



Draft Programme

National Policy-level Workshop

Validation of the results of the National Productive Capacities Gap Assessment of Zambia and the fostering of productive capacities for a smooth transition from the LDC category

(Lusaka, Zambia, 6-7 October 2022)

DAY 1: Thursday, 6 October 2022

08:30 - 09:00 Registration

09:00 - 10:00 *Opening Session: The quest for fostering productive capacities and structural economic transformation for Zambia's graduation from the LDC category and beyond: Challenges, prospects, and opportunities*

This session sets the Zambian context for the national policy-level dialogue on ways and means for fostering productive capacities and structural economic transformation for sustainable graduation of the country from the LDC category. It provides direction for subsequent discussions and highlights the objectives, expected outcomes and implications of the policy dialogue.

Master of Ceremony:

09:00-09:15 Welcoming remarks: **High Ranking Representative of the Ministry of Finance and National Planning**

09:15-09:30 Opening Statement: **Mr. Junior Davis**, Head, Policy Analysis and Research Branch, Division for Africa, LDCs and Special Programmes, UNCTAD

09:30-10:00 Keynote: Zambia's 8th National Development Plan and the strategies for graduating from the LDC category and fostering productive capacities
Ministry of Finance and National Planning (MOFNP)

10:00-10:30 Group Photo, followed by Coffee and Tea Break

10:30 - 12:30 **Session I: Zambia's national development vision and policy formulation: challenges and opportunities in fostering productive capacities for graduation from the LDC category and beyond**

This session provides substantive foundation for key issues of deliberations at the workshop by assessing the current trends in socio-economic development of Zambia, progress achieved, and challenges confronted. The session also exchanges views on Zambia's visions and development plans and positions, including in the context of graduation from the LDC category. It pays close attention to enablers and facilitators growth, economic diversification, including institutions building as prerogative for effective policy implementation and coordination.

Moderator:

10:30-10:50 Zambia's development strategies and domestic policies to advance development.
MOFNP – Development Planning

10:50-11:10 State policy coordination and implementation: challenges and opportunities
Policy Analysis Coordination (POAC- CABINET OFFICE)

- 11:10-11:30** Graduation from the LDC category: Plans, concerns and policies to use graduation as a milestone of development
Ministry of Commerce, Trade and Industry (MCTI) and Zambia Institute of Policy Analysis and Research (ZIPAR)
- 11:30-11:50** Key comparative advantages of Zambia and the binding constraints to its growth and development prospects
MOFNP - Development Planning Department, Economic Management Department
- 11:50-12:10** Discussants:
- 12:10-12:30** Interactive discussions, questions, and answers (Q&A)
- 12:30-13:30** Lunch Break

13:30-15:10 Session II: Productive capacities and structural economic transformation: measuring and benchmarking performances by using UNCTAD's Productive Capacities Index (PCI) for evidence-based policy formulation and implementation in Zambia: Gaps and limitations and the way forward

This session is intended to relate the concepts of productive capacities and structural economic transformation to Zambia's development endeavours, including implications for graduation from the LDC category. The session will introduce UNCTAD's Productive Capacities Index (PCI), which is an innovative approach applied by UNCTAD to measure and benchmark the level of development of productive capacities, and the National Productive Capacities Gap Assessment as the prelude for building productive capacities. It will discuss the success stories concerned with building productive capacities and accelerating structural economic transformation and examine the level of productive capacities of Zambia with implications to national, regional policies as well as international support measures.

Moderator:

- 13:30-13:50** Zambia's Performance in UNCTAD's Productive Capacities Index and the outcomes of Zambia's National Productive Capacities Gap Assessment: **Mr. Mussie Delelegn**, Acting Head, Productive Capacities and Sustainable Development Branch, Division for Africa, LDCs and Special Programmes, UNCTAD
- 13:50-14:10** Application of UNCTAD's Productive Capacities Index in evidence-based industrial policy formulation and implementation in Zambia: **Mr. Fernando Cantu Bazaldua**, Chief Statistician, UNIDO
- 14:10-14:30** Productive capacities and structural transformation in a comparative perspective – the success stories and the policy lessons learnt: **Mr. Andrzej Bolesta**, Economic Affairs Officer, Productive Capacities and Sustainable Development Branch, Division for Africa, LDCs and Special Programmes, UNCTAD

14:30-14:50 Addressing Zambia's economic vulnerabilities through fostering productive capacities and structural transformation: **Mr. Benjamin Mattondo Banda**, Economic Affairs Officer, Policy Analysis and Research Branch, Division for Africa, LDCs and Special Programmes, UNCTAD

14:50-15:10 Discussants:

15:00-15:10 Interactive discussions, questions, and answers (Q&A)

15:10-15:30 Coffee and Tea Break

15:30-17:50 **Session III: Placing productive capacities at the centre of Zambia's policies and strategies for industrialization, structural transformation and economic diversification before and after the graduation from the LDC category**

The session will identify policy and institutional arrangements for boosting the structural economic transformation, industrialisation and economic diversification and will try answer the question as to how Zambia can foster sectoral linkages (backward and forward) to address key development challenges. It will also touch upon Zambia's economy's comparative advantage, the issue of modernisation of agriculture and financing, as key to achieve structural transformation.

Moderator:

15:30-15:50 Using effectively the existing comparative advantage (natural and human capital and institutions) to advance development
Policy Monitoring and Research Centre (PMRC)

15:50-16:10 Diversifying and modernizing the agricultural production: Agricultural transformation to kick start employment-rich transformation in Zambia
Ministry of Agriculture (MOA), Ministry of Livestock and Fisheries (MFL), and Indaba Agriculture Research Institute (IAPRI)

16:10-16:30 Fostering forward and backward linkages between and among agriculture, mining, industrial and services sectors and promoting intersectoral production linkages to build productive capacities
Ministry of Commerce, Trade and Industry (MCTI)

16:30-16:50 Financing productive capacities and structural transformation: Related challenges and the way forward
MOFNP - Economic Management Department (EMD), Internal Debt Management (IDM)

16:50-17:10 Trade Agreements and trade preferences for Zambia: Implications for structural economic transformation and Zambia's graduation from the LDC category: **Mr. Stefano Inama**, Senior Economic Affairs Officer, Division for Africa, LDCs and Special Programmes, UNCTAD

17:10-17:30 Discussants:

17:30-17:50 Interactive discussions, questions, and answers (Q&A)

DAY II: Friday, 7 October 2022

09:00-10:30 Session IV: Commodities dependence, debt crisis and international factors: Challenges and opportunities for Zambia

This session will examine Zambia's commodity exports' dependence and its national debt crisis, and discuss related challenges and solutions. In the contemporary volatile world, dependence on extractive industries and their export make developing economies vulnerable to international price fluctuations and international demand, making the effective policy making for sustainable development particularly cumbersome. This may cause major imbalances to state budget, in extreme cases, substantially increasing country's indebtedness. The session will also focus on investment policies (including FDI and in relation to establishing SEZ) and the role of the regional integration (in the form of the African Continental Free Trade Area) for Zambia's economy.

Moderator:

09:00-09:20 The nexus between commodity dependence, current national debt crisis and implications for Zambia's graduation: Government plans (short-term and long term) to address commodity dependence and mitigate the consequences and preventing re-occurrence of external debt burden

MOFNP - Economic Management Department (EMD), Internal Debt Management (IDM)

09:20-09:40 The strategy to gradually move away from natural resource-dependence, to diversify the mining sector, and to improve resilience diminishing the vulnerability towards external shocks

Ministry of Commerce, Trade and Industry (MCTI), MOFNP

09:40-10:00 The importance of African Continental Free Trade Area for the Zambian economy
Ministry of Commerce, Trade and Industry (MCTI)

10:00-10:20 Capital formation and attracting investment, including FDI: Fostering linkages between FDI firms and local firms and harnessing the potential of Special Economic Zones and industrial parks for production transformation

**Ministry of Commerce, Trade and Industry (MCTI)
Zambia Institute of Policy Analysis and Research (ZIPAR)**

10:20-10:30 Interactive discussions, questions, and answers (Q&A)

10:30-10:50 Coffee and Tea Break

10:50-12:30 Session V: The role of private sector, human capital and extractive industries in fostering productive capacities, industrialization, and structural economic transformation in Zambia

This session will discuss the role of structural change in development and fostering productive capacities to enable the process. It will focus on private sector development and human capital as critical in ensuring the robustness of structural economic transformation and important factors in building productive capacities. It will point to the manufacturing sector as desired focus of structural transformation and touch upon education and health as enablers of human capital development.

Moderator:

10:50-11:10 The role of the private sector in Zambia's development; Challenges to its formation
Ministry of Commerce, Trade and Industry, Zambia Institute of Policy Analysis and Research (ZIPAR)

11:10-11:30 The envisaged role of manufacturing sector
Ministry of Commerce, Trade and Industry (MCTI)

11:30-11:50 Revamping social sectors (education and health) to respond to socioeconomic challenges
Ministry of Education (MOE), Ministry of Health (MOH), Policy Monitoring and Research Centre (PMRC)

11:50-12:10 Strengthening the human capital and job creation
National Economic Advisory Council (NEAC)

12:10-12:20 Discussants:

12:20-12:30 Interactive discussions, questions, and answers (Q&A)

12:30-13:30 Lunch break

13:30-15:10 Session VI: The role of infrastructure in fostering productive capacities: the energy sector, ICT and transport

The process of building productive capacities requires improvements in infrastructure to galvanize country's economic interaction and its growth. This session will discuss the critical aspects of this infrastructure, namely, access to and development of energy resources and electricity, to ICT infrastructure and transport network.

Moderator:

13:30-13:50 Taping the potential of ICTs in production transformation and marketing strategies: Ensuring technological upgrading of the national economy
Ministry of Science and Technology (MST)

13:50-14:10 Energy and electricity, in the context of improving production transformation
Ministry of Energy (MOE)

14:10-14:30 Infrastructure development: Transport in the context of being landlocked
Ministry of Transport and Logistics (MTL)

14:30-14:50 Discussants:

14:50-15:10 Interactive discussions, questions, and answers (Q&A)

15:10-15:30 Coffee and Tea Break

15:30-17:00 Session VII: Holistic Programme of support for Zambia: Key pillars and constraints and the way forward

This interactive session is intended to discuss the lessons from Zambia's National Productive Capacities Gap Assessment and the way forward in terms of development strategy, policy intervention and institution building, also in the context of graduation from the LDC category. Its aim is to serve as the foundation for further deliberation on the tailored, sector-specific policies for Zambia to advance sustainable, inclusive and green development and to graduate from the LDC category with momentum to carry forward the developmental dynamic for the country to become an upper middle-income country.

Moderator:

15:30-15:50 Lessons from Zambia's NPCGA and the policy interventions needed: **Mr. Mussie Delelegn**, Acting Head, Productive Capacities and Sustainable Development Branch, Division for Africa, LDCs and Special Programmes, UNCTAD

15:50-16:10 Zambia's National Productive Capacities Gap Assessment: Conclusions and what next?
Ministry of Finance and National Planning (MOFNP)

16:10-16:45 Comments and suggestions concerning Zambia's National Productive Capacities Gap Assessment of Zambia

16:45-17:00 Closing session and concluding remarks