



University of Zambia (Department of Economics), the International Monetary Fund (IMF) (Zambia Office), the United Nations Development Programmes (UNDP) and the United Nations Economic Commission for Africa Sub-regional Office for Southern Africa (UNECA SRO-SA)

### **Public Lecture**

On

**“Debt restructuring underway, what else is needed to achieve inclusive and sustainable economic growth in Zambia?”**

August 8 2024

Venue: The University of Zambia Main Campus - TLC 2

Lusaka, Zambia

## **1. Introduction**

The United Nations Economic Commission for Africa (UNECA) Sub-Regional Office for Southern Africa (SRO-SA), in collaboration with the University of Zambia's Department of Economics, the United Nations Development Programme in Zambia and the International Monetary Fund (IMF) Office for Zambia, will organize a Public Lecture under the “Debt restructuring underway, what else is needed to achieve inclusive and sustainable economic growth in Zambia?” This will be the first lecture for 2024 under the annual public lecture series involving the four organizations. The lecture aims to provide a platform bringing together students, experts, policymakers, academics, and the public to discuss socio-economic and development issues facing Zambia, focusing on achieving inclusive and sustainable economic growth, particularly in view of the current debt restructuring initiatives.

## **2. Background and Overview**

Sovereign debt in Zambia has been a tool for addressing funding shortfalls and supporting economic stability. The country has experienced two major episodes of high debt levels - the first in the 2000s, which was alleviated through the Heavily Indebted Poor Countries (HIPC) programme under the MMD government, and the second, currently under restructuring by the UPND government with support from the International Monetary Fund (IMF).

Following the 2005 debt relief, Zambia aimed to maintain responsible borrowing practices. However, expansionary fiscal policies designed to support development initiatives including extensive infrastructure investments post-2010 led to a rapid accumulation of debt, primarily from non-concessional sources. Between 2012 and 2015, Zambia issued US\$3 billion in Eurobonds, and state-owned enterprises engaged in substantial borrowing with government guarantees. Additionally, significant loans from China have made it Zambia's largest single creditor.

While resource allocation remains crucial, the challenges are structural, involving both macroeconomic stabilization through short-term fiscal and monetary policies and broader economic transformation. Effective reform requires addressing inefficiencies between the agricultural and manufacturing sectors and developing a tertiary sector that promotes value addition and the export of finished products. Moving forward, Zambia must navigate whether growth will be driven by external export-led initiatives or internal domestic industrialization, focusing on creating a robust policy framework that promotes sustainable output, employment, and overall economic development.

The lecture will include two key presentations from the IMF and UNECA followed by discussant interventions and a question-and-answer session.

The presentation by the IMF will provide an overview of economic, social, and political trends in Sub-Saharan Africa, with a focus on how debt restructuring can influence these dynamics. Special emphasis will be placed on Zambia's current economic situation, examining the impacts of debt restructuring on its growth and transformation prospects. The presentation will also discuss additional policy reforms and strategies to support Zambia's journey towards achieving inclusive and sustainable economic growth.

The presentation by the UNECA SRO-SA on “Prospects for inclusive and sustainable economic growth in Zambia” will examine the current economic landscape and I discuss the potential for inclusive growth in Zambia through the analysis of economic policies and social development initiatives as tools to promote inclusive growth and sustainable economic growth. It will also explore the necessary strategies and reforms beyond debt restructuring that are crucial to fostering a more equitable and sustainable economic future for Zambia.

This backdrop underscores the focus of the lecture to discuss how Zambia can effectively manage its debt while implementing policies that enhance economic stability, institutional performance, and long-term development.

### **3. Objectives**

The lecture seeks facilitate and promote student engagement and awareness on the implications of the national debt management process, explore the implications of the on-going debt restructuring process on Zambia's economic prospects and promote continuous dialogue amongst partner organizations in an effort to support Zambia's sustainable and inclusive economic growth.

### **4. Format**

The event will be held in a plenary and will feature three 20-minute presentations—one by students from the University of Zambia and the other two by staff from UNECA and the IMF. This will be followed by 20 minutes of interventions by discussants. The lecture will conclude with a question-and-answer session.

### **5. Participation**

Students from various disciplines from the University of Zambia, the University of Lusaka, Zambia Centre for Accountancy Studies, University, policymakers, academics, researchers, civil society organisations and development partners will be invited to participate in the public lecture.

### **6. Language**

The Lecture will be conducted in English.

### **7. Date, Time and Venue**

The Lecture will be held in person format at the University of Zambia Main Campus, on August 8<sup>th</sup> 2024, from 16:30 to 19:30 hours.

### **8. Contact Details**

Confirmation of participation and the request for additional information and all other communication on the Public Lecture should be addressed to:

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