



UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION



Programme for Country  
Partnership **Zambia**



# ZAMBIA

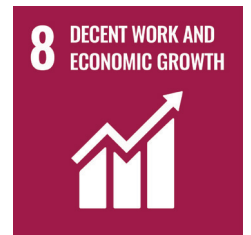
PROGRAMME FOR  
COUNTRY PARTNERSHIP (PCP)

ANNUAL REPORT 2021





# SUSTAINABLE DEVELOPMENT GOALS





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# THE PCP AT A GLANCE

	<p><b>COUNTRY</b></p> <h2>ZAMBIA</h2>
<p><b>STATUS</b></p>	<ul style="list-style-type: none"> <li>• Date of approval of the development of the PCP by the UNIDO Executive Board: 29 October 2018</li> <li>• Signing date: 29 November 2021</li> <li>• Implementation: November 2021 - Ongoing</li> <li>• Expected completion date: 31 December 2026</li> </ul>
<p><b>PRINCIPLE NATIONAL POLICY/STRATEGY SUPPORTED BY THE PCP</b></p>	<ul style="list-style-type: none"> <li>• Zambia's Vision 2030 (2006-2030)</li> <li>• 7<sup>th</sup> National Development Plan (7NDP) 2017-2021 and</li> <li>• 8<sup>th</sup> National Development Plan (8NDP) 2022 - 2026<sup>1</sup></li> <li>• National Industrial Policy (NIP) 2018</li> <li>• United Nations Sustainable Development Partnership Framework (2016-2022) and Addendum</li> </ul>
<p><b>FOCUS SECTORS/ AREAS</b></p>	<ul style="list-style-type: none"> <li>• Policymaking</li> <li>• Skills development</li> <li>• Value addition</li> </ul>
<p><b>MAIN PARTICIPATING MINISTRIES</b></p>	<ul style="list-style-type: none"> <li>• <b>Members of the National Coordination Body:</b>              Ministry of Commerce, Trade and Industry;              Ministry of Finance and National Planning;              Ministry of Foreign Affairs and International Cooperation;              Ministry of Agriculture;              Ministry of Fisheries and Livestock;              Ministry of Energy;              Ministry of Water Development and Sanitation;              Ministry of Transport and Logistics;              Ministry of Infrastructure, Housing and Urban Development;              Ministry of Mines and Mineral Development;              Ministry of Tourism;              Ministry of Lands and Natural Resources;              Ministry of Technology and Science;              Ministry of Health;              Government Department responsible for Gender issues;              Ministry of Youth, Sports and Arts;              Ministry of Education;              Ministry of Small and Medium Enterprises Development;              Ministry of Green Economy and Environment</li> </ul>

<sup>1</sup> Currently under formulation





**KEY DEVELOPMENT  
PARTNERS**  
(POTENTIAL AND EXISTING)

- **Financial institutions:** African Development Bank, African Export-Import Bank, Deutsche Investitions und Entwicklungsgesellschaft, Development Bank of Zambia, European Investment Bank, Export-Import Bank of China, Export-Import Bank of Korea, International Finance Corporation, Kreditanstalt für Wiederaufbau, 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)
- **UN entities:** FAO, ILO, ITC, UNCTAD, UNCDF, UNDP, UNECA, UNEP, UN Women
- **Business sector:** Copperbelt Energy Corporation (CEC), Hitachi Construction Machinery (HCM), Katopolo Live-stock 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 Authority (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)

<b>UNIDO PROJECTS WITH FUNDING SECURED<sup>2</sup></b> (COMPLETED AND ONGOING)	<ul style="list-style-type: none"> <li>• Total number of TC projects: 4 completed projects, 14 ongoing projects (8 national and 6 regional)</li> <li>• Total TC funding: US\$ 11,540,729</li> <li>• Total expenditures on the PCP coordination project to end of current reporting period: \$ 168,529 ( US\$ 92,102 in 2021)</li> <li>• Total balance available on the PCP coordination project: US\$ 179,429</li> </ul>
<b>TOTAL INVESTMENTS LEVERAGED<sup>3</sup></b> (CUMULATIVE)	\$ 21,400,000
<b>TOTAL PCP VOLUME</b>	\$ 32,940,729

<sup>2</sup> **Funding secured:** The total budget (net, i.e. excluding programme support costs) under signed agreements for UNIDO programmes and projects, indicated in US\$ amounts.

<sup>3</sup> **Funding leveraged:** These include public or private resources, in cash or in-kind, allocated by public or private partners towards the objectives of the PCP. They are contributed partly as a result of UNIDO interventions within the framework of the PCP, and based on a verbal or written commitment. Such resources are not channeled through UNIDO's accounts and accordingly not under the Organization's direct control.



# 1. Executive summary

The Government of Zambia and UNIDO signed a five-year Programme for Country Partnership (PCP) on 29 November 2021, marking the end of the programming phase. The signing ceremony took place virtually between H.E. Chipoka Mulenga, Minister of Commerce, Trade and Industry (MCTI) of Zambia and LI Yong, Director General of UNIDO, during the Eighth ISID Forum held as part of the 19<sup>th</sup> session of the UNIDO General Conference.

The PCP is owned by the Government of the Republic of Zambia and entails strategic guidance from the highest political level, as well as leadership in the development and implementation of the PCP under the PCP National Coordination Body (NCB). The NCB Terms of Reference were developed and endorsed by the Ministry of Commerce, Trade and Industry (MCTI). The first meeting of the NCB, chaired by MCTI and vice-chaired by the newly established Ministry of Finance and National Planning (MFNP), should take place in 2022, during the PCP launch. To demonstrate its strong commitment to the PCP, the Zambian Government pledged in-kind support to the programme implementation and has allocated USD 21.4 million towards initiatives in line with the PCP focus areas of skills development and value addition.

Furthermore, the PCP Zambia is strongly aligned to the Zambia UN Sustainable Development Partnership Framework (UNSDPF) 2016-2022 and its Addendum<sup>4</sup>. In 2021, UNIDO actively participated in the formulation of the Common Country Analysis (CCA) report and the elaboration of the new UN Sustainable Development Cooperation Framework (UNSDCF) 2023-2027, in addition to other joint UN Country Team (UNCT) activities.

As part of the PCP programming phase, UNIDO regularly established contact with potential new PCP partners and maintained the existing relationships with various development actors whilst advancing discussions on potential technical cooperation (TC) initiatives, in line with the targets and activities stipulated in the PCP Partner Map. UNIDO's 2021 strategic targets included: a) strengthening cooperation with the new Government for ownership of the PCP, b) collaboration with the UNCT Zambia for joint initiatives, and c) engagement of relevant Zambian public entities, donor countries, financial institutions and the private sector for launch of new TC initiatives.

Some of the PCP's main achievements in 2021 include the launch of the Japan-funded public-private development partnership (PPDP) initiative titled "Project for promoting youth employment through construction equipment operating skills training" under the PCP focus area 'Skills development'. UNIDO also successfully submitted the project proposal to the Green Climate Fund (GCF) Secretariat, titled "Promoting renewable energy based mini-grids for productive uses in rural areas of Zambia" under the 'Value addition' focus area. The proposal was elaborated in cooperation with the GCF National Designated Authority (NDA) in Zambia, the Ministry of Energy (MoE), the Rural Electrification Authority (REA) and the Development Bank of Zambia (DBZ). In September 2021, UNIDO's technical assistance was officially requested by the Common Market for Eastern and Southern Africa (COMESA) Secretariat to conduct a feasibility study for a joint Zambia-Zimbabwe integrated agro-industrial park (IAIP). This initiative would also support the 'Value addition' focus area and is a result of long-standing discussions between various partners, including COMESA, United Nations Economic Commission for Africa (UNECA), African Development Bank (AfDB) and UNIDO. It would be implemented within the framework of the Third Industrial Development Decade for Africa (IDDA3) and as part of the joint Zambia-Zimbabwe Industrialisation Programme launched in March 2021. In addition, support was provided to the joint UNIDO-FAO regional programme "Opportunities for youth in Africa (OYA)", to develop a resource mobilization strategy.

Lastly, particular emphasis was placed on sectoral assessments during the course of 2021, within the framework of the PCP programming phase and in lieu of overall national and UN COVID-19 response measures. Notably, the report "Assessing the impact of COVID-19 on agrifood manufacturing small and medium enterprises in sub-Saharan Africa – Recommendations for building back better" has been prepared for publication jointly by FAO and UNIDO. UNIDO also implemented a series of online firm-level surveys to assess COVID-19's impact on manufacturing firms, in collaboration with governments, business chambers and other agencies, around the world. Zambia was included in both exercises.

<sup>4</sup> The UNSDPF initial timeframe 2016-2021 was extended to 2022 to align with the 7NDP extension to 2022, i.e. to align the new UN Sustainable Development Cooperation Framework, UNSDCF 2023-2027 (scheduled to be signed in May 2022) to the timeline of the new 8th National Development Plan 2022-2026 (8NDP).

## 2. Introduction

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UNIDO's mandate for inclusive and sustainable industrial development (ISID) is anchored within the internationally agreed Agenda 2030 and the Lima Declaration adopted by UNIDO Member States in 2013, underlining the Organization's mandate to contribute to the SDG 9 "Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation". Achieving ISID requires collaboration across all stakeholder levels. It requires diverse actors working together through multi-stakeholder partnerships to mobilize and share knowledge, expertise, technology and financial resources. The SDG 17 states the need to "strengthen the means of implementation and revitalize the global partnership for sustainable development" and highlights the central role of partnerships in fulfilling the Agenda 2030.

The PCP is UNIDO's flagship programme to support developing countries in achieving their long-term ISID. Aligned with the national development agenda, the PCP supports Member States in achieving their industrial development goals through several key features: i) Government ownership; ii) Multi-stakeholder partnership; iii) Facilitation of large-scale public and private finance; iv) Strong analytical framework; v) Selected priority industrial sectors/areas; and vi) Monitoring and evaluation system for measuring progress and programme-level impact.

Following the official request for a PCP by the Government of the Republic of Zambia in August 2018, the Executive Board of UNIDO approved the development of the PCP Zambia in October 2018. Throughout 2019-2021, the Government and UNIDO worked closely to elaborate the PCP programme document, its structure and coordination mechanism, mobilize partners to provide support to the PCP, and develop new initiatives that would strengthen the future PCP technical portfolio.

In addition, the PCP Zambia was endorsed by the United Nations Resident Coordinator (UNRC) in Zambia, who confirmed the programme's alignment with the UNSDPF 2016-2022 for Zambia, and its Addendum. As part of the PCP programming, UNIDO participated in the joint UNCT activities, including the Common Country Analysis (CCA), the formulation of the UNSDCF 2023-2027 and Zambia's 8<sup>th</sup> National Development Plan (8NDP) 2022-2026, through the UNCT.

The PCP Zambia aims to contribute to a diversified, competitive, inclusive and sustainable industrial economy, guided by Zambia's Vision 2030 and building upon the strategic objectives and implementation of the country's Seventh National Development Plan (7NDP). As such, the PCP shall also contribute to the 8NDP, currently under formulation. The PCP focuses on three areas, namely:

- (i) Improving the policy environment;
- (ii) Industrial skills development;
- (iii) Fostering manufacturing industries and value addition on primary commodities.

Accordingly, the PCP shall contribute to the realization of Zambia's strategic development objectives: (i) Economic transformation and job creation; (ii) Human and social development; (iii) Environmental sustainability; and (iv) Good governance environment. The PCP will work to strengthen synergies among various stakeholders contributing to industrialization, from government entities, to financial institutions, UN entities, the business sector, and other development partners, by providing a platform for stakeholder coordination.

## 3. Alignment with and contribution to UNSDCF

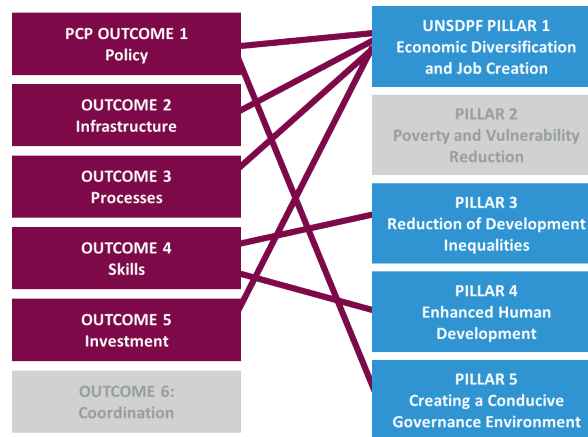
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UNIDO was actively engaged in the UNCT activities and coordination with the office of the UNRC throughout 2021. UNIDO's technical activities contributed to the implementation of the current UNSDPF 2016-2022. The PCP team, in cooperation with UNIDO's South Africa Regional Office (SARO), contributed to the stakeholder workshops and interviews organized in





2021 as part of the framework's final evaluation process. Initially expected to end in 2021, the UNSDPF was extended for an additional year, in line with the extended 7NDP implementation phase. The PCP's expected results are closely aligned to the UNSDPF for 2016-2022 and its Addendum, with the potential for substantial contributions and collaborations around four of the Framework's five strategic pillars:



The UNCT Zambia has also already embarked on the UNSDCF formulation process, preparing the CCA and developing a UNSDCF Roadmap, the tentative Theory of Change (ToC) and the results framework, whilst collaborating with the Government of Zambia in parallel, to contribute to the development of the 8NDP 2022-2026. The new UNSDCF shall be aligned with the 8NDP, with the official signing expected in mid-2022. Expected to serve as the basis for the formulation of the new UNSDCF 2023-2027, the UNCT-led CCA elaboration process was launched in 2021, with the final report expected in early 2022.

UNIDO fully participated in these activities and contributed to the development and implementation of the UNCT Joint Work Plan (JWP) for 2021. More specifically, UNIDO actively participated in the CCA, leading the UNCT coordination on CCA sections related to SDG9 and SDG12. Such contributions helped to align the PCP Zambia to the new UNSDCF and the successor 8NDP framework, particularly its strategic priorities: (a) Economic transformation and job creation; (b) Human and social development; (c) Environmental sustainability; and (d) Good governance environment.

## 4. Programme-level results

### 4.1 COORDINATION AND GOVERNANCE

Building on the strong collaboration during previous years, the Government of Zambia continued its commitment to the PCP development process. The PCP support staff, designated by the Government, provided strong in-kind support, especially during the several rounds of meetings, exchanges, reviews and revisions of the PCP programme document but also to the successful organization of the virtual PCP signing ceremony on 29 November 2021.

The Ministry of Commerce, Trade and Industry (MCTI) worked with UNIDO to adjust the previously endorsed Terms of Reference (ToR) for the National Coordination Body (NCB) in line with the Government restructuring that followed after the 2021 General Elections. The NCB is designated to be the highest PCP-governing body to provide guidance and oversee the coordination, implementation and resource mobilization of the PCP. The revised NCB ToR stipulate that the NCB shall be vice-chaired by the newly established Ministry of Finance and National Planning, which is mandated with efficient

economic management to foster sustainable national development. Furthermore, the revised NCB structure includes the newly established Ministry of SME Development, the Ministry of Green Economy and Environment, and the Ministry of Technology and Science. The NCB Chairperson, embodied by the Permanent Secretary of the MCTI, shall report on the progress in the implementation of the PCP, its contribution to the ongoing 7NDP, new 8NDP and Vision 2030, as well as the country's industrialisation agenda in general to the President of the Republic, through the Office of the Secretary to the Cabinet. This establishes a direct reporting line to the highest-political and decision-making level in the country, ensuring Government ownership of the programme. Moreover, H.E. Hakainde Hichilema, the President of the Republic of Zambia, was invited to become a Champion of the Third Industrial Development Decade for Africa (IDDA3).

Furthermore, the MCTI, as NCB Chair and UNIDO's main PCP counterpart, has shown strong support to UNIDO's global forum activities in 2021. Notably, Mr. Mushuma Mulenga, Permanent Secretary at the MCTI presented Zambia's experience in developing the PCP as well as the relevance of special economic zones at the first UNIDO Peer Learning Session on the PCP held in February 2021. In addition, H.E. Mr. Chipoka Mulenga, Zambia's Minister of Commerce, Trade and Industry, chaired the UNIDO 9<sup>th</sup> Ministerial Conference of the LDCs on 25-26 November 2021, which preceded the 19th session of UNIDO General Conference (GC). During the GC, the Minister delivered the Ministerial Declaration previously adopted by the LDCs, for endorsement by the GC's Main Committee and by implication all UNIDO Member States. Moreover, at the sidelines of the GC, the Minister signed the PCP Zambia on 29 November 2021.

## 4.2 PARTNERSHIPS AND RESOURCE MOBILIZATION

The Government affirmed the PCP's alignment to the national development agenda and its relevance for support of Government's aspirations to restore economic growth, and has allocated USD 21.4 million towards initiatives in line with the PCP Zambia 'Skills development' and 'Value addition' focus areas.

Furthermore, PCP Zambia has prioritized both private sector engagement and enhanced cooperation with bilateral development partners to leverage the necessary financing and partner support towards strengthened inclusive and sustainable industrial development of Zambia.

- A new project was launched as a joint effort between the **Government of Japan** (financial support), **Hitachi Construction Machinery** company (in-kind contribution), the **Zambian Government** (in-kind contribution) and **UNIDO** (technical expertise), in the form of a public-private development partnership (PPDP) that will contribute to the PCP focus area 'Skills development'. The initiative focuses on providing training on construction machinery operation for youth. It shall contribute towards closing the gap in the demand and supply of skills in heavy equipment operation and thereby support "pro-job" economic growth in Zambia.
- The PCP programming and coordination activities received financial support from the **Government of China**, through the UNIDO Partnership Trust Fund. Negotiations were launched with the Chinese Government again in 2021 to discuss potential support to the PCP implementation phase. It has been proposed that the programme's future implementation could inter alia support China's Global Development Initiative.
- Upon request by the Secretariat of the **Common Market for East and Southern Africa (COMESA)**, UNIDO agreed to conduct a feasibility study for the establishment of a common Integrated Agro-Industrial Park (IAIP) between Zambia and Zimbabwe, under the IDDA3 framework and as part of the countries' Joint Industrialisation Programme. Additional partners in the initiative include UNECA and AfDB. The IAIP will promote opportunities for industrial synergies and investment linkages for targeted agricultural value chain integration and development, including micro, small and medium-sized enterprises (MSMEs). It will contribute to the PCP focus area 'Value addition'.
- As an accredited entity of the **Green Climate Fund (GCF)**, UNIDO – in collaboration with the National Designated Authority (NDA) in Zambia, the Ministry of Energy (MoE), the Rural Electrification Authority (REA) and the Development Bank of Zambia (DBZ) – successfully submitted a project proposal under the GCF Simplified Approval Process (SAP) pilot scheme. The proposal amounts to a value of USD 12 million and focuses on "Promoting renewable energy based mini-grids for productive uses in rural areas of Zambia".



UNIDO also actively participated in the UNCT activities and contributed to the national development agenda, in line with the “Delivering as One” approach. More specifically, the engagement involved:

- COVID-19 Recovery Needs Assessment (CRNA)
- Preparation of the UNSDPF Annual Report 2020 and update of UN INFO, as well as the UNSDPF 2016-2022 final evaluation
- CCA elaboration and formulation of the next UNSDCF for Zambia
- Preparation of the 8NDP 2022 – 2026
- UNRC’s participation at the 9<sup>th</sup> LDC Ministerial Conference and the first UNIDO Peer Learning Session on the PCP
- UNIDO-FAO Opportunity For Youth in Africa (OYA) regional programme
- UNIDO-FAO Accelerating Agriculture and Agribusiness Development Initiative (3ADI+) project

### 4.3 RESULTS OF PCP ADVISORY SERVICES

In collaboration with the AfDB, UNIDO conducted an online, firm-level [survey to study the implications of the COVID-19 pandemic on the manufacturing sectors](#) of selected African countries, including Zambia. The survey report provided an important insight into the current and expected implications of the COVID-19 crisis on Zambia’s industrial and productive structures. The results of this assessment will inform and guide policymaking, under the PCP Zambia, for the design and implementation of economic recovery and resilience measures for the industrial sector, with the ultimate goal of supporting the Zambian economy on the road of inclusive and sustainable growth and structural transformation. As highlighted in the UNIDO Industrial Development Report 2022<sup>5</sup>: (i) COVID-19 pandemic has permeated all corners of the globe, but its impact has been more severe for some countries, industries and workers than for others; (ii) Industrial capabilities and digitalization have supported countries’ resilience during the pandemic (iii) The post-pandemic landscape will be shaped by three important mega-trends: digitalization, production rebalancing and industrial greening, which has been acknowledged by the Zambian manufacturing companies to a large extent; (iv) Building back better will require new approaches to industrial policies and coordinated action by the international community; and (v) Partnerships are key in achieving a strong recovery, ISID, and the SDGs.

In addition, the Food and Agriculture Organization of the United Nations (FAO), the African Union Development Agency-New Partnership for Africa’s Development (AUDA-NEPAD) and UNIDO carried out a survey to assess the direct and indirect impact of the pandemic on agri-food manufacturers in the food sector, across six countries in sub-Saharan Africa, including *Côte d’Ivoire, Ethiopia, Kenya, Madagascar, Nigeria and Zambia*. For Zambia, the survey found that “companies were severely affected in terms of revenues, capacity and cash flow, with 62 percent of firms expecting over a 25 percent decrease in turnover”. Even with reductions in orders, some firms could not satisfy market demand due to supply-related difficulties caused by reduced access to sufficient raw materials, as well as increased prices for inputs.

In order to continue supporting inclusive, sustainable and resilient industrial recovery of the country, within the PCP and IDDA3 framework, UNIDO shall subsequently focus on strengthening government capabilities, including through a mid-term review of the 2018 National Industrial Policy to factor in a response and recovery from COVID-19 challenges and the resulting changed environment; whilst also tackling digital divides, fostering a green transition, and promoting local industrial resilience.

### 4.4 TECHNICAL COOPERATION RESULTS

Key progress achieved in 2021 within the framework of the PCP Zambia towards a diversified, competitive, inclusive and sustainable industrial economy includes the following highlights:

<sup>5</sup> Available at <https://www.unido.org/sites/default/files/files/2021-11/IDR%202022%20KEY%20FINDINGS%20-%20EBOOK.pdf>

## PCP Zambia: Key Performance Indicators (KPIs)

### Policymaking

- Discussion launched on UNIDO-MCTI collaboration to finalize the development of the Sector Development Strategy for Pharmaceutical Manufacturing in Zambia 2022 – 2026
- 2 surveys assessing the COVID-19 impact on manufacturing conducted with partners to support the policymaking process towards recovery and resilience building
- 113 firms reached and engaged in the conduct of COVID-19 impact assessment surveys

### Skills Development

- 30 trainers trained to deliver specialized industrial skill development training at NORTEC
- 160 people (100 at Jacaranda Hub and 60 at NORTEC) gained skills on entrepreneurship
- 517 people enrolled for skills development (217 enrolled at NORTEC and 300 earmarked at KVTC)
- 2 training institutions and 1 entrepreneurship hub supported in skills development

### Value Addition

- 15 capacity-building activities organized with the ZDA, the MFNP and other relevant investment promotion stakeholders, engaging almost 100 participants
- Guidelines on business opportunities in energy efficiency produced and published
- E-learning platform launched on energy efficient lighting and appliances
- 4 priority sector firms engaged through clean energy activities
- 21 priority sector firms and 1 federation of women associations engaged through value chain activities, including validation of selected soy beans, aquaculture, goat and dairy value chains as critical in driving growth and creating job opportunities in the agriculture sector

### Coordination

- The PCP Zambia document signed by the Government and UNIDO in November 2021
- The ToR for the PCP National Coordination Body revised and the first NCB meeting planned for 2022
- 5 different Government entities, 5 intermediate institutions, 3 financial institutions, and more than 10 various bilateral partners, regional and global development actors reached through PCP partner mobilization efforts
- Total USD 21.4 million leveraged in public financing
- Almost USD 3.5 million mobilized through newly launched technical initiatives

#### 4.4.1 FOCUS AREA 1: POLICYMAKING

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

The Government of Zambia has requested a PCP that supports the country's industrial policymaking processes to inform policy reviews, improve effectiveness of existing programmes and develop new sectoral strategies and policies, as relevant. This *inter alia* includes support for the review of the MSME Development Policy, strengthening of institutional capacity for industrial statistics (including for an integrated National Statistical System) and preparation of a development strategy for pharmaceutical manufacturing.

In addition, the impact of the COVID-19 pandemic and a changing global environment highlighted the need for a possible mid-term review of the national industrial policy, the development of a national industrialization strategy and the national quality policy for enhanced trade and export.



Targeted actors and potential PCP partners to support the achievement of results envisaged under the PCP's 'Policymaking' focus area include: the MCTI, Zambia Statistics Agency (ZAMSTATS), Zambia Development Agency (ZDA), Ministry of Finance and National Planning (MFNP), Zambia Institute of Policy Analysis and Research (ZIPAR), Zambia Chamber of Small and Medium Business Associations (ZCSMBA), the Zambia Association of Manufacturers (ZAM), Zambia Chamber of Commerce and Industry (ZACCI) and the Zambia Federation of Associations of Women in Business (ZFAWIB). These stakeholders congregate the key elements to policymaking processes related to industrial policy analysis and design, investment promotion, financial and inter-ministerial level coordination, gender mainstreaming and overall implementation of sub-sectoral strategies and programmes. Some of these actors have already been engaged through the PCP programming phase. Further strengthening of partnerships is envisaged for the PCP implementation phase.

#### 4.4.1.1 Funding

The pipeline projects are based on the Government's official requests for support made during the programming phase of the PCP Zambia.

ERP ID	Pipeline project / sub-Programme title	Donor	Funding (US\$)
	Pharmaceutical strategy formulation	TBC	TBC
	Establishment of Industrial Statistics and Intelligence System in Zambia	TBC	TBC
	Revision of the Micro, Small and Medium Enterprises (MSME) Development Policy	TBC	TBC
<b>Sub-total:</b>			<b>TBC</b>

#### 4.4.2 FOCUS AREA 2: SKILLS DEVELOPMENT

##### ***PCP Outcome 4: Stronger, more inclusive and more diverse industrial skills base supported by an enhanced and sustainable industrial skills development infrastructure***

Global technological progress is leading to an advanced industrial landscape, providing great opportunities for cutting-edge jobs, thereby stimulating economic growth. To succeed, this technological evolution requires a fleet of entrepreneurs and a workforce equipped with necessary skills and expertise. While many low-income countries are currently transitioning from agriculture to manufacturing-based industries, the limited skills remain a major challenge to achieving this objective.

The Government of Zambia underscores human and social development as an essential priority to maintain a healthy and skilled population. Skills development is also seen as cardinal for transformation and attainment of Zambia's socio-economic development agenda. Moreover, the position paper on 8NDP 2022-2026, which identifies bottlenecks and limitations of progress towards the attainment of Vision 2030, emphasizes the low economic empowerment of youth, skills mismatch with industry needs, and technological advancement in service delivery and production as major current and emerging issues for Zambia. This PCP focus area hence includes initiatives aiming to enhance skills for increased employment prospects, entrepreneurship and industrial innovation, particularly for women and youth.

One of such initiatives is the phase II of the **Zambian Industrial Training Academy (ZAMITA)** project, which continued implementation in 2021. ZAMITA provides training in the commercial transport sector and workforce development to enhance youth employability in the sector. It directly addresses the goal of creating one million jobs over the next five years in key sectors established in the Seventh National Development Plan 2017-2021 (7NDP) of Zambia. ZAMITA is a multilateral PPDP consisting of UNIDO, the Embassy of Sweden in Zambia (SIDA), the Volvo Group and the Government of Zambia (through the Ministry of Technology and Science and TEVETA). The project continues to complement the Government's efforts in generating productive employment for young men and women by training 500 youths in industrial skills, a result that shall decrease the local skills shortage in the commercial transport sector.



In 2021, ZAMITA also upgraded competency-based curriculum in the transport sector, under TEVETA, and trained 30 trainers to effectively execute the new curriculum. Furthermore, 217 new students were enrolled in the programme, out of which 180 were sponsored by the Government. Sixty (60) students graduated in December 2021 with increased knowledge and skills that meet industrial demands.



The project **Promoting Youth Employment through Construction Equipment Operating Skills Training** was launched in September 2021 by the Minister of Technology and Science, the UN Resident Coordinator in Zambia, the Ambassador of Japan to Zambia and the UNIDO Representative for the Southern Africa

region. It is a joint initiative between Hitachi Construction Machinery Zambia Ltd., the Zambian Government and UNIDO, with the aim to establish a PPDP. The Zambian economy has shifted over time towards more capital- and skills-intensive sectors such as mining, construction, transport, and manufacturing. This in turn increased the demand for technical skills in heavy equipment operation. However, construction and mining sector employers struggle to find skilled workers who meet the employers' requirements in terms of modern machinery operating skills. One of the root causes of this skills mismatch is the limited structured training for construction equipment operators in Zambia. This project will hence contribute towards closing the gap in the demand and supply of skills in heavy equipment operation, and thereby support "pro-job" economic growth in Zambia for an estimated 300 unemployed and underemployed youths. In 2021, the project was still in its inception phase and shall commence implementation activities in 2022.

The **Increasing Competitiveness and Market Orientation of Innovation-driven Goat Processing Value Chains** project is currently still in the programming phase. In 2021, the project team reached out to several stakeholders in Zambia, including the Ministry of Fisheries and Livestock as well as the Pangaea Securities, in order to formulate the objectives and activities of the new initiative more concretely and mobilize relevant partners. Once launched, the project will support national capacity related to the goat processing value chain, to job creation, higher incomes, and improved export capacities in Zambia. This will be achieved through the provision of market intelligence and business-model feasibility, transfer of advanced technologies and know-how, ensuring animal food/feed security based on sustainable biomass processing, and establishing linkages with the buyers of competitive and market-oriented final goods, that comply with international quality standards.

The regional programme **Opportunities for Youth in Africa (OYA)**, co-implemented by UNIDO and FAO, has progressed in Zambia. The initiative is still undergoing the inception phase and part of its achievements in Zambia include the validation of the Country Work Plan (CWP) by the relevant stakeholders including the government authorities, international organizations (WB, FAO, UNIDO), the private sector (including ZACCI), the civil society and research institutions. The key value chains of soya beans and aquaculture were selected at the stakeholder inception workshop and consultants have been engaged to undertake VC feasibility studies. The draft resource mobilization strategy and action plans on youth employment and opportunities in agri-food systems have been prepared and are to be validated by the relevant stakeholders in early 2022. UNIDO implemented the training on e-commerce for relevant stakeholders and youth. It also launched the Next Generation competition to identify potential entrepreneurs for the agri-business incubation programme.

Launched in May 2021, the regional programme **Supporting livelihoods through skills training and capacity-building in the SADC region** aims to improve human capacity and create job opportunities for vulnerable groups, including women and youth in the targeted areas of the SADC region with an industry focus on forestry (South Africa and Mozambique) and water management in mining (Zambia). UNIDO conducted two missions to South Africa, as part of the programme's inception phase, to meet with relevant stakeholders, and assess and validate the project interventions, including public



and private partnerships, types of training based on skills gaps analysis, project sites and targeted businesses along the value chain. Similar scoping missions are planned for Zambia and Mozambique in early 2022.

#### 4.4.2.1 Funding

ERP ID	Completed project / sub-Programme title (Since start of the PCP)	Donor	Funding (US\$)
140279	Zambian Industrial Training Academy (ZAMITA) Phase I	Sweden	1,387,112
150250	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
		<b>Sub-total:</b>	<b>1,427,420</b>

ERP ID	Ongoing project / sub-Programme title	Donor	Funding (US\$)
190181	Zambian Industrial Training Academy (ZAMITA) Phase II	Sweden	1,905,763
200069	The Project for Promoting Youth Employment through Construction Equipment Operating Skills Training	Japan	3,181,859
200187	Increasing Competitiveness and Market Orientation of Innovation-Driven Goat Processing Value Chains in the Republic of Zambia (PA phase)	UNIDO	27,993
190143	Opportunities for Youth in Africa: Accelerating job creation in agriculture and agribusiness (regional programme, PA phase)	Italy, UNIDO TF for Food Security through Agribusiness	100,000 <sup>6</sup>
200226	Supporting livelihoods through skills training and capacity building in the SADC region (regional programme)	Finland	205,550 <sup>7</sup>
		<b>Sub-total:</b>	<b>5,466,165</b>

#### 4.4.3 FOCUS AREA 3: VALUE ADDITION

The new Government of Zambia is committed to enhancing private sector engagement and the country's participation in regional and global value chains. The country's manufacturing sector needs to be further diversified and strengthened for value addition and reduced dependency on mining and mono-crop maize. To facilitate this, investment promotion efforts and access to finance should be improved for the private sector, especially MSMEs. New partnerships are also needed to further develop the available manufacturing infrastructure, including through special economic zones (SEZs) and industrial parks. As stipulated in the 2022-2024 Medium-term Budget Plan, the Government will reinvigorate the programme of multi-facility economic zones and industrial parks to attract investment and foster structural transformation and diversification.

<sup>6</sup> Total budget of the regional programme is USD 50 million. Currently, USD 601,076 have been mobilized.

<sup>7</sup> Total budget of the regional programme is USD 1,408,835.

Investment in value addition guarantees to open new opportunities for economic transformation and job creation driven by inclusive and sustainable industrial development. The 8NDP position paper acknowledges these challenges and underscores the under-utilization of Zambia's rich natural resources and little or no value addition within Zambia's supply chains. Guided by the national development priorities, the PCP is set to support the development of an efficient value chain system to accelerate the economic diversification, leading to increased shared prosperity through new jobs and increased national income.

***PCP Outcome 2: Selected priority sector firms adopt cleaner, more efficient industrial production practices and contribute to the establishment of a sustainable infrastructure in the country***

As an implementing agency of the Multilateral Fund for the Implementation of the Montreal Protocol (MLF), UNIDO supports developing countries to eliminate ozone-depleting substances (ODS). Due to the high consumption of hydrochlorofluorocarbons (HCFC) in refrigeration and air-conditioning, the **HCFC Phase-out Management Plan** aims to assist Zambia in decreasing the release of stockpiles of HCFC-22 through strict enforcement of licensing and quota systems, raising awareness of importers and suppliers on phase-out, training on good service practices relating to HCFCs, and inflow of refrigeration and air-conditioning (RAC) equipment using HFCs and hydrocarbons (HCs). The project is implemented jointly with UNEP as the lead agency and ZEMA as the implementing agency. In 2021, the remaining activities of the project were on hold due to the COVID-19 pandemic. Particularly, a delay was experienced with the implementation of customs and service sector training and procurement of equipment. Therefore, in November 2021, the Executive Committee of the MLF Executive Committee decided to extend the project until the end of 2023.

In December 2021, UNIDO and UNEP launched another joint initiative titled **Kigali HFC Implementation Plan**. Zambia ratified the Kigali Amendment on 15 March 2021 and is committed to phasing down the Hydrofluorocarbons (HFCs). The project will assist the Government of Zambia to develop the Kigali HFC Implementation Plan. In doing so, it will also consider lessons learned from the implementation of HCFC-related activities. The institutional arrangement and other infrastructures established under the HCFC will form the foundation for implementation of the Plan's activities. The training of refrigeration technicians and enforcement officers and other activities will be coordinated to ensure smooth and cost-effective implementation of HFC phase-down as well as sustain the HCFC phase-out.

The project **Promotion of BAT and BEP to Reduce uPOPs Releases from Waste Open Burning in the Participating African Countries of SADC Sub-Region** was approved by GEF in February 2016. The project comprises seven (7) participating countries namely Botswana, Eswatini, Lesotho, Madagascar, Mozambique, Tanzania and Zambia. All the participating countries are parties to the Stockholm Convention. Within its framework, the project aims to minimize unintentionally produced Persistent Organic Pollutants (uPOPs) releases in the open burning sector of participating countries in the SADC region through the introduction of best available techniques and best environmental practices (BAT/BEP) at selected priority demonstration sites. Due to the COVID-19 pandemic, participating countries have been experiencing difficulties in implementing project activities, causing delays in project completion. Based on the recommendations of the Project Steering Committee (PSC) meeting of 10 December 2020, a two-year extension of the project until May 2023 was requested of and approved by the Global Environment Facility (GEF) Secretariat, to complete the implementation of pilot demonstration projects in BAT/BEP, particularly in Lesotho, Madagascar and Zambia.

Furthermore, Zambia continued participating in UNIDO's **Programme on Energy Efficient Lighting and Appliances (EELA) in East and Southern Africa**. This regional initiative aims to support the development of vibrant markets for energy efficient lighting and appliances across East and Southern Africa. It is executed in cooperation with the East African Centre of Excellence for Renewable Energy and Efficiency (EACREEE) and the SADC Centre for Renewable Energy and Energy Efficiency (SACREEE), as well as the Ministries of Energy from participating





countries. The programme aims to improve policies and regulations for energy efficient lighting and appliances, with a focus on gender and climate responsiveness. For this purpose, a regional framework for lighting and harmonised [Minimum Energy Performance Standards \(MEPS\)](#) was developed for various product groups. This work will also involve addressing environmental issues such as the safe 'end of life' disposal of lighting and appliances, including disassembly and recycling.

In 2021, the project established a database of private sector associations and organized meetings with members of the associations, as well as webinars targeting the private sector in different countries. It also published a private sector guideline in three languages titled [Business opportunities in energy efficiency - Energy Service Business Models to foster energy efficiency in East and Southern Africa](#). Finally, it launched an [e-Learning Platform](#) with online training modules to support capacity development of various stakeholders from the energy sector. At the moment, two modules are available: Module 1 Introduction to markets for energy efficient lighting and appliances and Module 2 Lighting. In addition to participation in project activities on the regional level, Zambia reconfirmed its interest in the development of the national EELA initiative and more specifically in establishing a testing facility to assist in the implementation and enforcement of MEPS for refrigerators and air-conditioners. UNIDO prepared a concept note to this effect.

Zambia is also benefiting from the activities implemented within the framework of the global programme titled **Promoting ratification and early implementation of the Minamata Convention on Mercury**. The overall objective of this programme is to assist governments and communities heavily impacted by mercury pollution to start implementing the Minamata Convention, while also seeking synergies with other chemicals and waste related international conventions. Such actions will improve the protection of human health and the environment from the adverse effects of global pollutants at the national, regional and global levels. In Zambia, UNIDO is collaborating closely with the Zambia Environmental Management Agency (ZEMA) on the implementation of the programme's activities. In 2021, the programme experienced challenges related to the COVID-19 pandemic, particularly in terms of promotion of programme results in the field. Face-to-face meetings were previously a significant element of the programme's outreach and communication strategy. As an alternative, the programme developed and launched new solutions, notably online promotion of the results and development of a project proposal for a potential follow up project.

Lastly, following its accreditation to the Green Climate Fund (GCF), UNIDO strengthened its partnership in 2021 with the Ministry of Energy, the Rural Electrification Authority (REA) and the Development Bank of Zambia (DBZ) to launch a new GCF-funded initiative **Promoting renewable energy based mini-grids for productive uses in rural areas of Zambia**. The partners submitted the project proposal to the GCF Secretariat for consideration, through the National Designated Authority (NDA). The proposed project would launch seven renewable energy (RE) mini-grids for a total capacity of 1 MWp and promote their productive uses by MSMEs (e.g. for solar milling, cooling for agricultural product storage, refrigeration for medicines, etc.). The new facilities would also serve to enhance energy storage capacities. The initiative would build on the mini-grids business model to improve investors' confidence and help kick-start private-led mini-grid investments across the country. Such development can increase the resilience of rural communities (36,200 estimated direct beneficiaries) that would gain access to new clean energy sources and receive support to utilize these for productive uses. The project also aims for a reduction in GHG emissions (79,800 tCO<sub>2</sub>eq), resulting from clean energy access through construction of solar PV mini-grids (2MW = 80kW x 25 sites). Overall, the project would unlock more private sector participation to increase power distribution to remote areas of Zambia.

***PCP Outcome 3: The Government and relevant FIs collaborate with UNIDO on the establishment of new SEZs, and selected existing SEZs and priority sector firms adopt improved management practices and new technologies – all contributing to modernised, more competitive and more productive industrial processes***

The **COMESA Secretariat** played a critical role to facilitate the cooperation between Zambia and Zimbabwe, and engage relevant stakeholders and partners to support their cooperation. **Zambia** and **Zimbabwe**, as COMESA Member States, signed a cooperation agreement in the field of industrialisation on 18 March 2021 and identified the development of a **common agro-industrial park** as one of the flagship initiatives of their Joint Industrialisation Programme. This initiative would boost the prospects of cross-border investment between the two countries, advance regional value chain development, and sustain structural transformation. This cooperation, without doubt, also drives COMESA's regional economic integration, as

well as both Zambia and Zimbabwe’s capacities to tap into the growing regional market, including business opportunities under the African Continental Free Trade Area (AfCFTA) Agreement. Upon request by the COMESA Secretariat, UNIDO will conduct a feasibility study for the establishment of a common IAIP between Zambia and Zimbabwe, under the IDDA3 framework and as part of the countries’ Joint Industrialisation Programme. Additional partners in the initiative include the UN Economic Commission for Africa (ECA) and African Development Bank (AfDB). The IAIP will promote opportunities for industrial synergies and investment linkages for targeted agricultural value chains integration and development, including MSMEs. It will contribute to the PCP focus area ‘Value addition’.

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

Within the framework of the inter-regional programme **Supporting business-friendly and inclusive national and regional policies, and strengthening productive capabilities and value chains**, UNIDO worked closely with the ZDA, the MCTI, the ZAM, the ZACCI and representative bodies of EU investors in the country. Notably, capacity-building and technical support were provided to investment promotion institutions to strengthen investment retention and mobilization across all priority sectors including agro-processing, and manufacturing in alignment with the 7NDP.



More specifically, the ZDA and UNIDO signed an Agreement on the development of a Business Directory in August 2021. UNIDO subsequently organized eight trainings to support the establishment of the new Business Directory at ZDA with an initial database of 1,100 enterprises. Additionally, three workshops were held on the Digital Investment Profiling System, engaging 42 participants in total. Another three trainings were held on investment opportunity profiling with the ZDA and the MFNP, engaging another 50 participants. Lastly, a field visit was organized with ITC and ZDA to the Premier MPCSC Cooperative and Lionde Zulu Weavers in Lusaka, to get a first-hand assessment in identifying and profiling investment opportunities within the cotton sector. The project also awarded a subcontract to ZDA and ZAM for investment opportunity profiling work in December 2021.

**4.4.3.1 Funding**

ERP ID	Completed project / sub-Programme title (Since start of the PCP)	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
190010	Supporting infant food manufacturing in Zambia (PA phase)	UNIDO RPTC	19,811
		<b>Sub-total:</b>	<b>665,545</b>





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
210281	Kigali HFC implementation plan	Montreal Protocol	39,000
210130	Promoting renewable energy based mini-grids for productive uses in rural areas of Zambia (PA phase)	Regular TC Programme	81,820
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 <sup>8</sup>
150415	Promoting ratification and early implementation of the Minamata Convention on Mercury (global programme)	Switzerland	30,000 <sup>9</sup>
190108	Energy efficient lighting and appliances project in Southern and Eastern Africa (regional programme)	Sweden	1,800,000 <sup>10</sup>
170049	Supporting business-friendly and inclusive national and regional policies, and strengthening productive capabilities and value chains (inter-regional programme)	EU	728,500 <sup>11</sup>
<b>Sub-total:</b>			<b>3,678,641</b>

ERP ID	Pipeline project / sub-Programme title	Donor	Funding (US\$)
TBC	Mercury emission reduction and control in the non-ferrous metals and cement sector	UNEP, ZEMA	2,000,000
TBC	Development of an IAIP	TBC	TBC
TBC	Strengthen technical capacities for effective appraisal of projects and public investment management	TBC	TBC
<b>Sub-total:</b>			<b>TBC</b>

#### 4.4.4 COORDINATION

##### **PCP Outcome 6: Improved coordination and mobilization of stakeholder support for Zambian industrial development priorities**

This Outcome relates to the successful coordination of the PCP, under the NCB leadership and with UNIDO's operational support. This includes PCP partner and resource mobilization efforts, communication and advocacy activities, and keeping track of progress in programme implementation, in line with the annual work plan. Monitoring against this outcome is particularly focused on gathering and acting on lessons learned identified during PCP implementation.

In terms of coordination, UNIDO and the Government held several meetings to discuss and finalize the PCP document as well as coordinate on various PCP and UNIDO global forum activities. This included the 9<sup>th</sup> Ministerial Conference of the LDCs that was chaired by the Minister of Commerce, Trade and Industry. UNIDO and MCTI also worked closely on the revision of the NCB ToR, which was necessary to align the PCP coordination mechanism with the institutional changes resulting from the Government restructuring after the 2021 General Elections. Additional meetings were organized with

<sup>8</sup> Total budget of the regional programme is USD 6,615,000.

<sup>9</sup> Total budget of the global programme is USD 1,016,049.

<sup>10</sup> Total budget of the regional programme is USD 5,889,306.

<sup>11</sup> Total budget of the inter-regional programme is USD 16,270,460.

other Government entities including the Ministry of Energy, Ministry of Fisheries and Livestock, as well as REA to discuss new TC initiatives. Overall, the partner mobilization efforts engaged 5 different Government entities, 5 intermediate institutions, 3 financial institutions, and more than 10 various bilateral partners, regional and global development actors.

The efforts facilitated the launch of three new TC initiatives (2 national and 1 regional) in 2021, mobilizing almost USD 3.5 million for the PCP technical portfolio, under the PCP focus areas of ‘Skills development’ and ‘Value addition’. In addition, the efforts resulted in leveraging Government support in the amount of USD 21.4 million directed towards the PCP focus areas of ‘Skills development’ and ‘Value addition’. Strong support was also provided to partner coordination and development of a project proposal on rural electrification, which is envisioned to receive financial support from the GCF.

#### 4.4.4.1 Funding

ERP ID	Ongoing project / sub-Programme title	Donor	Funding (US\$)
190132	Programme for Country Partnership Zambia (programming and coordination)	UNIDO, PTF-China	347,958 <sup>12</sup>
		<b>Sub-total:</b>	<b>347,985</b>

#### 4.4.5 CROSS-CUTTING INTERVENTIONS

**Mainstreaming Gender Equality and Women’s Empowerment:** Women remain underrepresented and professionally disadvantaged in industry. The PCP will support Zambia in reducing gender inequalities by ensuring that Gender Equality and the Empowerment of Women (GEEW) principles are addressed and mainstreamed across all PCP pertinent technical initiatives and projects. GEEW features strongly in the newly launched regional programme “Supporting livelihoods through skills training and capacity-building in the SADC region”, for example. The programme places a strong emphasis on engaging with female-led MSMEs through its activities, targeting young women to join the trainings as well as implementing an outreach campaign for employers, industry, schools and youth in Zambia, to promote the water skills technician programme as well as raise awareness on gender equality, in an attempt to increase female participation in the new programme.

**Mainstreaming Youth:** Zambian youth are facing increasing challenges in obtaining employment. The PCP Zambia will complement the existing youth-oriented national policies and strategies by ensuring specific emphasis on youth in the planning, outreach, delivery and M&R activities, including driving youth-based entrepreneurship programmes, such as the ones developed through OYA, ZAMITA and the Project for Promoting Youth Employment through Construction Equipment Operating Skills Training.

<sup>12</sup> Additional USD 500,000 to be mobilized, potentially through the PTF.



## 5. Response to COVID-19

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Since March 2020, UNIDO continued regular updates of the PCP Contingency Plan, in coordination with the MCTI, to reduce potential risks imposed by the COVID-19 related restrictions. 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". UNIDO also worked closely with the UNCT in Zambia to undertake the COVID-19 Recovery Needs Assessment (CRNA), which would support the Government in responding to the effects of COVID-19 in the development of the 8NDP. Moreover, the CRNA findings informed the CCA formulation and subsequently the ongoing development of the UNSDCF 2023-2027. 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. 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 and agricultural sector. As preparation for potential future health crises, the MCTI, UNIDO, EU and GIZ have continued discussions on a joint elaboration of a strategy for the development of the Zambian pharmaceutical sector.

In order to facilitate the socio-economic recovery of the country, the PCP Zambia will aim to facilitate the launch of UNIDO's COVID-19 Industrial Recovery Programme (CIRP) in Zambia. Through the PCP Component 1: Evidence-based industrial policymaking and statistics, CIRP should assist with policy development, design and implementation of strategies and specific sectoral programmes for economic recovery and resilience strengthening in the identified priority sectors. Furthermore, significant support to MSMEs and their recovery from the COVID-19 related crisis is envisioned through the PCP Component 4: Value chain development. Zambia recorded economic losses within supply chains on national and regional levels due to COVID-19-related closures and lockdowns disrupting the production. Technical assistance to build capacities, strengthen special economic zones and support the establishment of new agro-industrial 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 innovation capabilities, which result from long-term investments in science, technology and innovation (STI). The PCP will thus support the sector-specific uptake of 4IR technologies as well as the 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 institutes, 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. Communication

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The PCP Annual Communication Plan for 2021/2022, prepared by UNIDO, has been approved by the Zambia's MCTI, in its function as the Chair of the PCP National Coordination Body. This document outlines the PCP communication objectives, targeted audiences, activities and a timeline for their implementation in the period of 2021 and in 2022. All the convening activities proposed in the Plan will be organized in consultation with and through the support of the MCTI, and in line with the MCTI's relevant communication, advocacy and media strategies and tools. Whenever possible, UNIDO and MCTI agreed to seek to organize joint activities with the PCP cooperating partners and other UN agencies, following the UN principle of Delivering as One.

The envisioned promotional materials and communication tools include printed and digital materials, the PCP website and social media, press releases and event organization. In 2021, the MCTI and UNIDO organized the PCP Zambia signing ceremony and promoted the programme during the UNIDO 9<sup>th</sup> Ministerial Conference of the LDCs as well the GC.19 exhibition and the UNIDO Eighth ISID Forum. In addition, the PCP has been promoted and referenced during the UNCT Retreat, collaborative meetings and other joint activities. Furthermore, the [PCP Zambia website](#) has been regularly updated and work commenced on the PCP Zambia brochure.

In addition, three national newspapers released online articles reporting on the signing of the new programme. These efforts have reached over 1,500 representatives of various stakeholder groups, ranging from Governments, financial institutions, academia, UN agencies and other development actors.

The PCP has also been referred to in the press releases by UNIDO programmes and projects that are implemented within the PCP framework. This concerns the newly launched "Project for promoting youth employment through construction equipment operating skills training" and the inter-regional programme "Supporting business-friendly and inclusive national and regional policies". Moreover, a special edition of the UNIDO's Directorate of Programmes, Partnerships and Field Coordination Newsletter was issued focusing on PCP Zambia.



## 7. Upcoming milestones and major results expected in 2022

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Building on the long-standing collaboration with the Government of Zambia, and particularly on the recent Government commitments towards the PCP implementation, UNIDO will support the official launch of the PCP Zambia in early 2022, at the highest political level in the country and involving key partners and donors, and the Government's organization of the first meeting of the NCB.

In terms of the PCP technical portfolio, it is expected that some of the pipeline initiatives that were discussed with partners and donors in 2021 will materialize in 2022. This particularly relates to the formulation of a strategy for the Zambian pharmaceutical sector and the mid-term review of the NIP 2018, the GCF-supported initiative on rural electrification, the establishment of the common IAIP between Zambia and Zimbabwe under COMESA Secretariat's facilitation and the project targeting increased competitiveness, innovation and market orientation in the Zambian goat-processing value chain.

UNIDO will also continue to align its interventions serving as a contribution to the European Union-Zambia Multi-Annual Indicative Programme for the period 2021-2027, emanating from the convergence between the EU's interests and values and the country's priorities listed in its 7NDP and the country's Vision 2030. In this context, ongoing meso-level work on investment retention and new investment mobilization will continue. New areas of collaboration will be explored, particularly in relation to the main priority areas of i) green partnerships for sustainable recovery, growth and decent jobs and ii) supporting the people of Zambia to reach their potential and build resilience. Joint UN initiatives shall also be pursued and funding opportunities through the GEF and the Adaptation Fund examined, in collaboration with relevant Government counterparts and stakeholders.

It is anticipated that the PCP Zambia will start operating under a new UNCT configuration in 2022, guided by the new UNSDCF 2023-2027 and the 8NDP 2022-2026 frameworks. UNIDO will therefore continue participating in the UNSDCF and 8NDP formulation process, in order to ensure the inclusion of ISID as one of the priority areas and to position the PCP and its implementation strategically, in line with the strategic directions stipulated in the UNSDCF and the 8NDP.

To support monitoring and reporting (M&R) on the programme's progress and implementation, a baseline study is planned in the first quarter of 2022. The study will finalize the results framework's indicators, baseline and target values and propose the relevant M&R tools and practices (data collection methods). The final report of the study will be submitted to MCTI for review and to the PCP NCB for a final approval.

Furthermore, promotional materials shall be produced in both digital and printed format and outreach activities in line with the PCP Communication Action Plan 2021/2022.



## Annex 1: PCP portfolio overview – UNIDO TC

ERP ID	PCP focus area	Completed project / sub-programme title (since start of the PCP)	Donor	Funding (US\$)
140279	Skills development	Zambian Industrial Training Academy (ZAMITA) Phase I	Sweden	1,387,112
150250	Skills development	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
120210	Value addition	Upscaling Small Hydropower Plants (SHP) Mini-Grid Development in Zambia to Deliver Renewable Energy for Productive Uses	UNIDO RB, Zambia	645,734
190010	Value addition	Supporting infant food manufacturing in Zambia (PA phase)	UNIDO RPTC	19,811
			<b>Sub-total:</b>	<b>2,092,965</b>

ERP ID	PCP focus area	Ongoing project / sub-programme title	Donor	Funding (US\$)
190181	Skills development	Zambian Industrial Training Academy (ZAMITA) Phase II	Sweden	1,905,763
200069	Skills development	The project for promoting youth employment through construction equipment operating skills training	Japan	3,181,859
200187	Skills development	Increasing Competitiveness and Market Orientation of Innovation-Driven Goat Processing Value Chains in the Republic of Zambia (PA phase)	UNIDO	27,993
190143	Skills development	Opportunities for Youth in Africa: Accelerating job creation in agriculture and agribusiness (regional programme, PA phase)	Italy, UNIDO TF for Food Security through Agribusiness	100,000 <sup>13</sup>
200226	Skills development	Supporting livelihoods through skills training and capacity building in the SADC region (regional programme)	Finland	205,550 <sup>14</sup>
105306	Value addition	HCFC phase-out management plan (stage I)	Montreal Protocol	139,321
190207	Value addition	HCFC phase-out management plan (stage II)	Montreal Protocol	60,000
210281	Value addition	Kigali HFC implementation plan	Montreal Protocol	39,000
210130	Value addition	Promoting renewable energy based mini-grids for productive uses in rural areas of Zambia (PA phase)	Regular TC Programme	81,820

<sup>13</sup> Total budget of the regional programme is USD 50 million. Currently, USD 601,076 have been mobilized.

<sup>14</sup> Total budget of the regional programme is USD 1,408,835.



ERP ID	PCP focus area	Ongoing project / sub-programme title	Donor	Funding (US\$)
150060	Value addition	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 <sup>15</sup>
150415	Value addition	Promoting ratification and early implementation of the Minamata Convention on Mercury (global programme)	Switzerland	30,000 <sup>16</sup>
190108	Value addition	Energy efficient lighting and appliances project in Southern and Eastern Africa (regional programme)	Sweden	1,800,000 <sup>17</sup>
170049	Value addition	Supporting business-friendly and inclusive national and regional policies, and strengthening productive capabilities and value chains (inter-regional programme)	EU	728,500 <sup>18</sup>
190132	Coordination	Programme for Country Partnership Zambia (programming and coordination)	UNIDO, PTF-China	347,958 <sup>19</sup>
			<b>Sub-total:</b>	<b>9, 447,764</b>
<b>PCP total</b>			<b>US\$ 11,540,729</b>	

ERP ID	PCP focus area	Pipeline project / sub-programme title	Potential donor	Estimated funding (US\$)
TBC	Policymaking	Pharmaceutical strategy formulation	TBC	TBC
TBC	Policymaking	Establishment of Industrial Statistics and Intelligence System in Zambia	TBC	TBC
TBC	Policymaking	Revision of the MSME Development Policy	TBC	TBC
TBC	Value addition	Mercury emission reduction and control in the nonferrous metals and cement sector	UNEP, ZEMA	2,000,000
TBC	Value addition	Development of an industrial park	TBC	TBC
TBC	Value addition	Strengthen technical capacities for effective appraisal of projects and public investment management	TBC	TBC
			<b>Sub-total:</b>	<b>TBC</b>

<sup>15</sup> Total budget of the regional programme is USD 6,615,000.

<sup>16</sup> Total budget of the global programme is USD 1,016,049.

<sup>17</sup> Total budget of the regional programme is USD 5,889,306.

<sup>18</sup> Total budget of the inter-regional programme is USD 16,270,460.

<sup>19</sup> Additional USD 500,000 to be mobilized, potentially through the PTF.

## Annex 2: Investments leveraged by the PCP, including forecast for 2022

Parallel Funding (US\$)							
Partner	Link to PCP	Type of funding	2019	2020	2021	Cumulative total	2022 (Pipeline)
Government of Zambia	Skills development programme (intended to increase access to TEVET, offer quality and relevant TEVET training, support construction, operationalisation and rehabilitation of training institutions)	National funding			USD 17.5M	USD 17.5M	
	PCP focus area: Skills development						
Government of Zambia	Development of inclusive agri-cultural value chains and exporting value-added agricultural commodities	National funding			USD 3.9 M	USD 3.9M	
	PCP focus area: Value addition						
<b>Total</b>						<b>USD 21.4 million</b>	



For more information, please scan the QR Code to  
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