

The **ZIPAR** *Quarterly*



**In Search of Zambia's
'Hidden' Public Debt**

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Editorial Team

Executive Editor - Dr. Pamela Nakamba-Kabaso

Managing Editor - Euphrasia Mapulanga-Ilunga

Associate Editor - Shebo Nalishebo

Associate Editor - Zali Chikuba

Associate Editor - Mwanda Phiri

Message from the **EXECUTIVE DIRECTOR**



Welcome to this edition of the ZIPAR Newsletter. As always, we bring to you in-depth analysis on various topical issues in the economy. Recently, the debate on Zambia's public debt has been raging on with a cross section of the general public demanding answers to what really is the true size of Zambia's public debt stock. There is a growing concern from a number of analysts who believe that the true level of public debt may be higher than what is being reported officially. Our cover story strives to provide insights on the growing concern of "hidden debt" by answering the following questions:

1. How did we get to this point?
2. What is the scope and definition of public debt?
3. Why are there inconsistencies in some loan figures?
4. At what point does a loan contracted become part of the *debt stock*?

Another trending topic featured in this issue is the recent deployment of roadside speed cameras by the Road Traffic and Safety Agency and whether

these improve road safety. We also address the need for Zambia to rethink maize dependency for a staple in order to attain a more enriched lifestyle and a diversified and climate-change-resilient agriculture sector.

On the corporate side, ZIPAR recently completed the strategic planning process and we are pleased to announce a new Strategic Plan to guide our organisation over the next 4 years. With this new plan, ZIPAR has a new Mission: ***"To champion quality public policy by conducting credible research and analysis for sustainable development"*** and a new Vision: ***"A dynamic Think Tank of international repute influencing public policy"***. Read our article on this new plan in this issue to learn more about our strategies to have a greater impact on public policies. You can also find the Strategic Plan here ([link](#))

I hope you will find this article and many others in this edition very informative.

Dr. Pamela Nakamba-Kabaso
ZIPAR Executive Director

In search of Zambia's 'hidden' public debt



By Shebo Nalishebo

What is the true size of Zambia's public debt stock? That is the question on many people's lips since the International Monetary Fund (IMF) issued a red flag last year, warning that the country was at [high risk of debt distress](#). Zambia has breached one or more sustainability thresholds, but it does not currently face any repayment difficulties. In its report, the IMF contends that the present value of Zambia's public and publicly guaranteed external debt as a share of GDP rises gradually from 34.5% in 2017 to 44.3% of GDP in 2020 before gradually falling below the 40% threshold in 2024. The debt-service-to-revenue ratio temporarily breaches the 20% threshold in 2022 and 2024 when Eurobond payments become due. The other debt burden indicators are below their respective thresholds.

The Zambian Government has an impeccable track record of meeting its debt obligations, and Ministry of Finance officials contend a default is out of the question. But you know what they say: there is a first time for everything. Furthermore, an increasing number of analysts believe that the true level of public debt may be higher than what has been officially reported. Several things immediately come to mind at this point with regard to what is perceived as 'hidden debt' in Zambia: first, how did we get to this point; second, the scope and definition of public debt; third, inconsistencies in some loan figures; and fourth, the question of timing – at what point does a loan contracted become part of the debt stock?

How did we get here?

In a bid to bridge the large infrastructure gap and improve service delivery, excessive spending in the face of relatively low and flat revenues began emerging in 2012, and by 2013 the fiscal deficit on a cash basis reached 5.4% of GDP. Lack of adequate policy response to external and domestic shocks weakened Government revenues and led to significant spending overruns and the fiscal deficit widened to 9.4% of GDP in 2015.

To bridge its increasing and arguably unsustainable spending, Government resorted to massive external borrowing. It tapped into the international capital markets to increase its financing options. Commercial borrowing became a prominent feature of external financing substituting multilateral and bilateral sources. Further, the liquidity crunch that ensued in the fourth quarter of 2015 following the sharp tightening in monetary policy by Bank of Zambia led to a rapid accumulation of arrears. These developments have resulted in a considerable change in Zambia's debt structure.

The country has thus been on a steep learning curve, with increasingly more sophisticated debt management involving a shift from concessional to more market-based financing. You now hear mention of 'restructuring', 'refinancing' and 'buy-backs', jargon scarcely understood by people outside the field of finance. Further, Government has to deal with a considerable amount of arrears, is increasingly involved in transactions of on-lending to subnational entities and extending guarantees of various types to other Government institutions, thereby increasing fiscal risks.

Defining 'public debt'

That Government chooses to report what some may perceive to be 'convenient truths' really depends on how the debt is treated. There is no internationally agreed measure of public debt; it can be defined for different types of public institutions (Central Government, General Government or Public Sector) and/or on a cash, accrual or commitment basis. Public debt in Zambia is often reported for the Central Government only, with or without arrears and with or without publicly-guaranteed debt. Based on the official external debt of US\$9.4 billion, K51.9 billion in Government securities, K13.9 billion in arrears and guarantees of about US\$2.7 billion, public debt as a percentage of 2018 estimated GDP can plausibly be as low as 53% or as high as 67%, depending on whether or not arrears and guarantees are included. So whatever the true size of the debt, hidden or unhidden, our backs are already against the wall even with the current official estimates of public debt.

With regard to sovereign guarantees, Government can issue a guarantee to institutions specified in the Loans and Guarantees Act (a corporate body established by any written law or one in which Government has shareholding, registered cooperatives and public utilities). Government (the guarantor) records contingent liabilities (or potential liabilities) when the guarantee is issued and it monitors to ensure the institutions are making payments. Government only records it as a liability and assumes the debt obligation of the borrower if that borrower defaults. Further, a loan can be partially or fully guaranteed, making

Government liable for only a portion or all of the debt. With regard to arrears, they first have to be reconciled and audited among at least three Government institutions: the budget office, the office of the Accountant General/Controller of Internal Audit and the institution that has defaulted on its payments.

Inconsistencies

Regarding inconsistencies in debt numbers, consider the [green-field Ndola International Airport](#). It is unclear if the project cost is US\$397 million, US\$522 million or US\$580 million - all three figures have been mentioned by senior Government officials, but based on [annual economic reports from the Ministry of Finance](#), the most plausible value is US\$397 million. Differing figures floating around for the same project breeds suspicion. For consistency, Government officials and the Ministry of Finance must confirm loan contraction figures before issuing them.

At what point does a contracted loan become part of the debt stock?

Based on information from the IMF's 2017 Debt Sustainability Analysis on loans in the pipeline, Government will disburse approximately US\$3.5 billion in new non-concessional loans over the next five years, on top of US\$4 billion in already contracted loans, mainly to support capital projects.

We answer this by considering the loans contracted during 2012-2017 which amounted to US\$11.2 billion. That works out to an average of US\$1.8 billion per year. In the same period, the stock of public external debt increased by US\$6.7 billion (or an average of US\$1.1 billion per annum). That gives a contracted loan to debt stock ratio of 60%. This shows that not all contracted loans immediately get into the debt books. Loans for huge capital projects are disbursed at different times of the life of the project as is the case with the Ndola International Airport, in which Government contracted US\$337.6 million for the project in 2016, and US\$59.6 million in 2017.

From the above, it seems far-fetched that Government number crunchers are deliberately hiding debt [à la Mozambique](#). However, the ball is really in Government's court to be consistent, transparent and provide regular updates, clarity and detail on the debt position. Several measures of debt should be produced, and reconciled, to paint a full picture of public finances. A good starting point is the Government's most recent debt sustainability analysis, which we are all eagerly and impatiently awaiting. This report will not only show the current state of play but also give us an idea of the medium and long-term outlook. Should Government keep those numbers under wraps, it will only add fuel to the already blazing flames of doubt and mistrust.

Cost of repaying high Government debt hitting Zambians

....as social sector spending is squeezed



By Euphrasia Mapulanga-Ilunga



Mrs. Elizabeth Sishimba from the Senior Citizens Association of Zambia speaking during a panel discussion at the ZIPAR-UNICEF-CSPR Public Discussion on Zambia's public debt and service delivery at the Taj Pamodzi Hotel, Lusaka on 30th August 2018. To her left: Prof. Oliver Saasa, Economist and Mr. Samson Muradzikwa, Chief Social Policy and Research, UNICEF, Zambia

An increase in Government spending on debt-interest payments, which takes up almost 1 in every 4 kwacha that the Government raises in domestic revenues has squeezed spending on social services such as the public service pension fund, social cash transfers and the economic empowerment programmes.

In an analysis of Government spending published by ZIPAR on 30th August 2018, findings show that while Government spending on debt interest payments for the first half of 2018 was much more than planned (K9.1 billion spent in comparison to K6.2 billion budgeted for), spending on key social sectors are not receiving promised funding for example, only 27% of the budget for Social Cash Transfers has been dispersed.

Government debt, including arrears, has increased in recent years and at the end of June 2018 it stood at about 58% of GDP. This is in the territory of unsustainable debt levels. In October 2017, the IMF issued a red flag that Zambia was at high risk of debt distress.

ZIPAR points out that this increase in debt is having real world implications for ordinary Zambians. For example, support to social protection programmes aimed at protecting the poor is likely to suffer a set-back. Support for

the 574,000 poor households who in 2018 are intended to receive Social Cash Transfers appears to have been hit. The cost of this programme for the whole year is approximately K822 million, which means that half way through the year Government is expected to have disbursed close to K411 million. However, at mid-year, only K197 million was disbursed, only enough to pay for one bi-monthly payment cycle.

ZIPAR commends Government for taking steps to manage the growing debt by publishing a medium-term debt strategy (MTDS). This will enable Government to plan and negotiate the best available new borrowing and financing options. It will also improve debt management capacity through restructuring the debt office and ensuring the credibility of debt data.

However, the plan does not spell out clear intentions to reduce the rate of debt

accumulation, neither does it specify measures to ease debt distress and return Zambia to low levels of risk. To address the challenges raised in the analysis, ZIPAR recommends that Government needs to **prioritise expenditure on projects that stimulate growth and human development**, such as schools and health facilities.

ZIPAR reiterates that **reducing the risk of debt distress requires strong and sustained fiscal consolidation**, including taking measures to limit spending overruns and improve domestic resource mobilisation.

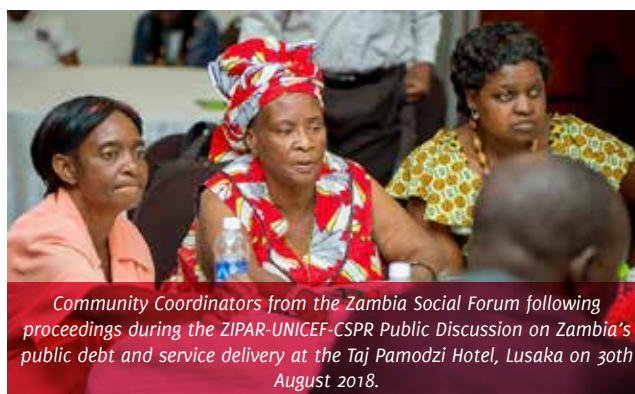
ZIPAR recommends that, **Government debt management needs to be backed by legislation**. The revised Loans and Guarantees (Authorisation) Act would be a useful tool to manage debt. The Act should include measures that mandate a review of the MTDS on a rolling basis through regular

Quote on ZIPAR analysis by **Mr. Patrick Nshindano**, Executive Director-Civil Society for Poverty Reduction:

“ZIPAR is right to highlight the consequences of the cost of repaying high debt on ordinary Zambians. The crowding out effect of debt on social spending has pushed more citizens into the poverty trap as a result of weak social protection programmes. Disbursements for programmes including social cash transfers are delayed and have become increasingly erratic subjecting the poor Zambians to hunger and even death”.

debt sustainability analyses. The Act should specify the setting out of fiscal rules on Government budgetary allocations which will influence political decisions of the executive and the legislature in the management of fiscal affairs.

The think tank further proposes the introduction of debt ceilings expressed in relation to the size of the economy and the law should be clear that all public debt-related activities should be carried out in compliance with the Debt Strategy with legal consequences of non-compliance enforced.



Community Coordinators from the Zambia Social Forum following proceedings during the ZIPAR-UNICEF-CSPR Public Discussion on Zambia's public debt and service delivery at the Taj Pamodzi Hotel, Lusaka on 30th August 2018.

Zambia's Unfinished Business with the IMF



By Caesar Cheelo

Following Zambia's experience of economic malaise in 2015, for nearly two years, the Government negotiated an International Monetary Fund (IMF) loan to support the Economic Stabilization and Growth Programme (ESGP) also known as Zambia Plus. To date, the negotiation has not been unsuccessful, mainly because the IMF is reluctant to lend support under Zambia's current fiscal performance conditions.

In 2016, the initial informal talks between the Fund and the authorities stalled as the Fund was hesitant to formalize the engagement while general elections were pending. The uncertainty arising from the political "heat" in the run-up to the election rendered any substantive negotiations potentially futile.

In the first half of 2017, the negotiations seemed promising. The main hiccup was the absence of a homegrown economic programme considering that at the time the ESGP was still being drafted. By the time the ESGP was finally launched in September, new information reaching the IMF had set off serious alarm bells inside the Fund. In November, the IMF's Communications Director Gerry Rice announced that the negotiations had been suspended:

"Where we are on Zambia is that discussions on a new arrangement were put on hold in August of this year after the authorities unveiled large borrowing plans that we believe threatened that sustainability... the discussions will need to progress and provide greater clarity, including on fiscal policy commitments and credible borrowing plans consistent with debt sustainability."

On 13 July 2018, Rice reiterated that discussions with Zambia remained suspended because the Government's borrowing plan would compromise the country's debt sustainability and undermine its macroeconomic stability.

Clearly, the IMF's biggest worry was the rapidly accumulation of public debt. The debt rose from 19% of GDP in 2010 to 60% by the end of 2016, placing the country at high risk of debt distress.

Nonetheless, the authorities remained resolute about clinching a deal. The 2018 Budget Address emphasized that based on the spending plans presented in the Medium term Expenditure Framework and the Budget, the Government would continue to engage the Fund in October 2017 and beyond, towards securing a support for Zambia Plus. This has pushed many observers and commentators to ask why the fiscal authorities are so insistent on IMF support. Is further debt really justifiable when the country already has a 60% of GDP debt overhang (2016)?

Here are five compelling reasons, which have most likely been on the authorities' minds as they have pursued the now protracted IMF deal:

Affordable finance: IMF financing would be secured as a concessional zero-interest loan. This will be significantly more affordable than commercial borrowing from domestic and international markets. Domestic borrowing through government securities was around 14.9% (compound Treasury Bill yield rate) and 18.1% (compound Government bond yield rate) in the first half of 2017. International borrowing of Zambia's Eurobonds – based on interest rates at which bonds were trading during January to June 2017 – was to 7.0-8.3% over January to June 2017 in US dollar terms. Comparatively, the concessional or zero-rated IMF loan would be a much cheaper option than domestic and international borrowing.

Sizable financing: Zambia would be eligible to about US\$1.3 billion over a 2-3 year programme period under an IMF-supported programme. This is a sizable amount; it would be enough to reduce the debt service burden from 17.4% to 8% of total budgetary expenditure in 2019 and from 13.6% to 4.9% in 2020. This would result in fiscal savings equivalent to K6.5 billion per year.

Technical assistance on macroeconomic management: Because of its mandate to oversee the international monetary system and monitor the economic and financial policies of its 189 member countries including Zambia, the Fund possesses almost unlimited access to fiscal, financial and macroeconomic data in all of its members. Using a pool of highly competent global experts, it is able to engage individual countries and offer credible technical assistance, giving proposals of prior actions or appropriate policy adjustments needed to restore stability and economic growth.

Transparency and accountability mechanism: because the IMF is mandated to pry into the financial and macroeconomic affairs of its members, it is able to detect and candidly point out the potential policy and structural risks and realized policy slippages, which adversely affect stability and inclusive growth. In the way, it serves as an effective external accountability mechanism, pushes national authorities to be transparent and accountable for their policy decisions and actions, ultimately promoting fiscal discipline.

Signaling foreign investors and development partners: it is well known that the international community generally looks to the opinions of the IMF regarding where to invest and where not to. Development partners also use the IMF as their mast when deciding whether it is worthwhile to grant aid or development assistance. IMF endorsement through a loan support to the Zambia Plus programme will positively influence foreign direct and portfolio investment flows and will also encourage foreign aid flows to Zambia, both of which will strengthen the country's balance of payments position.

From the forgoing, it goes almost without saying that IMF support to Zambia Plus would be good for the country. However, the Government's business of negotiating with the IMF remains unfinished. Prospects currently seem rather bleak that Zambia will secure the desired deal given the mounting debt overhang and the unrelenting expansionary fiscal policy stance taken by the authorities.

Should Zambia's fortunes nevertheless change for the better so that an IMF deal is sealed, the authorities will still face the hurdle of stemming the spate of severe fiscal slippages that emerged in 2015-2017. This will be crucial for bringing the mounting debt under control, and harnessing and prudently utilizing the fiscal space anticipated from the IMF support.

Do speed cameras improve road safety?



By Malindi M. Chatora & John Mututwa



Drivers in Lusaka will now have to exercise extra caution when driving following the deployment of roadside speed cameras by the Road Transport and Safety Agency (RTSA) and the Zambia Police. A recent report by RTSA lists speeding as the leading cause of fatalities from road traffic crashes (RTCs). Zambia recorded 30,163 RTCs in 2017, a meagre 6.8 percent reduction from the 32,350 recorded in 2016. Lusaka alone accounts for nearly half of these RTCs, and a third of road fatalities. By furnishing roads with speed cameras, RTSA and Zambia Police hope that they will compel motorists to drive at safe speeds, thereby reducing the occurrence of RTCs.

Currently, speed cameras have been introduced along Kafue, Great East, Airport and Mumbwa Roads. These roads are known to carry the most traffic and have been identified as having high risk of traffic violations and RTCs. However, motorists should not become accustomed to the cameras being in the same spot as they are not fixed, *per se*. They will be moved to different locations depending on where traffic officers perceive over-speeding to be a common occurrence. Offending motorists will be issued automated offence reports via electronic means such as SMS.

As with other traffic offences, offending motorists will be given seven days to settle their fines. Motorists who choose to ignore these notices risk having their cases heard in court. Motorists with outstanding traffic fines will not be allowed to renew their road tax and will be denied other services until their cases are settled.

The question that inevitably arises is whether speed cameras are effective in reducing RTCs. As it turns out, a large amount of research shows that speed cameras actually reduce the number of RTCs. A 2010 review of studies investigating the efficacy of speed cameras reveals fewer crashes and fatalities in areas that had speed cameras, across a number of high-income countries. These studies show that the reduction in RTCs ranged from 8 percent to 49 percent, and 11 percent to 44 percent for fatal and serious injury crashes, respectively. Interestingly, these studies also show that RTCs fell even in areas beyond the camera sites.

In attempting to draw conclusions from other countries, it is important to realise that significant contextual differences may exist between Zambia and those countries that have recorded positive results. Road and vehicle conditions, driver training, driving culture and general regard for rules in Zambia may vary significantly from those in other countries, making precise comparison difficult. A recent RTSA report shows that driver practices such as cutting in, overtaking improperly and failing to obey other traffic rules as well as road and vehicle defects contribute to RTCs in Zambia. This implies that although Zambia may see a reduction in RTCs from the installation of speed cameras, it is unlikely to be as much as in other countries.

Therefore, the country needs to reinforce other road safety measures if the reduction in RTCs is to mirror what is observed in other countries. Specifically, authorities should strengthen road safety education campaigns if all road users, including cyclists and pedestrians, are to appreciate the benefits of road safety measures. This is especially so considering that pedestrians account for nearly half (49 percent) of all road fatalities. Hence, authorities should intensify efforts to raise awareness on safe road crossing behaviour among pedestrians and cyclists. Measures such as sidewalk, cycling lanes, and clearly marked pedestrian crossing points are also essential to reducing the risk of accidents among this group of road users.

Improving Zambia's road safety profile will also entail managing the behaviour of motorists to minimise tendencies such as drink driving and disregard of traffic rules.



Law enforcement agencies must continue to impose strict and harsh penalties on motorists violating traffic rules and regulations. Improving signage of speed limits, speed humps and other traffic calming measures, including providing signage reminding motorists that their speed is being monitored, can help manage motorist behaviour.

Although motor vehicle defects do not rank high on the causes of RTCs, ensuring better motor vehicle conditions can also contribute to overall road safety. The Zambia Institute for Policy Analysis and Research (ZIPAR) report on "Used Motor Vehicle Imports and the Impact on Transportation in Zambia" reveals that the proportion of motor vehicles without roadworthiness certification more than doubled from 14 percent in 2006 to 32 percent in 2013. Given that some RTCs and road fatalities have been linked to faulty vehicles, authorities should strictly enforce vehicle fitness measures. For example, vehicles with faulty tyres and brakes, defective lights, and smashed windscreens should not be allowed to operate on public roads.

Clearly, there is a lot of scope for enhancing road safety through the use of speed cameras as presented by evidence from other countries. However, for us to comprehensively see greater benefits from their installation, other aspects of road safety like road safety awareness campaigns and road signage must also be prioritised as well.

Rethinking Maize Dependency



By Chama Bowa-Mundia & Caesar Cheelo



Among many Zambians, statements such as, “if I haven’t eaten nshima I haven’t eaten food” are very common. For many, maize-meal nshima is the only thing that qualifies as “food”, pointing to a severe dependency on maize. But what most people may not know is that maize is not indigenous to Zambia. It was introduced and widely adopted across Africa supposedly during the course of the African slave trade eventually replacing more nutritious indigenous crops like sorghum and millet.

In the recent past and on more than one occasion, President Edgar Lungu has made an appeal to the nation to move away from maize dependency and begin to look to alternative foods. This appeal should be taken seriously because, if paid the right attention and done correctly, rethinking maize dependency for a staple could be a game-changer not only for a more enriched lifestyle but also for a diversified and climate change resilient agriculture sector.

Firstly, when it comes to an enriched lifestyle, looking to alternative foods



is important in resolving Zambia’s insufficient dietary diversity; one of the underlying reasons for high malnutrition levels. According to the 2014 Zambia Demographic and Health Survey, 40 percent of children under the age of 5 are stunted, 6 percent are wasted and 15 percent are underweight. Maize remains the most consumed food in Zambia making up to 49.4 percent of the average daily calorie intake according to the Food and Agricultural Organisation. Unfortunately, maize as is widely consumed (processed into refined mealie meal) is deficient in essential vitamins and protein. Coupled with this, maize meal nshima is on average consumed with insufficient protein and vegetables. Alternatives such as millet and sorghum on the other hand, are more nutrient dense foods; rich in all the essential vitamins and protein deficient in maize meal.

Notwithstanding arguments on the affordability of maize in comparison to other foods as one of the key reasons for the high consumption of maize, dietary diversity is still possible. This possibility stems from the fact that dietary practices go beyond resource factors such as income but equally determined by knowledge, psychological and socio-cultural factors among others. What we need as a nation is first and foremost a change in perception that maize meal nshima is the only “real” food. Therefore, indigenous nshimas made from millet, sorghum and cassava, together with other starches (pumpkins, butternut, and sweet potatoes) need to be equally embraced as “real” foods and alternates to maize meal nshima.

Secondly, rethinking maize

dependency is equally key in realising diversification in Zambia’s agriculture sector. Historically, Zambia’s agricultural policies and programmes such as the Strategic Food Reserves have equated food security to maize security. This has overly promoted maize production at the expense of other crops. Evidently, the majority of farmers lean on growing maize even in the light of the e-voucher system rolled out in the 2017/2018 farming season that extends the Farmer Input Support Programme (FISP) to a wider range of crops and agro-activities. Additionally, the maize value chain needs to be further extended beyond mealie meal. Maize can be processed into a variety of industrial products; stock feed, alcohol, ethanol, paper, insulation and adhesives, dyes etc. Accommodating these additional uses of maize, while at the same time ensuring the provision of adequate food for all, would require the production of alternate foods to increase. Clearly, Zambia’s agricultural policies and programmes should be reengineered as they stifle investments in other crops and hinder crop diversification efforts.

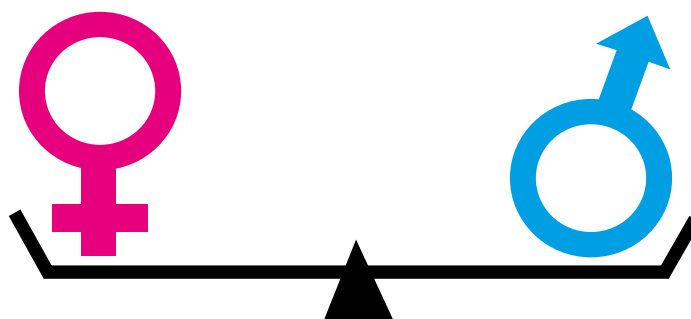
Lastly, on the environmental front, international observers continue to call for diversifying diets away from single-source staples like maize. This is in order to create more resilient and less risky food systems. Over-dependence on a handful of staples makes a country’s food supply extremely vulnerable to the impacts of climate change. These impacts include: increased pest surges (causing productivity losses both in quantity and quality); and a multitude of natural disasters such as droughts, floods and heatwaves among others. Evidently for Zambia, in recent farming seasons, dry spells and army worm attacks in many maize fields have been commonplace and resulted in productivity losses. Reducing dependency on maize by enhancing the production of diverse crops, would help mitigate these effects of climate change through recourse to alternative foods.

Looking to alternative foods beyond maize is a timely and critical call. It presents a three pronged opportunity; enhancing lifestyles in terms of nutrition, realising the long called for diversification of Zambia’s agriculture and increased climate change resilience.

Gender imbalances in Zambia's labour market: Why it matters



By Tamara Billima



The United Nations Development Programme (UNDP) Africa Human Development Report 2016 estimates that gender inequality is costing sub-Saharan Africa on average US\$95 billion a year which is the equivalent of six percent of the regions Gross Domestic Product (GDP). Africa is not achieving its full growth potential because women are not fully utilized. Women are engaged in low productive and low paying jobs, lack access to economic assets and to means of production. This is a concern as it jeopardizes Africa's efforts for inclusive human development and economic growth, reports UNDP. The UNDP asserts that if gender gaps can be closed in labour markets, education, health and other areas, then poverty and hunger eradication can be accelerated.

Like the rest of Sub-Saharan Africa Zambia is facing significant losses in productivity and economic growth due to gender inequality especially in the labour market. The reason is that Zambian women are mainly engaged in unpaid, low productivity and income jobs. The 2014 Labour Force Survey (LFS) shows that 52 percent of economically active females are mainly employed as contributing family workers (CFWs) compared to 17 percent of males. CFWs are unpaid workers assisting in the family business or farm. They are mainly wives (71 percent) or daughters (17 percent) supporting family businesses without a wage mainly in the agricultural sector. They are also young people under the age of 35 and concentrated around age group 20-24 years. For the females in employment, only 12 percent are paid employees. Among males on the other hand, a notable proportion (71 percent) are in paid employment. These jobs tend to be better paying, formal and offer sick

leave and pension/gratuity.

While fewer women than men are unemployed, women's jobs are less desirable compared to those of men. The CFWs which involves most of the women for instance have a higher poverty rate than any other type of employment. Women find themselves in these low quality jobs partly because of low education attainment and skills among them. Females are outnumbered by men in terms of educational qualifications as they account for only 26 percent of the employed population with University degrees compared to males at 74 percent. There are fewer females with secondary education (45 percent) and tertiary level but more women with nursery and primary education. Fewer women are getting higher education due to high dropout rates from secondary schools attributable to lack of education support, early pregnancies, early marriages and fewer secondary schools especially in rural areas. A ZIPAR Study estimates that an additional year spent in school leads to a 15 percent increase in earnings and that females have a higher return to education than males, but because fewer females than males get an extra year of school, women consequently earn less than men in Zambia.

Gender inequality especially in the labour market can be addressed by improving women's capabilities and opportunities and for Zambia this means transforming the employment status of women from unpaid work to productive and paid employment. Firstly this transformation requires increasing access to education and skills for women especially at higher levels such as secondary education and tertiary where women are fewer. It will

also require more support for girl-child education especially at secondary and tertiary level and also increasing the number of secondary schools in rural areas could help reduce the dropout rates from primary to secondary schools.

Secondly, for the 2.8 million females in the informal sector accounting for 91 percent of the employed females, access to micro-finance coupled with the provision of business development services can help improve their incomes from the current K1, 519 per month. As for the women categorized as CFWs; there is need to move them from this category to either the formal or informal sector. The 1.6 million women CFWs can potentially gain in income of about K8.4 billion per month if moved to the formal sector. However, given the low education levels among women, a realistic possibility would be to transform the CFWs to self-employment instead which would result in income gains of K2.4 billion per month ceteris paribus. This has the potential to increase effective demand and hence contribute to economic growth.

The economic cost therefore of the gender gap in the labour market is the loss in productivity, income and high poverty levels for women, especially those employed as CFWs who are unpaid and the self-employed in the informal sector. For Zambia, bridging the gap between males and females will require improvement in the education of females and also moving women from unpaid work into paid and decent jobs. This has the potential to contribute positively to economic growth and poverty reduction, after all females constitute the larger proportion of the population in Zambia.

Towards Better Social Protection Coordination: The Role of the Single Registry



By Felix Mwenge

The Zambian Government has in recent years increased budgetary allocation to social protection leading to unprecedented scale up of various programs. Nonetheless, until the launch of the 2014 National Social Protection policy, social protection interventions were being implemented without a coherent and harmonized policy framework which resulted in uncoordinated and fragmented efforts to reach the poor. Comprehensive and robust monitoring and evaluation systems to effectively evaluate the performance of key programs were also missing as a result. Based on this, the 2014 policy was built around ensuring better coordination.

Establishment of a Single Registry, which is a computer based database of beneficiaries across all social protection programs was recommended as one of the steps to take towards improving coordination quickly. This important subject formed part of the 2017 Social Protection Week discussions held by the Government, through Ministry of Community Development and Social Services in collaboration with the Ministry of Labour and Social Security and the United Nations from 27th November to 1st December 2017 in Lusaka.

From an operational perspective, the Single Registry is expected to facilitate for the oversight of multiple schemes. This may in turn help in avoiding duplication of certain activities such

as data collection and management which currently happen disjointedly. Similarly, the system will likely increase efficiencies in implementation: as information becomes clear through the registry it will be easier to make and trace payments for example. This way the registry can also help clean up the system of cases of fraud or avoiding double payments to the same beneficiaries. Furthermore, the system is likely to make it easy to facilitate and monitor transitions of beneficiaries between schemes as their beneficiary history can easily be traced.

From a policy perspective, the Single Registry System can contribute to increased responsiveness and inclusiveness of interventions due to the comprehensiveness and timeliness of data, aiding quick decision making. It will also likely increase transparency and accountability as information on beneficiaries will be readily available to many stakeholders. This means alterations to the list of beneficiaries can be easily traced which can help rid the system of unqualified people being included. The Single Registry is also likely to increase complementarity in implementation as different players and stakeholders can focus on separate components of the system, again increasing efficiency.

To date the Single Registry system is being piloted in five districts and Government hopes that it can be rolled out to all districts in the next three years. However, there are some challenges that need to be resolved before the system can go countrywide. These were extensively discussed during the Social Protection Week.

Firstly, the system is not only computer but also internet based. As one would fear, internet services in Zambia are quite poor which brings the feasibility of the system especially in rural settings into question. The system also suffers from lack of ICT technical capacity especially at the

local level as it is not easy to find ICT professionals to run the system in some districts.

Furthermore, Government reported that the Single Registry system also runs on ICT equipment that is quite expensive to acquire. This, coupled with the fact that the pilot has been considerably donor supported questions the sustainability of the system in the absence of donor support. The major concern is that while Government's resource allocation to social protection programs has been steadily rising in recent years, the pace is too slow to be able to reach as many people as need welfare assistance and at the same time finance the running of the Single Registry system.

The above challenges notwithstanding, the Single Registry presents an opportunity for Zambia to improve the coordination of social protection programs. There is need therefore, to mobilize and engage all the relevant stakeholders to support the system so that it achieves its intended objectives. This is an opportunity to utilize the multi-sectoral and integrated approach to program implementation that the Government introduced in the 7th NDP. Particularly, various institutions such as ZICTA which is in charge of ICT related issues should work closely with the Ministry of Community Development and Social Services to ensure internet services and ICT equipment are provided adequately.

Lastly, there is need for the Government to show more financial commitment towards social protection in general. The population of vulnerable people is unfortunately only increasing and the resource envelope to the sector should increase commensurately. This should not only be for providing benefits but also for investments in the development of administrative systems such as the Single Registry to improve coordination.

A New Chapter: FOCAC Meets Belt & Road Initiative



By Nakubyana Mungomba

In early September, Beijing is set to host the 2018 Forum on China-Africa Cooperation (FOCAC) summit. Since its establishment in 2000, FOCAC has been the main engine driving Sino-African cooperation. By the time of the last summit in 2015, China's funding commitments under FOCAC had grown to USD 60 billion from USD 5 billion in 2006.

However, there is a new global Chinese initiative that could potentially complement the FOCAC relationship: the Belt and Road Initiative (BRI). The BRI was first unveiled by President Xi Jinping in 2013 with the plan for China to underwrite billions of dollars of infrastructure investment along a historic Silk Route that connects China to Europe. In 2017, the Initiative was formally added to the Chinese Constitution, and thus became an integral part of Chinese global development cooperation.

In late July, President Xi visited Africa on a four-leg country tour that culminated in him attending the BRICS Summit in South Africa. During this visit, Senegal became the first country on the Atlantic coast to sign up to the BRI and was the first key indication that China is looking further afield for countries in Africa to be included in the BRI. Apparently, while the original roadmap for the BRI did not incorporate Africa, the Initiative appears open to countries off the old Silk Route.

For Zambia, one signal that the country is on China's radar for inclusion in the BRI came in the form of a meeting between ZIPAR and a high level Chinese think tank under the International Department of Chinese Communist Party. At the meeting, the China Center for Contemporary World Studies (CCCWS) sought to explore areas of potential China-Zambia cooperation under the BRI. The CCCWS also requested for suggestions on the upcoming FOCAC Beijing Summit, as well as the next Belt and Road Forum for International Cooperation.

This meeting was indication that China appears to be taking a keen interest in all countries for potential investment, particularly those with which they already have strong ties of cooperation. The bilateral relationship between Zambia and China already spans several decades, from the construction of the TAZARA railway. Indeed, the BRI has become such a fundamental part of Chinese foreign policy that wherever high-level Chinese officials go, the Belt and Road is likely to follow.

Given China's expressions of interest, if Africa as a whole and Zambia in particular are to seriously consider the opportunity presented by the BRI, they need to keep a couple of things in mind.

Firstly, all interested countries will want to get ahead of the diplomatic game and position themselves in such a manner as to understand the global conversation around the BRI. Here, the upcoming FOCAC summit presents an opportunity to interrogate and understand what the BRI would mean for countries in Africa both as individuals, and as regional communities. Moreover, FOCAC is likely to be the regional cooperation mechanism that carries out the BRI in Africa.

The Belt and Road Forum, which is likely to take place in 2019, presents an opportunity for an expanded group of African countries to engage with the BRI agenda; especially that

only four African countries – Kenya, Ethiopia, Egypt, and Tunisia – were represented at the last Forum, in Beijing in 2017.

Second, African countries will want to make their investment environment more attractive if they wish to appeal to projects under the BRI. However, projects under the Initiative are primarily financed by loans. Therefore, given the fact that many African countries currently face shrinking borrowing capacity, any agreements that are vied for and entered into under the Initiative must be both viable and sustainable. Globally, concern has been raised regarding the financing for BRI projects that has, in some cases, put a strain on the host country's ability to repay; particularly given the sheer magnitude of the projects that are undertaken. Therefore, while governments look to provide an enabling environment for the success of projects, this should not be done at the risk of unsustainable debt accumulation.

Furthermore, while the Initiative appears to provide easier access to finance for development projects compared to conventional sources, governments need to fully understand the terms of any contracts entered into under the BRI. For China, investments under the BRI are also strategic opportunities. Likewise, the host nation must therefore take a strategic approach and ensure that any agreement also works for them in the long run.

The BRI therefore presents an interesting new direction for Sino-African relations to take even under FOCAC, and Africa continues to be the next frontier for global initiatives and opportunities. At this stage, it is still unclear whether the BRI is a viable opportunity for Zambia. Nonetheless, as a country we should start formulating comprehensive and coherent long-term foreign cooperation policies to put ourselves in a position to take hold of opportunities like the BRI when they arise. But we must also be aware of the risks that might come with those opportunities and how to best mitigate them.

New plan for ZIPAR charts path to more public policy influence



ZIPAR making a presentation to the Parliamentary Public Accounts Committee in February 2018

A new ZIPAR Strategic Plan looks ahead to increased public policy influence as Zambia's Seventh National Development Plan (7NDP) gives priority to Research and Development (R&D) to support policy decisions to enhance the actualization of the development outcomes in all the strategic areas of focus.

With the new plan ZIPAR will pursue six strategic objectives namely; *Promote evidence-based policies; Improve service delivery; Enhance internal business processes; Enhance Human Capital; Improve institutional capacity; and Improve financial sustainability.*

R&D plays a critical role in the innovation and development processes, enabling Government

to formulate evidence-based policies that lead to sustainable development. Notwithstanding the importance of R&D and the contributions of ZIPAR there has been modest appreciation of the role of analysis and research in Zambia. Public policy formulation and implementation has typically been wanting of evidence.

During ZIPAR's previous Strategic Plan period, policy-making in Zambia did not adequately harness the results of applied research and policy analysis. As a result many policy decisions tended to be ineffective and inappropriate as they did not take into account critical success factors. In recent years Zambia had recorded frequent reviews in the development policies indicating inadequate

research input in the formulation of many of those policies, creating an environment of policy uncertainty.

In this light, Government's decision to give priority to R&D in the 7NDP is a clear indication that Zambia has a gap for credible, relevant research and analysis to influence policy formulation and implementation. This avails ZIPAR a strategic opportunity to reaffirm and extend its role, and to ensure that its research and analysis fills the gap.

The 7NDP adopts an integrated (multi-sectoral) development approach to achieve sustainable inclusive development that leaves no one behind through strategic areas some of which are directly linked to ZIPAR with some development outcomes pointing to enhanced research and development

and improved policy environment.

The development of the new ZIPAR Strategic Plan which spans from 2018-2021 came at a critical time when Zambia had just launched the 7NDP which covers the period 2017 to 2021. As such, the ZIPAR Strategic Plan takes into account development outcomes of the 7NDP to contribute to their realization through policy analysis and research.

The Plan was developed through a systematic consultative process involving various stakeholders from Government, Civil Society, Private Sector, Academia and Cooperating Partners. The Management Development Division (MDD) at Cabinet Office provided technical support and facilitation of the development process.

Keep a keen eye on interest payments

ZIPAR urges Government

ZIPAR urges Government to keep a keen eye on interest payments and find ways to ensure that these do not adversely affect the country's efforts to attain fiscal fitness.

During a Town Hall Meeting on the analysis of the quarter one 2018 budget performance on 21st June 2018 at the Intercontinental Hotel in Lusaka, the ZIPAR Executive Director, Dr. Pamela Nakamba-Kabaso noted that high interest payments continued to be the fastest-growing element in the budget, consequently crowding out other critical spending. Interest payments in quarter one 2018 grew by 71% compared to the same period in 2017. For every K1 of domestic revenues collected in quarter one 2018, 36 ngwee was allocated to interest payments during the same period.

“As we assess the performance of the budget in the first quarter this morning, we see that the current trajectory of interest payments already points to an overrun of the allocated budget. In the first three months of 2018, 36% of the apportioned amount in the approved 2018 budget has already been spent”, she observed.

She added that interest



Following proceedings during Town Hall Meeting, L-R: Mr. Fredson Yamba, Secretary to Treasury-MoF, ZIPAR Executive Director Dr. Pamela Nakamba-Kabaso and Mr. Shadrack Omol, Deputy Country Rep. UNICEF Zambia

payments would be a major source of potential spending overruns and would tend to divert critical resources from frontline services. Therefore, while Government had initiated steps to rein in debt contraction and accumulation, there was a need to ensure that debt contracted henceforth was such that it could pay for itself through high returns on the economy.

And the Minister of Finance, Hon. Margaret Mwanakatwe in a speech read on her behalf by the Secretary to Treasury, Mr. Fredson Yamba acknowledged the fiscal and debt challenges which were impacting on economic growth and other macroeconomic fundamentals.

Hon. Mwanakatwe mentioned that the Government recently completed a debt sustainability analysis which confirmed a need to undertake measures in order to address the issue of debt. She stressed that as the recently announced austerity measures were being implemented support to inclusive economic growth and macroeconomic stability would remain a priority.

And speaking earlier UNICEF Zambia Deputy Representative, Mr. Shadrack Omol underscored the value his organisation placed on the ZIPAR budget analyses policy engagements because national budget management had a direct link with outcomes for children especially the most vulnerable.

The UNICEF Zambia Representative whose organisation has a partnership agreement with ZIPAR to generate solid evidence for improved policy decisions pointed out that the continent, and in particular Zambia, had witnessed a dramatic change in the development financing landscape. While official development assistance

(ODA) continued to be an important source of funds, particularly in humanitarian contexts, future development progress for children would rely primarily on domestic financing.

“In this regard, and as highlighted by Member States in the outcome Document of the Third International Conference on Financing for Development – the Addis Ababa Action Agenda (AAAA) – a Government’s capacity to mobilize domestic resources and spend them effectively at national and subnational levels will be fundamental to successfully implement the Sustainable Development Goals (SDGs) and National Development Plans for children”, Mr. Omol stated.

The Town Hall Meeting jointly hosted with the Economics Association of Zambia (EAZ) with support from UNICEF Zambia attracted participants from Government, Private Sector, Civil Society Organisations, Academia, ordinary Zambians, cooperating partners including the IMF Resident Representative, Dr. Alfredo Baldini and World Bank Country Director Dr. Ina-Marlene Ruthenberg.



Ms. Roseta Chabala, President ZAM speaking during a panel discussion at the Town Hall Meeting. To her left is Dr. Ina-Marlene Ruthenberg, Country Director World Bank and Ms. Mwaka Mukubesa, Director Budget-MoF

Government commissions ZIPAR to carry out survey on Tuberculosis

The Government through the Ministry of Health (MOH) and the National Tuberculosis Control and Leprosy Programme commissioned ZIPAR to carry out the Zambia Baseline Assessment for the Southern Africa Tuberculosis and Health Systems Support (SATBHSS) Project in 19 districts across Six Provinces.

The purpose of the baseline survey valued at K1.8 million was to assist the Government to understand the baseline situation of the TB and Occupational lung diseases in the mines and surrounding communities in the target sites supported by the SATBHSS project. In addition the study will help the TB program to collect relevant baseline information for selected indicators based on the new National Strategic Plan for use as a reference to assess progress.

Among the key activities ZIPAR undertook during the study was to assess the existing TB and Occupational Health services at district and community levels; assess the institutional capacity of health facilities (including facilities in mining companies) to provide basic TB and occupational lung disease services and referral to specialized services and OH institutes. Others were to assess available psychosocial and nutritional support services and gaps in providing patient centered treatment and follow-up interventions for TB and patients with occupational lung diseases;

assess susceptible TB and (Multi Drug Resistant) MDR-TB patients and households access to nutritional and psychosocial support services.

According to MOH, TB continues to rank among the major causes of morbidity and is one of the top ten causes of mortality in Zambia. The country's first National TB Prevalence Survey (2013-2014) found that the prevalence of TB in Zambia is higher than previously estimated. The survey estimated national adult prevalence of smear, culture and bacteriologically confirmed TB to be 319/100,000 (232-406/100,000); 568/100,000 (440-697/100,000); and 638/100,000 (502-774/100,000) population, respectively. The TB prevalence for all forms was estimated to be 455/100,000 population for all age groups.

The survey also found that in urban settings, the lowest and middle-income brackets had nearly double the TB burden than those in the highest income bracket. The high TB prevalence rate in Zambia has been attributed to HIV. Other factors such as an increasing population, increasing urbanization with consequent overcrowding, exposure to silica dust in mining settings and increasing poverty have also contributed to the increase.

In Zambia, mineworkers have been identified as one of the key affected populations due to the higher rates of TB that have

been recorded in many mining settings. Silicosis and tuberculosis in mine-workers are occupational lung diseases, and current legislation requires both pre-employment and periodical or annual screening for all mine employees in scheduled areas in the mines by the Occupational Health and Safety Institute (OHSI).

The true burden of TB among miners is not known as routine TB data is not disaggregated by occupation and there has never been any comprehensive study to determine the burden of TB among mine workers and mining communities. Current legislation contained in the Workmen's Compensation Act and the Occupational Health and Safety Act require that any mine worker diagnosed with either TB or silicosis should not work in a scheduled area of the mine, has been perceived as a barrier to a mine worker seeking care for TB within the mine health institutions. The potential loss of employment and income due to TB diagnosis prevents care seeking in this population, which is at particularly high risk for TB disease.

In responding to these challenges, the World Bank in collaboration with the New Partnership for Africa's Development (NEPAD) Agency and the East, Central and Southern Africa Health Community (ECSA-HC) is supporting the implementation of the Southern Africa TB and Health Systems

Support (SATBHSS) Project. The project is being implemented in Lesotho, Malawi, Mozambique, and Zambia. The main objectives of the project are; to improve coverage and quality of TB control and occupational lung disease services; and to strengthen regional capacity to manage the burden of TB and occupational diseases.

The baseline study was carried out between May to August 2018 in Lusaka, Central, Copperbelt, Luapula, Southern and North-Western Provinces of Zambia.

FAO commissions ZIPAR to evaluate School Feeding Programme

The Food and Agriculture Organisation (FAO) in collaboration with the World Food Programme (WFP) commissioned ZIPAR to carry out an ex-post Impact Evaluation of the School Feeding (SF) and Market Access (MA) in combination with the productive support programme in eight districts of Zambia.

The main objective of the study was to measure the complementarities between social protection programmes such as SF and MA and a productive support programme such as the Conservative Agriculture Scaling Up (CASU) programme. The study focused on smallholder farmers and their families, especially on

welfare, productivity and food security indicators. The study also evaluated beneficiary school children, with respect to their education and food security outcomes. In addition non-beneficiary farmers and school children living in Home Grown School Feeding (HGSF) intervention areas were also evaluated.

The findings of the study

will provide feedback to policymakers to inform the design of complementary agriculture and social protection programmes and allocation of funds across programmes. The study valued at US\$ 141,401.00 took place in Chibombo, Chongwe, Kafue, Mazabuka, Kasempa, Luwingu, Kawambwa and Mporokoso districts.

MPs commend ZIPAR for persistence on public debt management

Members of Parliament (MPs) from the Committee on National Economy, Trade and Labour Matters and the Budget Committee have commended ZIPAR for being persistent and objective especially on the issue of debt management in Zambia.

A total of 18 MPs and two Committee Clerks attended a private seminar recently organised by ZIPAR at the Taj Pamodzi hotel. Two papers were presented to shed light on strategies to manage Zambia's burgeoning public debt and how the "blanket" fuel and electricity subsidies affected different segments of the population.

Capacity Building for Stakeholders

MCTI Officials trained in Trade Policy

Part of the key strategies in ZIPAR's new Strategic objectives to promote evidence based policies is to enhance capacity of key stakeholders in policy analysis. The Institute facilitated a training workshop on Trade Policy Analytical Tools for 10 participants from the Ministry of Commerce, Trade and Industry (MCTI) including a representative from the Policy Analysis and Coordination (PAC) Division at Cabinet Office.

The workshop was held at Gonde Lodge in Kabwe from 24-27 April, 2018. The overall objective of the training course was to acquaint and familiarize participants with the ba-

sics of trade, trade policy, trade policy analysis, and trade research as well as the available trade research and trade policy analytical techniques, different sources of trade, customs and trade policy data and information.

Government Departments trained in Tax-Benefit Micro Simulation

ZIPAR carried out a training workshop on Tax-Benefit Micro Simulation at Legacy Lodge in Lusaka from 22 to 24 May 2018. A total of 25 participants from Government Ministries and Agencies and CSOs attended the course which built their capacity to use the MicroZAMOD to carry out policy simulations.

ZIPAR engage CSOs on Zambia public debt portfolio



A member of the CSO Network making a contribution during the CSO Round Table Discussion at Intercontinental Hotel in Lusaka.

ZIPAR recently held a Round Table Policy Discussion on Zambia's public debt portfolio with 27 Civil Society Organisations (CSOs) and 13 Media houses. The purpose of the policy engagement was to sensitise the CSOs on the contents of the Medium-Term Debt Strategy (MTDS) with a view to enhance their capacity to promote more constructive and transparent dialogue on debt management strategies in the country.

Part of the critical questions addressed during the discussion included how and why Zambia had accrued so much debt and what should be done about the growing debt portfolio.

In her presentation, ZIPAR Research Fellow Ms. Florence Banda-Muleya pointed out that Zambia had been contracting debt in the absence of a proper framework lacking proper assessment of how much debt to contract, what to use the debt for and how to finance the debt. There was lack of coordination across different pieces of legislation that governed the contraction of debt. The effects were seen in a lot of wasted public funds as reported in the Auditor General's report. There was rampant misuse and misapplication of debt funds, as well as non-

completion of projects.

Those challenges brought to light the need for a framework to manage Zambia's public debt in order to limit the associated risks hence the Ministry of Finance developed the MTDS. It would be the blueprint for the Government to undertake debt management in the next three years.

Mrs. Muleya implored the CSOs to take keen interest in monitoring the implementation of the MTDS. Citing one of the five pillars of the MTDS which aimed to increase communication on debt by publishing quarterly and annual debt statistics, she challenged CSOs to hold the authorities accountable when several months went by without a bulletin.

She called on the CSOs to

urge the Government to reduce debt contraction and where debt had to be contracted it should be cheaper and longer-term. Government should obtain debt for capital projects with high returns that will benefit the people of Zambia. Government should become transparent in their contraction and dealings of debt and this should be reflected in the national budgets as well as specifying projects to be financed by debt.

The participants echoed ZIPAR's concern on the increasing public debt portfolio and encouraged every organisation to collaborate in advocating value for money in the use of public funds. They acknowledged the waste in the use of public funds and the need to press for accountability on the part of Government.

China Engage ZIPAR on FOCAC

ZIPAR hosted a high level delegation from China led by former Chinese Ambassador to Rwanda H.E. Shu Zhan, flanked by the former Chinese Ambassador to Zambia H.E. Yang Youming on 19 March 2018. The focus of the meeting was to track progress made in the implementation of the 6th FOCAC, 2015 Johannesburg Summit and provide proposals on measures that should be adopted to further promote China-Africa cooperation under the 7th FOCAC 2018 Beijing Summit in September 2018.



ZIPAR Management Team meeting the Chinese delegation led by H.E. Shu Zhan, in March 2018

A second delegation from the China Centre for Contemporary World Studies (CCCWS) led by the Director of the think tank, Mr. Jin Xin, engaged ZIPAR on 1 August 2018 to further discussions on the 7th FOCAC Beijing Summit and also measures to enhance the China-Africa cooperation under the Belt and Road Initiative (BRI).

During the 6th FOCAC Johannesburg summit in 2015, the President of the People's Republic of China Xi Jinping laid out a Ten-Point Action Plan, a proposal to lift the China-Africa relationship to a comprehensive strategic cooperative partnership, and therefore upgrade the engagement between China and Africa.

The programmes under the Ten-Point Action Plan were to focus on helping African countries break the three development bottlenecks of backward infrastructure, agricultural modernization and accelerate industrialisation. Since the Johannesburg Summit China's partnership with Africa had emphasized investments in these three areas. As such the 7th FOCAC Beijing Summit would take stock of progress in the three areas and define new priorities for the three years ahead.

Commenting on the progress made, ZIPAR observed that there was no need to depart completely from the Ten-Point Plan but to enhance its implementation and quality. The priorities areas on industrialization, agriculture modernization and infrastructure were very much aligned with Pillar 1 of Zambia's current Seventh National Development Plan (7NDP) 2017-2021 namely Economic Diversification and Job Creation. The remaining areas of cooperation also fitted in the other four Pillars of the 7NDP namely: Poverty and Vulnerability Reduction; Reducing Developmental Inequalities; Enhancing Human Development; and Creation of a conducive governance environment for a diversified and inclusive economy.

There was also need to promote more Foreign Direct Investments (FDI) rather than debt-financed investment due to shrinking borrowing space that existed in Zambia and across the Continent. On innovative ways in which China and African countries should carry out investment, financing and monetary cooperation, ZIPAR recommended the establishment of a common platform such as Sino-Africa stock exchange through which investment vehicles, companies and project operators could be listed and equity options offered.

To further cooperation on human resource development, ZIPAR advised that the current approach of FOCAC exchange initiative, which focused on Africa-to-China learning should be reviewed as it did little to help Chinese people to get familiar and comfortable to operate in African social, economic, political and legal spaces and systems. Given the near parity of the total populations in China

and Africa, the exchanges could be set on one-to-one ratio. China-to-Africa learning would also help to resolve some of the challenges emanating from the cultural differences between China and Africa

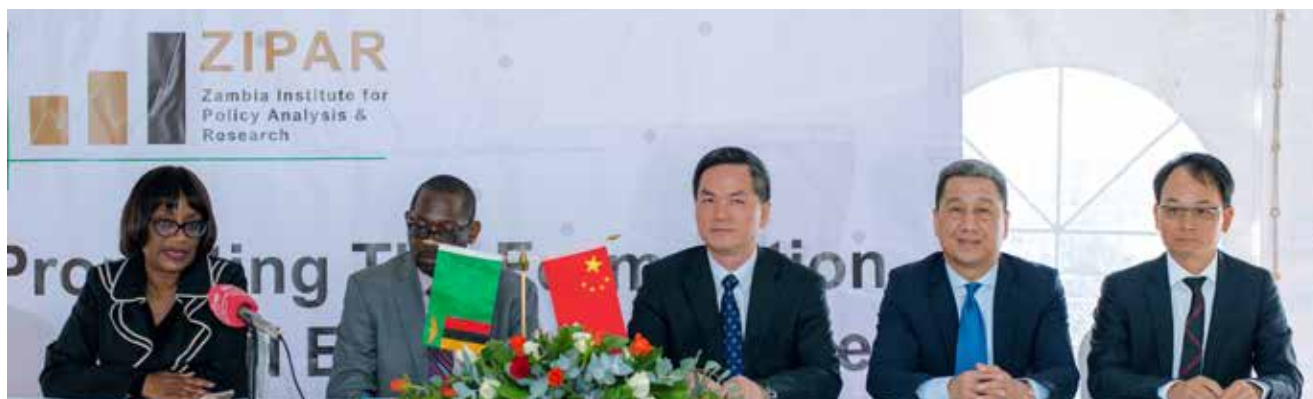
ZIPAR further suggested to China to increase efforts to engage African countries including Zambia to participate in the next Belt and Road Forum (BRF) for International Cooperation as only Kenya, Ethiopia, Egypt and Tunisia were represented at the first forum in 2017.

China should state clearly how Africa as a whole, and Zambia in particular, fits into the Initiative. China's labour intensive industries were losing their comparative advantages due to the rising cost of labour and Africa was an ideal partner to host China's labour intensive industries. However, there were concerns that this did not significantly benefit Africa as experiences on the ground indicated that there was limited knowledge sharing and skills transfer.



ZIPAR Management Team posing for a photo with Chinese delegation from China Centre for Contemporary World Studies led by the Director Mr. Jin Xin

Government commends China Geo for office donation to ZIPAR



ZIPAR Executive Director Dr. Pamela Nakamba-Kabaso delivering her speech during the office donation handover ceremony. To her left is; Mr. Crane Muleya, Director Investments Planning-MNDP, Mr. Ouanyang Daobing, Economic and Commercial Counsellor-Chinese Embassy, Mr. Wang Qui, Director Bank of China Zambia Limited & the Rep. of the ACCZ, Mr. Li Yue, General Manager of China Geo-engineering

The China Geo-Engineering Corporation under the auspices of the Association of Chinese Corporations in Zambia (ACCZ) donated a refurbished office container to ZIPAR on 10th July 2018 after learning of the Institute’s office space constraints.

In a speech read on behalf of Mr. Chola Chabala, Permanent Secretary, Development Planning and Administration, Ministry of National Development Planning (MNDP), Mr. Crane Muleya commended the Chinese Government for engaging its private sector actors in Zambia to aid ZIPAR after learning of the office space challenges.

Mr. Muleya who is Director Investments Planning under MNDP stated that Government was aware of ZIPAR’s office space constraints limiting its ability to fill its establishment and adequately deliver on its mandate.

He pointed out that appropriate office space was an important motivation factor and for it to be considered

appropriate, it should among many other things be safe, health, comfortable, durable and accessible.

“Now we just heard from the Executive Director that ZIPAR is currently maxed out with about four staff occupying space meant for two people which hinders concentration and makes it difficult to meet internal demands of staff for meeting rooms”, he said.

Mr. Muleya observed that as ZIPAR set itself to become a dynamic think tank of international repute, it ought to prioritise requisites that would help it to properly execute its functions. He added that ZIPAR’s role was critical to the social and economic policy landscape of Zambia and more so now that the 7th NDP gave prominence to the role of policy analysis and research to support evidence based decision in the implementation of the plan.

Speaking earlier, ZIPAR Executive Director, Dr. Pamela Nakamba-Kabaso stated that the Institute was unable to adequately expand the annual work

programme to meet the escalating demands from stakeholders. The Institute’s premises could also not allow for any form of small meetings and off-workstation office interactions such as brainstorming sessions of smaller groups, which were generally a requirement in a think tank setting.

Dr. Kabaso thanked China Geo Engineering Corporation, the ACCZ and the Chinese Government through the Office of the Economic and Commercial

Counsellor at the Chinese Embassy in Zambia for their generosity which made it possible for ZIPAR to have the space for brainstorm sessions.

And Mr. Li Yue, General Manager for China Geo Corporation said his company was committed to fulfilling corporate social responsibility, maintaining a harmonious relationship with local Government bodies and the public. The refurbished office container was valued at K100, 000.



Posing for a photo in front of the new office, L-R: Mr. Crane Muleya, Director Investments Planning-MNDP, ZIPAR Executive Director Dr. Pamela Nakamba-Kabaso, , Mr. Ouanyang Daobing, Economic and Commercial Counsellor-Chinese Embassy, Mr. Wang Qui, Director Bank of China Zambia Limited & the Rep. of the ACCZ, Mr. Li Yue, General Manager of China Geo-engineering

ZIPAR submissions to Parliamentary Committees



ZIPAR making a presentation to the Parliamentary Committee on Parastatal Bodies in January 2018

ZIPAR made eight submissions and oral presentations to various Parliamentary Committees out of which four reports had since been adopted as part of the Committees' reports to the Twelfth National Assembly. The four are; The Role of Micro, Small and Medium Enterprises (MSMEs), The Implementation of the National Decentralisation Policy, The Review of the Performance of the first quarter of the 2018 and The Review of the Performance of the second quarter of the 2018 Budget Estimates.

Table: Submissions to Parliamentary Committees

Title of Presentation	Committee Name	Date of Presentation
Management and Operations of the Industrial Development Corporation (IDC)	Committee on Parastatal Bodies	18 January 2018
Domestic Resource Mobilisation National Budget and the Growing Inequality in Zambia	Budget Committee	18 January 2018
The Role of Micro, Small and Medium Enterprises (MSMEs)	Committee on National Economy, Trade and Labour Matters	24 January 2018
Youth Unemployment in Zambia	Committee on Youth, Sport and Child Matters Committee on Youth, Sport and Child Matters	25 January 2018
Implementation of the National Decentralisation Policy	Committee on Local Governance, Housing and Chiefs Affairs	31 January 2018
The Public Finance Management Bill, NAB No. 17/2017	Public Accounts Committee	2 February 2018
The Review of the Performance of the first quarter of the 2018 Budget Estimates	Budget Committee	16 May 2018
The Review of the Performance of the second quarter of the 2018 Budget Estimates	Budget Committee	7 July 2018

PHOTO FOCUS



Mr. Fredson Yamba, Secretary to Treasury-Ministry of Finance delivering his speech during the ZIPAR-EAZ Q1 Budget Analysis Town Hall Meeting in June 2018



Dr. Ina-Marlene Ruthenberg, Country Director -World Bank speaking during the ZIPAR-EAZ Q1 Budget Analysis Town Hall Meeting panel discussion in June 2018. To her left is Ms. Mwaka Mukubesa, Director Budget-Ministry of Finance



ZIPAR Researchers following proceedings during the Q1 Budget Analysis Town Hall Meeting. L-R: Ms. Chama Bowa-Mundia, Mr. Ignatius Masilokwa and Ms. Nakubyana Mungomba



Dr. Alfredo Baldini, past IMF Resident Representative making a contribution during the ZIPAR-EAZ Q1 Budget Analysis Town Hall Meeting in June 2018. On his right is Dr. Pamela Nakamba-Kabaso



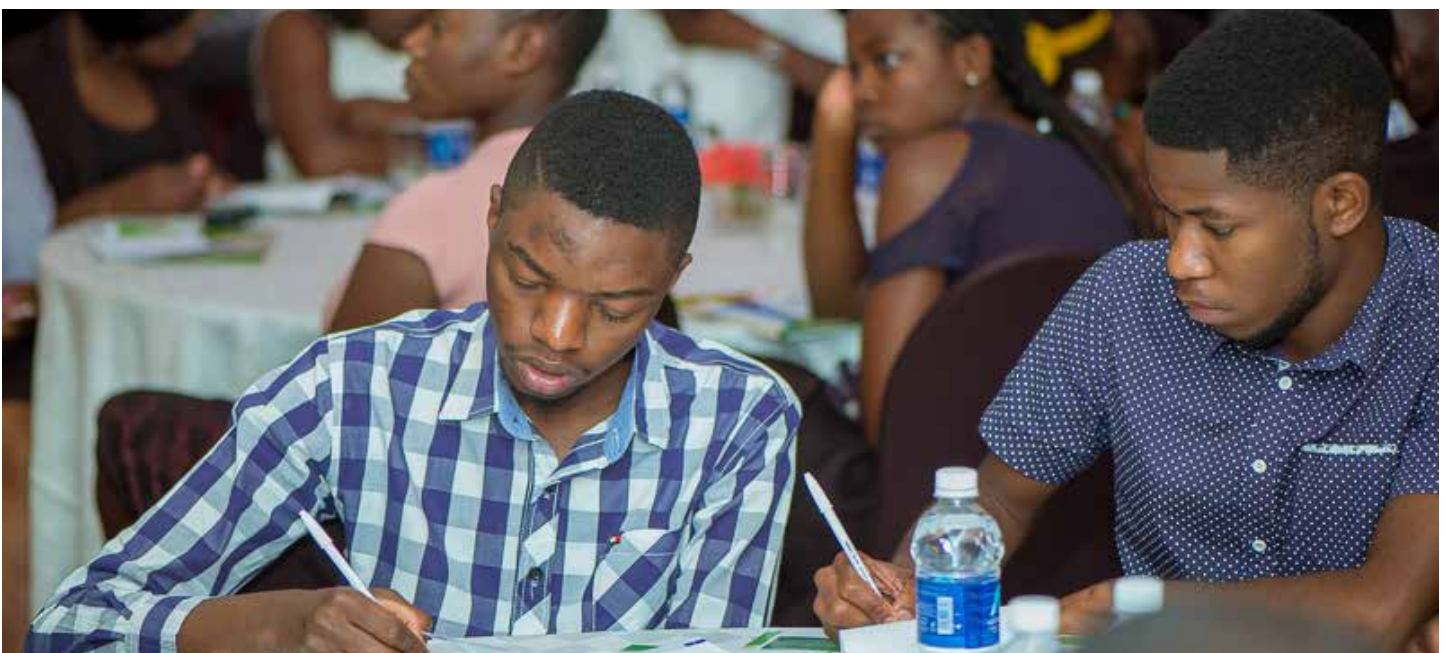
A member of the University of Zambia Business and Economics Association posing a question during the ZIPAR-EAZ Q1 Budget Analysis Town Hall Meeting in June 2018



Mr. Nkandu Chilombo (in grey jacket), Public Policy Specialist UNICEF Zambia discussing with colleagues during the ZIPAR-EAZ Q1 Budget Analysis Town Hall Meeting in June 2018



Mr. Yusuf Dodiá, Chairperson Private Sector Development Association and Prof. Prem C. Jain from the University of Zambia in conferring during the ZIPAR-UNICEF-CSPR Town Hall Meeting at Taj Pamodzi Hotel, 30th August 2018 titled: What does the mid-year budget performance mean for Zambia's public debt and service delivery?



Students from the University of Zambia taking notes during ZIPAR's presentation at the Town Hall Meeting at Taj Pamodzi Hotel, 30th August 2018

New Staff



Bernard Tembo, PhD, Research Fellow I-Emerging Themes

Bernard joined ZIPAR in June 2018. He has an engineering and economics background. Since 2008, he has been researching and working in Zambia's energy sector. He worked at Kobil Limited as a Commercial Sales Engineer before he went to pursue his Masters degree in Energy at the University of Cape Town (UCT). Thereafter, he went to University College London (UCL) to read for his PhD in Energy and Economics (focusing on Zambia's copper industry). During his time at UCT, he was a Teaching Assistant on an Engineering programme and at UCL, he was the Lead Post-Graduate Teaching Assistant (PGTA) for the Advanced Energy-Environment-Economy Modelling course. Some of the private consultancies he has worked on analysed the impacts that the Paris Agreement (climate change agreement) would have on revenue flows in Africa's new oil producing countries, and the potential of natural gas commercialisation in Zambia. He is avid supporter of Open Source Software, and a proficient user of R and Python.



Tamara Billima, Research Fellow II-Human Development

Tamara scooped the position of Research Fellow in a tightly contested interview after serving ZIPAR as an Associate Researcher since August 2013. She is an Economist with over 5 years' experience in research and rural development. She holds a Bachelor of Arts Degree in Economics and Development Studies from the University of Zambia and is currently pursuing a Master of Arts in Economic Policy Management at the University of Zambia. Prior to joining ZIPAR, she worked with an International Non-Governmental Organization- Care International where she worked as a Development Coordinator formulating and implementing economic strengthening programmes in the rural areas mainly targeted at women and girls. She is an experienced researcher in poverty analysis, labour, rural finance, extractives and social sector analysis among many other research areas on human development.



Mulima Nyambe Mubanga, Research Fellow II-Trade and Investment

Mulima joined ZIPAR in July 2018. She is a Policy Analyst with over 10 years experience in research and policy analysis. She holds a Master of Science degree in International Trade Policy and Trade Law from Lund University, Sweden and a Bachelor of Arts degree from the University of Zambia. She worked with the Zambia Law Development Commission (ZLDC) as a Senior Research Officer; RuralNet Associates Limited as Lead Consultant for the Rural Business Development unit, and National Investigator for the AfroBarometer Network in Zambia; Zambia Federation of Employers (ZFE) as Research and Marketing Manager; Zambia Association of Manufacturers (ZAM) as Policy Analyst and CARITAS Zambia under the Justice Solidarity and Poverty Reduction Fund (JSPRF) project as Programme Assistant. She is a seasoned Policy Analyst and Researcher with Monitoring & Evaluation (M&E) experience.



Mwiinga Cheelo, Data and Knowledge Associate

Mwiinga joined ZIPAR in July 2018. Mwiinga manages data from both primary and secondary sources in preparation for analysis. He also supports the demystification of research outputs into insightful snippets for social and professional media. He has worked on various research projects as a data specialist including a data collection exercise on an Impact Evaluation of the School Feeding (SF) and Market Access (MA) in Combination with a Productive Support Programme (CASU) in Zambia, Affordability of Protein-Rich Foods to Underserved & Low-Income Households in Zambia, among others.



Ignatius Wamupu Masilokwa, Associate Researcher-Macroeconomics

Ignatius joined ZIPAR in June 2018. He is an Economist with over 4 years experience in research and teaching. He holds a Master of Arts degree in Economics from Jawaharlal Nehru University, India and a Bachelor of Arts degree from the University of Zambia. He worked with Mulungushi University Department of Economics as a teaching Assistant.



Miselo Bwalya, Associate Researcher-Human Development

Miselo joined ZIPAR in June 2018. He holds a Master’s of Arts Degree in Economic Policy Management and a Bachelor’s of Arts in Economics from the University of Zambia. He has expertise in Monitoring, Evaluation and Planning, Performance Analysis, Database and File Management, Research and Data Collection, Report Trend Presentations, Training Facilitation & Technical Assistance. Miselo was a Senior Researcher at the Policy Monitoring and Research Centre (PMRC). He brings to the team 5 years of experience with extensive engagements in research, baseline surveys, Monitoring & Evaluation, and Economics. He also has experience working with statistics and data collection tools.



Shimukunku Manchishi, Associate Researcher-Trade and Investment

Shimukunku joined ZIPAR in June 2018. He is an Economist with experience in Trade Policy and Analysis. He holds a Post graduate Certificate in International Trade and Development from the Trade Policy Training Center in Africa in conjunction with Lund University of Sweden. He is also a holder of a Bachelor of Arts Degree from the University of Zambia and is currently pursuing a Master of Science in International Trade Policy and law from Lund University(Sweden).

He worked for the Zambia Development Agency as an Export Development Officer and the Zambia Revenue Authority as a data entry officer. Shimukunku is passionate about International Trade, Investment and generally economic development.



Mbewe Kalikeka, Associate Researcher-Public Finance

Mbewe joined ZIPAR in June 2018. He is an Economist with experience in banking, management consultancy, and research in Social Sciences. He holds a Bachelor’s degree in Economics from the University of Namibia, and is currently pursuing a Master’s degree in Economics and Finance at the University of Lusaka in Zambia. He has worked as a part time lecturer at the University of Namibia under the Economics department. He further worked for Investrust Bank PLC for 4 years before joining Africa Trade Partners. At Africa Trade he worked as a management consultant and as a quantitative data specialist.



Gabriel Zulu, Assistant Accountant

Gabriel was elevated to the position of Assistant Accountant in July 2018 after successfully completing the ZICA Technician Level. He is currently studying for the Licentiate Level. He served ZIPAR as Head Driver since 2010. He will support the Finance unit in the preparation of all documents required to process payment and the subsequent disbursement using appropriate modes of funds transfer. He will also play a pivotal role in providing a link with the banks and capturing primary data into the accounting packages.



Martin Kwendakwape-Driver

Martin joined ZIPAR in August 2018. He holds a Diploma in Electronics and Hardware Technology, Certificate in information System and Programming. He worked at Abt Associates Inc. - USAID Systems for Better Health Project - Choma as Transport and Logistics Assistant, worked at SICHIL Construction Solutions Ltd as Plant Clerk-Livingstone and Times Printpak (Z) Ltd-Kitwe.



Zambia Institute for Policy Analysis and Research (ZIPAR)

P.O. Box 50782, Lusaka, Zambia

CSO Annex Building

Corner of John Mbita and Nationalist Road, Lusaka



Tel: +260 211 252559

Fax: +260 211 252566



Email: info@zipar.org.zm

Website: www.zipar.org.zm



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