



UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION



Programme for Country  
Partnership **Zambia**



# ZAMBIA

Programme for Country Partnership — PCP

Annual Report 2020



# SUSTAINABLE DEVELOPMENT GOALS

**1** NO POVERTY

**2** ZERO HUNGER

**3** GOOD HEALTH AND WELL-BEING

**4** QUALITY EDUCATION

**10** REDUCED INEQUALITIES

**9** INDUSTRY, INNOVATION AND INFRASTRUCTURE

**5** GENDER EQUALITY

**6** CLEAN WATER AND SANITATION

**11** SUSTAINABLE CITIES AND COMMUNITIES

**7** AFFORDABLE AND CLEAN ENERGY

**8** DECENT WORK AND ECONOMIC GROWTH

**12** RESPONSIBLE CONSUMPTION AND PRODUCTION

**13** CLIMATE ACTION

**14** LIFE BELOW WATER

**17** PARTNERSHIPS FOR THE GOALS

**15** LIFE ON LAND

**16** PEACE, JUSTICE AND STRONG INSTITUTIONS

# TABLE OF CONTENTS

1.	<b>EXECUTIVE SUMMARY</b>	4
2.	<b>INTRODUCTION</b>	5
3.	<b>ALIGNMENT WITH AND CONTRIBUTION TO UNSDCF</b>	9
4.	<b>PROGRAMME-LEVEL RESULTS</b>	10
	4.1. COORDINATION AND GOVERNANCE	10
	4.2. PARTNERSHIPS AND RESOURCE MOBILIZATION	12
	4.3. RESULTS OF PCP ADVISORY SERVICES	13
	4.4. TECHNICAL COOPERATION RESULTS	13
5.	<b>RESPONSE TO COVID-19</b>	22
6.	<b>LESSONS LEARNED AND BEST PRACTICES</b>	22
7.	<b>COMMUNICATION</b>	23
8.	<b>UPCOMING MILESTONES AND MAJOR RESULTS EXPECTED IN 2021</b>	23
9.	<b>ANNEX 1: PCP PORTFOLIO OVERVIEW</b>	24



# PCP ZAMBIA AT A GLANCE

## STATUS

Date of approval of the development of the PCP by the UNIDO Executive Board: 29 October 2018

**Programming: October 2018 – ongoing.**

Implementation: Expected to be launched in 2021.

Expected completion date: 2025

## PRINCIPLE NATIONAL POLICY/ STRATEGY SUPPORTED BY THE PCP

Zambia's Vision 2030 (2006-2030)

The Seventh National Development Plan (7NDP) 2017-2021

National Industrial Policy 2018

United Nations Sustainable Development Partnership Framework (2016-2021)

## FOCUS SECTORS / AREAS

**Value addition**

**Skills development**

**Policymaking**

## MAIN PARTICIPATING MINISTRIES

**National Coordination Body in formation. Expected members:** Ministry of Commerce, Trade and Industry, Ministry of Finance, Ministry of National Development Planning, Ministry of Foreign Affairs, Ministry of Agriculture, Ministry of Fisheries and Livestock, Ministry of Energy, Ministry of Water Development, Sanitation and Environmental Protection, Ministry of Transport and Communications, Ministry of Housing and Infrastructure, Ministry of Mines and Mineral Development, Ministry of Tourism and Arts, Ministry of Lands and Natural Resources, Ministry of Higher Education, Ministry of Health, Ministry of Gender, Ministry of Youth, Sports and Child Development

## KEY DEVELOPMENT PARTNERS (ENVISIONED)

**Financial institutions:** African Development Bank, African Export-Import Bank (Afreximbank), Deutsche Investitions und Entwicklungsgesellschaft (DEG), European Investment Bank, Export-Import Bank of China (China Eximbank), Export-Import Bank of Korea (Korea Eximbank), International Finance Corporation (IFC), Kreditanstalt für Wiederaufbau (KfW), World Bank Group

**Bilateral/multilateral partners:** China, Common Market for Eastern and Southern Africa (COMESA), European Union (EU), Finland, Germany (GIZ), Global Environmental Facility (GEF), Green Climate Fund (GCF), Japan (Japan International Cooperation Agency), Southern African Development Community (SADC), Sweden (Swedish International Development Cooperation Agency - SIDA)

**UN entities:** FAO, ILO, ITC, UNCTAD, UNDP, UN Women, UNECA

**Business sector:** Copperbelt Energy Corporation (CEC), Hitachi Industries, Katopolo Livestock Agribusiness Centre, Lunsefwa Electricity Company, Mining Finland, Making Agricultural Markets Work for Zambia (MUSIKA), Volvo Group, Zambia Association of Manufacturers (ZAM), Zambia Chamber of Commerce and Industry (ZACCI), Zambia Chamber of Small and Medium Business Associations (ZCSMBA), Zambia Export Growers Association (ZEGA), Zambia Federation of Associations of Women in Business (ZFAWIB), Zambia's National Technology Business Council (NTBC), ZESCO

**Other partners:** African Clean Cities Platform (ACCP), Rural Electrification Agency (REA), Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA), Zambia's Citizens' Economic Empowerment Commission, Zambia Development Agency (ZDA), Zambia Environmental Management Agency (ZEMA), Zambia Information and Communications Technology Authority (ZICTA), Zambia Institute of Policy Analysis and Research (ZIPAR), Zambia SMART Institute, Zambia Statistics Agency (ZamStat)



# PCP ZAMBIA AT A GLANCE

## UNIDO PROJECTS WITH FUNDING SECURED (COMPLETED AND ONGOING)

Total number of projects: 8 national projects (4 ongoing, 4 completed) and participation in 7 regional projects (all ongoing)

Total funding: US\$ 5,457,584

Total expenditures to end of current reporting period: US\$ 3,174,376

Total balance available: US\$ 2,283,208

## TOTAL INVESTMENTS LEVERAGED (CUMULATIVE)

Not applicable as the PCP is undergoing programming.

## TOTAL PCP VOLUME

US\$ 5,457,584



# 1. EXECUTIVE SUMMARY

In October 2018, the Executive Board of UNIDO approved the development of the Programme for Country Partnership (PCP) for Zambia. Over the course of 2019, UNIDO and the Government of the Republic of Zambia (GoRZ) held various stakeholder consultations to develop a common vision for the future PCP Zambia, ensure appropriate support to the planned PCP activities, and agree on a timeline and working modalities for the PCP programming phase.

The GoRZ, in particular through the Ministry of Commerce, Trade and Industry (MCTI), has shown strong commitment to the PCP development, inter alia by providing in-kind contributions to the PCP programming phase, such as the office space and amenities for the UNIDO PCP National Coordinator. The Government also showed readiness to host and organize coordination meetings and donor round tables, as well as designate relevant support staff to facilitate the PCP programming and collaborate closely with the PCP National coordinator recruited by UNIDO. These contributions were key for the timely continuation of PCP programming activities, particularly in light of the operational constraints imposed by the COVID-19 outbreak.

In the course of 2020, UNIDO's PCP Zambia Programming Team worked with national counterparts to design a comprehensive programme with complementary interventions and projects, taking into account national industrial objectives and existing sector-specific priorities and policies, UNIDO's expertise and the possibility of leveraging additional finance and investment from partners. Following the COVID-19 pandemic outbreak, UNIDO developed and regularly updated the PCP contingency plan in collaboration with the national counterparts, to ensure smooth continuation of PCP programming activities despite the newly introduced operational constraints.

The Government and UNIDO worked closely to develop and agree on the Terms of Reference for the PCP National Coordination body (NCB). The NCB will be chaired by the MCTI and vice-chaired jointly by the Ministry of Finance and the Ministry of National Development Planning. A number of other line Ministries will participate as NCB members, as well as the UN Resident Coordinator and selected representatives of the private sector and academia.

As a first step in the programme design, UNIDO conducted the PCP Industrial Diagnostic Study. The study adopted an innovative format due to COVID-19 related travel constraints. Coordination and contributions from a number of relevant stakeholders from the public and private sectors, academia, the civil society and UN agencies were collected through virtual meetings and online communication and data sharing platforms. The stakeholders included the MCTI, the Ministry of National Development Planning (MoNDP), the Zambia Statistics Agency (ZamStats), the Zambia Micro and Small Traders Foundation (ZAMAST), the Zambia Chamber of Commerce and Industry (ZACCI), the Zambia Association of Manufacturers (ZAM), the Zambia Institute for Policy Analysis and Research (ZIPAR), the Zambia Development Agency (ZDA) as well as the UN ECA South Africa Regional Office. The study established a country industrial profile that served as a baseline for the PCP development. It identified the main opportunities and bottlenecks for advancing inclusive and sustainable industrial development (ISID) in Zambia and reviewed the existing relevant industrial policies and strategies. This included selecting industrial sub-sectors and focus areas with the most potential for development impact, and mapping of potential development partners and interventions with opportunities for synergy, while taking into account social and environmental framework conditions. The MCTI endorsed the PCP Industrial Diagnostic Study in July 2020.

The completion of the study allowed UNIDO to expedite the design of the PCP programme document, including its envisioned PCP results framework, which has been strongly aligned with the current United Nations Sustainable Development Partnership Framework (UNSDPF) for Zambia 2016-2021 and the 2030 Agenda for Sustainable Development. In addition, UNIDO engaged in the preparations led by the UN Resident Coordinator's Office (RCO) for the Zambia Common Country Assessment (CCA), the next UN Sustainable Development Country Framework (UNSDCF) programming cycle, as well as the UN Country Team's contributions and discussions on the formulation of the Zambian Eighth National Development Plan.

UNIDO also developed a number of new initiatives to expand its technical cooperation portfolio in Zambia, including the activities under the regional project "Energy efficient lighting and appliances (EELA)", the EU-funded regional programme "Supporting business-friendly and inclusive national and regional policies, and strengthening productive capabilities and value chains", as well as the ongoing "Zambian Industrial Training Academy" (ZAMITA) Phase II. Initiatives similar to the latter and based on public-private development partnerships (PPDP) were explored with other bilateral partners and will be further followed up in 2021. UNIDO also focused on exploring potential cooperation areas with financial institutions such as the African Development Bank (AfDB), the World Bank Group (WBG) and the European Investment Bank (EIB), among others. Following UNIDO's accreditation to the Green Climate Fund (GCF), the PCP is supporting a partnership with the GCF and the national counterparts in order to develop innovative energy-related initiatives in Zambia.

The programming phase of PCP Zambia is expected to be finalized within the first half of 2021, paving the way for the start of implementation. A major part of the PCP Zambia's efforts in 2021 will focus on mobilizing partners and developing technical cooperation initiatives, including supporting economic recovery in the post-COVID-19 context.

## 2. INTRODUCTION

The PCP is UNIDO's flagship programme to support developing countries in achieving their long-term inclusive and sustainable industrial development (ISID) goals. It is founded on a multi-stakeholder partnership to ensure synergy between different interventions and maximize impact. PCP interventions aim to unlock public and private investment in selected priority industrial sectors. The PCP delivers an integrated service package by combining UNIDO's advisory and normative services, technical assistance and convening function. Each PCP is tailored to country needs, aligned with the national development agenda and owned by the host government.

Following the official request for a PCP by the President of the Republic of Zambia, Edgar Lungu, the Executive Board of UNIDO approved the development of the Programme for Country Partnership (PCP) for Zambia, in October 2018. Throughout 2019 and 2020, UNIDO worked with national counterparts to elaborate the PCP programme document, mobilize partners to provide support to the PCP, and develop new initiatives that would strengthen the future PCP portfolio.

As outlined in the official letter of request for PCP development, the programme will support the growth of a diversified and competitive industrial economy and contribute to the strategic objectives of Zambia's Seventh National Development Plan (7NDP) and Vision 2030, which aims to transform Zambia into a middle-income nation by 2030. In addition, as part of the joint UNCT activities in 2021, UNIDO will be involved in the formulation process of the Zambia's Eighth National Development Plan (8NDP) and will align the PCP activities accordingly.



## 2.1. POLICY FRAMEWORK

The 7NDP 2017–2021 is an intermediate tool to operationalize Vision 2030 by setting out a unified multisector approach with the aim of “accelerating development efforts towards Vision 2030 without leaving anyone behind”. The Plan builds upon Vision 2030 to pursue pivotal strategic objectives such as:

- The creation of a diversified economy
- Environmental and social sustainability
- Competitiveness and innovation
- Strengthening of mechanisms and capacities

The strategic pillars of Vision 2030 and the 7NDP are based on the idea that the country needs to move away from an economy based on the production and export of primary commodities towards a more diversified economy. An expanded portfolio of economic activities is crucial for countries to become more resilient, and to reduce vulnerability to the shocks that often characterize primary commodities markets, with such shocks being particularly evident during the current COVID-19 pandemic. An effective diversification strategy can be facilitated by increasing the competitiveness of firms (their capacity to develop viable business), by strengthening the production capabilities of the economic system, and by improving the institutional context. Moreover, Vision 2030 specifies that industrialization cannot happen at the expense of the environment, nor by excluding segments of society from manufacturing development benefits.

### 7NDP 10 Strategic Development Outcomes

1. A DIVERSIFIED AND EXPORT-ORIENTED AGRICULTURE SECTOR

2. A DIVERSIFIED AND EXPORT-ORIENTED MINING SECTOR

3. A DIVERSIFIED TOURISM SECTOR

4. IMPROVED ENERGY PRODUCTION AND DISTRIBUTION FOR SUSTAINABLE DEVELOPMENT

5. IMPROVED ACCESS TO DOMESTIC, REGIONAL AND INTERNATIONAL MARKETS

6. IMPROVED TRANSPORT SYSTEMS AND INFRASTRUCTURES

7. IMPROVED WATER RESOURCES DEVELOPMENT AND MANAGEMENT

8. ENHANCED INFORMATION AND COMMUNICATION TECHNOLOGY

9. ENHANCED DECENT JOB OPPORTUNITIES IN THE ECONOMY

10. ENHANCED RESEARCH AND DEVELOPMENT

The strategic documents of Zambia recognize manufacturing as a crucial sector for the economic development of the country. Vision 2030 explicitly recognizes that “as the country approaches the middle-income status, the structure of the economy would change from that of a primary commodity dominated to manufacturing”. The 7NDP acknowledges that “a broad-based and buoyant manufacturing and industrial base is key to building a strong export-oriented economy that can create resilience in the economy to both external and domestic shocks”. The importance of the manufacturing sector for national development is also fully reflected in Zambia’s 2018 National Industrial Policy, which sets the foundations for Zambia’s industrialization. The Policy sets guidelines for the growth, diversification, upgrading and competitiveness of Zambia’s manufacturing sector. The document further clarifies the modalities by which the manufacturing sector can contribute to the full realization of Vision 2030, and how manufacturing can help Zambia climb the ladder of development.



The National Industrial Policy also identifies the specific manufacturing sub-sectors – the “priority drivers of industrialization” – that the country needs to prioritize, on the basis of their potential “to stimulate and encourage value addition activities on primary commodities as a means of increasing national export earnings and creating employment opportunities and ultimately transform the Zambian economy into a diversified and competitive industrialized economy”:

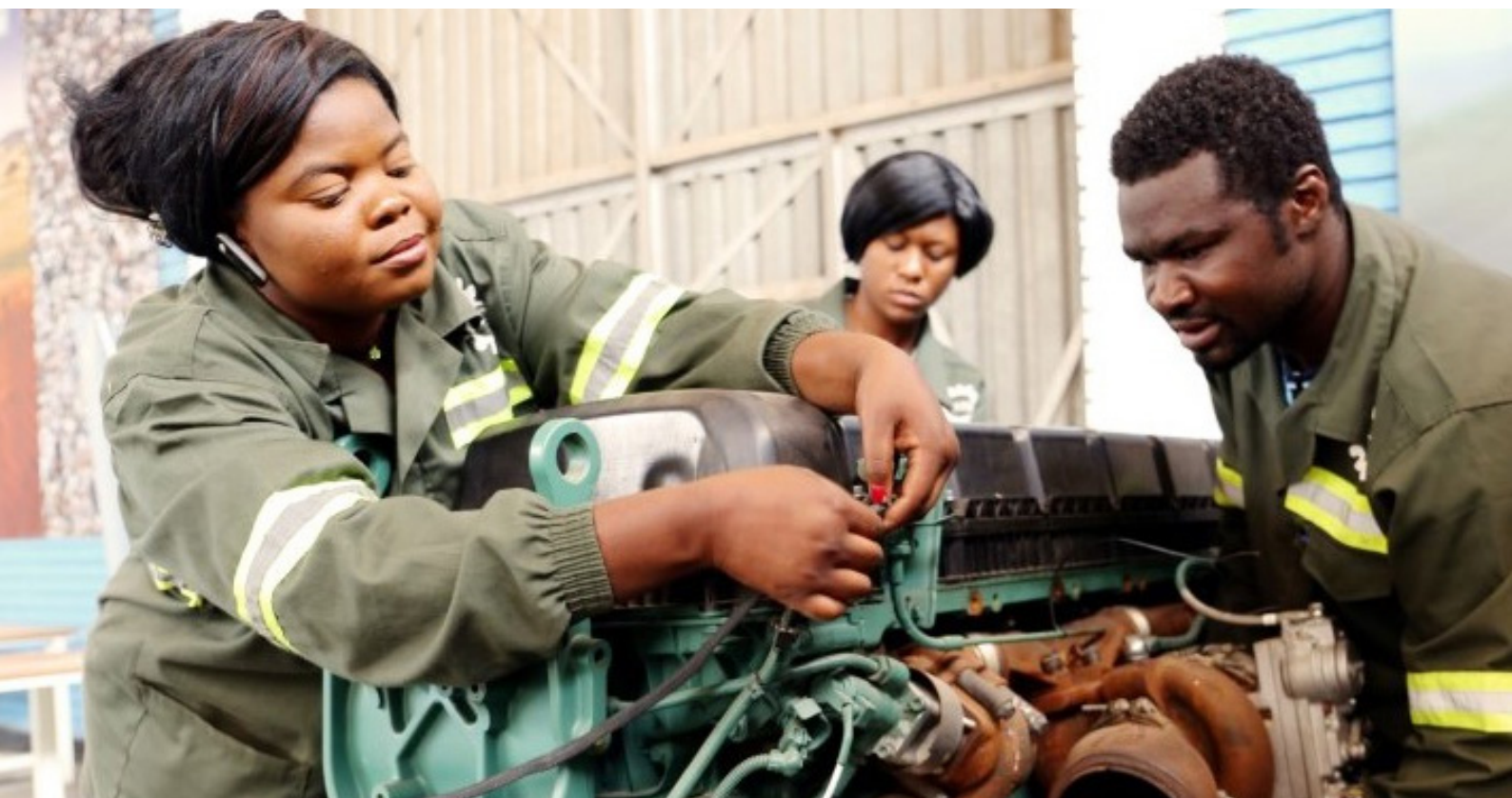
**Priority sectors identified in the 2018 National Industrial Policy**

PROCESSED FOODS	TEXTILE AND GARMENTS
LEATHER AND LEATHER PRODUCTS	WOOD AND WOOD PRODUCTS
MINERAL PROCESSING AND PRODUCTS	PHARMACEUTICALS
ENGINEERING PRODUCTS	BLUE ECONOMY

The development of a solid manufacturing capacity base is an essential condition for boosting a country’s capacity to access international markets. As shown by [UNIDO’s Industrial Development Report 2020](#), manufacturing is the predominant sector in export markets, comprising 60-70% of total exports in least developed and emerging countries, and 80-100% in industrialized countries and China. Development of the manufacturing sector is therefore necessary if Zambia is to increase its export potential. Indeed, strengthening the country’s capacity to compete in international markets is an important strategic direction identified in the country’s Trade Policy (2018), which sets an objective “to contribute towards Zambia’s economic diversification by promoting and stimulating a competitive trade sector in order to increase the market share in the global economy”.

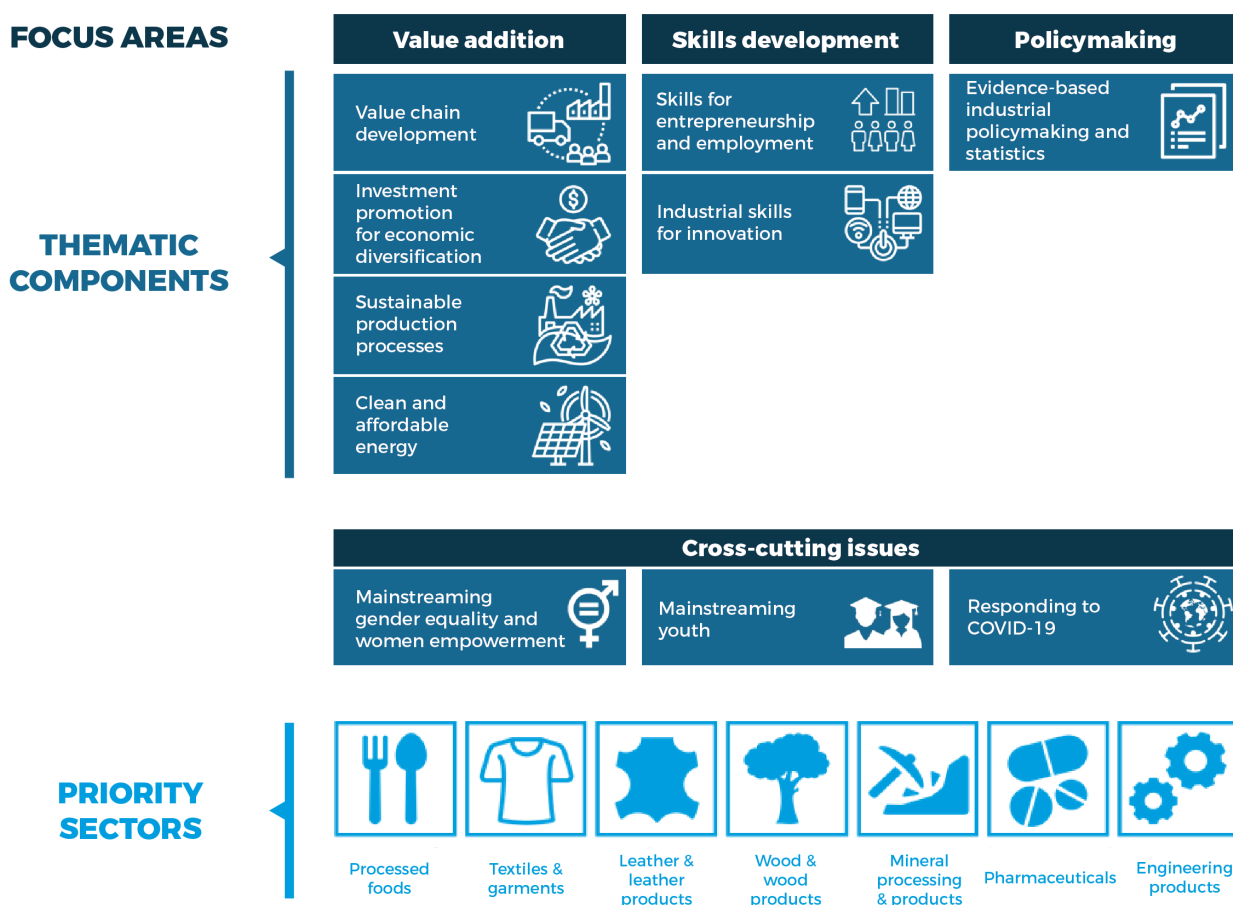
The PCP can also be viewed as a practical, country-level tool for implementing the Third Industrial Development Decade for Africa 2016-2025 (IDDA III). Through this framework, Edgar Lungu, President of the Republic of Zambia – as IDDA III Champion – is committed to promoting the SDGs and the role of ISID.

Finally, with Zambia’s status as both a Least Developed Country (LDC) and a Landlocked Developing Country (LLDC), the PCP is also aligned with the priorities of both the Istanbul Programme of Action (IPoA) for LDCs 2011-2020 and the Vienna Programme of Action (VPoA) for LLDCs 2014-2024.



## 2.2. PCP INDUSTRIAL DIAGNOSTIC STUDY

The substantive PCP design process was initiated through the UNIDO [PCP Industrial Diagnostic Study](#), which – in close consultation with the government counterparts and relevant stakeholders in the country – identified the focus areas, thematic components and industrial priority sectors that the PCP could most effectively contribute to.



As presented above, the PCP will work across a diverse set of components and sectors. In order to maximize the impact and build synergies, all PCP-supported activities will work towards a common set of results firmly grounded in – and aligned with – the Government of Zambia’s own strategic vision and objectives for industrial development:

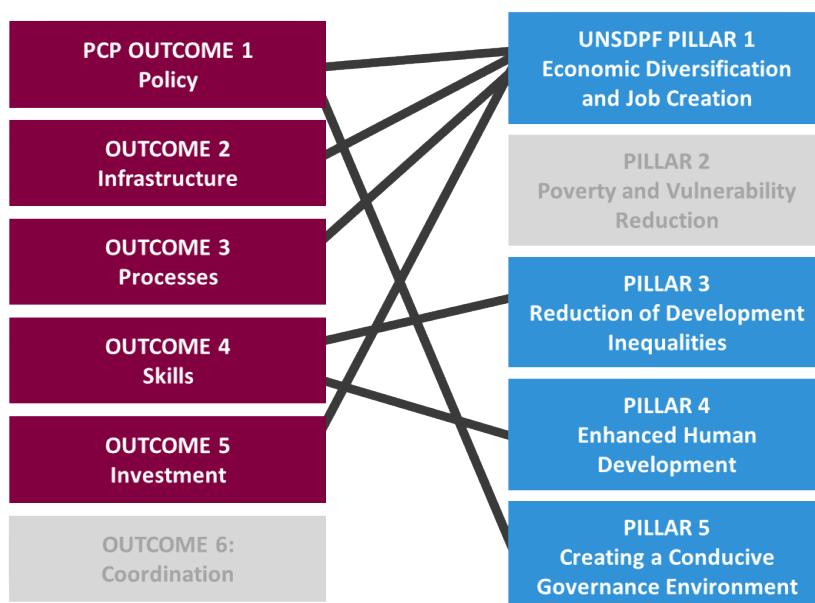
IMPACT	Strengthened government capacity for developing and implementing responsive industrial policies and plans
<b>OUTCOME 1</b> Policy	Strengthened government capacity for developing and implementing responsive industrial policies and plans
<b>OUTCOME 2</b> Infrastructure	Cleaner, more efficient industrial infrastructure and production
<b>OUTCOME 3</b> Processes	Modernised, more competitive and more productive industrial processes
<b>OUTCOME 4</b> Skills	Stronger, more inclusive and more diverse industrial skill base supported by a sustainable industrial skills development infrastructure
<b>OUTCOME 5</b> Investment	Increased investor confidence and willingness to invest in Zambian industrial priorities
<b>OUTCOME 6</b> Coordination	Improved coordination of support for Zambian industrial priorities

In addition, all PCP-supported work – regardless of thematic component or targeted outcomes – will consider and address women and youth empowerment as cross-cutting issues, as they have been identified as universally relevant and critical to ISID, and notably SDG5 on gender equality, within the Zambian context. The ongoing COVID-19 pandemic has introduced another cross-cutting issue that all PCP-supported work will need to address.

### 3. ALIGNMENT WITH AND CONTRIBUTION TO UNSDCF

As part of the drive towards the SDGs, much of the development effort in Zambia – and particularly the work of UN entities – is guided by the UN’s Sustainable Development Partnership Framework (UNSDPF). The PCP’s expected results are aligned to the UNSDPF for 2017-2021<sup>1</sup> and its Addendum, with high potential for measurable contributions and collaborations around four of the Framework’s five strategic pillars, as briefly presented aside.

The UNSDPF Addendum was elaborated in December 2018, based on recommendations stemming from the UNSDPF Mid-Term Review. The Addendum enhances the results and monitoring framework of the UNSDPF by reorganizing its Results Matrix and Result Groups, thus aligning the UNSDPF more closely with the 7NDP governance structure, which is organized in five pillars. The Addendum also articulates a Theory of Change in alignment with pathways for the attainment of the GRZ’s SDGs priorities and elaborates a gender mainstreaming strategy for the UNSDPF implementation.



The PCP’s expected impact – and the ultimate objective of Zambia’s industrialization drive – is firmly aligned with SDG 9. Although SDG 9 is the focus, by working towards a stronger, diversified and more inclusive economy, the PCP and ISID will inherently contribute to most of the SDGs.

<b>PCP IMPACT</b>	<div style="display: flex; align-items: center;"> <div style="text-align: center; width: 20%;"> <b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE </div> <div style="margin-left: 10px;"> <b>Target 9.2:</b> Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries             </div> </div>					
<b>OUTCOME 1</b> Policy	<b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE 	<b>3</b> GOOD HEALTH AND WELL-BEING 	<b>5</b> GENDER EQUALITY 	<b>8</b> DECENT WORK AND ECONOMIC GROWTH 	<b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS 	<b>17</b> PARTNERSHIPS FOR THE GOALS 
<b>OUTCOME 2</b> Infrastructure	<b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE 	<b>7</b> AFFORDABLE AND CLEAN ENERGY 	<b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION 	<b>13</b> CLIMATE ACTION 	<b>17</b> PARTNERSHIPS FOR THE GOALS 	

<sup>1</sup> Extended to 2022.

<b>OUTCOME 3</b> Processes	<b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE 	<b>5</b> GENDER EQUALITY 	<b>8</b> DECENT WORK AND ECONOMIC GROWTH 	<b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION 	<b>17</b> PARTNERSHIPS FOR THE GOALS 	
<b>OUTCOME 4</b> Skills	<b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE 	<b>4</b> QUALITY EDUCATION 	<b>5</b> GENDER EQUALITY 	<b>8</b> DECENT WORK AND ECONOMIC GROWTH 	<b>10</b> REDUCED INEQUALITIES 	<b>17</b> PARTNERSHIPS FOR THE GOALS 
<b>OUTCOME 5</b> Investment	<b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE 	<b>5</b> GENDER EQUALITY 	<b>8</b> DECENT WORK AND ECONOMIC GROWTH 	<b>17</b> PARTNERSHIPS FOR THE GOALS 		
<b>OUTCOME 6</b> Coordination	<b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE 	<b>17</b> PARTNERSHIPS FOR THE GOALS 				

## 4. PROGRAMME-LEVEL RESULTS

### 4.1. COORDINATION AND GOVERNANCE

The Government provided in-kind contributions towards the PCP programming phase, which included: office space for the PCP National Coordinator, hosting and organizing coordination meetings, providing staff to assist the Coordinator as part of the local coordination team and assisting with office requirements.

Over the course of 2020, UNIDO and the Government of Zambia worked jointly to develop the Terms of Reference for the national coordination structure of the PCP, the National Coordination Body (NCB). This document was officially approved on 21 December 2020. The NCB will be the highest governing and advisory body on all PCP-related matters. It will provide strategic guidance (including project prioritization) and oversee the coordination, implementation and resource mobilization of the PCP, under the leadership of the Government of Zambia, thus ensuring that the programme is implemented effectively and with adequate funding. The NCB will also monitor alignment of the PCP with national policies and growth targets, to ensure consistency between Zambian priorities and UNIDO's support, and that the PCP continuously contributes to the implementation of the national industrial development agenda.

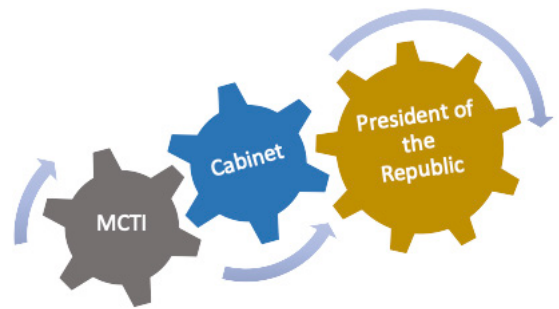
The NCB membership will include a variety of ministries and Government bodies relevant for industrial development of the country, as well as development actors, private sector partners and academia. The ministries will be represented by Permanent Secretaries, who will be given authority to take decisions while being accountable and reporting on PCP matters to their respective Ministers.

The Permanent Secretary of the MCTI will function as the Chair of the NCB. The Chairperson will be representing the Minister of Commerce, Trade and Industry. The MCTI, in its function as the Chair of the National Coordination Body will report to the President of the Republic, through the Office of the Secretary to the Cabinet, on the progress in the implementation of the PCP in the country, its contribution to the 7NDP and Vision 2030 and in general the country's industrialisation agenda. Furthermore, the NCB will be vice-chaired jointly by the Ministry of Finance (MoF) and the Ministry of National Development Planning (MoNDP). The NCB membership will also comprise the following Ministries, all of which have mandates that are highly relevant to the country's industrialisation process, and hence to the PCP:



NCB CHAIR	
Ministry of Commerce, Trade and Industry	

NCB JOINT VICE CHAIRS	
Ministry of Finance	Ministry of National Development



Ministry of Finance	Ministry of Energy	Ministry of Fisheries and Livestock	Ministry of Foreign Affairs
Ministry of Gender	Ministry of Health	Ministry of Higher Education	Ministry of Housing and Infrastructure
Ministry of Lands and Natural Resources	Ministry of Mines and Mineral Development	Ministry of Tourism and Arts	Ministry of Transport and Communications
	Ministry of Water Development, Sanitation & Environmental Protection	Ministry of Youth, Sports and Child Development	

The NCB membership will also include representatives from the following government agencies:

Zambia Development Agency	Zambia Statistics Agency
---------------------------	--------------------------

Non-government NCB members will be appointed by the government, including but not limited to:

PRIVATE SECTOR			ACADEMIA
Zambia Association of Manufacturers	Zambia Chamber of Commerce and Industry	Zambia Chamber of Small and Medium Business Associations	Zambia Institute for Policy Analysis and Research

UNIDO and the UN Resident Coordinator Office will be full members of the NCB, with other agencies to be invited by the Government to join on a voluntary, ad hoc basis as needs arise:

FULL NCB MEMBERS		POSSIBLE AD HOC MEMBERS (BY INVITATION ONLY)
UNIDO	UN Resident Coordinator Office	FAO, ILO, IMF, UNDP, UNECA, UNFPA, WFP, World Bank and others, as deemed relevant by the NCB

## 4.2. PARTNERSHIPS AND RESOURCE MOBILIZATION

As part of the PCP programming phase, UNIDO completed the ‘partner mapping’ exercise, that entailed collecting relevant contact data and building up a list of traditional and non-traditional partners, their prioritization as per strategic relevance for the PCP and categorization as per relevance for individual PCP components. Finally, the exercise also included a development of a Partner Mobilization Action Plan for 2020 that contained relevant targets, activities, timelines and responsible entities. The Plan will be revised for 2021 and updated regularly, in line with changing donor priorities.

In line with the "Delivering as One" approach that implies launching joint initiatives, one of UNIDO's strategic objectives in the 2020 Action Plan was intensification of collaboration with the United Nations Resident Coordinator Office (UNRCO) and the UN Country Team (UNCT) in Zambia. The PCP Zambia contributed to several UNCT activities throughout 2020.

UNIDO is currently actively participating in the preparation of the COVID-19 Recovery Needs Assessment (CRNA) and the Common Country Analysis (CCA) for Zambia. UNIDO is also supporting the preparations of the formulation process for the next UN Sustainable Development Country Framework (UNSDCF) cycle. More specifically, UNIDO has contributed to the following exercises in 2020:

- Preparation of the UN Sustainable Development Partnership Framework (UNSDPF) 2016-2021 Addendum that aims to enhance the UNSDPF (based on the recommendations stemming from its Mid-Term Review), by re-aligning it with the 7NDP, its envisioned results framework and its coordination structures.
- Formulation of the UNSDCF roadmap and development of the new PMT<sup>2</sup> Terms of Reference.
- Preparation of the UNSDPF Annual Report 2020 and update of the UN Zambia website.
- Similarly, UNIDO complemented the UNCT's activities by:
  - ▶ Providing inputs for the UNRCO/UNCT's meeting with the EU Inspector;
  - ▶ Supporting the UNRC's collaboration with the Committee for Development Policy (CDP) within the framework of the Triennial Review of the Least Developed Countries (LDC);
  - ▶ Participating at the UNRC/UNCT interview with the Joint Inspection Unit (JIU) to review the support of the UN system to LLDCs for the implementation of the Vienna Programme of Action (VPoA), on 22 September 2020;
  - ▶ Supporting the UNRC's participation in the High-Level Policy Dialogue, on 15 October 2020.

In addition, as part of its partner mobilization strategy, UNIDO supported joint UN projects and initiatives.

- UNIDO provided support to the inception phase of the joint UNIDO-FAO regional programme titled "Opportunities for youth in Africa (OYA): Accelerating job creation in agriculture and agribusiness". The programme focuses on the creation of quality on- and off-farm employment and self-employment opportunities for African youth in agriculture and agribusiness. It highlights the central role of agriculture for Africa's development, while emphasizing the need for continuous empowerment of African youth to be the engine of this growth.
- UNIDO also maintained regular communication with the United Nations Economic Commission for Africa (UNECA) to explore synergies between UNECA's AfCFTA strategies and the PCP model, and to explore potential collaboration on an innovation-focused project funded under the UNDA 13th tranche. UNIDO also coordinated with the UNECA South Africa Regional Office on UNIDO's participation in the virtual "Sensitization Forum" on 12 November 2020, during which the Organization delivered a presentation on its COVID-19 Industrial Recovery Programme (CIRP) model as one of the post-COVID-19 industrialization strategies.

Following accreditation to the Green Climate Fund (GCF), UNIDO launched discussions with the MoNDP in its function as the GCF National Designated Authority (NDA) in Zambia, the Ministry of Energy (MoE) and the Rural Electrification Authority (REA), to explore potential interventions in the energy sector. Discussions are ongoing with plans to submit a GCF project proposal in the next funding cycle, in 2021.

Furthermore, the establishment of an industrial park has also been treated as one of the priorities in terms of partner mobilization. This initiative would be addressed under the PCP Component 4 on Value Chain Development. UNIDO and the African Development Bank (AfDB) already conducted a feasibility study and prepared a business plan for the establishment of a Staple Crop Processing Zone (SCPZ) in the Zambian Copperbelt province. A virtual meeting was organized between the PCP team and the AfDB in June 2020 to explore potential collaboration. In addition, UNIDO recruited a local agro-value chain expert to support the discussions and conduct desk research that would inform future project proposals.

Finally, in 2020, the "Support Business Friendly and Inclusive National and Regional Policies and Strengthen Productive Capacities and Value Chains" regional programme was launched under the ACP/11th EDF, co-implemented by UNIDO, WBG

---

<sup>2</sup> UN Zambia Programme Management Team.

and ITC. The initiative will feed into the future PCP and facilitate the dialogue with the EU delegation in Zambia in order to explore further cooperation opportunities.

### 4.3. RESULTS OF PCP ADVISORY SERVICES

In March 2020, UNIDO launched the PCP Industrial Diagnostic Study, which aimed to identify bottlenecks and opportunities for industrialization, and chart a course for strong sustained growth and ISID, that can support the country to achieve broader development goals. The strategic direction and analyses provided the foundation for the formulation of the PCP programme.

The study was a consultative process, which involved a number of stakeholders and key institutions in Zambia, including the MCTI, MoNDP, the ZamStats, ZAMAST<sup>3</sup>, ZACCI, ZAM, ZIPAR, ZDA, and the UN ECA South Africa Regional Office. As the PCP’s main counterpart, MCTI endorsed the findings of the study on 27 July 2020 via an official letter.

Furthermore, the MCTI submitted several requests for technical cooperation with UNIDO in terms of policy development and advice. Notably, the MCTI requested support in revision of its MSME policy, enhancement of its statistical capacities and development of a pharmaceutical strategy. Zambia’s ambition to improve the quality of the industrial policy process through the production of appropriate evidence will be reflected in the PCP’s thematic Component 1 on evidence-based industrial policymaking. An industrial policy-making process based on evidence and the analysis of statistical data will be crucial to tackle Zambia’s existing medium and long-term challenges, but also to mitigate the impact of the COVID-19 pandemic, assist in the country’s economic recovery and resilience building.

As noted in the PCP Industrial Diagnostic Study, Zambia and all developing countries are exposed to the negative economic consequences of COVID-19. Within this context, UNIDO joined efforts with FAO to conduct a rapid assessment of COVID-19 impacts on agro-processing SMEs in Africa. The Organization also collaborated with AfDB on the conduct of a joint study analysing the impacts of the COVID-19 pandemic on the industrial sector of selected countries in Africa, including Zambia. Publication of final reports for both studies is expected in early 2021. These reports will support the Government in planning and designing its interventions targeting the post-COVID-19 economic recovery of the country, particularly the recovery of the manufacturing sector.

### 4.4. TECHNICAL COOPERATION RESULTS

The PCP Zambia is currently still in its programming phase, although it has supported the ongoing projects and technical activities in the country and has been facilitating the development of new initiatives.

The following table summarizes various levels of PCP Zambia’s achievements throughout 2020, in line with UNIDO’s Integrated Results and Performance Framework:

KEY PERFORMANCE INDICATORS FOR 2020	
Activities and outputs	
<b>Number of analytical and statistical publications produced: 1</b>	<ul style="list-style-type: none"> <li>The PCP Industrial Diagnostic Study completed and approved by MCTI (gender responsive)</li> </ul>
<b>Number of industrial strategies and policy documents drafted/prepared: 2</b>	<ul style="list-style-type: none"> <li>First draft of the PCP Zambia programme document prepared and aligned with UNIDO’s 2019 Policy on Gender Equality and the Empowerment of Women and the 2020-2023 Strategy for Gender Equality and the Empowerment of Women</li> <li>Terms of Reference for the National Coordination Body prepared and approved by MCTI (gender responsive)</li> </ul>

<sup>3</sup> Zambia Micro and Small Traders Foundation Cooperative Society Ltd.

## Engagement, involvement of stakeholders

**Number of actors reached:** 83 (25 women)

- 60 people (25 women) reached through stakeholder meetings and counterpart consultations
- 5 companies reached in relation to COVID-19 related surveys
- 2 interim institutions (ZamStats and ZDA) contacted in relation to country diagnostics
- 6 government bodies (including MCTI, MoNDP, MoA, MoFL, MoE, REA)
- At least 10 global actors reached through discussions and consultative meetings (incl. UNECA, AfDB, FAO, UNRCO, UNCT)

**Number of actors engaged:** 42 (10 women)

- 35 people (10 women) engaged for follow-up discussions, provision of feedback to prepared documents, preparation of project proposals and provision of feedback for relevant UNIDO surveys
- 2 interim institutions engaged (ZamStats and ZDA) in the conduct of the PCP Industrial Diagnostic Study
- 2 government bodies (MCTI, REA) engaged for provision of feedback on the relevant PCP documents and for development of new initiatives
- 3 global actors (AfDB, UNECA, FAO) engaged in discussion on development of partnership and joint initiatives

## Knowledge, attitude, skills and aspirations

**Number of people/firms gaining awareness/knowledge:**

- 60 people (25 women) gained awareness of the development of the PCP Zambia, best available technologies, management practices and international standards
- 4 companies gained awareness of the PCP Zambia and its planned support to MSMEs, as well as international good practices in value chain operations
- 2 intermediary institutions gained knowledge on industrial intelligence (statistics, data) through their involvement in the PCP Industrial Diagnostic Study
- 3 government bodies gained awareness of the PCP Zambia and the NCB
- 10 global actors gained awareness of the PCP Zambia (incl. UNECA, AfDB, FAO, UNRCO, UNCT)

As mentioned in the introductory section, the PCP Zambia has been structured into three thematic focus areas: Policy-making, Skills development and Value addition. The PCP programming has also resulted in a tentative results framework containing five outcomes that should be achieved through technical cooperation activities. Taking this into consideration, this report structures the technical cooperation results per PCP focus area, but also per tentative PCP outcome, thus already announcing the initiatives that will contribute to the achievement of the envisioned PCP results once the implementation of the programme commences.

Furthermore, once the programme is launched, the PCP data collection and monitoring will be a collaborative, ongoing effort, led by UNIDO but with the close involvement of the Zambian Government and other PCP partners. Technical cooperation results will be measured, evaluated, and reported in line with the approved results framework with relevant indicators and reporting methodologies.



#### 4.4.1 FOCUS AREA 1: POLICYMAKING

##### PCP Outcome 1: Strengthened government capacity for developing and implementing responsive industrial policies and plans

This outcome responds directly to the Government of Zambia's request to establish a PCP that contains, among other elements, overarching inputs that support the country's industrial policy-making processes, including the revision and updating of the MSME policy, thus aligning it with existing global, regional and national trends. As part of this focus area, UNIDO would also facilitate the strengthening of institutional capacity for industrial statistics. The latter is to be seen in the context of the ongoing establishment of an integrated National Statistical System (NSS) and formulation of the Second National Strategy for the Development of Statistics (NSDS2) 2020-2024.

In 2020, UNIDO and MCTI discussed the preparation of a strategy for pharmaceutical manufacturing development as a potential collaboration area within the PCP. Further steps are expected in 2021.

##### Funding and partnership opportunities

The partner mapping conducted during 2020 indicated several relevant actors for the achievement of Outcome 1, including:

- The Zambia Statistics Agency and MCTI, especially the units involved in industrial policy analysis and design of industrial development programmes;
- The Zambia Development Agency (ZDA) as the main national entity responsible for investment promotion;
- The MoNDP that is coordinating on an inter-ministerial level and overseeing the implementation of the 7NDP, i.e., leading the ongoing preparations for the formulation of the 8NDP;
- other relevant Ministries, depending on the sub-sectors to which policy support will be devised.
- The Zambia Institute of Policy Analysis and Research (ZIPAR), especially in terms of capacity strengthening in policy analysis;
- The Zambia Chamber of Small and Medium Business Associations (ZCSMBA), the Zambia Association of Manufacturers (ZAM), the Zambia Federation of Associations of Women in Business (ZFAWIB) and other specific industry and sub-sectoral associations as private sector actors relevant for implementation of sub-sectoral strategies and programmes.

Regarding UN coordination, partnerships with ILO, ITC, UNCTAD, FAO, UNDP and UN Women will be sought. For leveraging of funding into industrial businesses, infrastructure and industrial parks, partnerships and synergies with planned and ongoing initiatives financed by financial institutions such as AfDB, WBG and EIB shall be explored.

ERP ID	Pipeline project / sub-programme title	Potential donor	Estimated funding (US\$)
	Pharmaceutical strategy formulation	TBC	165,000
	Establishment of Industrial Statistics and Intelligence System in Zambia	TBC	TBC
	Revision of Micro, Small and Medium Enterprises (MSME) Development Policies	TBC	TBC
<b>Total</b>			<b>165,000</b>

#### 4.4.2 FOCUS AREA 2: SKILLS DEVELOPMENT

##### PCP Outcome 4: Stronger, more inclusive and more diverse industrial skill base supported by a sustainable industrial skills development infrastructure

This Outcome focuses on enhancing industrial skills of the Zambian workforce and entrepreneurs for innovation and empowerment, particularly of the most vulnerable groups.

In 2020, UNIDO continued with the implementation of phase II of the Zambian Industrial Training Academy (ZAMITA) project, following its launch in September 2019. The initiative is funded by SIDA. It is implemented in collaboration with the Volvo Group Global (AB Volvo) as private and the Zambian Ministry of Higher Education and TEVETA as public partners. The project focuses on enhancing youth employability in the transport and heavy-duty equipment sector.

ZAMITA developed two competency-based curricula for automotive and heavy equipment in 2020, which are awaiting validation by relevant national authorities. Through the project, UNIDO also conducted a Labour Market Survey (LMS), which reached a total of 127 companies, and a Curriculum Input Survey (CIS), which engaged 54 private sector companies. Furthermore, the first pedagogical training was held in Ndola, focusing on the Production of Training Materials (manuals and handouts). In addition, a 5-day virtual training on management, monitoring and evaluation and 7 Trainings of Trainers (ToTs) were organized in the Copperbelt region. The project also led and financed refurbishment of learning facilities at the Northern Technical College (NORTEC). Finally, ZAMITA ambassadors spearheaded a female campaign radio program at Flava FM Kitwe to dispel the negative perception of women in TVET, and encourage female participation in the Automotive & Heavy equipment engineering programs.

A similar intervention is expected to be launched in 2021, with the financial support of the Japanese Government and in collaboration with the Hitachi Construction Machinery company, focusing on enhancement of construction machinery operational skills.

### Funding and partnership opportunities

The partner mapping conducted during 2020 indicated relevant actors for achievement of Outcome 4. These include:

- Government bodies and entities, such as MCTI, MoNDP, Ministry of General Education, Ministry of Higher Education, Ministry of Youth, Sports and Child Development, Ministry of Gender and Ministry of Community Development and Social Services;
- Zambia SMART Institute and Zambia Information and Communications Technology Authority;
- Citizens' Economic Empowerment Commission (CEEC), Zambia Chamber of Small and Medium Business Associations (ZCSMBA), Zambia Export Growers Association (ZEGA), National Technology Business Council (NTBC) as some of the relevant private sector actors;
- Katopolo Livestock Agribusiness Centre, Making Agricultural Markets Work for Zambia (MUSIKA), Zambia Bureau of Standards and Zambia Medicines Regulatory Authority (ZAMRA), FoodKnow Ltd (Finland), Kova PMC Ltd. (Finland) as relevant partners for initiatives in the food sector;
- Mining Finland is the proposed strategic partner to create a "Zambian-Finnish Vocational Training and Business Development Centre";
- Financial institutions such as the International Finance Corporation (IFC), OPEC Fund for International Development (OFID), World Bank Group (WBG);
- as well as development agencies and bilateral partners, among others the Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA) as a specialized COMESA agency, the Embassy of Japan and the Japan International Cooperation Agency (JICA), the Ministry for Foreign Affairs of Finland and SIDA are some of UNIDO's traditional partners, particularly in the Zambian context.

UNIDO will continue to foster public-private development partnerships (PPDPs), such as the one under the ZAMITA project. It will also pursue strong collaboration and partnerships with the academia and R&D institutions including, but not limited to the University of Zambia, the Copperbelt University and the Northern Technical College. Potential synergies and partnership opportunities will be explored with the Government under the AfDB-financed operations such as Skills Development and Entrepreneurship Project – Supporting Women and Youth Zambia, Sustainable Livestock Infrastructure Management Project (SLIMP) and Livestock Infrastructure Support Project (LISP), as well as the WB-financed Girls Education and Women's Empowerment and Livelihood (GEWEL) project.

ERP ID	Completed project / sub-programme title (since start of the PCP programming phase)	Donor	Funding (US\$)
140279	Zambian Industrial Training Academy (ZAMITA) Private-Public Development Partnership (PPDP) within Zambia's Mining Skills and Training Framework (Phase I)	Sweden	1,390,218
150250	Economic and social empowerment of young women and men in western and north-western regions of Zambia (PA phase)	UNIDO Trust Fund for Youth Employment	40,308
<b>Sub-total</b>			<b>1,430,526</b>

ERP ID	Ongoing project / sub-programme title	Donor	Funding (US\$)
200080	Zambian Industrial Training Academy (ZAMITA) Phase II	Sweden	1,532,003
190143	Opportunities for youth in Africa: Accelerating job creation in agriculture and agribusiness (regional programme, PA phase)	UNIDO TF for Increased Food Security through Agribusiness	TBC
Sub-total			1,532,003

<b>Total</b>	<b>US\$ 2,962,529</b>
--------------	-----------------------

ERP ID	Pipeline project / sub-programme title	Potential donor	Estimated funding (US\$)
200069	Promotion of improved livelihood of Zambian youths through demand-driven industrial skills training	Japan, Hitachi Industries	3,121,132
	Supporting livelihoods through skills training and capacity building in the SADC region (regional programme)	Finland, Mining Finland	TBC
	HP Entrepreneurship project	HP Inc.	TBC
Total			3,121,132

#### 4.4.3 FOCUS AREA 3: VALUE ADDITION

##### PCP Outcome 2: Cleaner, more efficient industrial infrastructure and production

This Outcome aims to support Zambia's efforts in introducing climate neutral circular economy practices into its industrial value chains. A number of possible interventions under the PCP has been discussed with national counterparts and potential donors. These include:

- cleaner production processes and eco-industrial parks, in a wide range of industrial sectors;
- support to countries in fulfilling their binding commitments under Multilateral Environmental Agreements (particularly Montreal Protocol, Basel, Stockholm and Minamata Conventions),
- mercury emission reduction and control in the non-ferrous metals and cement sector
- industrial de-carbonization and de-risking investments in energy efficiency
- inclusive market development for RE & EE products and services
- addressing energy access challenges through innovative local solutions

In 2020, UNIDO continued with the preparation of a Hydrofluorocarbon (HCFC) Phase-Out Management Plan (stage II) and implementation of the regional initiative promoting BAT and BEP for reduction of POPs releases from waste open burning. Furthermore, Zambia continued participating actively in UNIDO's regional Programme on Energy Efficient Lighting and Appliances in East and Southern Africa (EELA). This regional initiative aims at the development and market introduction of climate-resilient EE products and services for households and productive uses. The initiative has been strengthening the local supply of EE products and services and will continue its implementation in Zambia under the PCP umbrella.

##### Funding and partnership opportunities

The partner mapping conducted during 2020 indicated some of the relevant actors for achievement of Outcome 2. These include:

- the Ministry of Energy, the Ministry of Lands and Natural Resources, the Ministry of Water Development, Sanitation and Environmental Protection, the Ministry of Mines and Mineral Development and the Ministry of Health (in terms of medical waste management);
- the Zambia Environmental Development Agency (ZEMA) and the Rural Electrification Agency (REA);
- the private sector, including but not limited to the Zambia Chamber of Mines, the ZACCI, the ZAM and the ZCSMBA

(depending on the industrial sector in which future interventions will take place) as well as the three main electricity companies in Zambia: the state-owned power utility ZESCO, the Copperbelt Energy Corporation (CEC) and the Lunsefwa Electricity Company;

- the African Clean Cities Platform (ACCP), which might be a relevant partner on a regional level;
- other potential donors and financial partners include the Green Climate Fund (GCF), the Global Environmental Facility (GEF), the European Union and bilateral donors such as Sweden (Swedish International Development Authority).

In addition, synergies may be sought with the Government's World Bank-financed operations such as the Electricity Service Access Project and Transforming Energy Access Matters Project or the Zambia - Mining and Environmental Remediation and Improvement Project, which aims to reduce environmental health risks to the local population in critically polluted mining areas. UNIDO would also explore partnerships with some of the other already ongoing initiatives in the country, such as the GET Fit Zambia and the Africa GreenCo Group's innovative business model.

ERP ID	Completed project / sub-programme title (since start of the PCP programming phase)	Donor	Funding (US\$)
120210	Upscaling Small Hydropower Plants (SHP) Mini-Grid Development in Zambia to Deliver Renewable Energy for Productive Uses	UNIDO RB, Zambia	645,734
		Sub-total	645,734

ERP ID	Ongoing project / sub-programme title	Donor	Funding (US\$)
105306	HCFC phase-out management plan (stage I)	Montreal Protocol	139,321
190207	HCFC phase-out management plan (stage II)	Montreal Protocol	60,000
150060	Promotion of BAT and BEP to reduce POPs releases from open waste burning in the participating African countries of the SADC region (regional programme)	GEF	800,000
150415	Promoting ratification and early implementation of the Minamata Convention on Mercury (global programme)	Switzerland	30,000
190108	Energy efficient lighting and appliances project in Southern and Eastern Africa (regional programme)	Sweden	TBC
		Sub-total	1,029,321

<b>Total</b>	<b>US\$ 1,675,055</b>
--------------	-----------------------

ERP ID	Pipeline project / sub-programme title	Potential donor	Estimated funding (US\$)
	Mercury emission reduction and control in the non-ferrous metals and cement sector	UNEP, ZEMA	2,000,000
	Upscaling Hydropower and Solar Renewable Energy Initiative	ZESCO, GCF	TBC
	Global Clean-tech Innovation Programme (GCIP)	GEF	TBC
		Total	2,000,000

### PCP Outcome 3: Modernized, more competitive and more productive industrial processes

This Outcome focuses on value chain development. In 2020, UNIDO conducted several discussions with AfDB about potential collaboration on the establishment of an agro-industrial park in Zambia. These were largely in line with the MCTI's request for technical assistance in establishing an industrial park around the Kalahri geo-thermal plant in the Southern Province of Zambia.



In addition to the provision of support to the establishment and operationalisation of agro-processing parks, the stakeholder discussions indicated interest in the following technical support areas:

- Agriculture value chain development for job creation, food and income security (e.g., dairy, fruits and vegetable)
- Value chain development of non-food agriculture by-products (e.g., leather and leather products, cotton, wood and wood products) for job creation and income security

### Funding and partnership opportunities

The partner mapping conducted during 2020 indicated a number of relevant actors for the achievement of Outcome 3. These included the MCTI, the Ministry of Agriculture, as well as the ZDA, as the responsible entity (under MCTI) for the implementation of the Government’s Multi-Facility Economic Zones (MFEZ) programme. Potential synergies and partnership opportunities could be explored with the Government under the WB-financed ongoing Zambia Agribusiness and Trade Project, as well as the planned Zambia Agricultural Growth Clusters for Rural Jobs and Diversified Economic Development Project. Additionally, cooperation and scale-up opportunities may exist under such AfDB-financed operations as the Zambia Sustainable Livestock Infrastructure Management Project (SLIMP), Cashew Infrastructure Development Project (CIDP), Aquaculture Enterprise Development Project and Livestock Infrastructure Support Project (LISP).

ERP ID	Completed project / sub-programme title (since start of the PCP programming phase)	Donor	Funding (US\$)
190010	Supporting infant food manufacturing in Zambia (PA phase)	UNIDO RPTC	20,000

ERP ID	Pipeline project / sub-programme title	Potential donor	Estimated funding (US\$)
	Development of an industrial park	TBC	TBC
	Increasing Competitiveness and Market Orientation of Innovation-Driven Goat Processing Value Chains in the Republic of Zambia	TBC	TBC

### PCP Outcome 5: Increased investor confidence and willingness to invest in Zambian industrial priorities

This Outcome focuses on investment promotion for economic diversification. The interventions contributing to the achievement of Outcome 5 are conceived of as cross-cutting as they will eventually benefit all seven PCP priority sectors. However, as the PCP Industrial Diagnostic Study has shown, a relative revealed comparative advantage exists for processed foods and mineral processing & products, with both sectors exhibiting a long-term growth rate in world imports, although there might be a (temporary) decline due to the COVID-19 pandemic and its negative impact on global demand.

As part of the interventions envisioned under the Outcome 5, UNIDO continued the implementation of the regional project on “Supporting business friendly and inclusive national and regional policies and strengthen productive capacities and value chains”. The programme is financed by the EU and co-implemented by WB, ITC and UNIDO. In 2020, the programme conducted a diagnostic assessment of the investment promotion landscape in Zambia, and engaged with various stakeholders including ZDA, ZAM, ZACCI, LSMFEZ and IDC to expand collaboration in the implementation of workstreams of the programme. Furthermore, synergies were explored with a number of relevant partners and programmes, including the European Business Council Zambia and the EU Economic Governance Programme and the Regional Enterprise Competitiveness and Access to Markets Programme (RECAMP), covering the investment promotion, private sector development and trade support in line with national economic objectives.

In Zambia, the programme further plans to support the ZDA in FDI monitoring and investor outreach, particularly through partnership with other IPIs, as a concrete post-pandemic resilience intervention. The programme also intends to support the establishment of a national platform bringing together public and private sector stakeholders in the promotion of investment opportunities in the country. To achieve this, UNIDO and ZDA would work together with other IPIs to establish best approaches to reach out to SMEs to prioritize the promotion of investment opportunities in the domestic enterprise sector. Finally, the programme would explore the revitalization of the Subcontracting and Partnership Exchange (SPX) function within the ZDA and concretize collaboration with the European Business Council in terms of FDI activity assessment, whilst highlighting the role of EU investors in the Zambian economy.

The discussions with national counterparts and other stakeholders throughout 2020 also indicated the potential for the PCP Zambia to support the application of UNIDO’s COMFAR software and other investment promotion channels (global forum activities such as investment road shows, international workshops, study tours, delegate programmes and exhibitions and trade fairs).

### Funding and partnership opportunities

The partner mapping conducted during 2020 showed that the Zambia Development Agency (ZDA) will be the principal counterpart for PCP Outcome 5. It is Zambia’s leading institution in trade development, investment promotion, enterprise restructuring, development of greenfield projects, small and enterprise development, trade and industry fund management, and contributing to skills training development.

The ZAM, as a business association promoting the manufacturing sector through policy advocacy and dialogue, lobbying, and technology upgrading of the production processes, will play a role in helping to organize investment summits and forums to foster technology and investment networking among the COMESA member countries and beyond.

Similarly, the ZACCI will be an important counterpart in conveying important findings of the firm-level FDI surveys to key political decision makers. It is an umbrella organization representing businesses across the country and across all sectors of the economy with the main objective of promotion and enhancement of a vibrant private sector through effective interest representation and policy advocacy.

Zambia Chamber of Small and Medium Business Associations (ZCSMBA) is the largest chamber for MSMEs in Zambia with more than 60% of its members located in rural areas. ZCSMBA’s main objective is to promote the sustainable growth and profitability of MSMEs through policy advocacy for business environment reforms. As such, it is a stakeholder for PCP Zambia in supporting policy advocacy, events organization and related investment promotion and facilitation activities. Further stakeholder institutions to be engaged could be the Zambia Federation of Associations of Women in Business (ZFAWIB) or Zambia’s Citizens’ Economic Empowerment Commission.

ERP ID	Completed project / sub-programme title <i>(since start of the PCP programming phase)</i>	Donor	Funding (US\$)
170049	Supporting business-friendly and inclusive national and regional policies, and strengthening productive capabilities and value chains	EU	600,000

ERP ID	Pipeline project / sub-programme title	Potential donor	Estimated funding (US\$)
	Strengthen technical capacities for effective appraisal of projects and public investment management	TBC	TBC

#### 4.4.4 COORDINATION

##### PCP Outcome 6: Improved coordination of support for Zambian industrial priorities

This Outcome relates to successful implementation of the PCP, under the NCB leadership and with UNIDO's support, including the successful implementation of the PCP Partner Mobilization and PCP Communication annual action plans. Monitoring against this outcome will be particularly focused on gathering and acting on lessons learned identified during the PCP implementation, with a view to ensure continuous improvement and strengthening of the PCP's management.

##### Funding

The programming phase of the PCP Zambia has been supported financially through the UNIDO Partnership Trust Fund (PTF). The MCTI's in-kind contribution to the PCP in 2020 was estimated to over US\$ 6.000,00 and it entailed the provision of relevant office space and equipment as well as availability of support staff for completion of relevant PCP programming exercises.

ERP ID	Ongoing project / sub-programme title	Donor	Funding (US\$)
190132	Programme for Country Partnership Zambia (programming phase)	PTF - China	200,000

## 5. RESPONSE TO COVID-19

In order to continue the programming phase of the PCP Zambia despite the challenges posed by the pandemic, UNIDO prepared and regularly updated the PCP Contingency Plan, in coordination with the MCTI, since March 2020. The PCP programming activities were also aligned with UNIDO's Response framework to the COVID-19 pandemic ([Responding to the crisis: building a better future](#)) and have largely contributed to the third package on recovery and transformation of the Zambian economy. More specifically, the PCP has provided continued support to the implementation of UNIDO's surveys and assessment studies analysing the impact of COVID-19 on the Zambian manufacturing sector and specifically its SMEs. Such support has been provided to the UNIDO's joint study with FAO and the joint study with AfDB. As preparation for potential future health crises, the MCTI and UNIDO have re-launched discussions on a joint elaboration of strategy for the development of the Zambian pharmaceutical sector.

UNIDO has also engaged in the UNCT's discussions centred around the pandemic and has provided inputs for the preparation of the COVID-19 Emergency Appeal launched by the UN system in Zambia, in May 2020 and for the elaboration of the Socio-Economic Recovery Response (SERP) to COVID-19 in Zambia, that was launched in July 2020. More recently, the PCP team was involved in the planning process of the UNCT's COVID-19 Recovery Needs Assessment (CRNA) exercise in Zambia. The CRNA findings would also inform the currently ongoing CCA and the UNSDCF formulation process.

In the implementation phase, the PCP's contribution to the COVID-19 response and post-COVID-19 recovery is envisioned as a cross-cutting issue. In order to facilitate the socio-economic recovery of Zambia, the PCP Zambia will assist in development of policies, strategies and specific sectoral programmes for economic recovery and resilience strengthening in the identified priority sectors, through its Component 1: evidence-based industrial policymaking and statistics. Particular emphasis will be placed on the strategy for development of the pharmaceutical sector in Zambia.

Furthermore, significant support to MSMEs and their recovery from the COVID-19 related crisis is envisioned through the PCP Component 4: Value chain development. Potential loss of supply in national and regional value chains due to COVID-19-related closures and lockdowns could disrupt the production in importing countries. Technical assistance to build capacities for the management and operationalization of existing special economic zones and support in establishment of new agro-food parks and associated rural transformation centres (RTCs) would increase the local potential for sustainable and resilient manufacturing.

Companies can develop the necessary flexibility in crisis situations if they retain production and innovative capabilities, which result from long-term investments in science, technology and innovation (STI). The PCP will thus support sector-specific uptake of 4IR technologies as well as introduction of improved energy efficient technologies for primary processing through its Component 3: Industrial skills for innovation and Component 7: Clean and affordable energy.

Finally, leveraging on its extensive technology and expertise network, including international academia, R&D, foundations and companies, UNIDO harnesses resources of the private sector and other partners to spur industrial dynamics in relation to sustainable economic development. The PCP Component 5: Investment promotion for economic diversification will utilize such expertise and developed tools, including the SPX Centres, COMFAR and the regional ACP-Business Friendly Programme, to promote investment, particularly in sectors such as 'textile & garments' and 'pharmaceuticals' that may present new product diversification opportunities considering the COVID-19 pandemic.

## 6. LESSONS LEARNED AND BEST PRACTICES

In 2020, the PCP Zambia faced several challenges. The COVID-19 pandemic introduced a health crisis globally, that resulted in different operational constraints for business and international organisations alike. Due to COVID-19 related travel restrictions, all missions and in-person meetings were quickly shifted to virtual working modalities, capable of easily accommodating for the networking of cross-continental representatives without disruption of businesses. This implied the use of innovative practices as communication tools and platforms for delivery of presentations and sharing of (large-sized) documents. Thus, the PCP Industrial Diagnostic Study, the design of the PCP programme document and the Terms of Reference for the PCP National Coordination Body were carried out through online consultations with relevant stakeholders, in addition to in-depth desk research and analyses.

As travel missions were not possible, local experts were recruited, including the PCP National Coordinator. This reinforced communication and coordination with local stakeholders, including the UN agencies and national counterparts, facilitated the partner mobilization efforts as well as the in-country coordination among projects.



UNIDO maintained regular coordination with the MCTI as the line Ministry and regular updates to the Permanent Mission of Zambia in Geneva as part of the programme's development. The PM members were also invited as presenters during UNIDO events, which ensured dissemination of information through the PM's channels. This contributed to increased PCP's visibility on the national level and is expected to increase the resource mobilization opportunities for the PCP in the future.

## 7. COMMUNICATION

In 2020, the PCP was mainly promoted through different stakeholder meetings to harness stakeholder support for joining efforts towards the initiation and development of initiatives envisioned as part of the PCP. The UNIDO PCP Zambia website served as the main advocacy tool in 2020. UNIDO will expand PCP communication channels in 2021 to feature the PCP Zambia more strongly on UNIDO's social media accounts as well as MCTI's official communication platforms.

A PCP Communication Strategy is in development. PCP communication and promotion will be delivered against two objectives that are focused on two separate communication / information needs:

- Increase awareness of Zambia's industrial agenda, priorities and initiatives, including the PCP.
- Increase awareness of the role of inclusive and sustainable industrial development as a driver of growth, and as a means for delivering social, economic and environmental benefits.

Due to the dynamic nature of the PCP (new concepts, activities and investments will continuously evolve throughout the programme period), the outreach strategy will serve as the basis for more comprehensive and adaptive annual communication action plans. Guided by the NCB, these plans will be developed jointly by UNIDO and the MCTI.

## 8. UPCOMING MILESTONES AND MAJOR RESULTS EXPECTED IN 2021

The first – and most important milestone in 2021 – will be the finalization and approval of the PCP Zambia programme document. The programme is expected to be signed in the first half of 2021, launching the implementation phase of the PCP. The NCB is expected to be formally established, with its first meeting planned at the occasion of the PCP launch, following the signing ceremony of the PCP Zambia programme document.

UNIDO's PCP Management Unit will function as the NCB secretariat and support stakeholder coordination and programme implementation on the ground. In terms of anticipated technical cooperation in 2021, UNIDO will continue the implementation of the ongoing projects, notably the ZAMITA project and the preparation of the HCFC phase-out management plan, as well as the relevant activities of regional projects on BAT and BEP promotion, energy efficient lighting and appliances (EELA) promotion, OYA programme and the support to business-friendly and inclusive national and regional policies.

UNIDO also expects to launch a new initiative based on a PPDP with Japan, Hitachi Construction Machinery and the Ministry of Higher Education in Zambia within the PCP Skills Development focus area. Moreover, further progress is anticipated in stakeholder discussions related to the establishment and operationalization of an agro-industrial park in Zambia and preparation of a new energy-related initiative in partnership with the GCF.

## 9. ANNEX 1: PCP PORTFOLIO OVERVIEW – UNIDO TC

ERP ID	PCP Outcome	Completed project / sub-programme title (since start of the PCP programming phase)	Donor	Funding (US\$)
120210	Outcome 2	Upscaling Small Hydropower Plants (SHP) Mini-Grid Development in Zambia to Deliver Renewable Energy for Productive Uses	UNIDO Regular Budget, Zambia	645,734
190010	Outcome 3	Supporting infant food manufacturing in Zambia (PA phase)	UNIDO RPTC	20,000
140279	Outcome 4	Zambian Industrial Training Academy (ZAMITA) Private-Public Development Partnership (PPDP) within Zambia's Mining Skills and Training Framework (Phase I)	Sweden	1,390,218
150250	Outcome 4	Economic and social empowerment of young women and men in western and north-western regions of Zambia (PA phase)	UNIDO TF for Youth Employment	40,308
			Sub-total	2,096,260

ERP ID	PCP Outcome	Ongoing project / sub-programme title	Donor	Funding (US\$)
105306	Outcome 2	HCFC phase-out management plan (stage I)	Montreal Protocol	139,321
190207	Outcome 2	HCFC phase-out management plan (stage II)	Montreal Protocol	60,000
150060	Outcome 2	Promotion of BAT and BEP to reduce POPs releases from open waste burning in the participating African countries of the SADC region (regional programme)	GEF	800,000
150415	Outcome 2	Promoting ratification and early implementation of the Minamata Convention on Mercury (global programme)	Switzerland	30,000
150415	Outcome 2	Energy efficient lighting and appliances project in Southern and Eastern Africa (regional programme)	Sweden	TBC
150415	Outcome 4	Zambian Industrial Training Academy (ZAMITA) Phase II	Sweden	1,532,003
150415	Outcome 4	Opportunities for youth in Africa (OYA): Accelerating job creation in agriculture and agribusiness (regional programme, PA phase)	UNIDO TF for Increased Food Security through Agribusiness	TBC
150415	Outcome 5	Supporting business-friendly and inclusive national and regional policies, and strengthening productive capabilities and value chains	EU	600,000
150415	Outcome 6	Programme for Country Partnership Zambia (programming phase)	PTF - China	200,000
			Sub-total	3,361,324

<b>Total</b>	<b>US\$ 5,457,584</b>
--------------	-----------------------

ERP ID	PCP Outcome	Pipeline project / sub-programme title	Potential donor	Estimated funding (US\$)
	Outcome 1	Pharmaceutical strategy formulation	TBC	165,000
	Outcome 1	Establishment of Industrial Statistics and Intelligence System in Zambia	TBC	TBC
	Outcome 1	Revision of Micro, Small and Medium Enterprises (MSME) Development Policies	TBC	TBC
	Outcome 2	Mercury emission reduction and control in the non-ferrous metals and cement sector	UNEP, ZEMA	2,000,000
	Outcome 2	Upscaling Hydropower and Solar Renewable Energy Initiative	ZESCO	TBC
	Outcome 2	Global Clean-tech Innovation Programme (GCIP)	GEF	TBC
	Outcome 3	Development of an industrial park	TBC	TBC
	Outcome 3	Increasing Competitiveness and Market Orientation of Innovation-Driven Goat Processing Value Chains in the Republic of Zambia	TBC	TBC
	Outcome 4	Promotion of improved livelihood of Zambian youths through demand-driven industrial skills training	Japan, Hitachi Industries	3,121,132
	Outcome 4	Supporting livelihoods through skills training and capacity building in the SADC region (regional programme)	Finland, Mining Finland	TBC
	Outcome 4	HP Entrepreneurship project	HP Inc.	TBC
	Outcome 5	Strengthen technical capacities for effective appraisal of projects and public investment management	TBC	TBC
<b>Total estimated</b>			<b>US\$ 5,286,132</b>	

For more information, please scan the QR Code to  
[access the PCP Zambia UNIDO website.](#)



PCP Zambia Programme Manager

**MANUEL MATTIAT**

Programme Officer, Africa Regional Coordination Division

Email: [m.mattiat@unido.org](mailto:m.mattiat@unido.org)

Disclaimer

© **UNIDO May 2021**. All rights reserved.

This document has been produced without formal United Nations editing. The designations employed and the presentation of the material in this document do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations Industrial Development Organization (UNIDO) concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries, or its economic system or degree of development. Designations such as “developed”, “industrialized” or “developing” are intended for statistical convenience and do not necessarily express a judgement about the stage reached by a particular country or area in the development process. Mention of firm names or commercial products does not constitute an endorsement by UNIDO.

All photos/visuals © UNIDO, Pexels, Envato Elements, Freepik, Pixabay, Unsplash.



UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION