

## Concept Note on Public Lecture

"From Economic Stabilization to Inclusive Growth: Zambia's Reform Path"

Organized

by

University of Zambia (Department of Economics), The International Monetary Fund (Zambia Office) and UNECA (Sub regional Office for Southern Africa)

Hybrid

September 2023  
University of Zambia

## 1. Background

The United Nations Economic Commission for Africa (UNECA) Sub regional Office for Southern Africa (SRO-SA), in collaboration with the University of Zambia (Department of Economics) and the International Monetary Fund (IMF) Office for Zambia, are organising another Public Lecture to promote engagements with students and other stakeholders in Zambia on topical issues impacting on the economic growth and development of the country. The theme for the upcoming lecture is **"From Economic Stabilization to Inclusive Growth: Zambia's Reform Path"**. Two presentations will be delivered by experts from UNECA SRO-SA and the IMF.

The presentation by the IMF is based on the recent 2023 Article IV Consultation. In August 2022, the International Monetary Fund's Executive Board approved a 38-month arrangement under the Extended Credit Facility (ECF). The arrangement supports Zambia's efforts to restore sustainability through fiscal adjustment and debt restructuring; create fiscal space for social spending; and strengthen governance and reduce corruption vulnerabilities. In July 2023, the Executive Board completed the First review of the ECF Arrangement and the 2023 Article IV Consultation with Zambia. The completion of the first ECF review allowed for an immediate disbursement of about US\$ 189 million, bringing Zambia's total disbursements under the arrangement to about US\$ 374 million. Zambia has made commendable progress over the last two years in implementing its reform agenda to stabilize the economy, lay the foundation for inclusive growth, and create jobs against the backdrop of significant external shocks. The authorities reached an agreement with official creditors on June 22 on a debt restructuring consistent with program parameters. The restoration of fiscal and debt sustainability, together with reforms to boost private and human capital investment, and strengthen governance and anti-corruption, support a positive medium-term economic outlook. Nonetheless, with poverty and inequality amongst the highest in the world and climate vulnerabilities high, significant challenges remain. Sustained efforts are essential to maintain fiscal credibility while also creating sufficient space for social, development, and climate spending.

The presentation by the ECA SRO SA will focus on prospects for inclusive sustainable growth in Zambia given the reform agenda, and drill down on initiatives currently under development to strengthen economic diversification and deepen value chain development, with the objective of accelerating the growth trajectory of the country. Historically, at times of high GDP growth in Zambia (circa 5-8% p.a), the country has not realized increased job creation as a measure of inclusive development, this is arguably due to the extractive, low value addition nature of Zambia's commodity dependent economy, in which the mineral sector does not produce sufficient volume of jobs even as the GDP growth rises fuelled by copper commodity price rises. e.g., between 2005 to 2014, GDP growth averaged 7% p.a., (ILO 2015). However, between 2005 and 2012 the share of formal employment in total employment increased only slightly from 12 per cent to 15.4 per cent, leaving nearly 85 per cent of those employed working in the informal economy. The reality of the disconnect between extractive industries and low productive employment is evident. Interestingly, there is an expectation that Initiatives that the country is pursuing such as the common agro-industrial park CAIP and the Electric Vehicle (EV) and Battery Special Economic Zone (SEZ) are indicative of the desire to support economic diversification and value chain development, which would better support inclusive sustainable growth and productive employment creation. In addition, government of Zambia's focus on economic transformation through green growth proffers opportunities for increased

competitiveness and the identification and commercialization of new products for domestic, regional and international markets of the future.

## **2. Objectives**

The public lecture seeks to contribute to building a shared understanding of Zambia's Reform Path to achieve inclusive growth.

## **3. Format**

The event will be held in plenary and will consist of two 20-minute presentations by experts from UNECA and IMF and interventions by discussants for another 20 minutes. A question-and-answer session will conclude the lecture.

## **4. Participation**

Students from various disciplines from the University of Zambia and the University of Lusaka, policymakers, academics, researchers, civil society organisations and development partners will be invited to participate in the public lecture.

## **5. Language**

The Lecture will be conducted in English.

## **6. Date, Time and Venue**

The Lecture will be held in hybrid format, with the physical presence at the University of Zambia Main Campus, on September 2023, from 14:00 hours to 16:30 hours.

## **7. Contact Details**

Confirmation of participation and the request for additional information and all other communication on the Public Lecture should be addressed to:

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