



United Nations
Economic Commission for Africa



SENSITIZATION WORKSHOP:
**Leveraging private sector engagement in implementing the
8th NDP and achieving the SDGs**

Under the theme:
**‘Accelerating the recovery from the COVID-19 and the full
implementation of the 2030 Agenda for Sustainable Development
at all levels.’**

CONCEPT NOTE

01-02 December, 2022

Radisson Blu, Lusaka

Organized by the

United Nations Economic Commission for Africa
Subregional office for Southern Africa

Under the aegis of the
Ministry of Finance and National Planning of Zambia

In collaboration with
Zambia Chamber of Commerce and Industry & United Nations Development
Programme

1. Background

The Government of Zambia has started to implement its Eighth National Development Plan 2022-2026 (8th NDP), which is the fourth of its series of five-year National Development Plan intended to achieve the National Vision 2030, which is aimed at transforming Zambia into “a prosperous middle-income nation by 2030”. The road to achieve the National Vision 2030, however is arduous and fraught with challenges including mobilisation of development financing that can best be realised through multi-stakeholder partnerships.

Zambia is currently classified by the United Nations as a Least Developed Country (LDC) - a classification that takes into account Gross National Income per capita, a Human Assets Index that captures education and health conditions, and an economic and environmental vulnerability index that reflects among others countries’ dependence on agriculture, hunting, forestry and fishing in GDP, remoteness and landlockedness, merchandise export concentration, instability of exports of goods and services, instability of agricultural production, and exposure to disasters. The Doha Programme of Action for the Least Developed Countries for the Decade 2022-2031 was adopted in March this year at the Fifth United Nations Conference on the LDCs and was endorsed by the UN General Assembly. The Doha Programme of Action calls on the development community to support structural transformation in all LDCs to advance prosperity and notes in paragraph 20 that the private sector, civil society and foundations will be encouraged to contribute to the implementation of the Doha Programme of Action in their relevant areas of competence in line with the national priorities of least developed countries and in collaboration with relevant national government institutions. Paragraph 152 calls on support for private sector development in LDCs and sets as a target to create an enabling environment for private sector development, supporting its further alignment with the Sustainable Development Goals (SDGs).

In 2022, the World Bank reclassified Zambia as a low-income country from a lower middle-income country due to a deterioration of Gross National Income per capita estimates recorded in 2021. Since this reclassification, the Government of Zambia has embarked on a programme of macro-economic stabilisation reforms aimed at stabilising the exchange rate, bringing down inflation and reducing government borrowing, all amidst a challenging global context marked by post-Covid recovery and the Ukraine crisis¹. In its September 2022 report, the International Monetary Fund (IMF) appraised that Zambia was in debt distress, dealing with large fiscal and external imbalances due among others to an overly ambitious public investment programme that has yet to provide results in terms of boosting revenues and economic growth. The IMF also notes that a drought in 2019 and the COVID-19 pandemic has exacerbated the acute economic and social challenges facing the country, with poverty, inequality, and malnutrition rates amongst the highest in the world. The war in Ukraine has increased prices of fuel and fertilizer, amplifying pressures further². A return to debt sustainability, matched by gradual and sustainable improvement in public finances through revenue enhancement and expenditure rationalisation, enhanced commitment controls and reduced wasteful expenditure, and a greater fight against corruption have been declared as priorities by the Government.

Zambia’s main economic challenge, as documented in the 8th NDP remains economic diversification away from copper (and minerals) into higher value-added economic activities based on industrial transformation and value-chain production. As stated in the 8th NDP, “*Merchandise exports continued to be dominated by traditional exports, particularly copper, over the period 2006 to 2020, accounting*

¹ See Ministerial Statement in July 2022 at:

https://www.parliament.gov.zm/sites/default/files/images/publication_docs/15.07.22%20MINISTERIAL%20STATEMENT%20ON%20RE-CLASSIFICATION%20OF%20ZAMBIA%20AS%20LOW-INCOME%20COUNTRY.pdf.

² See <https://www.imf.org/en/Publications/CR/Issues/2022/09/06/Zambia-Request-for-an-Arrangement-Under-the-Extended-Credit-Facility-Press-Release-Staff-523196>.

for an average of 75 percent of total exports with the balance coming from non-traditional exports such as sugar, cement and agricultural products. This reflects the country's narrow export base and the need to diversify the source of export earnings". At the same time Zambia is facing a growing young population whose potential needs to be harnessed in the future through the creation of jobs and unleashing of entrepreneurial opportunities, failing which Zambia will be exposed to increasing social tensions and wasting its human development potential. Economic diversification through industrialisation and trade, as the African Continental Free Trade Area (AfCFTA) starts trading, to create jobs and reduce poverty is a critical development priority for Zambia. The 8th NDP does note that the current state of development is characterised by persisting socioeconomic challenges which include low diversification of the economy, high youth unemployment, high incidences of poverty and inequality, slow pace of decentralisation as well as low education outcomes, coupled with inadequate access to other social services.

To address these challenges, the 8th NDP advocates an economic development strategy that is articulated around four strategic development areas, namely, Economic Transformation and Job Creation, Human and Social Development, Environmental Sustainability and Good Governance Environment. The 8th NDP asserts that economic transformation will be anchored on industrialisation with a focus on value-addition in the agriculture, mining, manufacturing and tourism sectors which have strong local forward and backward linkages. The 8th NDP plan indicates that focus will be placed on the development of micro, small and medium enterprises (MSMEs) across all sectors as they have high income and job creation potential. The Plan goes on to note that *"economic transformation agenda will be led by the private sector while the Government will provide an enabling and supportive environment through the delivery of requisite policies, regulations, and infrastructure"*.

Furthermore, as noted in the 8th NDP, the Plan is also a critical vehicle to support the attainment of Zambia's international and regional commitments under various frameworks, including the Sustainable Development Goals (SDGs); the Africa We Want as advocated in the African Union Agenda 2063; the Southern African Development Community (SADC) Regional Indicative Strategic Development Plan (RISDP); and the Common Market for Eastern and Southern Africa (COMESA). The commitment to implement the Doha Programme of Action for LDCs, with support from the international development community, should also be considered.

Additionally, the 8th NDP states that its financing will be done through traditional and non-traditional sources of finance. While traditional sources will include domestic revenue, grants, donations and concessional loans, non-traditional sources will include alternative sources that will have low or no interest payments, or guarantee commitments from the Government, such as Public-Private Partnerships (PPPs) and impact capital. The 8th NDP states that *"In the quest to manage public spending, some programmes and projects in the Plan will not be financed from the national budget but from resources coming through private sector and other development partners"*.

The UNSDCF and the 8th NDP

The United Nations system in Zambia will support the implementation of the 8th NDP through a series of targeted activities to achieve intended developmental outcomes and outputs. The new United Nations Sustainable Development Cooperation Framework (UNSDCF) 2023-2027, developed in consultation with partners, enables a coherent UN response supporting the country to achieve the 2030 Agenda, the African Union's Agenda 2063, the National Vision 2030 and the Eighth National Development Plan (8NDP) over the period 2023– 2027. The UN System in Zambia has identified four strategic priority areas, guided by the 2030 Agenda for Sustainable Development and aligned with the 8NDP. These four strategic areas are: prosperity people, peace and planet. Within the strategic area of prosperity supporting the pillar of economic transformation and job creation in the 8th NDP, four

developmental outcomes have been identified and these are: 1. An industrialized economy 2. A diversified economy 3. Enhanced citizenry participation in the economy and 4. A competitive private sector.

Role of Private sector in 8th NDP and SDGs

The private sector should be the ultimate driver of economic transformation and economic development in Zambia, driving industrialisation and trade including the implementation of trade agreements such as the AfCFTA Agreement, while the government performs the functions of a developmental state, provides an enabling environment for businesses and guide strategic orientations for the Zambian economy in consultation with the private sector. The 8th NDP recognizes under paragraph 9.2.10 that *“The private sector will be key in actualising economic transformation and job creation as well as contribute to delivering services across the other strategic development plans. To this end, the private sector will be expected to drive economic growth through increased investments and contribute towards resource mobilisation to finance the Plan. The Government will, therefore, strengthen dialogue with the private sector”*.

But how effectively can the private sector – domestic and international – contribute towards the implementation of the 8th NDP in Zambia and the achievement of the SDGs *in practice*? Are there specific instruments, mechanisms and modalities of cooperation to facilitate the forging of public-private partnerships and alliances in this context in Zambia? Are there strategic priority areas for the private sector to focus on? Do public-private dialogue fora exist to facilitate continued engagement between the public and private sector in relation to the implementation of the NDP? How can private sector finance be mobilised to support implementation of Zambia’s national development goals? These are important questions that should be raised as Zambia plans to implement its 8th NDP to realise the National Vision 2030 and aim to accelerate its progress towards the SDGs as an LDC.

Against the foregoing, the United Nations Economic Commission for Africa Subregional office for Southern Africa (SRO-SA) is planning to organize, in collaboration with the Ministry of Finance and National Planning a two-part series workshops on the theme of leveraging private sector engagement in the implementation of the 8th NDP and achievement of the SDGs in Zambia. The first workshop in November 2022 will be organized in partnership with the United Nations Development Programme (UNDP) and the Zambia Chamber of Commerce and Industry. It is being funded through the JointSDG Fund project *“Zambia’s Integrated National Financing Framework for Sustainable Development”*, coordinated by UNDP, with SRO-SA as a technical partner. SRO-SA is also collaborating with the United Nations Department of Economic and Social Affairs (DESA) and the United Nations Conference on Trade and Development (UNCTAD) in the implementation of a complementary project funded under the UNDA 13th tranche project *“Towards an Integrated National Financing Framework (INFF)”* aimed at supporting the set up of INFFs in developing countries, including Zambia.

The 8th NDP of Zambia recognizes that financing the 8th NDP will require policies, partnerships and an enabling environment that effectively mobilizes and uses public finance and promotes growth in impactful private finance, and that to this end, it is imperative that a robust Integrated Financing Framework to guide the financing of the Plan is put in place. The Government of Zambia is committed to develop an INFF that will provide guidance on access to a full range of potential sources of financing options. The 8th NDP notes that the INFF will outline a strategic approach for the Government and its partners to mobilize and effectively invest these flows in order to actualize the objectives of the 8th NDP. It will also be timely to examine the role that the United Nations can play in the process of mobilizing multi-stakeholder partnerships in Zambia to accelerate the implementation of the 8th NDP, in alignment with the UNSCDF.

2. Objectives of the Workshop

A one and a half day national workshop will be organized in Zambia by UNECA through its subregional office for Southern Africa and the UNDP, under the aegis of the Ministry of Finance and National Planning, focal point of the INFF in Zambia and in close collaboration with the Zambia Chamber of Commerce and Industry. The workshop will aim at discussing challenges, opportunities and pathways for the private sector (domestic and international) to support the implementation of the 8th NDP and the achievement of the SDGs in Zambia. The workshop will also aim at supporting an agreement on a road map to galvanize support from the private sector in this regard, viewing the private sector as a critical driver of trade and industrialisation as well as sustainable development financing in Zambia. Additionally, the workshop will aim at sharing experiences and best practices from other countries in Africa on how the private sector is being leveraged in the achievement of the SDGs and implementation of national development plans and the possibilities for regional collaboration in that respect.

This National Workshop will be followed in 2023 by a second workshop, organized by the UNECA through its SRO-SA and the UNCTAD focusing on impact investing and corporate sustainability reporting funded by the UNDA 13th tranche INFF project.

3. Expected Outcomes

The expected outcomes of the workshop are:

- Improved knowledge and understanding of the role of the private sector in the implementation of the 8th NDP and realization of the SDGs and on the the strategic areas, expected outcomes and development results of the 8th NDP and its related SDGs;
- Improved knowledge of the Zambia Voluntary National Review (VNR) report and its linkage to the 8th NDP;
- Enhanced appreciation of the challenges and opportunities faced by the private sector in supporting the implementation of the 8th NDP and the realization of SDGs;
- Enhanced examination of the instruments, mechanisms and modalities for effective private sector engagement in the implementation of the 8th NDP and the realization of the SDGs, in particular;
 - Enhanced understanding of the different types of public-private partnerships and alliances that can underpin the implementation of the 8th NDP and achievement of the SDGs;
- Strengthened public-private sector dialogue and engagement in Zambia to support the implementation of the 8th NDP and achievement of the SDGs; and
- Clearer understanding of how the United Nations in Zambia can support such private sector engagement.

4. Expected Outputs

- a. A meeting report summarizing the main substantive findings, key messages and policy recommendations of the workshop;
- b. Press releases;
- c. Press articles

5. Format

The workshop will be in-person and target 70 participants. It consists of 6 substantive sessions (of which 2 round-table discussions) over 1½ days. The provisional work programme contains further details.

6. Participants

Senior and mid-level government officials of the Government of Zambia will be invited to the workshop by the Ministry of Finance and National Planning, across a range of ministries including the Ministry of Finance and National Planning, the Ministry of Commerce, Trade and Industry, Ministry of Green Economy and Environment, Ministry of Small and Medium Enterprises and government organizations such as Zambia Development Agency as well as representatives of Zambian civil society (NGOs/CSOs) as well as members of the public sectors of the region. Representatives of the private sector from large, medium and small companies will also be invited to the workshop through the Zambia Chamber of Commerce and Industry to stimulate public-private sector dialogue in the workshop. The UNECA and UNDP will invite representatives of the United Nations system in Zambia and private sector associations of the region.

7. Date and Venue

01-02 December 2022, Radisson Blu Hotel, Lusaka, Zambia.

8. Language

English

9. Contacts

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