority sectors are based available primary commodities and raw materials from the country's agriculture, mining, forestry, livestock sectors to which value should be added for greater earning and employment generation. FDI is expected to bring, with it, knowledge and skills transfer, apart from capital and employment.

## ***Institutional Framework***

Zambia Development Agency Act established the Zambia Development Agency (ZDA) for investment promotion and facilitation among other functions. The ZDA is a one-stop facility for investment facilitation, providing both domestic foreign investors with fast, efficient and business-friendly registration. In accordance with the Act, greenfield or reinvestment FDI are promoted and through joint ventures and partnerships between local and foreign investors are encouraged.

### ***Programmes and Strategies to Attract FDI***

The following are among the programmes and strategies that have been implemented through the IPoA period to attract and retain FDI in Zambia.

#### ***- Investment Incentives***

Zambia has continued to offer investment incentives, aimed at attracting and retaining investment in various sectors of the economy, particularly the priority sectors. Various incentives are provided for under the Zambia Development Act of 2006 and its amendments, including allowances, exemptions and concessions. Among the fiscal and non-fiscal incentives provided are accelerated depreciation on capital equipment and machinery (fixed assets), and zero percent import duty rate on capital equipment and machinery for five years, corporate tax concessions in the agriculture and agro-processing sector; investment guarantees and protection against state nationalization; facilitation of the acquisition of land, water, and utilities such as electricity; free facilitation for application of immigration permits and secondary licenses/certificates; and 100 percent repatriation of net profits.

#### ***- Implementation of Investment Promotion Strategies***

Zambia has implemented various investment promotion strategies to market the country as an ideal investment destination, including participation in investment expositions and trade fairs; promotion and facilitation of joint venture partnerships; improvements in the quality of investment promotion and facilitatory services based on research; and increased information provision and marketing of the opportunities that exist in Zambia.

#### ***- Creation of Multi Facility Economic Zones (MFEZs) and Industrial Parks***

To promote industrialization and economic diversification, Zambia is promoting the development of Multi Facility Economic Zones (MFEZs) and Industrial Parks (IPs) for growth and export-oriented enterprises. So far, MFEZs are operational in Lusaka (i.e. Lusaka-South and Lusaka East MFEZs), Chambishi MFEZ, while two Industrial Parks have been declared namely the Sub-Sahara Industrial park in Ndola and the Roma Park in Lusaka. The implementation of MFEZs and Industrial Parks in Zambia is designed to make the country competitive through increased activity in the trade and manufacturing sectors, which have numerous positive spill-over effects on other sectors such as utilities, transport, agriculture and commercial services.

#### ***- Investment Agreements***

Zambia has signed bilateral investment treaties and double taxation agreement with different countries aimed at ensuring that FDI is protected and to ensure an efficient

and effective tax system. Further, the Zambia has signed Investment Promotion and Protection Agreements (IPPAs) with various foreign affiliate companies at protecting their investment.

- *Regulatory Business Centre – “One Stop Shops”*

To provide both domestic and foreign investors with fast, efficient and business friendly registration services and thus reduce the cost of doing business, Zambia is providing services in One Stop Shops for business facilitation or Regulatory Service Centres. In these centres, services include business registration, pension and tax registration as well as information on a host of other licensing requirements. The OSS facility allows for customers to access a multitude of services under one roof.

The OSS rides on the One Stop Shop Integrated System (OSSIS) aimed at facilitating exchange of regulatory requirements to avoid duplication of information requests on business. this has quickened the validation of submitted registration documents hence shortening the time required to issue certificates.

This is complemented by the Business Licensing Portal or e-registry online portal, where prospective investors may obtain information on regulatory requirements for their business activities online.

- *Protection of Investors from Unfair Competition*

Investors are protected from unfair competitive practices in Zambia through the Competition and Consumer Protection Act No. 24 of 2010 implemented by the Competition and Consumer Protection Commission (CCPC).

- *Assurance from Expropriation*

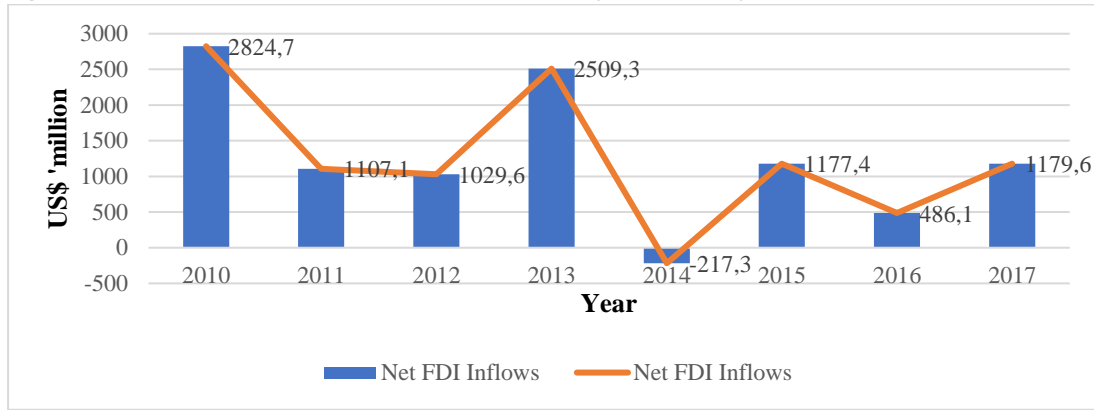
The Zambia Development Act assures investors that property rights shall be respected. No investment of any description can be expropriated unless Parliament passes an Act relating to the compulsory acquisition of that property. In case of expropriation, full compensation shall be made at market value and shall be convertible at the current exchange rate.

### ***Foreign Direct Investment Flows and Stocks***

During the review period, Zambia experienced a general decline in net FDI flows from US\$2,824.7 million in 2010 to US\$1,176 million in 2017. This was attributed to a reduction in FDI liabilities by 49.2 percent to US\$662.8 million, poor weather patterns and hydro power supply deficit. However, Net acquisition of FDI assets rose by 38.6 percent to US\$176.7 million. Figure 50 shows Zambia’s net FDI inflows during the period 2010 to 2017.



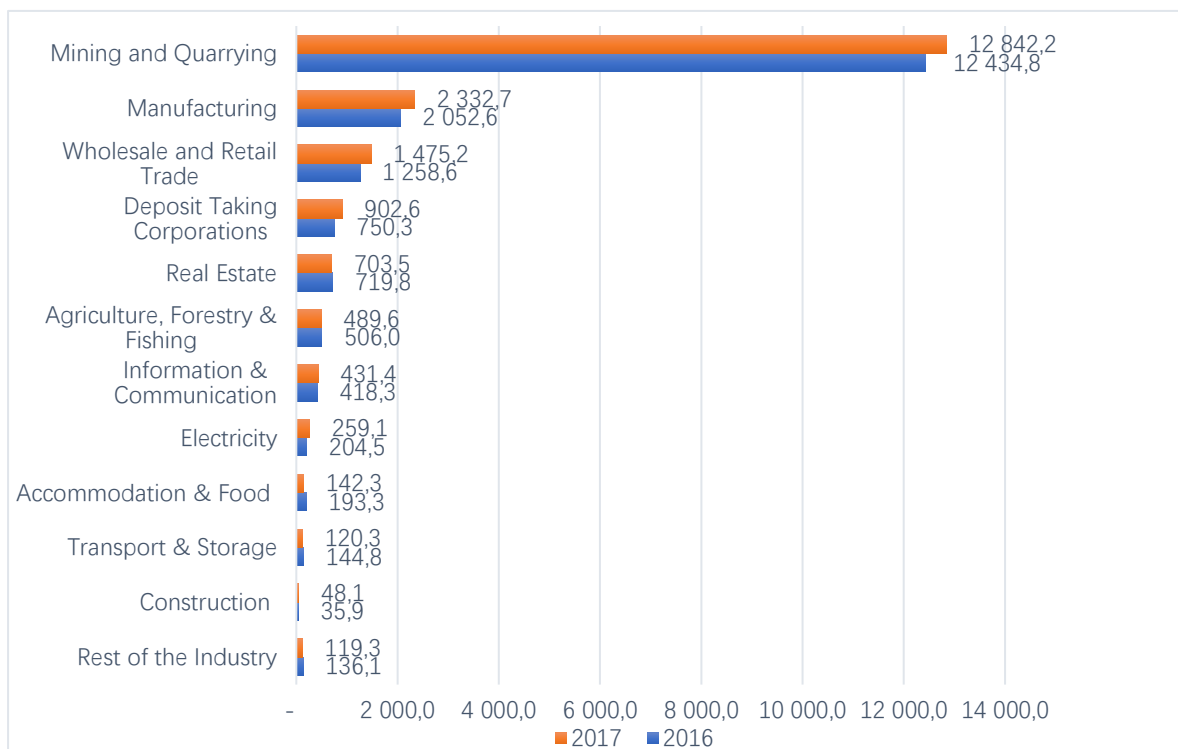
Figure 50: Net FDI Inflows in Zambia, 2010 to 2017 (USD, million)



Source: Foreign Private Investment and Perceptions Survey (2017 & 2018)

In 2017-18, FDI liability stocks were highly concentrated in the mining and quarrying industry at US \$12,797.0 million, representing 64.8 percent of the total stock. This was followed by manufacturing (11.8 percent), wholesale and retail trade (7.4 percent) and deposit taking corporations (4.6 percent). The real estate; agriculture, forestry and fishing; information and communication; electricity, gas and water; accommodation and food; transport and storage; and construction industries collectively contributed (11.4 percent) to the total stock. (See Figure 51 below).

Figure 51: FDI stocks by Industry, 2016 and 2017 (USD, million)



Source: Foreign Private Investment and Perceptions Survey (2017 & 2018)

The concentration of FDI in the mining and quarrying industry signifies that the bulk of FDI is still substantial in the mining sector in comparison to other sectors of the economy into which the country seeks to diversify. There is, therefore, need to grow FDI in other sectors of the economy, notably agriculture and manufacturing.

The Zambian Government expects an increase in FDI inflows in several sectors such as construction, power generation, agriculture and manufacturing due to infrastructure

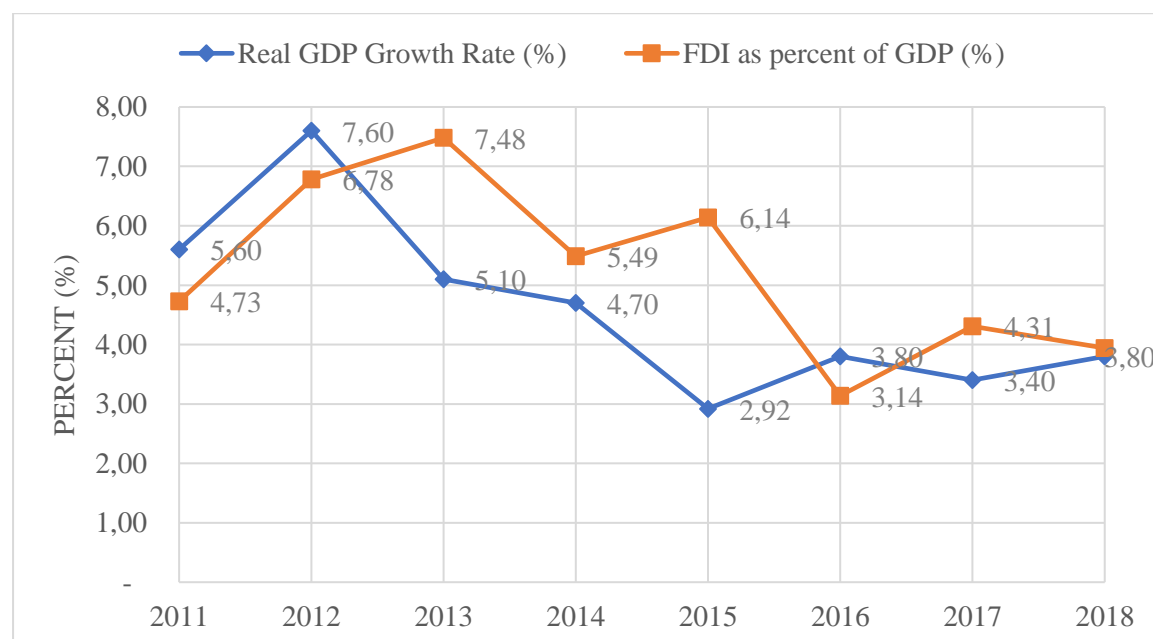
development in the transportation, energy and ICT sectors, as well as programmes to promote investment into MFEZs, Industrial Parks and farm blocks.

### ***The Impact of FDI on National Development***

#### ***- Contribution of FDI to GDP***

FDI as a percent of GDP has been used as a proxy indicator to measure the contribution of FDI to economic growth and development, as measured by real gross domestic product (GDP), of an economy. Figure 49 shows the trends of FDI as a percent of GDP and the real GDP growth rate from 2011 to 2018. FDI as a percent of GDP has followed the trend of Zambia's real GDP growth rate. Zambia recorded the highest real GDP growth rate of 7.6 percent in 2012 to the low of 2.9 percent in 2015 and experienced a gradual improvement to 3.8 percent recorded in 2018. Similarly, Zambia recorded the highest FDI as percent of GDP in 2013 at 7.5 percent with the lowest rate recorded in 2016 at 3.1 percent. Figure 52 illustrates this.

*Figure 52: FDI as percent of GDP and real GDP Growth Rate*



*Source: Bank of Zambia, Central Statistics Office*

#### ***- Actualized Investment and Employment***

Monitoring of actualised investment has shown that benefits realized, in terms of worth, employment creation. Table 20 shows the level of projected and actualized investment promoted and facilitated by the Zambia Development Agency from 2013 to 2018. During this period, the Agency facilitated total projected and actualized FDI worth USD 26, 688.0 million and USD 7, 629.9 million, averaging annual FDI worth USD 4,448.0 million and USD 1,271.7 million, respectively over the period. In terms of employment, the total projected and actualized employment over this period was 184,843 jobs and 147,429 jobs, averaging 30,807 jobs and 24,572 jobs, respectively.

Table 20: Projected and Actualized Investment and Employment, 2013 to 2018

	Projected		Actualized	
	Investment (USD, million)	Employment (Jobs)	Investment (USD, million)	Employment (Jobs)
<b>2018</b>	4,823.0	27,560	700.1	31,086
<b>2017</b>	4,379.0	24,519	1,107.5	39,829
<b>2016</b>	3,564.0	16,284	928.7	39,853
<b>2015</b>	3,322.0	19,777	1,304.9	8,147
<b>2014</b>	5,129.0	44,320	1,488.8	14,650
<b>2013</b>	5,471.0	52,383	2,099.9	13,864
<b>Total</b>	<b>26,688.0</b>	<b>184,843</b>	<b>7,629.9</b>	<b>147,429</b>
<b>6-year Average</b>	<b>4,448.0</b>	<b>30,807</b>	<b>1,271.7</b>	<b>24,572</b>

Source; Zambia Development Agency

- *Other Economic Benefits*

The actualized investments also contribute to the realization of other economic benefits, including social security or pension contributions, taxation, turnover, and export earnings. Table 21 shows that a total of USD 10,368,400 and USD 17,297,900 was contributed towards social security (pension's contribution) and taxation, averaging USD 1,728,100 and USD 2,883,000, respectively, for the monitored enterprises during the period 2013 to 2018. Similarly, a total of USD 843.9 million and USD 121.6 million was the turnover and export earnings, averaging USD 140.6 million and USD 20.3 million, respectively, for the monitored enterprises during the period 2013 to 2018.

Table 21: Other Economic Benefits of Actualized Investments, 2013 to 2018

Other Economic Benefits				
	Pension Contributions (USD, "000")	Taxes (USD, "000")	Turnover (USD, "000")	Export (USD, "000")
<b>2018</b>	1,797.6	1,562.8	22,127.3	3,069.6
<b>2017</b>	2,002.6	3,401.2	55,742.3	7,732.7
<b>2016</b>	1,802.7	3,899.8	281,250.3	39,103.8
<b>2015</b>	1,498.1	2,322.1	262,786.0	45,506.9
<b>2014</b>	1,593.6	2,970.1	131,535.6	13,674.8
<b>2013</b>	1,673.8	3,141.9	90,421.0	12,543.0
<b>Total</b>	<b>10,368.4</b>	<b>17,297.9</b>	<b>843,862.5</b>	<b>121,630.8</b>
<b>6-years Average</b>	<b>1,728.1</b>	<b>2,883.0</b>	<b>140,643.8</b>	<b>20,271.8</b>

Source; Zambia Development Agency

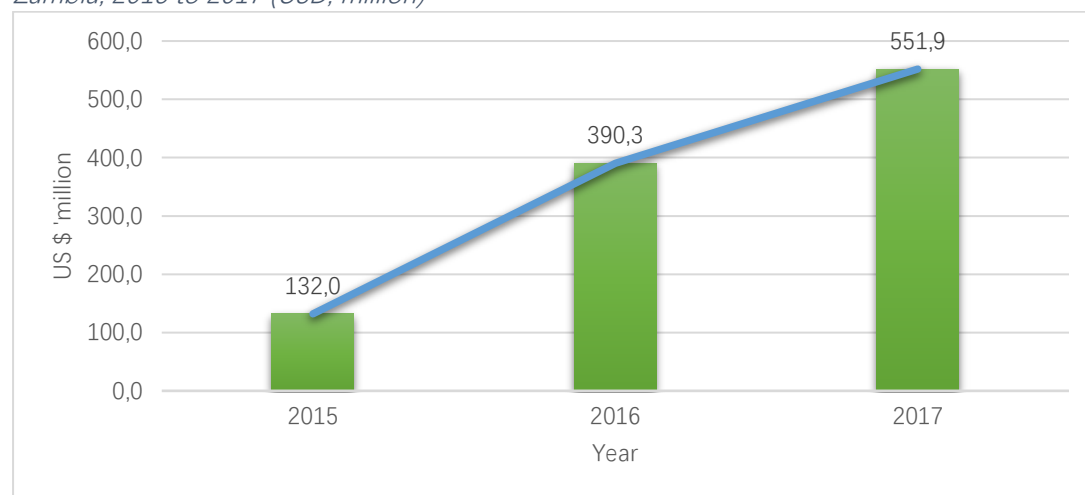
- *Transfer of Technology and Skills*

Foreign direct investment has contributed to transfer of technology and skills within the Zambian economy. Specialized technical and managerial skills have been transferred to Zambian through employment created by foreign affiliate companies operating in Zambia, mainly through training, research and development. Research and Development (R&D) expenditures has been used as a proxy indicator of companies'

operation expenditures on research, skills and product development, and it reflects the companies' investment in productivity.

Figure 53 shows the trends in expenditure on Research and Development (R&D) for foreign affiliate companies operating in Zambia from 2015 to 2017. Zambia has recorded an increase in expenditure on R&D for foreign affiliate companies from USD 132.0 million recorded in 2015 to USD 551.9 million in 2017, representing a 318 percent increase. Companies in the mining, manufacturing, ICT, pharmaceutical, energy, education, and agriculture industry have the highest level of R&D expenditure.

*Figure 53: Research and Development (R&D) Expenditure by Foreign Affiliate Companies in Zambia, 2015 to 2017 (USD, million)*

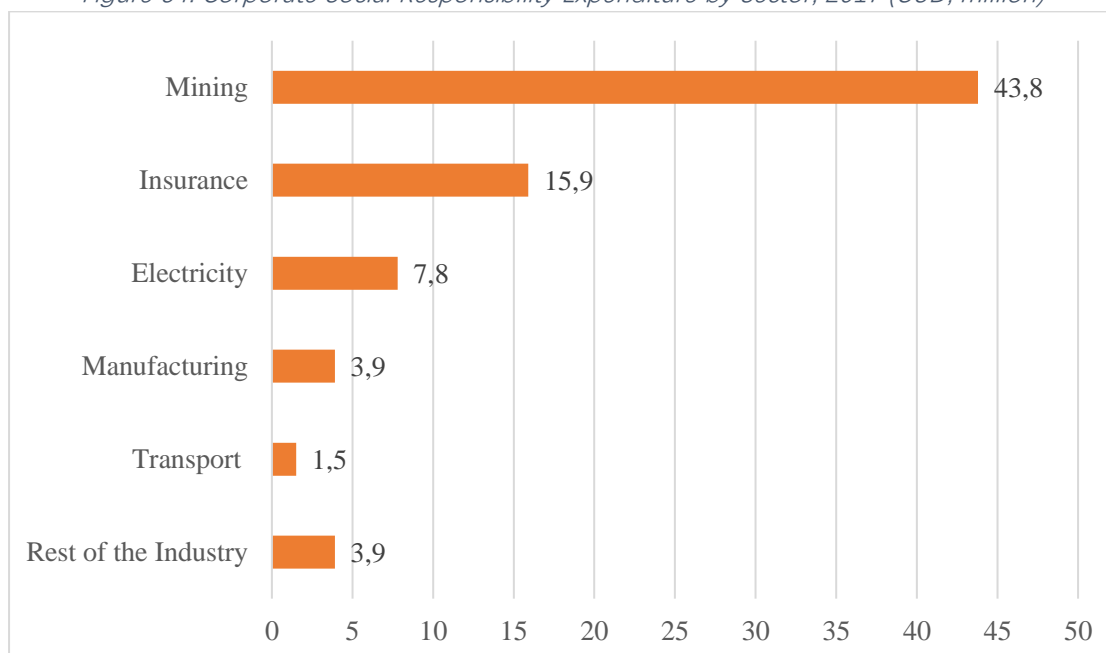


*Source: Foreign Private Investment and Perceptions Survey, 2018*

#### *- Contribution to Corporate Social Responsibility*

Corporate Social Responsibility (CSR) is a company's commitment to manage the social, environmental and economic effects of its operations responsibly and in line with public expectations. Foreign affiliate companies operating in Zambia spend money on CSR, mainly environmental protection, safety and security, sports development, education, construction and/or road maintenance, and supply of water and sanitation to communities in the areas they operate. Figure 54 shows CSR expenditure of Foreign Affiliate companies by sector in 2017. The mining sector had the highest CSR expenditure at USD 43.8 million, which was followed by the insurance sector at USD 15.9 million. The electricity and manufacturing sector recorded USD 7.8 million and USD 3.9 million, respectively.

Figure 54: Corporate Social Responsibility Expenditure by Sector, 2017 (USD, million)



Source; Foreign Private Investment and Perceptions Survey (2018)

- *Development of Local Businesses*

Foreign direct investment also has led to the development of local businesses in the economy, through business and market linkages of small and medium enterprises (SMEs) to large companies, including outsourcing local products, developing of local value chains, and corporate social responsibility. Box 1 profile selected investment projects that has contributed to local business development.

#### Box 1: FDI and Local Business Development

##### ***Case 1: Pick n Pay (FDI originating from South Africa)***

Pick n Pay is a retail business in the fast-moving consumer goods industry in Zambia and across Africa. In Zambia, Pick n Pay has an outlet of 17 chain stores that employ about 1,180 people. The company signed an Investment Promotion and Protection Agreement (IPPA) with ZDA in 2011 which among others was aimed at developing local value chains by outsourcing local products including farm produce and creating employment for Zambians. In terms of local business development, Pick n Pay has fulfilled its commitment to use local companies for provision of insurance, accounting, auditing, payroll and labour consultancy and legal services. Pick n Pay has also engaged local suppliers of local products, including smallholder farmers.

##### ***Case 2: Varun Beverages (FDI originating from India)***

Varun Beverages Limited operates as a franchise company that produces carbonated soft drinks and non-carbonated beverages sold under trademarks owned by PepsiCo. In 2012, the company entered into an IPPA with ZDA with the following items for local business development:

- (i) To provide Pepsi branded stalls for self-employment opportunities;
- (ii) To appoint local advertising companies to market its products;
- (iii) To procure sugar and other inputs from the local producers;
- (iv) To link with fruit pulp producers once the production of fruit-based drinks commences;
- (v) To use local transporters to transport its products across the country;
- (vi) To appoint local architects and civil contractor to set up the industry.

*Source: ZDA*

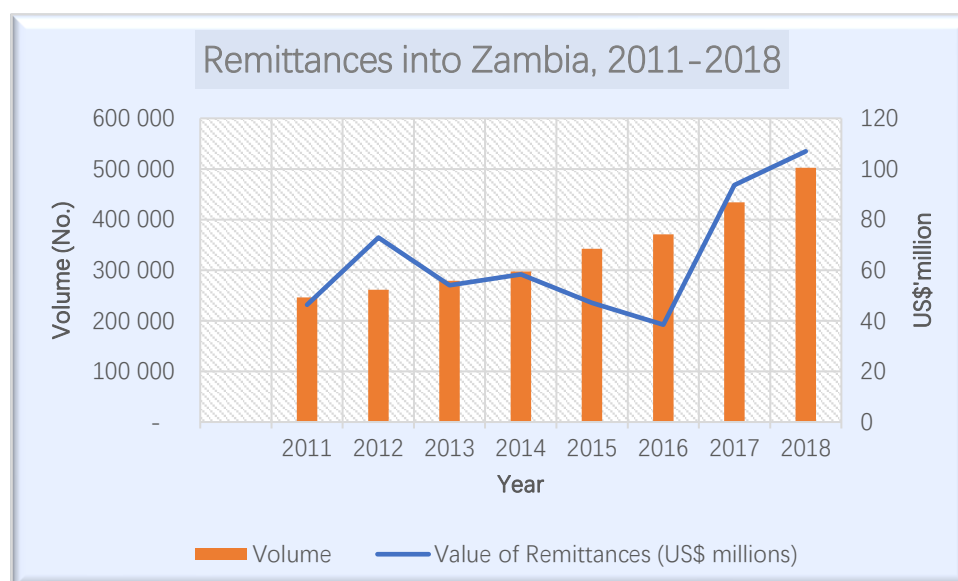
## Remittances

#### **IPoA Goals and Targets:**

- Reduce the transaction cost of remittance flows and foster the development impact of remittances.

Performance in terms of remittances over the review period continued on a positive trajectory. The value of remittances increased from US\$ 46.2 million in 2011 to US\$106.97 in 2018, though with a steep dip in 2016 at US\$ 38.46 million. The volume of remittances, on the other hand, showed a steady increase from 246,318 in 2011 to 502,386 in 2018. (See Figure 55 below).

Figure 55: Values and Volumes of Remittances, 2010-2018



Source: Bank of Zambia Annual Reports, 2010-2018

The findings of a Zambia Diaspora Survey conducted in 2015 revealed that the majority of Zambians in the diaspora had left the country to seek employment and education opportunities and 63 percent intended to return to Zambia on a permanent basis in the future. It was further observed that 91 percent of Zambians abroad sent remittances home, mainly to support family members, while 60 percent showed interest in contributing to development projects in education and 50 percent to developmental projects in the health care sector.

The Zambian Government in April 2019 adopted the Diaspora Policy to create an effective framework for engaging the Zambian Diaspora. This was against the backdrop of the absence of an engagement framework to harness the potential of the diaspora, including promotion of remittances. The Policy was based on the realisation that the Diaspora has enormous potential to contribute positively to the country's development.

Among the policy objectives is the promotion, facilitation and leveraging of remittances as well as lowering of costs of sending remittances by the diaspora with the view to maximizing the benefits of remittances to the country. Another important objective is the provision for dual citizenship for Zambians, in accordance with the 2016 Constitution, including for children born in the Diaspora, and re-acquisition of citizenship for Zambians who had lost or renounced their citizenship. It is hoped that with the implementation of these measures, the level of remittances should improve going forward.

Beyond the Policy, the Zambian Central Bank, the Bank of Zambia, continued with its efforts to promote a safe and efficient payment system in line with the National Payment Systems Vision and Strategy 2013 – 2017.

## i. Good Governance at All Levels

### **IPoA Goals and Targets:**

- Strengthen good governance, the rule of law, human rights, gender equality and empowerment of women, and democratic participation, including by enhancing the role of parliaments;
- Strengthen and effectively implement measures to prevent corruption and to increase transparency of budgets and expenditure;
- Enhance the institutional capacity of least developed countries to ensure good governance;
- Ensure that resources to least developed countries are provided and used in a predictable, transparent and timely manner;
- Provide continued support for strengthened and effective voice and participation of least developed countries in relevant international forums;
- Build durable peace and ensure stability, security and sustainable and inclusive development in least developed countries.

### **Policy Framework, Legal and Institutional Framework**

Zambia's focus in the area of governance has been on strengthening the capacities of institutions in various areas such as good governance, rule of law and human rights, gender equality and democratic participation, accountability as well as improving the general policy environment. Among the major policy reforms during the review period included the:

- (a) Enactment of the Public Interest Disclosure (Protection of Whistle-Blowers) Act, No.4 of 2010, to provide for the disclosure of conduct adverse to the public interest in the public and private sectors; provide for a framework within which public interest disclosures should be independently and rigorously dealt with;
- (b) Enactment of the National Prosecution Authority Act No. 34 of 2010 to provide a framework for the effective administration of criminal justice;
- (c) Enactment of the Financial Intelligence Centre Act Number 46 of 2010 and establishment of the Financial Intelligence Centre;
- (d) Amendment of the law on procurement through the Public Procurement Act No. 15 of 2011;
- (e) Amendment of the anti-graft law through Anti-Corruption (Amendment) Act No. 3 of 2012;
- (f) Review of the National Decentralisation Policy in 2013;
- (g) Amendment of the Constitution through the Constitution (Amendment) No. 2 of 2016 and the review of a total of 11 out of 29 Acts consequential legislation by June 2019 to give effect to the provisions of the Constitution; and
- (h) Amendment of public finance legislation through the Public Finance



Management Act No.1 of 2018.

Additionally, the National Policy on Non-Governmental Organisations was formulated and launched in 2019 to guide the operations of the NGOs. Following the introduction of the Policy, Zambia is in the process of repealing and replacing the Non-Governmental Organisation Act No. 16 of 2009.

Zambia is also in the process of reviewing the National Parole Policy in order to enhance the parole system.

Further, Zambia is presently enhancing the legal and justice system in order to offset challenges, such as the high backlog of cases, congestion in prisons, inadequate legal representation, inadequacies in the capacities of judicial systems and limited issuance of police bonds, are addressed. In this regard, Zambia has prepared National Legal Aid Policy to serve as a framework to guide the provision of legal aid services by Civil Society Organisations and community-based organisations.

Following introduction of these frameworks, Zambia has been implementing reforms to create a conducive governance environment for a diversified economy.

## **Good Governance and Rule of Law**

Zambia has been implementing the National Decentralisation Policy as a way of enhancing good governance at all levels through the devolution of functions with matching resources to local authorities.

Under devolution of functions, the key progress recorded by December 2018 was the approval of Phase I Devolution Plans in the Health, Fisheries and Livestock, Agriculture, Community Development, Social Welfare, Infrastructure Development, HIV/AIDS/STI, Early Childhood Education, Primary Education, Adult Literacy, and Physical Planning sectors.

Further, to strengthen the rule of law, Zambia, during the review period, decentralised the National Prosecutions Authority to 64 districts and incorporated all public prosecutors from other law enforcement agencies, such as the Immigration Department, Police Service, Anti-Corruption Commission and Drug Enforcement Commission into the National Prosecution Authority, to enhance coordination and effectiveness in the provision of prosecution services.

Further, the country is also in the process of operationalising the electronic Case Flow Management System among key criminal justice institutions in the country including the Zambia Police Service, Zambia Correctional Service, National Prosecution Authority, Legal Aid Board and the Judiciary to promote quick disposal of cases.

## **Human Rights**

Some of the key actions for improving human rights in Zambia comprise inclusion of human rights in the school curriculum from primary to secondary levels of education as well as Defence and Security divisions of Government. Further, Zambia has created an enabling environment for other stakeholders such as civil society organisations to undertake human rights education and awareness activities countrywide.

Government continued implementing the Intestate Succession Act and the Wills and Administration of Estates Act respectively to protect the rights of the nuclear family of a deceased person from property grabbing by ensuring that the estate is distributed

amongst them. Sensitization has also been carried out aimed at ensuring that members of the public are made aware of their rights and entitlements under an estate and the importance of writing wills and how to execute proper wills.

## Gender Equality and Democratic Participation

Under the Constitution of the Republic of Zambia, there are no legal impediments to the participation of women in the electoral process and other areas of decision-making. This has resulted in some progress in women representation during the review period.

The percentage of women cabinet ministers shows that there was a rise from 12 percent in 2011 to 25 percent in 2019, while the overall proportion of parliamentary seats held by women averaged 23.7 percent during the period, having increased from increased from 9 percent in 2011 to 17 percent in 2019. Table 22 shows the proportion of women and men in parliament as obtained at the first sitting of the Session of the National Assembly from 2011-2019.

*Table 22: Representation of Women and Men in Parliament, 2011-2019*

YEAR	PARLIAMENTARY REPRESENTATION WOMEN	PARLIAMENTARY REPRESENTATION MEN	PARLIAMENTARY REPRESENTATION WOMEN (PERCENTAGE)	PARLIAMENTARY REPRESENTATION MEN (PERCENTAGE)
2011	15	143	9	91
2012	18	139	11.5	88.5
2013	18	136	11.7	88.3
2014	20	135	13	87
2015	23	132	15	85
2016	29	138	17	83
2017	30	137	18	82
2018	31	135	19	81
2019	29	138	17	83

*Source: Programme for the Ceremonial Opening of the National Assembly Handbooks*

In spite of the strides made at cabinet level, no females were appointed as Provincial Ministers during the review period.

In the Judiciary women representation as shown in Table 23 below, shows that women representation in some courts such as in the high courts and Court of Appeal were higher by 62.5 percent and 55 percent respectively. More impressively at the time of this report the Judiciary was headed by a female Chief Justice.

*Table 23: Women Representation in the Judiciary, 2019*

Court	Total	Female	Male
		Number	Number
Chief Justice	1	1	-
Supreme Court	11	3	8
Constitutional Court	5	2	3
Court of Appeal	11	6	5
High Court	32	20	12
Subordinate Court	206	72	134
Local Court Magistrate	613	185	428
Industrial Relations Division	5	-	5

<b>Commercial Division</b>	9	6	3
<b>Family Division</b>	1	1	0

*Source: Judiciary Service Commission*

Although there has been a significant rise in women representation the number remains very low to accord equal power to both women and men in national decision making. The low participation of women in leadership positions can be attributed to low education attainment, low literacy levels and the society socialization process with regard to femininity and masculinity roles.

## **Corruption**

Zambia has been devising various anti-corruption measures during the review period. The principle anti-graft law, the Anti-corruption (Amendment) Act No. 3 of 2012 is periodically revised. The Act criminalises inter alia, abuse of office, bribery, attempted corruption and active or passive and money laundering. More importantly, the Zambian Constitution (Amendment), Act No.2 of 2016 incorporates provisions to deal with corruption. The Constitution provides for the declaration of assets, conflict of interest; code of conduct and ethics for public officials.

Provisions on devolved management and administration of the political, social, legal and economic affairs of the state under Article 147 of the 2016 Constitution seek to help reduce bureaucratic corruption by enhancing citizen voice and accountability. The Constitution also strengthened oversight institutions such as the Office of the Auditor General and Public Protector. Other areas strengthened included the detection of illicit financial flows often linked to corruption through the enactment of the Financial Intelligence Centre Act to provide timely, high quality, impartial and actionable financial intelligence to law enforcement agencies and foreign designated authorities in order to eliminate financial crimes in Zambia.

To institutionalise anti-corruption mechanisms, Zambia is rolling-out integrity committees in over 90 public institutions and encourages the private sector to do so. This is in addition to the code of ethics for the public service. Further, with the establishment of the Smart Zambia Institute, Government is expediting automation of service delivery in procurement and tax administration, agricultural input and management of cases in the judiciary to reduce opportunities for corruption

At regional and international levels, Zambia is domesticating anti-corruption instruments such as the African Convention on Preventing and Combating Corruption, the United Nations Convention Against Corruption (UNCAC) and has adopted the Organisation for Economic Cooperation and Development Business principles.

At the time of this report, Zambia was finalising the revision of the National Anti-Corruption Policy that will guide implementation of social, legislative and institutional measures in fighting corruption. Zambia has also embarked on the harmonisation of some gaps and scope of the Anti-Corruption Act arising from the amendment of the Constitution in 2016.

The Country is also in the process of enacting the Access to Information law, continues to stream bureaucratic procedures and establish of service charters to enhance accountability.

Going forward, the Country is expected to undergo the second cycle review focusing on implementation of Chapters II (Corruption Prevention) and V (Asset Recovery) of

the Convention, following the initial review relating to Chapters III (Criminalisation and law enforcement) and IV (International cooperation) of the UNCAC six years ago. Efforts will also be on strengthening human and institutional capacities for a smart corruption free Zambia.

## **Accountability and Transparency**

To enhance accountability in the management of national budget and public resources, Zambia amended the Public Finance Management Act to strengthen accountability, oversight, and management of public funds, responsibilities and fiduciary duties of controlling officers and controlling bodies, providing sanctions for reported financial offences. The amendment of the Public Procurement Act in 2011 provided for open bidding and accountability by streamlining and decentralising some functions in the authority.

## **Participation in Regional and International Fora**

Zambia is a Member of various Regional and International bodies. The country's participation at regional and international fora is critical because the country position is essential as any decisions made have an impact on the country. These include the Africa Peer Review Mechanism under the auspices of the African Union, the United Nations charter and treaty-based bodies, and the Southern African Development Community. Others are the Global Alliance for National Human Rights Institutions (GANHR), Network for African Nation Human Rights Institutions, African Commission on Human and People's Rights (born from the African Union Systems under the African Charter on Human and People's Rights and the International Court of Justice).

### **j. Progress Towards Graduation**

Zambia is committed to graduating from the LDC category. Graduation is expected to occur when a country has overcome the structural challenges that make it difficult to move sustainably out of LDC status. It requires notable improvement in income at national level, human capital and a reduction of structural economic vulnerability. Thus, three complimentary criteria must be met for two consecutive triennial reviews. These are assessed using the per capita Gross National Income (GNI), Human Assets Index (HAI) and the Economic Vulnerability Index (EVI).

At the beginning of the Implementation of the IPoA, Zambia was on track to achieving one of the graduation criteria having attained the status of lower middle-income country in 2011. As the implementation of the IPoA comes to an end, the 2018 triennial review shows that Zambia has met two of the three graduation criteria.

### **Gross National Income**

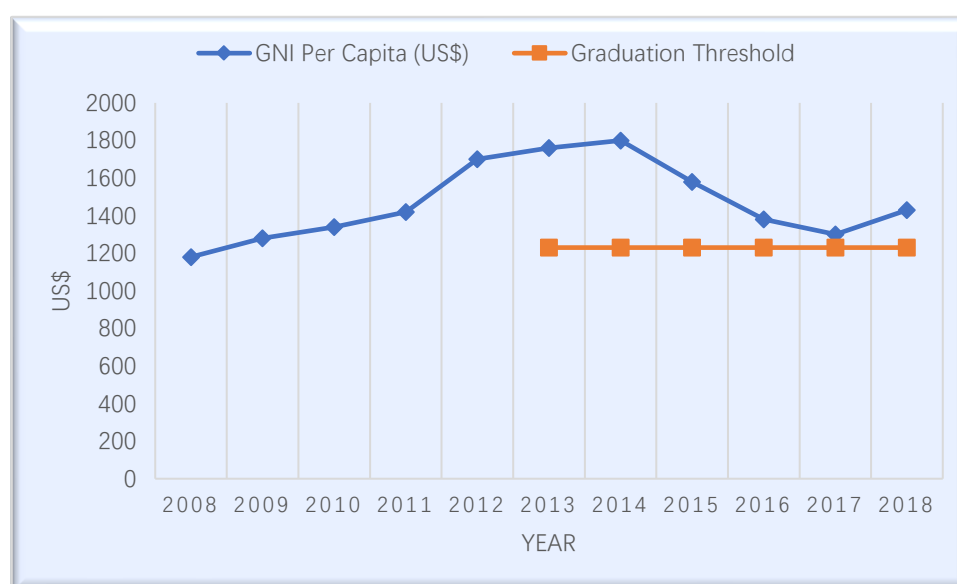
For Zambia to be eligible for graduation from LDC status, the country needed to have exceeded the Graduation threshold of having a GNI per capita, as measured using the world Bank Atlas Method, of over US\$1,230 over two consecutive triennial reviews alongside meeting the thresholds in at least one of the other two criteria. Alternatively, the country's GNI needed to have exceeded twice the graduation threshold i.e. have a GNI exceeding US\$ 2, 460 in the 2018 triennial review and this GNI level needed to be sustainable (i.e. the income only criteria). Figure 56 shows GNI key thresholds and Zambia's performance in that regard.

Figure 56: Zambia's Performance on the GNI Thresholds, 2018



The last triennial review in 2018 showed that Zambia's GNI per capita has exceeded the graduation threshold of US\$ 1, 230 over the six-year period from 2013 to 2018 as shown in Figure 57. As a matter of fact, Zambia had exceeded a GNI of US\$ 1,230 as far back as 2009 when its GNI per capita was US\$ 1,280. However, since the country did not exceed double the income threshold for graduation, Zambia needed to qualify in one of the other two criteria.

Figure 57: Zambia's GNI against the Graduation Threshold, 2008-2018



Source; World Bank national accounts data, and OECD National Accounts data files.

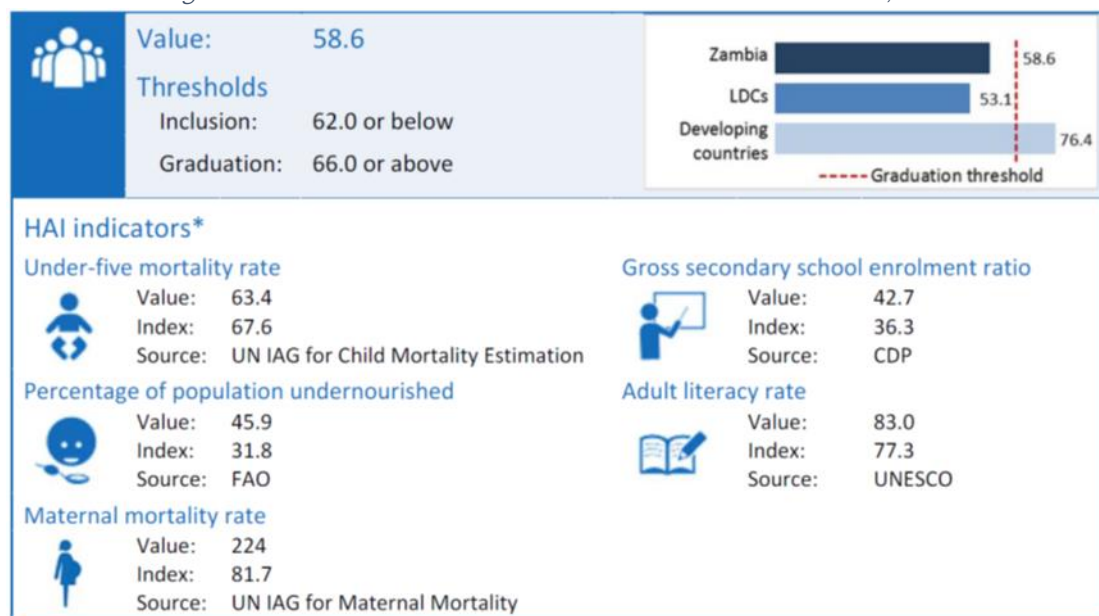
## Human Assets Index (HAI)

On the HAI, a country is considered eligible for graduation if the thresholds on key human asset indicators in health and education are met. The HAI is based on indicators of:

- (a) nutrition: i.e. percentage of population undernourished;
- (b) health: i.e. mortality rate for children aged five years or under;
- (c) maternal mortality
- (d) education: i.e. the gross secondary school enrolment ratio; and
- (e) adult literacy rate.

Zambia's performance on each of the thresholds is shown in the Figure 58.

Figure 58: Zambia's Score on the Human Asset Index Threshold, 2018



Source: 2018 Triennial Review

During the review IPoA period, Zambia made notable progress in the key indicators. However, on aggregate terms, the country could not meet the HAI threshold of 66.0 or above at the last triennial review in 2018, given its performance of 58.6 on the index.

More effort therefore needs to be made to accelerate human development even beyond the HAI indicators.

### Economic Vulnerability Index (EVI)

The EVI is a measure of structural vulnerability to economic and environmental shocks. A high vulnerability indicates major structural impediments to sustainable development and thus represents a higher economic vulnerability. The country should score 32.0 or below in the EVI. The indicators applicable to Zambia in determining the EVI are:

- population;
- remoteness;
- merchandise export concentration;
- share of agriculture, forestry and fishery in GDP;
- instability of exports of goods and services;
- victims of natural disasters; and
- instability of agricultural production.

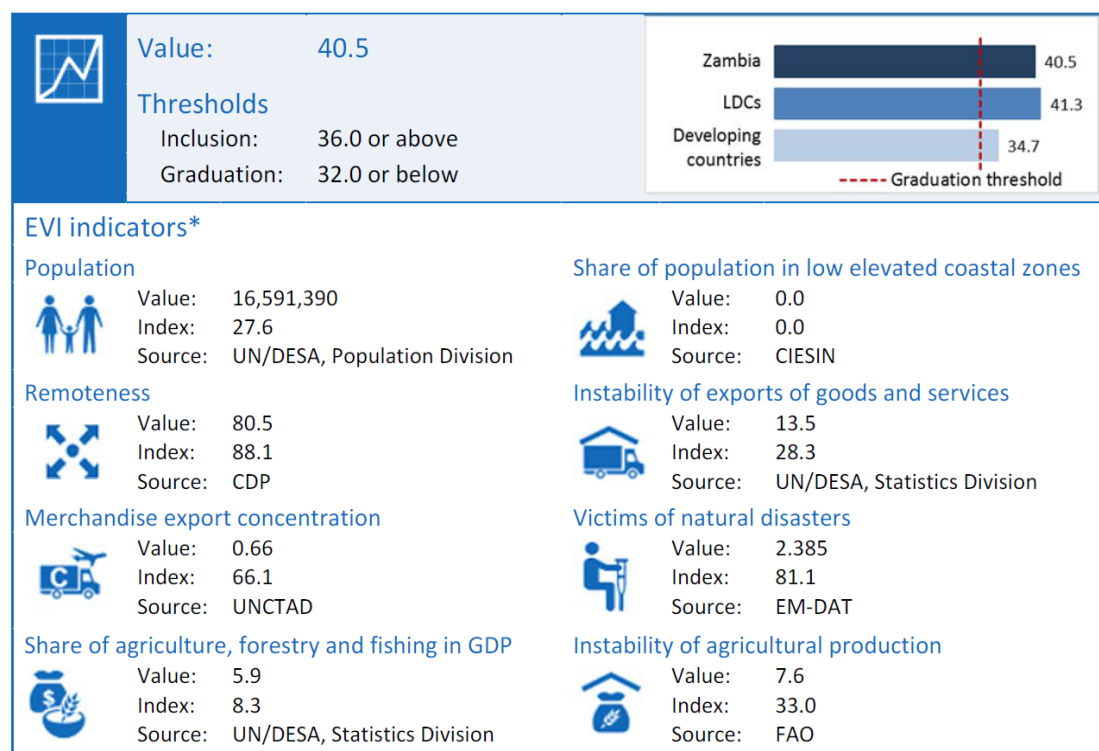
While some progress has been recorded, Zambia remains vulnerable to economic shocks. This is mainly due to the higher concentration or dependence on copper as a major merchandise export. Export diversification efforts are yet to bear the desirable fruit. Further, given a higher dependence on rain fed agriculture, the sector remains susceptible to climate variability such as floods and dry spells that particularly impacted production during the review period.

Further, Government has been investing in infrastructure development to promote

connectivity to different parts of the country. Although notable progress is being recorded on this score, the impact is yet to be fully realised.

In view of this performance, Zambia could not score favourably on the EVI, having scored 40.5 against a threshold of 32 or below as shown in Figure 59 below.

Figure 59; Zambia's Performance on the Economic Vulnerability Index, 2018



Source: 2018 Triennial Review

On account of the country's inability to perform favourably on at least two LDC graduation criteria or score at twice the income threshold, Zambia was not among the LDCs deemed eligible for graduation at the 2018 review.<sup>17</sup> This is in spite of favourable performance on the income criteria for two consecutive triennial reviews.

Zambia is committed to graduate from the LDC category, as evidenced by the programmes and investments being made to advance national development. To achieve sustained progress towards graduation, the country has adopted a transformative approach to the management of the economy while making efforts to appropriately positioning itself in the regional and global economies to reap the benefits that should accrue to the entire country. Through the existing medium- and long-term development plans, strategies have been developed that should contribute to progress towards graduation and smooth transition.

Zambia's long-term vision, the Vision 2030, envisaged for Zambia to be a prosperous middle-income nation. This entails that the country should strive to ensure that there is equitable development and that the economy is competitive, self-sustaining, dynamic and resilient to any external shocks. It also requires that the economy supports the stability of biological, physical system and has stable social and cultural systems that

<sup>17</sup> [Committee for Development Policy](#) (CDP), a subsidiary body of the UN Economic and Social Council, is – inter alia – mandated to review the category of LDCs every three years and monitor their progress after graduation from the category.



support human capital formation.

Zambia is committed to implementing strategies and programmes that will ensure that she attains graduation from LDCs. In order to track progress toward the achievement of the Country's long-term vision as well as other international agenda, the National Performance Framework was developed in 2018. This measurement tool gives Zambia a means of specifically outlining the outcomes and results that will be generated through policies, plans, programmes and projects. This enables the government to effectively coordinate the tracking of progress toward achievement of the desired outcomes.

#### **IV. COHERENCE AND LINKAGES WITH THE 2030 AGENDA AND OTHER GLOBAL PROCESSES**

The 2030 Agenda for Sustainable Development is a global development agenda that outlines how poverty can be abolished and how the world can be transformed into a peaceful and sustainable environment for all. The core principles of the Agenda 2030 include universality, leaving no-one behind, interconnectedness and indivisibility, inclusiveness and multi-stakeholder Partnerships. It is a global plan of action for the people.

Zambia is committed to the achievement of Sustainable Development Goals (SDGs) as a means to actualise the 2030 Agenda. The spirit and elements of the Agenda resonate with Zambia's own development needs and aspiration. Zambia has therefore mainstreamed eight-six (86) percent of SDG targets into the 7NDP. This implies that the implementation of SDGs in Zambia is being done through the implementation of the 7NDP, and consequently, monitoring and reporting on SDGs is being done using the existing structures used to monitor and report the 7NDP programme implementation.

The formulation of the 7NDP was also informed by the commitments and aspirations of other global development processes including the Vienna Programme of Action for United Nations Land-Locked Developing Countries' and regional frameworks in the African Union, SADC and COMESA.

Further, on 7th August 2019, the country launched the SDG Africa Sub-Regional centre for the Southern African Region (SADC). The centre has been strategically set in order to provide support on the implementation of SDGs within and outside the region. By adopting the multisectoral integrated approach to socio-economic development, Zambia seeks to improve the living standards of its people through collective action by all development agents.

Zambia is further demonstrating its commitments to the regional and global development agendas by actively participating in for a and discourse on development matters. These include but are not limited to the 2011 United Nations (UN) conference on Sustainable Development, 2015 UN Sustainable Development Summit and 2015 Third International Conference on Financing for Development. This signifies the importance the country has attached to sustainable development and the plight for the poor majority.

#### **V. TOWARDS THE NEXT LDC AGENDA**

This report has shown Zambia's progress in the IPoA. As outlined the country has made notable achievements that have raised the development status of the nation, even though



some challenges persist. For these successes to be sustained, and for more to be achieved, this section highlights some of the key areas that need to be focused on in the next LDC agenda. These areas that remain relevant not only for Zambia but also for other LDCs are Economic Diversification, Youth unemployment, Women empowerment, Technology, Climate Change and Health.

It is worth noting that all of the proposed areas of focus should be implemented in a manner that will seek to reduce inequality in line with the need not to leave anyone behind.

### **Economic Diversification**

Zambia's 7NDP has outlined the country's agenda to diversify the economy in order to attain Vision 2030. However, the economy, particularly exports, is yet to diversify as it was envisioned to be. The review has also shown that although there was growth in non-traditional exports, the rate of growth was inadequate to significant impact on the performance on the country in terms of export concentration on copper. The situation is not substantially different for other LDCs.

In order to take advantage of the various trade arrangements that LDCs are party to and at the same time create more employment opportunities for its population, there is need to be relentless on the efforts to build a strong industrial and manufacturing base through, among others addressing infrastructure bottlenecks, such as transport, ICT and energy, that inhibit structural transformation. Additionally, attention should be paid to enhancing productivity in the primary sectors and promoting value addition.

### **Youth Employment and Empowerment**

In the case of Zambia, the review shows that youth unemployment remains a major challenge. There is need to implement programmes aimed at empowering youths. In so doing and based on lessons learned from the programmes implemented during the IPoA, there is need to enhance coverage and impact of youth development programmes. Particular emphasis should be paid to skills and entrepreneurship development to enable youths to be self-employed or gain meaningful employment. In addition to capital provision, youths should also be provided with other forms of support such as business development services, market access support and other skills that enhance entrepreneurship.

### **Enhance the role and participation of women in the economy**

This report has demonstrated that women in Zambia continue to face challenges in accessing opportunities at various levels including employment; leadership positions and education to mention a few. The lower female participation in economic activities especially explains why Zambian women tend to be the poorest and most excluded in social and economic activities. The next LDC agenda should focus on expanding the role and opportunities of women in society.

Particularly, there is need for increased investments in girls' education which forms of a foundation for women participation in various activities later in life. Women should also be prioritized in economic empowerment programs such as granting them access to capital, business support services and markets. Improving the economic status of women in Zambia will likely enable them to participate more in decision making at various levels.

### **Embracing the technology challenge and opportunity**

The global economy is now driven by technology. This means competitiveness at all

levels requires knowledge of various forms of technology. ICT especially is at the center of most technology changes. Although the report shows significant improvements in ICT infrastructure over the review period, access and use still remains too low to enable Zambia effectively participate in global ICT-driven technological changes.

In this regard, the next LDC agenda should focus on promoting increased access and use of ICT. This calls for accelerated integration of ICT in daily activities and all spheres of society. It also calls for strengthening the education curriculum so it is anchored on ICT so as to make digital literacy part of the foundation skills.

### **Skills Development**

Zambia's education sector has improved as shown earlier in this report. Enrolment rates have improved to the extent of achieving universal access to primary school. At tertiary level, there is need to enhance the skills development component under the auspices of TEVET as there is a mismatch between labour market demand and skills supply. This is due to various reasons including teaching equipment that is not up to date, inadequate instructors and curricula that does not meet labour market demand.

To address the above, the next LDC agenda should focus on improving skills development. Additionally, there is need to develop competent based curriculum with a view to help learners acquire knowledge, skills, values and attitudes that are likely to equip them with competencies that they can effectively use to serve society. Similarly, there is need to provide modern equipment and address the current curricular at tertiary institutions so it can reflect current changes in technology.

Deliberate efforts should be focused on developing mentorship and apprenticeship programmes aimed at transferring skills that training institutions may not provide.

### **Building Resilience to Climate Change in Productive Sectors**

The effects of climate change have continued to impact on the Zambian economy and the lives of citizens. If not mitigated the impact is likely to grow and will negatively affect the socio-economic outcomes of the population. Among the main areas through which climate change has impacted negatively on the economy are agriculture (crop and livestock), water, forestry and wildlife, tourism and energy.

To mitigate the impact of climate change in agriculture, the next LDC agenda should focus on promoting climate smart agriculture such as conservation farming and breeding of drought resistant crops. There should also be focus on shifting reliance from rain fed agriculture to irrigation schemes. In addition, there is need to focus on building climate change resilience in productive sectors as well as strengthening capacity in disaster risk reduction.

In terms of energy, the next LDC agenda should focus on increasing investments in alternative sources of energy to reduce reliance on hydroelectricity in order to build resilience to climate change and avoid energy crises.

Special attention should also be paid to de-risking climate financing in order for more private sector players to participate in climate response.

### **Universal Health Coverage**

The progress that Zambia has made in terms of health have been highlighted. The next challenge remains to achieve universal coverage as well as address the emergence of non-communicable diseases. In this regard the next LDC agenda should focus on

promoting financing for universal coverage

To address the rising problem of non-communicable diseases, more screening centres especially in rural areas must be established as current interventions remain more accessible in urban areas. This will also call for strengthening of the health system to be able to increase surveillance and investments in prevention.

While providing universal coverage, there is need to ensure quality service by equipping hospitals with modern equipment and machinery, health personnel capacity building and medical supplies.

## VI. STATISTICAL ANNEX

### Annex 1: Selected Statistics on Exports and Imports

Table 24: Major Commodity Exports 2010 -2018

FLOW	MAJOR COMMODITY EXPORTS																	
YEAR	2010		2011		2012		2013		2014		2015		2016		2017		2018	
HS-CODE	USD	TONNE	USD	TONNE	USD	TONNE	USD	TONNE	USD	TONNE	USD	TONNE	USD	TONNE	USD	TONNE	USD	TONNE
MAIZE GRAIN	7,046,398	29,618	133,730,721	358,249	174,174,966	613,588	119,214,284	142,894	32,658,175	75,533	171,804,646	704,260	161,161,553	325,442	56,975,061	296,101	4,596,355	28,683
SOYA BEANS	5,964,181	14,445	1,059,249	1,242	974,114	1,661	1,191,396	1,240	10,972,779	19,942	6,083,136	10,972	3,061,030	5,442	31,009,391	60,317	3,348,799	8,623
SUGAR	141,573,609	273,690	149,150,716	262,405	124,214,882	221,925	121,906,612	210,873	131,104,724	223,008	115,904,867	222,057	102,084,949	196,340	118,824,926	197,977	104,787,280	210,973
TOBACCO	117,767,232	34,290	101,323,629	31,334	156,575,585	37,924	215,823,167	41,689	141,597,773	32,124	107,145,435	28,888	89,624,262	22,899	88,542,189	26,927	104,635,064	29,701
COTTON	47,178,576	33,837	118,385,291	44,440	309,456,125	84,689	85,798,667	57,158	67,707,572	41,364	54,119,601	42,069	64,709,809	47,072	38,366,380	26,518	49,177,766	29,089
COPPER	4,959,338,260	768,424	6,670,589,392	841,065	6,287,829,022	851,375	6,822,028,808	996,028	7,158,822,492	975,338	4,728,888,606	889,227	4,367,936,512	903,369	6,076,634,433	1,019,361	6,719,652,568	1,044,284

Source: Zambia Statistics Agency

Table 25: Traditional and Non-Traditional Exports by Absolute United States Dollars and Percentage Share

	2010		2011		2012		2013		2014		2015		2016		2017		2018	
	US \$ (FOB)	% SHARE	US \$ (FOB)	% SHARE	US \$ (FOB)	% SHARE	US \$ (FOB)	% SHARE	US \$ (FOB)	% SHARE	US \$ (FOB)	% SHARE	US \$ (FOB)	% SHARE	US \$ (FOB)	% SHARE	US \$ (FOB)	% SHARE
TRADITIONAL EXPORTS	5,252,525,318	80.4	6,923,103,631	78.8	6,504,855,574	67.5	6,955,604,799	65.6	7,280,965,562	75.2	4,804,857,628	72.7	4,487,916,525	70.4	6,201,398,936	77.5	6,841,378,211	75.7
NON-TRADITIONAL EXPORTS	1,277,793,213	19.6	1,860,115,867	21.2	3,135,090,095	32.5	3,651,246,678	34.4	2,405,637,774	24.8	1,801,655,020	27.3	1,884,470,276	29.6	1,805,391,341	22.5	2,193,285,679	24.3
TOTAL EXPORTS	6,530,318,531	100.0	8,783,219,498	100.0	9,639,945,668	100.0	10,606,851,477	100.0	9,686,603,336	100.0	6,606,512,648	100.0	6,372,386,801	100.0	8,006,790,276	100.0	9,034,663,890	100.0

Table 26: Exports and Imports by Selected Regional Groupings in Absolute USD, 2010 To 2018

CURRENCY	USD							
FLOW	TOTAL EXPORTS				IMPORTS			
PERIOD	ASIA	COMESA	EU27	SADC	ASIA	COMESA	EU27	SADC
2010	1,733,243,492	684,985,106	313,446,037	1,205,203,053	1,293,520,587	1,458,182,088	480,530,198	3,290,868,602
2011	1,700,341,434	966,704,965	504,180,639	1,836,279,508	1,967,734,401	1,641,938,396	666,214,310	4,185,634,417
2012	2,181,740,987	1,584,135,283	492,794,695	2,865,512,927	2,510,145,451	1,869,937,887	806,453,219	4,595,621,443
2013	3,096,993,697	1,842,411,002	326,518,106	3,126,070,246	2,577,599,668	2,801,502,261	1,438,522,321	5,308,401,755
2014	2,569,237,476	1,275,433,671	239,740,422	2,080,067,950	2,403,821,338	2,795,834,693	822,261,100	5,304,813,577
2015	1,849,045,958	975,650,897	115,580,289	1,556,070,082	2,264,776,139	1,465,816,805	899,155,736	3,911,498,735
2016	2,158,259,810	873,519,492	312,428,276	1,316,527,515	2,238,879,283	1,259,921,590	611,361,418	4,058,917,442
2017	2,478,841,309	921,364,112	268,120,454	1,343,554,419	2,701,844,821	1,389,716,343	592,739,220	4,284,446,809
2018	2,603,113,372	1,201,153,898	474,128,434	1,692,396,502	3,350,030,841	1,779,953,124	716,507,064	4,872,757,012

Source: Zambia Statistics Agency

Table 27: Top 24 Import Destinations in United States Dollars 2010 -2018

COUNTRY OF DESTINATION	Total Export								
	2010	2011	2012	2013	2014	2015	2016	2017	2018
	US \$	US \$	US \$	US \$	US \$	US \$	US \$	US \$	US \$
SWITZERLAND	3,117,943,766	4,591,252,990	3,966,892,194	3,920,335,241	4,320,436,695	2,783,329,959	2,485,546,290	3,543,323,379	3,800,128,231
CHINA	1,451,173,044	1,517,871,754	1,809,045,357	2,260,584,852	1,794,101,421	993,179,741	1,208,950,441	1,329,584,997	1,307,808,646
SOUTH AFRICA	559,356,669	847,848,379	1,022,591,804	1,139,173,309	676,804,176	500,340,301	364,853,535	393,293,706	435,781,781
CONGO DR	322,522,665	404,166,920	806,078,450	1,189,256,040	802,928,373	526,012,929	428,572,449	544,085,350	863,742,994
SINGAPORE	3,270,798	28,399,621	43,153,398	69,371,732	370,720,931	550,274,559	369,834,758	495,088,017	699,741,598
UNITED ARAB EMIRATES	176,247,592	88,370,638	225,984,902	544,258,342	235,035,287	57,752,102	351,290,255	293,648,316	236,512,176
ZIMBABWE	120,597,101	244,833,313	430,910,336	274,777,582	195,298,652	268,385,427	227,227,362	133,961,513	136,202,097
UNITED KINGDOM	134,961,965	328,712,236	311,799,477	149,514,552	98,502,091	66,489,922	239,974,473	184,523,307	352,911,284
MALAWI	102,671,381	119,885,491	186,733,957	219,019,155	145,620,832	107,710,217	122,517,815	99,696,006	84,800,514
INDIA	19,022,965	38,220,331	69,470,555	129,738,182	36,191,620	22,917,716	70,644,235	175,926,660	185,940,864
TANZANIA	31,834,780	48,240,852	99,898,269	78,162,319	53,334,210	45,595,913	86,016,247	89,871,318	80,121,715
HONG KONG	2,165,648	3,020,025	26,180,863	20,191,739	34,567,053	103,649,085	100,837,650	145,500,301	142,281,867
AUSTRALIA	886,559	1,320,378	1,645,655	3,479,325	348,208,054	210,385,647	695,286	940,243	7,275,683
KENYA	33,878,144	80,990,129	56,068,873	90,210,302	56,590,378	40,480,115	38,903,422	72,512,891	60,082,258
NAMIBIA	18,801,780	46,391,334	152,576,251	106,450,133	51,467,592	34,598,919	24,721,657	25,757,365	34,530,980
BELGIUM	72,408,632	85,447,337	88,005,457	71,425,785	34,442,317	2,172,202	6,490,675	5,172,769	5,733,532
LUXEMBOURG	36,651,719	43,928,345	35,266,150	54,765,657	49,529,025	5,582,826	14,690,843	52,188,165	76,622,170
JAPAN	6,910,888	3,951,267	993,128	57,303,441	79,630,960	82,153,185	50,637,564	33,170,387	25,525,111
BOTSWANA	16,915,189	29,063,471	63,399,079	26,284,114	43,313,637	30,383,617	22,284,362	30,370,383	31,356,431

MAURITIUS	18,446,184	65,531,763	47,866,651	50,197,582	35,070,146	9,031,247	7,760,322	1,111,004	2,366,988
MOZAMBIQUE	5,200,350	24,335,925	20,287,111	27,547,676	47,215,103	20,087,282	20,155,421	17,666,587	12,587,253
GERMANY	7,802,011	12,832,015	12,262,078	18,036,805	32,508,402	23,526,795	32,168,632	9,522,876	17,632,256
BURUNDI	27,887,794	28,154,099	27,288,922	8,398,923	6,032,332	4,463,407	11,714,696	24,348,216	20,357,418
NETHERLANDS	44,846,377	14,095,953	30,358,147	21,071,760	9,186,019	9,077,729	13,062,679	10,421,415	5,913,351
<b>OTHER</b>	197,914,530	86,354,932	105,188,603	77,296,929	129,868,031	108,931,806	72,835,731	295,105,106	408,706,691
<b>TOTAL</b>	<b>6,530,318,531</b>	<b>8,783,219,498</b>	<b>9,639,945,668</b>	<b>10,606,851,477</b>	<b>9,686,603,336</b>	<b>6,606,512,648</b>	<b>6,372,386,801</b>	<b>8,006,790,276</b>	<b>9,034,663,890</b>

Source: Zambia Statistics Agency

Table 28: Top 25 Import Origins in United States Dollars, 2010 To 2018

COUNTRY OF ORIGIN	IMPORTS								
	2010	2011	2012	2013	2014	2015	2016	2017	2018
	US \$	US \$	US \$	US \$	US \$	US \$	US \$	US \$	US \$
SOUTH AFRICA	1,825,883,759	2,575,741,323	2,965,214,988	3,086,594,289	3,094,020,486	2,612,994,054	2,418,962,067	2,457,450,803	2,726,780,287
CONGO DR	1,268,546,375	1,340,467,760	1,265,346,485	1,850,182,122	1,719,971,764	415,972,174	738,211,332	1,012,481,418	1,393,726,029
CHINA	289,634,968	723,407,111	869,895,449	962,911,052	860,174,482	693,635,984	600,107,448	1,121,234,944	1,291,033,056
KUWAIT	508,682,840	372,206,255	552,185,420	216,678,404	221,485,841	395,768,936	551,368,506	466,737,599	440,434,925
INDIA	144,418,374	249,193,790	305,320,177	389,656,993	406,701,582	366,006,274	316,661,869	246,258,856	442,884,460
UNITED ARAB EMIRATES	116,549,156	242,502,280	219,990,019	240,252,836	271,365,965	175,745,908	316,761,303	468,048,279	595,662,783
KENYA	64,431,050	134,619,007	283,004,420	712,950,397	777,890,108	414,267,347	51,482,457	35,624,161	50,232,856
UNITED KINGDOM	103,768,611	189,678,116	216,295,536	295,434,443	244,632,319	229,066,788	123,670,065	141,752,415	185,589,574
JAPAN	83,779,792	150,011,564	240,229,752	302,351,648	216,789,477	135,933,153	122,496,604	129,139,016	168,546,018
MAURITIUS	11,128,169	14,410,467	38,705,771	30,829,890	128,035,696	479,079,932	344,469,259	217,462,652	206,028,803
UNITED STATES OF AMERICA	71,891,170	97,463,091	247,239,444	251,290,524	171,513,039	139,030,232	113,001,888	108,481,331	194,724,669
BELGIUM	87,973,401	46,613,184	70,033,432	461,859,501	80,210,431	35,566,657	62,995,767	58,030,796	44,027,730
GERMANY	53,693,511	60,898,592	111,830,273	268,254,114	121,157,933	71,328,870	60,111,324	69,427,377	107,479,888
TANZANIA	40,773,428	54,424,082	71,035,913	76,265,632	91,542,671	56,410,104	162,553,591	165,222,053	180,752,531
ZIMBABWE	71,783,014	88,010,675	92,789,755	130,383,111	102,159,225	90,271,811	75,882,443	74,476,448	74,169,542
MOZAMBIQUE	16,694,601	18,961,089	21,114,699	24,434,383	40,757,666	99,225,803	176,665,405	180,500,099	135,651,098
SINGAPORE	41,624,152	93,355,684	55,844,971	98,397,107	145,529,113	149,145,097	49,000,664	28,583,844	33,048,509
SWEDEN	48,507,890	88,589,209	96,917,485	90,885,942	68,653,925	62,808,765	62,931,893	53,636,327	89,540,669
NAMIBIA	12,413,839	18,636,034	24,682,496	38,040,035	65,435,274	102,536,032	94,337,282	125,956,038	104,064,027
AUSTRALIA	35,910,971	45,540,691	59,554,358	91,573,962	132,628,739	53,405,503	45,339,773	52,456,731	50,511,258
NETHERLANDS	30,880,372	49,901,904	60,980,725	69,331,945	79,649,043	63,285,116	48,030,924	58,594,268	50,192,288
SWITZERLAND	20,544,814	61,778,781	81,476,390	66,858,554	40,515,708	86,603,478	39,538,908	45,410,433	50,590,068



HONG KONG	25,542,021	36,030,310	63,441,439	49,882,811	60,479,422	84,079,814	38,950,839	49,340,415	73,327,268
IRELAND	46,040,270	49,618,084	70,705,640	89,440,105	41,856,224	33,962,774	38,543,099	48,291,283	43,763,673
FINLAND	36,807,728	83,580,448	46,103,530	37,525,136	30,546,012	44,256,343	73,568,799	39,708,656	56,001,575
OTHER	251,661,011	377,609,056	652,888,940	639,956,389	580,938,004	844,890,528	561,981,691	528,291,434	673,483,620
<b>Total</b>	<b>5,309,565,287</b>	<b>7,263,248,587</b>	<b>8,782,827,505</b>	<b>10,572,221,325</b>	<b>9,794,640,149</b>	<b>7,935,277,475</b>	<b>7,287,625,199</b>	<b>7,982,597,676</b>	<b>9,462,247,207</b>

*Source: Zambia Statistics Agency*

Table 29: NTEs by Sector 2013 - 2017 in thousand USD

NTEs by Sector 2013-2017 in Thousand USD					
Sub Sector	2013	2014	2015	2016	2017
ANIMAL PRODUCTS	10,348.22	9,382.61	7,142.46	8,343.38	13,216.08
BUILDING MATERIALS	205,253.40	73,165.84	26,749.07	38,572.50	84,151.44
CHEMICAL & PHARMACEUTICAL	651,404.90	398,273.96	283,679.58	174,589.18	380,188.34
ENGINEERING PRODUCTS	719,563.03	518,405.94	396,171.17	570,344.84	389,741.49
FLORICULTURE	32,417.38	13,594.21	13,295.03	10,342.10	10,545.45
GARMENTS	1,632.61	623.27	543.24	554.67	448.12
GEMSTONES	77,237.64	273,842.82	62,726.01	28,549.73	4,846.26
HANDICRAFTS & CURIOS	21,093.98	310.96	471.27	483.71	769.19
HORTICULTURE	31,792.74	13,556.43	12,299.92	14,142.42	15,025.36
LEATHER & LEATHER PRODUCTS	51,451.97	55,096.02	13,081.56	11,605.64	9,345.62
NON-METALLIC MINERALS	51,255.25	61,826.67	53,529.27	62,099.72	46,939.05
OTHER MANUFACTURES	73,605.15	93,653.01	96,145.44	122,492.36	165,577.88
PETROLEUM OILS	64,658.05	20,336.45	9,840.31	5,827.14	7,834.26
PRIMARY AGRICULTURE	577,482.38	312,326.88	418,945.82	402,216.09	323,540.53
PROCESSED & REFINED FOODS	565,807.81	445,688.28	265,988.93	221,357.03	275,145.27
TEXTILES	45,258.81	10,556.62	12,076.69	3,294.47	3,398.99
WOOD PRODUCTS	12,473.29	9,833.62	11,117.79	6,034.18	3,601.57
SUB-TOTAL	3,192,736.61	2,310,473.58	1,683,803.56	1,680,849.17	1,734,314.90
MINING	281,979.94	17,210.04	159,095.82	162,537.80	176,876.38
TOTAL VISIBLE NTEs	3,474,716.55	2,327,683.63	1,842,899.37	1,843,386.97	1,911,191.29

## Annex 2: Trade Statistics by Mode of Transport

Table 30: Exports by Mode of Transport, 2010-2018

FLOW	TOTAL EXPORTS									
TRANSTYPE	ROAD		RAIL		AIR		OTHERS		TOTAL	
PERIOD	USD	TONNE	USD	TONNE	USD	TONNE	USD	TONNE	USD	TONNE
2010	5,371,477,176	2,311,133	1,024,303,116	291,632	109,903,103	5,135	25,125,974	618,278	6,530,809,369	3,226,179
2011	7,684,184,563	3,038,386	812,705,321	242,760	198,562,861	4,677	87,766,754	754,055	8,783,219,498	4,039,878
2012	8,968,449,945	3,536,914	323,559,943	80,785	299,206,638	7,249	48,729,142	798,815	9,639,945,668	4,423,763
2013	9,755,532,816	3,054,365	249,999,735	82,324	466,323,757	5,463	134,995,169	1,063,998	10,606,851,477	4,206,150
2014	9,186,321,359	2,965,569	128,725,795	69,601	288,134,702	7,537	83,421,480	1,191,366	9,686,603,336	4,234,073
2015	5,299,836,226	3,231,562	82,467,014	98,004	290,305,413	5,592	933,903,995	1,362,734	6,606,512,648	4,697,892
2016	4,933,043,951	3,147,171	35,294,147	41,438	527,312,169	5,074	876,736,534	1,000,205	6,372,386,801	4,193,888
2017	5,871,992,391	3,565,503	74,078,191	27,776	359,724,048	5,004	1,700,995,647	1,397,416	8,006,790,276	4,995,699
2018	6,618,642,800	4,024,710	261,257,989	68,222	439,983,302	5,140	1,714,779,799	1,575,788	9,034,663,890	5,673,860

Source: Zambia Statistics Agency

Table 31: Imports by Mode of Transport, 2010-2018

FLOW	IMPORTS									
TRANSTYPE	ROAD		RAIL		AIR		OTHERS		TOTAL	
PERIOD	USD	TONNE	USD	TONNE	USD	TONNE	USD	TONNE	USD	TONNE
2010	3,073,077,416	2,583,220	109,459,061	250,011	390,074,500	100,092	1,736,954,310	2,681,614	5,309,565,287	5,614,937
2011	3,900,760,490	1,902,095	175,588,520	292,858	493,165,691	9,995	2,693,733,886	2,278,141	7,263,248,587	4,483,090
2012	4,553,961,389	3,777,971	175,931,657	274,781	680,936,258	10,781	3,371,998,201	2,304,090	8,782,827,505	6,367,622
2013	5,629,773,805	3,241,322	220,647,537	275,291	1,060,747,646	11,777	3,661,052,337	2,467,440	10,572,221,325	5,995,830
2014	5,950,154,903	2,827,107	176,867,678	243,235	554,379,821	11,781	3,113,237,749	1,746,473	9,794,640,149	4,828,595
2015	4,122,382,878	2,978,271	140,735,942	178,982	565,600,246	15,388	3,106,558,410	2,858,771	7,935,277,475	6,031,412
2016	3,985,207,227	3,391,846	103,518,329	114,735	789,314,459	11,282	2,409,585,184	4,573,059	7,287,625,199	8,090,922
2017	4,636,003,862	3,626,403	78,974,594	152,970	743,332,599	11,489	2,524,286,621	2,887,538	7,982,597,676	6,678,401
2018	5,560,664,484	3,654,597	125,896,000	264,952	862,766,101	12,504	2,912,920,622	2,204,475	9,462,247,207	6,136,528

Source: Zambia Statistics Agency

### Annex 3: Gross Domestic Product, 2010- 2018

Table 32: Gross Domestic Product by sector of origin at constant prices, 2010 - 2018

	2010	2011	2012	2013	2014	2015	2016	2017	2018
GDP by sector of origin at Constant prices									
Agriculture, forestry, and fishing	9159	9871	10205	9813	9917	9150	9490	10419	8213
Mining and quarrying	12429	12436	12538	12985	12687	12717	13643	14052	14932
Manufacturing	7367	8148	8540	9070	9664	10187	10383	10837	11278
Electricity, gas, and water	1784	2114	2216	2460	2468	2412	2117	2527	2802
Construction	9761	9968	10030	9679	10705	12628	13918	14812	15046
Wholesale and retail trade	17591	21026	22780	27289	28220	28632	28610	28806	29760
Transport and communications	7293	8156	9162	8012	8578	8707	9366	9029	10838
Community, social, and personal services	12624	12081	14297	15581	16910	17128	18194	19334	20156
Financial institutions and insurance	3978	3737	4032	3764	4332	4854	4740	4467	5525
Real estate and business services	8251	7770	8319	8661	8862	9107	9478	9827	10161
Restaurants and hotels	1599	1641	2193	2276	2367	2366	2394	2540	2583
Total	91836	96947	104312	109590	114709	117887	122332	126651	131293
Plus: Taxes on products	5380	5679	6110	6420	6749	7116	7363	7619	7910
Less: FISIM	0	0	0	0	0	0	0	0	0
<b>Total GDP</b>	<b>97,216</b>	<b>102,626</b>	<b>110,423</b>	<b>116009</b>	<b>121457</b>	<b>125004</b>	<b>129696</b>	<b>134271</b>	<b>139203</b>
<b>Total GDP real %</b>	<b>10.3</b>	<b>5.6</b>	<b>7.6</b>	<b>5.1</b>	<b>4.7</b>	<b>2.9</b>	<b>3.8</b>	<b>3.5</b>	<b>3.7</b>

Table 33: Gross Domestic Product by sector of origin at current prices, 2010 -2018

GDP by sector of origin at current prices	2010	2011	2012	2013	2014	2015	2016	2017	2018
Agriculture, forestry, and fishing	9159	11002	12237	12449	11326	9134	13460	9910	7199
Mining and quarrying	12429	17515	19057	25687	24450	23244	28494	39005	46277
Manufacturing	7367	8571	9289	9363	11393	13795	16610	20013	23693
Electricity, gas, and water	1784	2783	2710	2702	4293	6038	8033	9466	10602
Construction	9761	10408	10965	11588	14899	18646	22232	23377	20768
Wholesale and retail trade	17591	22370	25829	33126	36416	40861	45097	46780	52774
Transport and communications	7293	8281	9810	9206	9834	12597	14512	18706	27713
Community, social, and personal services	12624	13011	17975	19843	22613	24890	27705	28260	31636
Financial institutions and insurance	3978	3737	4100	4416	5256	7099	9659	12736	15871
Real estate and business services	8251	8294	9669	11054	12521	14576	16529	17902	19032
Restaurants and hotels	1599	1765	2447	2695	2755	3075	3585	3898	4120
Total	91,836	107,736	124,088	142,130	155,754	173,953	205,916	230,054	259,684
Plus: Taxes on products	5380	6297	7186	9201	11299	9428	10182	16198	19757
Less: FISIM	0	0	0	0	0	0	0	0	0
<b>Total GDP, sum of sectors</b>	<b>97,216</b>	<b>114,033</b>	<b>131,274</b>	<b>151,331</b>	<b>167,052</b>	<b>183,381</b>	<b>216,098</b>	<b>246,252</b>	<b>279,441</b>

Source: Zambia Statistics Agency

#### **Annex 4: Trends in the Index of Industrial Production**

The Index of Industrial Production (IIP) is a composite indicator that measures the short-term changes in the volume of production of a basket of industrial products during a given period with respect to that in a chosen base period. The broad sectors of the IIP includes Mining, Manufacturing and Electricity generation industries.

Over the period 2010 to 2018, the annual IIP (average of four quarters) has shown an increasing trend ranging between 187.5 in 2010 and 239.8 in 2018. The increase in Total Mining and Manufacturing industries were the main reason for the increasing trend in the Total IIP. However, the Electricity generation industry has shown a fluctuating trend with the lowest index recorded in 2016 (148.4) and the highest in 2018 (207.8).

Over the same period (2010-2018), the year on year percentage change (IIP growth rate) for the total index of industrial production registered positive growths ranging from 0.2 percent in 2015 to 9.7 percent in 2010. The positive growths in the Total IIP were attributed to positive growth in both Mining and Manufacturing Industries. However, over the same period, the Electricity Generation industry recorded both positive and negative year on year percentage changes with the highest in 2017 (25.3%) and the lowest in 2016 (-14.7%).

PERIOD	TOTAL INDEX	MINING				MANUFACTURING									ELECTRICITY GENERATION, DISTRIBUTION & SUPPLY
		TOTAL MINING	Coal	Non-ferrous Ore	Stone Quarrying	TOTAL MANUFACTURING	Food, Beverages & Tobacco	Textile, Clothing & Leather	Wood & Wood Products	Paper & Paper Products	Chemicals, Rubbers & Plastics	Non-metallic Mineral Products	Basic Metal Industries	Fabricated Metal Products	
WEIGHT	1.000	0.350	0.005	0.242	0.103	0.511	0.235	0.06	0.006	0.017	0.059	0.025	0.009	0.100	0.139
2010	187.5	273.3	0.0	261.1	314.1	140.6	193.6	14.0	217.7	147.0	103.5	187.8	74.7	102.1	144.1
2011	198.0	275.7	0.0	253.7	339.5	155.6	211.5	6.4	231.0	174.1	110.9	234.7	74.0	119.1	158.6
2012	200.9	270.6	32.8	239.4	354.4	163.0	226.5	6.6	240.8	198.7	122.1	253.8	84.4	105.0	164.9
2013	211.1	279.8	114.5	247.7	362.4	173.2	240.9	7.5	237.2	220.3	133.7	258.2	89.6	110.6	178.1
2014	213.7	270.9	176.7	230.5	370.0	180.1	251.3	5.0	240.2	223.7	140.3	276.9	102.9	112.6	193.0
2015	214.1	271.4	61.2	231.8	373.9	185.8	254.4	3.3	247.9	213.5	162.1	306.5	112.5	115.8	174.0
2016	218.4	287.8	36.4	254.7	376.7	189.9	255.6	3.1	245.6	226.2	171.2	368.9	110.9	111.0	148.4
2017	227.0	291.7	45.1	258.3	381.0	193.9	259.3	4.2	241.6	239.1	179.4	415.1	115.5	103.0	186.0
2018	239.8	310.5	43.6	283.2	386.6	200.2	268.9	5.4	240.3	238.2	185.6	430.4	121.0	104.4	207.8
YEAR ON YEAR PERCENTAGE CHANGE															
2010	9.7	12.3	(100.0)	16.5	5.3	6.7	7.4	(56.8)	13.4	22.7	2.8	13.0	(2.0)	12.8	8.9
2011	5.6	0.9	0.0	(2.8)	8.1	10.6	9.3	(54.7)	6.1	18.4	7.2	25.0	(0.9)	16.6	10.1
2012	1.5	(1.9)	0.0	(5.7)	4.4	4.8	7.1	3.5	4.2	14.1	10.1	8.1	13.9	(11.8)	4.0
2013	5.1	3.4	249.4	3.5	2.2	6.2	6.4	14.4	(1.5)	10.9	9.5	1.7	6.2	5.3	8.0
2014	1.2	(3.2)	54.3	(6.9)	2.1	4.0	4.3	(33.9)	1.3	1.5	5.0	7.2	14.8	1.8	8.4
2015	0.2	0.2	(65.3)	0.5	1.1	3.2	1.2	(34.0)	3.2	(4.6)	15.5	10.7	9.3	2.9	(9.9)
2016	2.0	6.0	(40.6)	9.9	0.7	2.2	0.5	(6.0)	(0.9)	5.9	5.6	20.3	(1.4)	(4.2)	(14.7)
2017	3.9	1.3	23.8	1.4	1.1	2.1	1.5	34.5	(1.6)	5.7	4.8	12.5	4.2	(7.2)	25.3
2018	5.7	6.5	(3.3)	9.6	1.5	3.3	3.7	30.0	(0.6)	(0.4)	3.5	3.7	4.8	1.3	11.7

Source: Zambia Statistics Agency

## Annex 5: Annual-Balance of Payments Table-2010-2018

Table 34: Analytical Annual-Balance of Payments Table-2010-2018

Analytical Annual-Balance of Payments Table-2010-2018									
<b>754 - Zambia</b>									
1 - US \$ Millions									
<b>BPM6 Concept</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015 ®</b>	<b>2016 ®</b>	<b>2017 ®</b>	<b>2018</b>
<b>A. Current Account, n.i.e.*</b>	<b>1,393.9</b>	<b>955.6</b>	<b>1,138.5</b>	<b>-232.0</b>	<b>581.2</b>	<b>-570.8</b>	<b>-684.4</b>	<b>-435.0</b>	<b>-341.4</b>
Balance on goods	2,773.6	2,299.4	1,595.3	1,648.0	1,625.4	165.3	238.4	960.2	513.9
Balance on Services	-317.2	-427.6	-343.9	-1,058.2	-793.5	-550.6	-487.5	-609.3	-724.3
Balance on Primary Income	-1,363.0	-1,157.0	-432.0	-1,148.8	-552.0	-412.0	-647.1	-1,144.7	-407.0
Balance on Secondary Income	300.5	240.8	319.1	327.1	301.4	226.6	211.9	358.8	275.9
Secondary income, n. i. e.: credit	356.0	307.5	396.8	416.1	353.7	268.8	246.4	448.5	373.96
Secondary income: debit	55.5	66.7	77.7	89.0	52.3	42.2	34.5	89.7	98.0
<b>B. Capital Account, n.i.e.</b>	<b>149.7</b>	<b>151.0</b>	<b>223.0</b>	<b>278.0</b>	<b>202.0</b>	<b>81.0</b>	<b>55.0</b>	<b>58.4</b>	<b>66.18</b>
Capital account, n.i.e.: credit	149.7	151.0	223.0	278.0	202.0	81.0	55.0	58.4	66.2
Capital account: debit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>C. Financial Account**, n.i.e.</b>	<b>1,564.4</b>	<b>1,062.6</b>	<b>1,165.9</b>	<b>314.1</b>	<b>511.6</b>	<b>-25.5</b>	<b>-347.8</b>	<b>-364.2</b>	<b>99.9</b>
Direct investment: assets	1,095.4	-1.4	-701.9	409.4	-1,706.1	125.1	176.7	-72.0	45.3
Direct investment: liabilities, n.i.e.	1,729.3	1,108.5	1,731.5	2,099.9	1,488.8	1,304.9	662.9	1,107.5	408.44
Portfolio investment: assets	0.0	0.0	-104.7	-6.5	-11.7	-14.9	-27.0	43.9	5.4
Equity and investment fund shares	0.0	0.0	-104.7	-6.5	-11.7	-14.9	-27.0	0.0	0.0
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	43.9	5.4
Portfolio investment: liabilities, n.i.e.	73.6	70.7	794.6	89.9	1,184.8	1,207.0	389.7	278.6	-232.7
Equity and investment fund shares	100.5	24.6	-7.4	5.5	6.1	0.2	3.0	-2.5	-5.4
Debt securities	-26.9	46.1	802.0	84.4	1,178.7	1,206.8	386.7	281.2	-227.4
Financial derivatives: net	-225.7	154.3	10.8	-3.4	-25.4	18.1	-15.3	-68.2	-32.0
Financial derivatives: assets	76.7	34.7	13.6	0.2	1.4	4.4	-8.8	79.1	-1.5
Financial derivatives: liabilities	302.4	-119.6	2.8	3.6	26.8	-13.7	6.5	147.3	30.5036
Other investment: assets	2,709.6	2,295.1	5,199.3	2,130.9	5,542.9	3,500.3	1,294.3	1,763.7	1,591.4
Other equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other debt instruments	2,709.6	2,295.1	5,199.3	2,130.9	5,542.9	3,500.3	1,294.3	1,763.7	1,591.4
Central bank	23.7	-42.1	432.2	-154.7	125.7	223.2	-284.9	-235.0	-56.5
Deposit-taking corporations, except the central bank	124.9	188.0	-255.2	241.2	130.7	532.1	235.8	150.0	236.3
General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other sectors	2,561.0	2,149.1	5,022.3	2,044.5	5,286.5	2,745.0	1,343.4	1,848.7	1,411.6
Other financial corporations	0.0	0.0	6.0	-1.1	0.0	0.0	0.0	0.0	0.0
Nonfinancial corporations, households, and NPISHs	2,561.0	2,149.1	5,016.3	2,045.6	5,286.5	2,745.0	1,343.4	1,848.7	1,411.6
Other investment: liabilities, n.i.e.	212.0	206.1	711.5	26.6	614.4	1,142.1	723.9	645.3	1,334.513
Other equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Special Drawing Rights	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other debt instruments	212.0	206.1	711.5	26.6	614.4	1,142.1	723.9	645.3	1,334.513



Central bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposit-taking corporations, except the central bank	53.9	-207.2	270.1	-160.2	43.7	195.2	171.5	-3.7	105.9
General government	121.9	371.1	171.9	104.6	120.2	823.0	161.1	745.7	1,526.2
Other sectors	36.2	42.2	269.5	82.2	450.4	123.9	391.2	-96.7	-297.5
Other financial corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nonfinancial corporations, households, and NPISHs	36.2	42.2	269.5	82.2	450.4	123.9	391.2	-96.7	-297.55
<b>D. Net Errors and Omissions</b>	<b>-44.2</b>	<b>65.5</b>	<b>-24.9</b>	<b>20.9</b>	<b>50.0</b>	<b>17.4</b>	<b>24.7</b>	<b>30.7</b>	<b>-12,646.4</b>
<b>E. Overall Balance**</b>	<b>65.0</b>	<b>-109.5</b>	<b>-170.7</b>	<b>247.2</b>	<b>-321.6</b>	<b>446.9</b>	<b>256.8</b>	<b>-18.3</b>	<b>387.8</b>
<b>F. Reserves and Related Items</b>	<b>-65.0</b>	<b>109.5</b>	<b>170.7</b>	<b>-247.2</b>	<b>321.6</b>	<b>-446.9</b>	<b>-256.8</b>	<b>18.3</b>	<b>-387.8</b>
Reserve assets	138.1	270.4	289.8	-205.5	315.1	-499.7	-325.6	-55.3	-449.2
Credit and loans from the IMF	54.8	26.6	-4.8	-15.3	-29.5	-52.8	-68.8	-73.6	-61.4
Exceptional financing*	148.3	134.3	123.9	57.0	23.0	0.0	0.0	0.0	0.0

<b>** Note: (-ve/+ve) Overall and Financial Account balance implies Surplus/Deficit</b>									
<b>* Exceptional financing includes budget support grants</b>									
<b>Validation (Overall Balance + Reserves Related Items)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Memorandum Items</b>									
Current Account Balance (%) GDP	6.9	4.0	4.6	-0.8	2.1	-2.7	-3.2	-1.7	-1.3
Copper Export Volumes (mt)	829,750	832,144	882,095	976,306	1,146,315	1,022,097	937,985	1,023,859	1,050,336
Copper Prices (Realised) (US \$/ton)	6,951	8,003	7,136	7,079	6,646	5,120	4,690	5,976	6,339
Growth in Copper Export Volumes	23.1	0.3	6.0	10.7	17.4	-10.8	-8.2	9.2	2.6
Unencumbered Reserves (US\$million)	1,897	2,167	2,457	2,251	2,530	2,223	1,893	1,847	1,392
In months of prospective imports	3.0	2.8	2.7	2.6	3.5	3.5	2.6	2.2	1.5
Gross International Reserves(total) (US\$million)	2,094	2,322	3,044	2,684	3,078	2,977	2,366	2,081	1,569
In months of prospective imports	3.3	3.0	3.3	3.1	4.3	4.7	3.3	2.5	2.5
									26,793
*The current account balance for 2014 was revised to a surplus from a deficit after updating the dividends and reinvested earnings debits in the primary income obtained from the foreign private investment survey completed during the fourth quarter of 2015.									
® The current account balances were revised following adjustments made to imports data. The revised data conforms to the standards prescribed in the International Monetary Fund's Balance of Payments Manual 6.									

Source: Bank of Zambia

## Annex 6: Selected Education Statistics

Table 35: General Education Indicator Matrix

General Education Key Indicator Matrix								
No.	Outcome Indicators	2014	2015	2016	2017	2018	2019	Plan Target (2021)
1	Pupil/Teacher ratio							
	a) Primary							
	Grades 1-7	55.3	42.7	43.3:1	61.9	61.9		40:1
	Grades 5-7	52.7		48.9:1	62.6	62.6		40:1
	b) Secondary							
	Grades 8-9	23.7		23.9:1	24.4	24.4		40:1
	Grades 10-12	36		34.9:1	36.9	36.9		35:1
2	Percent of children in lower primary achieving a minimum proficiency level in:							
	a) Reading			47.8				60
	b) Mathematics			36.7				60
3	Primary school net enrolment rates							
	a) Total	94.30%	89	90	115.70%	115.70%		100
	b) Female	95.4	90.9	89	89.2	89.2		100
	c) Male	93.1	89.6	90	87	87		100
4	Secondary school net enrolment rates				29.00%	29.00%		
	a) Total	27.9	28.1	40	42.9	42.9		60
	b) Female	25	25.7	25.7	41.1	41.1		60
	c) Male	30.9	30.5	30.5	44.7	44.7		60
5	Percent school transition rates							
	a) Primary (7 to 8)	59.5	64.5	90.1	69.10%	69.10%		100
	Male	59.1	63.7	88.4	0.69	0.69		100
	Female	59.4	65.5	91.8	0.69	0.69		100
	b) Secondary (9 to 10)	42.2	46.2	46.2	50.00%	50.00%		75
	Male	42	47.4	47.4	0.51	0.51		75
	Female	42.3	44.8	44.8	0.49	0.49		75
6	Completion Rate – Grade 12	31.7	30.8	36	40.10%	40.10%		85
	a) Male	34.8	35.3	39.7	34.2	34.2		85
	b) Female	28.6	27.4	32.2	29.8	29.8		85
7	Participation rates in early childhood education (%)	15.4	24.4	24	26.1	29.4		50
	Male	47.63	55.4	31	49	48.9		50

	Female	52.4	24.4	29.8	50.9	51.1		50
8	Proportion of schools implementing comprehensive sexuality education (%)			15				100
9	Literacy rate (15 years and older)			67.5				75
	a) Male			83				86
	b) Female			68				75
10	Percentage of schools with access to:							
	Electricity			28				35
	Internet			6.3				15
	Basic hand washing facilities (as per the WASH indicator definitions)			20				40

Source: Ministry of General Education

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