



Republic of Zambia

Ministry of Commerce, Trade and Industry

**PRESENTATION FOR THE PCP PEER LEARNING
SESSION:**

PCP PREPARATORY PHASE

03/02/2021



OUTLINE

- 1. INTRODUCTION**
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- 4. ESTABLISHMENT OF INDUSTRIAL INTERVENTIONS**
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INTRODUCTION

- ❑ The presentation will begin by first briefly looking at the background and activities that have been undertaken by Zambia in the PCP framework formulation process. This will set the context for Zambia's industrialisation agenda within the framework of the PCP.
- ❑ Zambia's Industrialization agenda includes;
 - i. Zambia Vision 2030 – Zambia to become a prosperous middle income country by 2030
 - ii. 7NDP – Economic diversification and job creation (industrial development)
 - iii. Industrial Policy – 7 industrial development priority areas (Processed foods, Textile and garments, Leather and leather products, Wood and wood products, Mineral processing, Pharmaceuticals and Engineering products)
- ❑ This then will be followed by a presentation on the establishment of Special Economic Zones and other interventions in the context of the PCP, as a catalyst for industrialisation.



BACKGROUND ON PCP: ZAMBIA

- ❑ In August 2018, Zambia made a request to UNIDO to be considered as one of the Programme for Country Partnership (PCP) countries.
- ❑ In October, 2018, it was announced that the UNIDO Secretariat had agreed, in principle, to initiate the PCP formulation process for Zambia in the course of 2019.
- ❑ The PCP formulation begun with scoping Missions to Zambia by UNIDO officials. During the Missions, the Ministry facilitated meetings for UNIDO officials with various public and private institutions, due to the importance of host Government commitment and a multi-stakeholder partnership for PCP implementation.

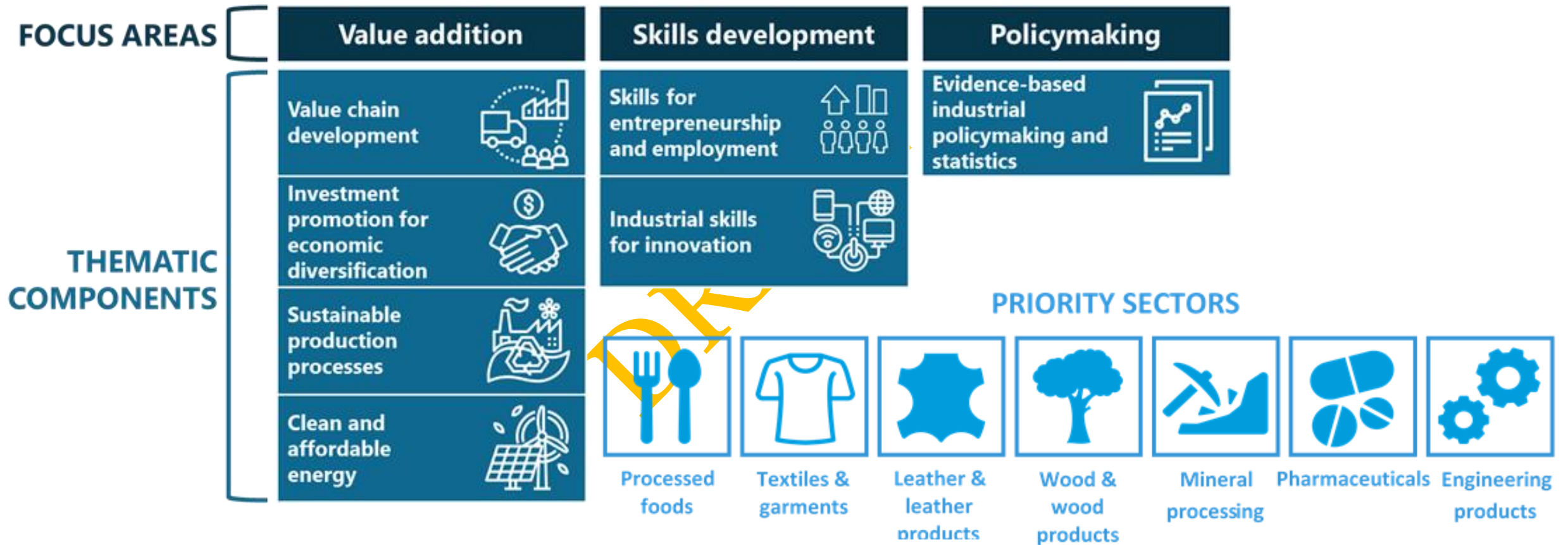


ACTIVITIES IN PCP FORMULATION

1. Country diagnostic study

- ❑ One of the initial activities in the PCP framework formulation process is to conduct a country diagnostic study. The Zambia Industrial Diagnostic Study was conducted during the months of April and May, 2020 using desk research and electronic interviews/meetings – owing to the outbreak of COVID-19.
- ❑ The diagnostic study was aimed at examining Zambia's aspirations, developments and challenges towards industrialisation. The objective of which was to provide the PCP programming team and stakeholders comprehensive information, aligned to the Government's agenda, required to successfully design and implement the PCP Zambia.
- ❑ The Study report has since been validated by the Ministry.

Results of the Diagnostic Study





ACTIVITIES IN PCP FORMULATION CONT...

2. PCP partner mapping

- ❑ Another key activity is the mapping of strategic partners/stakeholders for the PCP implementation related to cooperation and resource mobilization.
- ❑ This involves the identifying of, among others, line Ministries, public agencies, private sector actors/associations and international development partners and the role they will play in the country's Programme for Country Partnership.
- ❑ In July, 2020, the Ministry worked with the PCP National Coordinator to map out strategic partners for Zambia's PCP.



ACTIVITIES IN PCP FORMULATION CONT...

3. NATIONAL COORDINATION BODY (NCB)

- ❑ The National Coordination Body (NCB), as the highest PCP-governing body, brings together all Ministries relevant to the industrial development of a country, to ensure inter-ministerial coordination and thus increase the impact of the PCP.
- ❑ The NCB for Zambia will be chaired by the Ministry of Commerce, Trade and Industry (MCTI), as the Ministry responsible for industrialisation in Zambia
- ❑ NCB to be vice co-chaired by the Ministry of Finance and the Ministry of National Development Planning. This decision was reached due to the importance of resource mobilisation and alignment of the PCP to the host Nation's development priorities.



NEXT STEPS IN PCP DEVELOPMENT

- ❑ Finalisation of the composition of the NCB by facilitating the appointment of the identified members to the committee.
- ❑ Approval of the PCP programming document.
- ❑ Launch scheduled to be done in the first quarter of 2021.
- ❖ *All activities undertaken were for the purpose of developing the framework within which the PCP shall be implemented. This will be contained in the programming document to be presented by UNIDO to Zambia for approval and finally signature.*



ESTABLISHMENT OF SPECIAL ECONOMIC ZONES – MFEZs and Industrial Parks

- ❑ The Multi- Facility Economic Zone (MFEZ) and Industrial Park (IP) programme was introduced to Zambia in 2005 under the auspices of the Triangle of Hope (ToH) initiative, by the Japan International Corporation Agency. The ToH initiative aims at creating a platform to achieve economic development by attracting significant domestic and foreign direct investment (FDI) through a strengthened policy and legislative environment.
- ❑ The implementation of the MFEZ and IP programme is designed to accelerate Zambia's industrialisation agenda.
- ❑ Zambia has to date declared four (4) areas as MFEZs and two (2) Industrial Parks as follows: Chambishi MFEZ, Lusaka East MFEZ, Lusaka South MFEZ (the only public owned/run MFEZ), Lumwana MFEZ; and Ndola (Sub Saharan gemstones exchange) Industrial Park and Roma Industrial Park



ESTABLISHMENT OF INDUSTRIAL INTERVENTIONS -CONTEXT OF THE PCP

- The Industrial Diagnostic Study that was conducted on Zambia to inform the PCP narrows down Zambia's PCP strategic direction, in line with national priorities, to three broad focus areas:
 - i. Value addition :** Under the focus area on Value Addition, it can be seen that Foreign Direct Investment remains essential to Zambia's industrialisation agenda, not only for its direct contribution to manufacturing/value addition activities, but also, for its multiplier effect through backward and forward linkages.
- E.g. The proposed establishment of an Industrial Park around the Kalahari Geo-Thermal plant under the PCP. The Industrial Park is being designed to accelerate Zambia's industrialisation and make the country competitive through increased investment in the manufacturing sector (value addition), which has numerous positive spill over effects to other sectors such as utilities, transport, agriculture and services.



ESTABLISHMENT OF INDUSTRIAL INTERVENTIONS -CONTEXT OF THE PCP CONTD...

ii. **Skills Development** –For industrial skills development to match industry needs and thus promote job creation and inclusive industrial development for sustainable economic growth.

□ E.g. The ongoing **Zambian Industrial Training Academy (ZAMITA)** project to be integrated into the PCP is funded by the **Swedish International Development Cooperation Agency (SIDA)** and is implemented in collaboration with the **Volvo Group Global (AB Volvo)** as the private entity investing machinery in the mining sector and the **Ministry of Higher Education** as the public partners. The project focuses on enhancing youth employability in the transport and heavy-duty equipment sector.



ESTABLISHMENT OF INDUSTRIAL INTERVENTIONS -CONTEXT OF THE PCP CONTD...

iii. **Policy** - Evidence-based industrial policymaking and statistics.

- E.g. Proposed development of Zambia's industrial statistics system and database to monitor industrial development in order to provide evidence based decision making on industrial development.

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AREAS OF COOPERATION IN ZAMBIA'S INDUSTRIALISATION AGENDA

In order to accelerate Zambia's industrialisation development and support the establishment of Special Economic Zones and development of industrial skills, there is need for the following:

1. Capacity building; and
2. Benchmarking studies.

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Programme for Country Partnership
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THANK YOU FOR YOUR ATTENTION!!

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