

LOOKING AHEAD – THE PROSPECTS

SEVENTH NATIONAL DEVELOPMENT PLAN (7NDP) AND
NATIONAL ECONOMIC RECOVERY PLAN

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PUBLIC LECTURE

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SEVENTH NATIONAL DEVELOPMENT PLAN (7NDP)

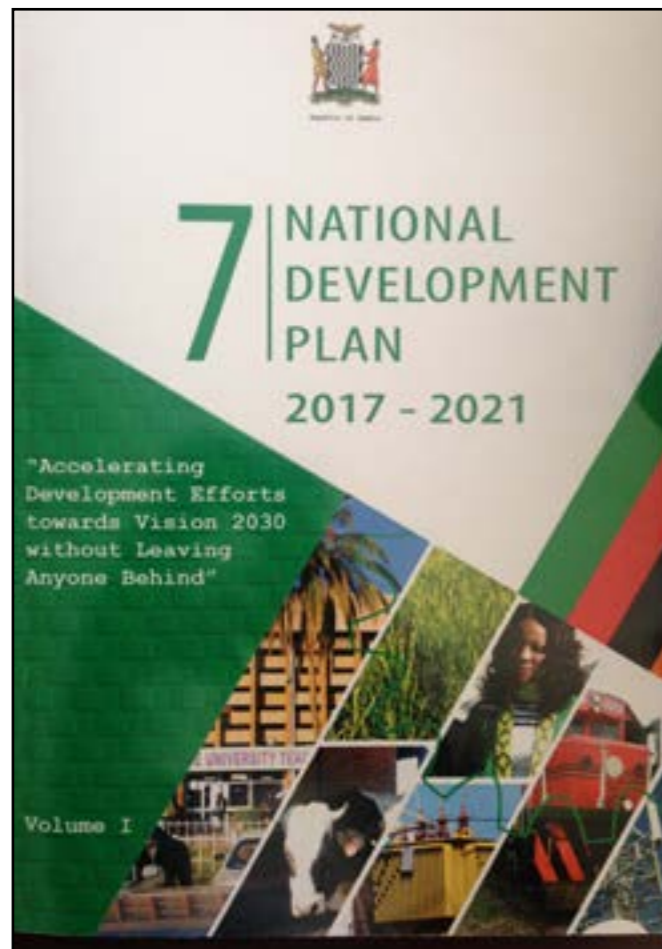
NATIONAL ECONOMIC RECOVERY PLAN

- The 5 Pillars of the Economic Recovery

KEY SECTORAL PROGRAMMES



INTRODUCING THE SEVENTH NATIONAL DEVELOPMENT PLAN (7NDP)



- The Seventh National Development Plan (7NDP) was launched on 21st June 2017 by His Excellency The President of the republic of Zambia Mr. Edgar Lungu.
- The 7NDP is aimed at attaining the long-term objectives as outlined in the Vision 2030 of becoming a **“prosperous middle-income country by 2030”**.
- The 7NDP departs from sectoral-based planning to an integrated (multi-sectoral) development approach under the theme **“Accelerating development efforts towards the Vision 2030 without leaving anyone behind”**.
- Ultimately it is envisaged that the integrated development approach in the 7NDP will help change the focus of government line ministries from competing with each other to **coordinated harmonization** (*working together*).



GOALS OF THE SEVENTH NATIONAL DEVELOPMENT PLAN (7NDP)



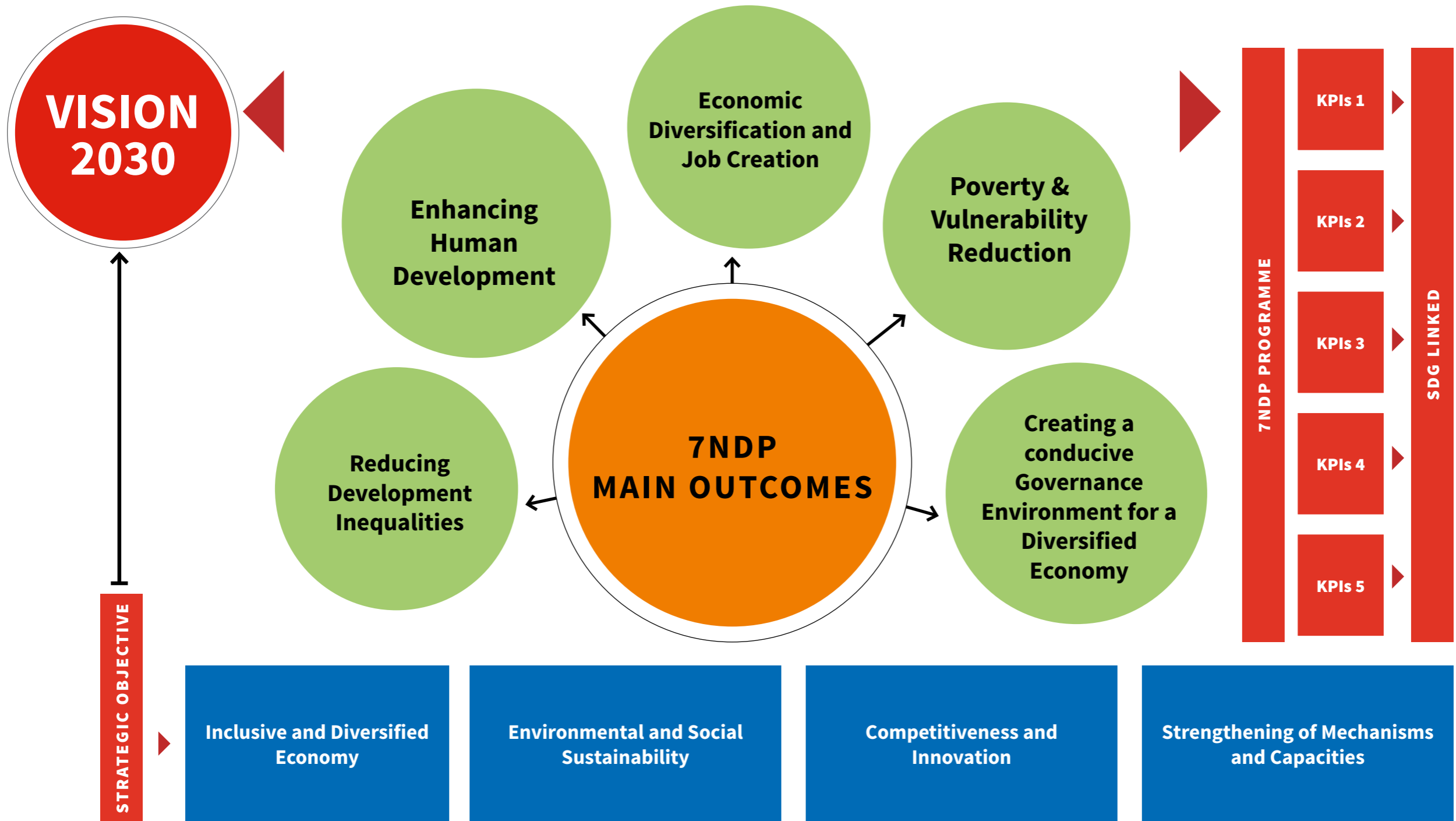
- The goal of the 7NDP is to **create a diversified and resilient economy** for sustained growth and socio-economic transformation driven, among others, by agriculture.
- The 7NDP as an effective guide towards Zambia's aspirations of being a **developed middle-income nation by the year 2030.**

THE KEY OUTCOMES INCLUDE;

- Economic diversification and job creation
- Reduction of poverty and vulnerability
- Enhanced human development
- Reduced developmental inequalities and
- The creation of a conducive governance environment for a diversified economy.



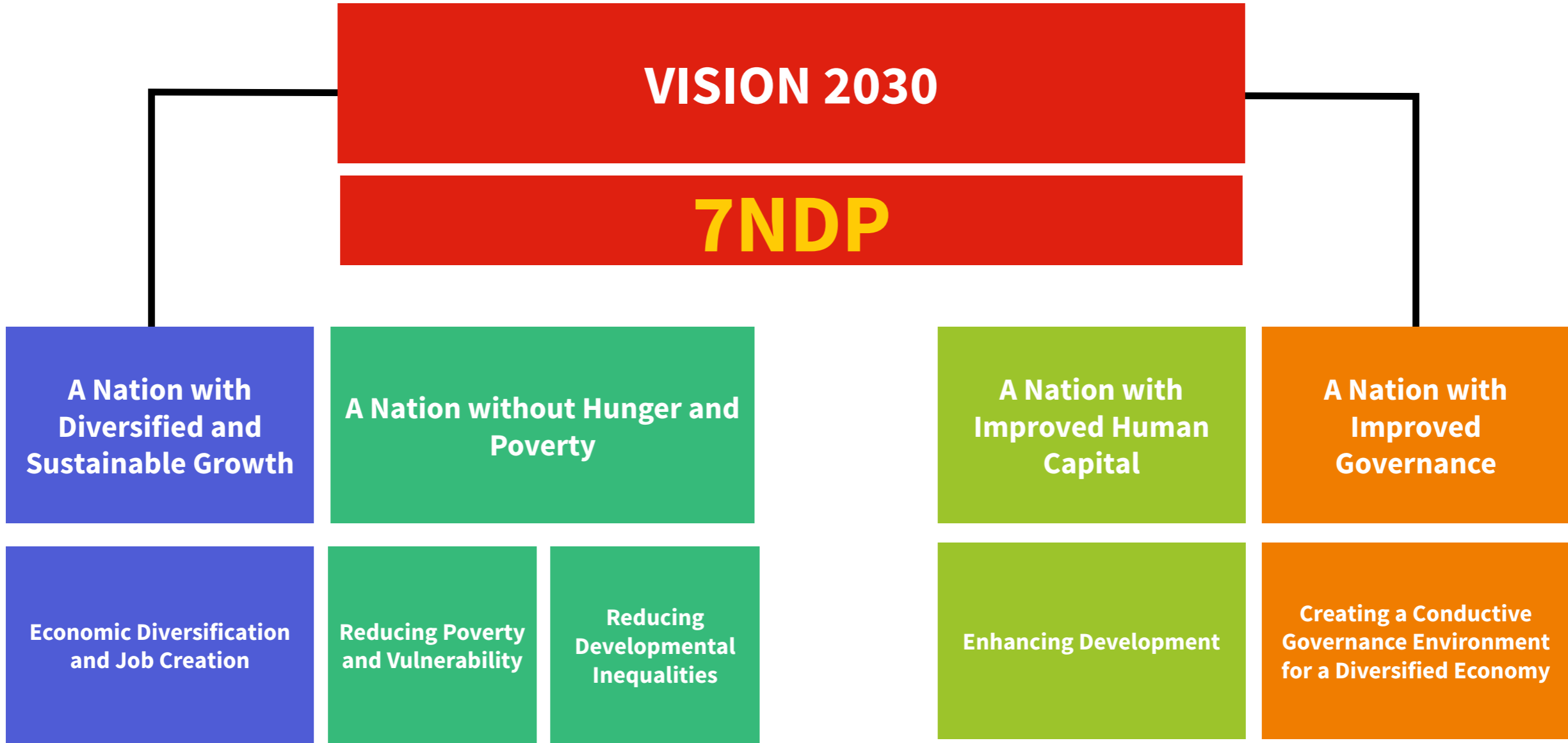
INTEGRATED DEVELOPMENT APPROACH



Source: Seventh National Development plan (2017 – 2021)



SITUATING THE 7NDP IN THE 2030



GLOBAL AND REGIONAL INTEGRATION

From the 7NDP the nation's development interventions will be **harmonized** with the **regional and global development** agendas, such as:



THE SUSTAINABLE DEVELOPMENT GOALS (SGD)



THE AFRICAN UNION – AGENDA 2063



THE SOUTHERN AFRICAN DEVELOPMENT COMMUNITY (SADC) REGIONAL INDICATIVE STRATEGIC DEVELOPMENT PLAN



THE ISTANBUL PROGRAMME OF ACTION



THE HUMAN DEVELOPMENT INDEX



THE VIENNA PROGRAMME OF ACTION

Through the 7NDP, the Government will create an environment to transition from the **Millennium Development Goals (MDGs)** to **Sustainable Development Goals (SDGs)**, given that the SDG domestication requires an integrated multi-sectoral engagement, with interlinking goals. This approach will be a catalyst to the promotion of partnerships in a transformative manner.





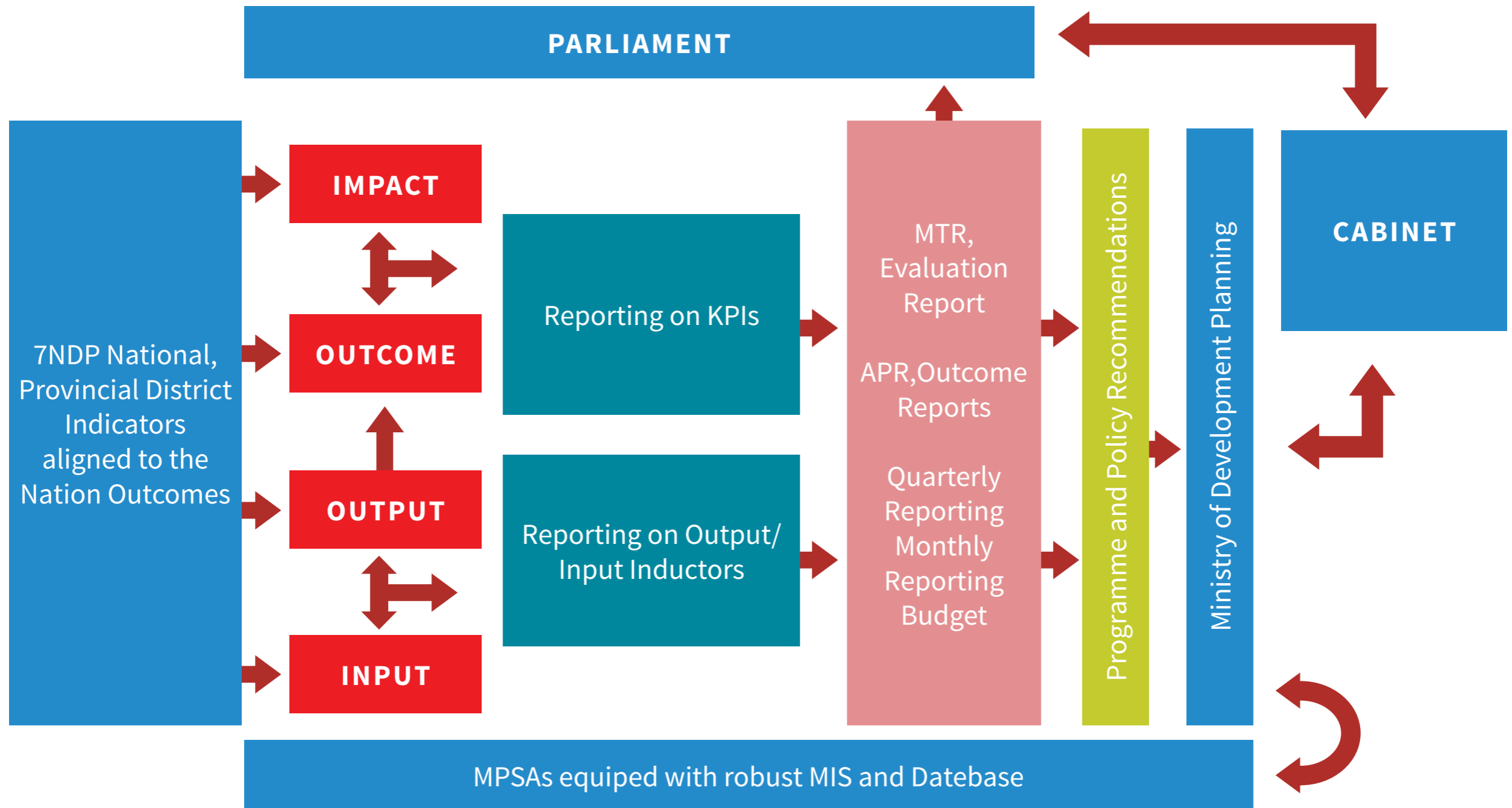
Growth will be supported by policy interventions related to increased investments in growth sectors of **agriculture, tourism, manufacturing and energy, supported by mining, public economic infrastructure in transport and communication.**

The focus of the Plan on these sectors is expected to have the following benefits:

- a. Creation of decent, productive jobs and increased incomes;** climate smart and organic agriculture, sustainable forestry, sustainable construction and small-scale mining sectors which will be the areas of focus as they are labour intensive.
- b. Increased foreign exchange earnings** from agriculture, tourism, and small-scale mining, thereby increasing the economy's resilience to external shocks and dilution of mining sector contributions to foreign exchange earnings.

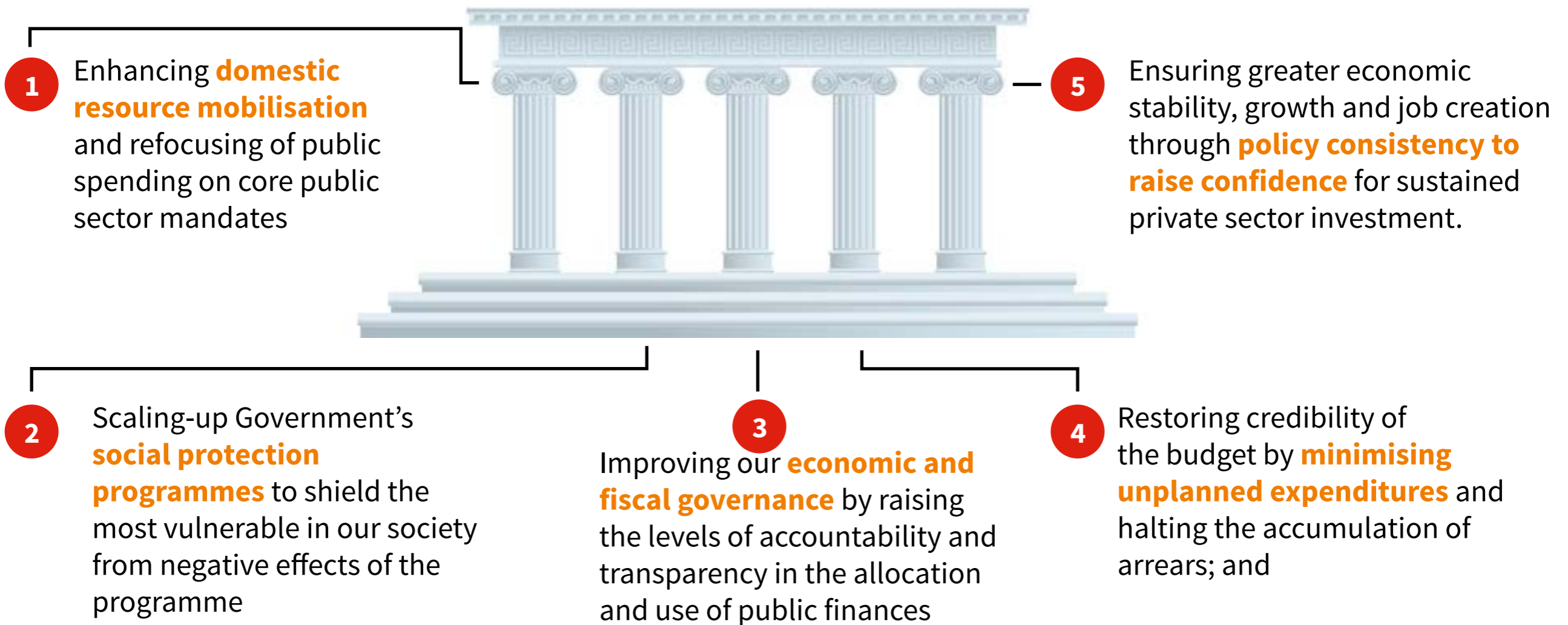


FLOW OF INFORMATION FOR DECISION MAKING



LOOKING AHEAD: ECONOMIC RECOVERY PROGRAMME

In order to restore economic stability, the Government has designed an **Economic Recovery Programme** dubbed “**Zambia Plus**”. (a homegrown Economic Recovery Programme to be complemented by external support from our Cooperating Partners, including the International Monetary Fund (IMF)).



FISCAL MEASURES

Efforts are needed to ensure there is **sufficient revenue** to fund Government spending. One of the measures is on improving tax policy, which falls under the responsibility of the Ministry of Finance

- **Arrears clearance:** The accumulation of arrears has been a concern since 2015. Arrears attract interest costs, leading to increased government interest payment bills.
- **Improve debt management:** Publication of a medium-term debt strategy is essential to ensure a move from borrowing on an ad hoc basis to one based on proper debt sustainability analysis, which considers all the risks related to the types of borrowing and the costs of repayment.
- **Revenue mobilization:** Zambia needs to strengthen efforts to improve domestic revenue mobilization and to meet the targets in the budget.
- **Boosting the non-copper economy:** The commodity price shock highlights the need for Zambia to reduce its dependency on copper, a challenge it has been grappling with for over 50 years. There were plenty of good ideas presented in the 2017 budget, and the forthcoming National Development Plan should cement the reform direction, especially in agriculture – a leading non-copper sector.



KEY SECTOR PROGRAMMES – LOOKING AHEAD

WHERE HAS MONEY BEEN ALLOCATED?



Diversification to cash crops such as; cotton, cashew nuts, soya beans, cassava and rice through the full migration to the **E-Voucher System**. *(To be used for all beneficiaries under the Farmer Input Support Programme (FISP) in the 2017-2018 farming season.)*

The Cashew Nut Infrastructure Support Programme, valued at **US\$55.4 million**. The project targets **600,000 beneficiaries** in Western Province *(300,000 women and 100,000 youths)*.

Government is to create a **Fund under the Emergent Farmer Support Programme**. The target is to support 1,000 emergent farmers.

US\$40 million secured for on lending to **smallholder farmers** to promote mechanisation of crop production systems.

INDUSTRIALISATION



- Government will facilitate the development of the **Kafue Iron and Steel Economic Facility Zone** and the **Kalumbila Multi Facility Economic Zone**. The private sector will **invest US\$100 million** in the **Kalumbila Multi Facility Economic Zone**.
- Industrialisation cannot take place without financing to SMEs that form the backbone of the economy. Government has accessed **US\$50 million for on-lending to SMEs**. This will create dynamic SMEs that will contribute to growth and generate jobs.



ENERGY



- In the electricity sub-sector, **insufficient investment** in generation capacity has led to **power deficits**. Going forward, Government will by the end of 2017 move to **cost reflective tariffs** to attract private sector investment. **This, however, does not mean that consumers should end up paying for inefficiency.**
- New generation includes the **Scaling-Up Solar Project** and the development of the **Kafue gorge, Batoka gorge and Kalungwishi**. In addition, Government is continuing to expand the national grid.



EDUCATION AND SKILLS DEVELOPMENT



- In 2016, Government recruited **2,289 primary** and **3,410 secondary school teachers**.
- Government completed the construction of **62 new secondary schools** out of the targeted 115 while the first phase of upgrading 220 day secondary schools was finalised.
- In 2017, teacher recruitment and retention at all levels will continue in order to reduce the **pupil-teacher ratio**.
- To improve the quality and relevance of tertiary education provided by public and private universities, the **Higher Education Authority** and the **Zambia Qualifications Authority** were operationalized in 2016



EDUCATION AND SKILLS DEVELOPMENT



- As an effort towards reducing the **financial challenges** in our public universities, Government will in 2017 work towards the **operationalisation of the Higher Education Loans Scheme**. *The objective is to provide an efficient, effective and self-sustaining financing mechanism for university education.*
- (This loan scheme will replace the current **bursary scheme**, which has proved to be unsustainable. In 2017, Government will continue with the bursaries scheme as it develops the loan scheme system, especially on disbursement, bonding and recovery.)



EDUCATION AND SKILLS DEVELOPMENT CONT..



- In order to address the **challenges of inadequate skills** among our craftsmen and artisans, Government will introduce a **Skills Development Fund**. This is part of the long term financing solution for technical, entrepreneurial and vocational education. The Fund will be jointly managed with the private sector in order to ensure that the skills that are being developed are relevant to the **requirements of industry**. *This is particularly critical at this moment when our country is embarking on a path towards meaningful industrialisation.*



YOUTH EMPOWERMENT



- In line with the **National Youth Policy and the Action Plan for Youth Empowerment and Employment**, Government is to focus on equipping the youth with vocational and entrepreneurial skills.
- **The youths will also be provided with affordable start-up capital.** To enable them engage in meaningful economic activities.
- In addition, **Youth Resettlement Schemes** will be established through which land and start-up kits will be provided to the youth to enable them engage in agriculture and agri-business for their livelihood.



GENERAL PMRC RECOMMENDATIONS



1 Government must set up a **mechanism for monitoring target indicators outlined in the 2017 budget**. The Minister of Finance must make these commitments through the 2017 budget and provide these reports both in the Mid-Year Economic Review for 2017 and in subsequent budget addresses. This will help the country to keep track of the progress being made and make the necessary adjustments to achieve success.

2
**Improving domestic
 resource mobilisation**

3
Diversification to Agriculture
*Fisheries, Livestock, Crops by
 Province*

4
Skills Development
 Youth Empowerment

5
**Revamping industries for job
 creation**

6
**Value addition to our
 produce**
*Growth of the manufacturing
 Industry*

7
**Implementation of National
 Youth Policy**



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