



REPUBLIC OF ZAMBIA

Ministry of Commerce, Trade and Industry

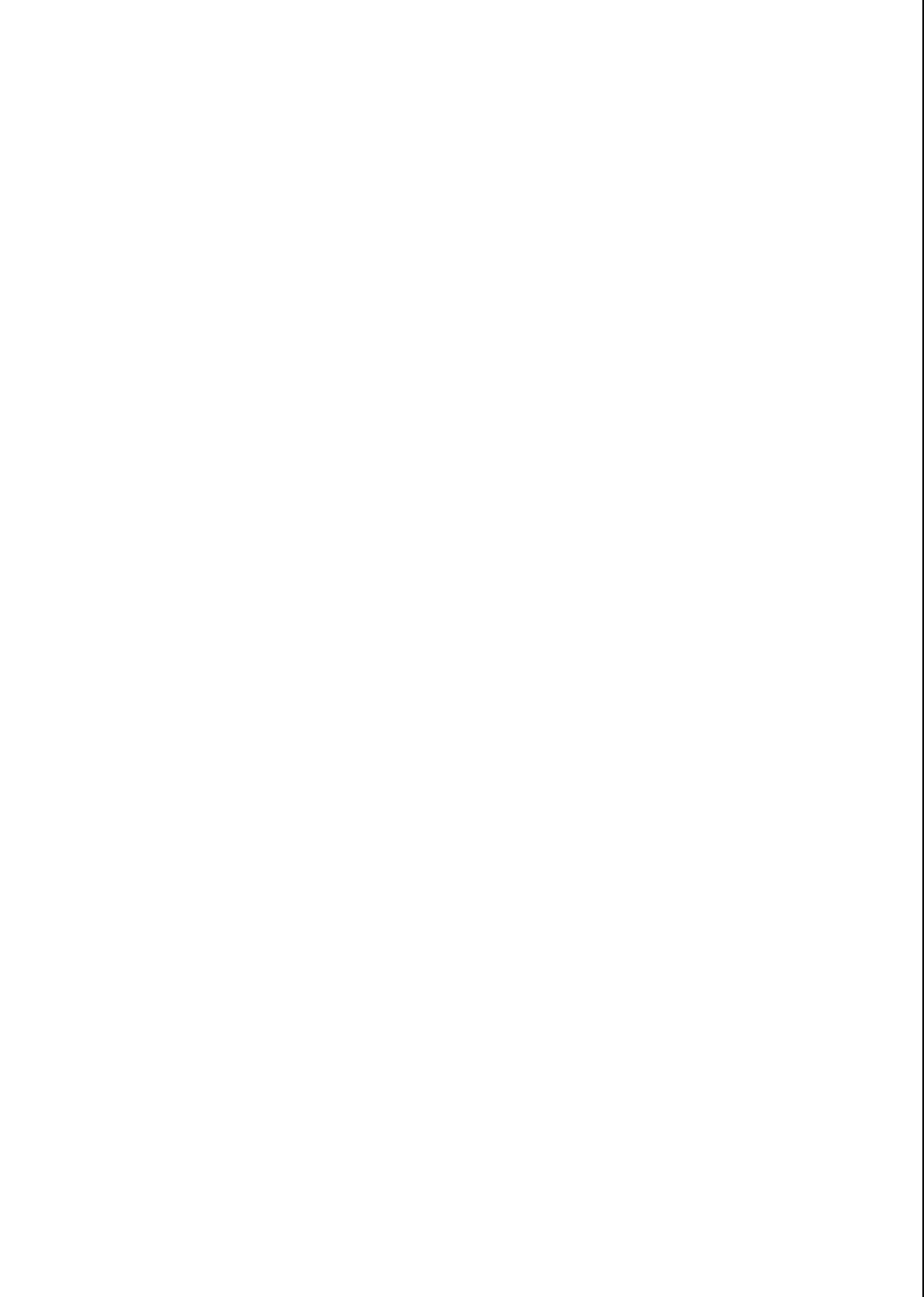


NATIONAL STRATEGY

for implementation of the
Agreement Establishing the
African Continental

Free Trade Area

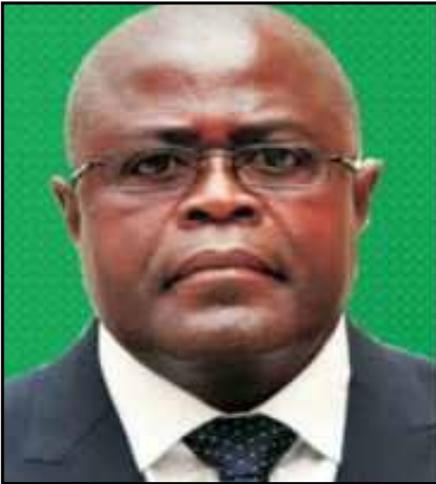
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Foreword



The Government of Zambia seeks to raise the standard of living of its citizenry by elevating the country's status from a lower-income country to a prosperous middle-income country, and from a least developed country to a developing country, by 2030. This is elaborated in Vision 2030¹ and the Seventh National Development Plan, 2017–2021,² the national economic growth and development blueprints for Zambia.

To achieve these objectives and goals, Zambia is leveraging its membership of regional, continental and multilateral trade arrangements to maximize national returns and earnings from these groupings, particularly through enhanced trade.

Within the continent of Africa, the country is revitalizing its engagement in the following free trade areas: Common Market for Eastern and Southern Africa (COMESA), Southern African Development Community (SADC), Tripartite Free Trade Area, and the recently launched African Continental Free Trade Area (AfCFTA).

AfCFTA presents Zambia with a huge opportunity to increase its export earnings, by tapping into the larger African market of 54 countries with a combined population of more than 1.3 billion and a purchasing power of about \$ 3.4 trillion.

The country seeks to increase export earnings and share in existing and new markets within Africa, by leveraging the opportunities under AfCFTA based on comparative and competitive advantages, especially among micro-, small and medium-sized enterprises (MSMEs) and cooperatives. The implementation of the strategy will positively contribute to job and wealth creation, by increasing the productive capacity of MSMEs and cooperatives, through targeted This strategy recognizes the MSME sector as one of the key sectors contributing to poverty reduction, and wealth and job creation. It will thus endeavour to facilitate MSMEs' and cooperatives' integration into AfCFTA markets, by providing capacity for the sector to participate in regional and global value chains, and promote skills development among producers that are small and medium-sized enterprises (SMEs), among others.

This strategy is complementary to existing policies and strategies, including the National Trade Policy;³ the National Export Strategy (NEST);⁴ the Micro, Small and Medium Enterprise Development Policy, 2008;⁵ the National Industrial Policy;⁶ the National Investment Promotion Strategy;⁷ the National Local Content Strategy;⁸ and the National Tourism Policy.⁹

¹ Republic of Zambia, Ministry of National Development Planning, *Vision 2030* (Lusaka, 2006).

² Republic of Zambia, Ministry of National Development Planning, *Seventh National Development Plan, 2017–2021* (Lusaka, 2017).

³ Republic of Zambia, Ministry of Commerce, Trade and Industry, *National Trade Policy 2018* (Lusaka, 2018).

⁴ Republic of Zambia, Ministry of Commerce, Trade and Industry, *National Export Policy (NEST), 2018–2022* (Lusaka, 2018).

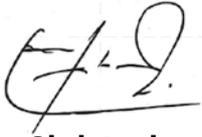
⁵ The 2008 MSME Development Policy has lapsed and a successor policy is currently under development.

⁶ Republic of Zambia, Ministry of National Development Planning, *National Industrial Policy, 2018* (Lusaka, 2018).

⁷ Republic of Zambia, Ministry of Commerce, Trade and Industry, *National Investment Promotion Strategy, 2018 to 2022* (Lusaka, n.d.).

⁸ Republic of Zambia, Ministry of Commerce, Trade and Industry, *National Local Content Strategy, 2018–2022* (Lusaka, n.d.).

⁹It is my fervent hope and desire that the public and private sector players in the country will work together in a concerted manner to ensure that Zambia realizes its goals of increasing export earnings and diversifying export markets, while safeguarding the interests of local producers, consumers and Zambian exporters from unfair and anti-competitive business practices and non-tariff barriers.



Hon. Christopher B. Yaluma, MP
Minister of Commerce, Trade and Industry

⁹ Republic of Zambia, Ministry of Tourism and Arts, *National Tourism Policy* (Lusaka, 2015).

Acknowledgements



The Ministry of Commerce, Trade and Industry of Zambia has developed this strategy as a guide for the country's engagement with countries that are members of the African Continental Free Trade Area (AfCFTA), but do not currently have any preferential trade relations with Zambia.

This strategy is the product of a collaborative and consultative effort by various stakeholders in the public and private sectors, civil society, academia, research institutions, women's and youth organizations, consumer organizations, the media and the public at large. It is a culmination of extensive consultations among stakeholders.

Following our request for support in developing an implementation strategy, the Ministry acknowledges the financial and technical support from the Economic Commission for Africa (ECA) of the United Nations, the European Union (EU) and from the African Union Commission.

The Ministry is most grateful for the input received from all stakeholders that helped shape this strategy. It is hoped that implementation will be a joint effort by all concerned stakeholders.

A handwritten signature in black ink, appearing to read 'Mushuma Mulenga', written in a cursive style.

Mushuma Mulenga

Permanent Secretary, Ministry of Commerce, Trade and Industry

Definitions

Accreditation: A third-party attestation related to a conformity assessment body conveying formal demonstration of its competence to carry out specific conformity assessment tasks.

Agroprocessing: The conversion of primary agricultural produce by manual, mechanical or biochemical means into a new product, by changing the size, shape, composition, nature or quality of such produce.

Conformity assessment: The demonstration that specified requirements relating to a product, process, system, person or body are fulfilled.

Duty free: A situation where goods enter a market without being subjected to import duties or tariffs.

Export earnings: The earnings of a company or country that are generated through the export of goods and services.

Free trade area: A group of two or more countries that adopt free trade – that is, they do not charge any customs duties (or charges equivalent to a customs duty) on goods originating from their territories.

Gini coefficient: A statistical measure of the distribution of income or wealth within a population. An increase in the Gini coefficient suggests that income is becoming more unevenly distributed.

Gross domestic product (GDP): The total value of goods produced and services provided in a country in a year.

Gross national income: The sum of a nation's GDP and the net income it receives from overseas.

Industrialization: The act of transforming or adding value, on a commercial scale, of raw materials into finished or semi-finished products, including the assembling of inputs into finished or semi-finished products.

Industry: The goods-producing segment of the economy. In this respect, it includes agriculture and mining, which are collectively referred to as the primary sector. It also includes manufacturing and construction, activities that are referred to as the secondary sector. Additionally, the term "industry" denotes services, which constitute the tertiary segment.

Intellectual property: Creations of the mind – such as musical, literary and artistic works; inventions; and symbols, names, images and designs – used in commerce. It includes copyrights, trademarks, patents and related rights.

Manufacturing: The act of transforming, on a commercial scale, raw materials into finished or semi-finished products. It includes the assembly of inputs into finished or semi-finished products.

Metrology: The science of measurements.

Multi-facility economic zones: Specific geographic areas or premises with the highest quality of physical and social infrastructure that attract investments in manufacturing and act as engines for economic growth and wealth and job creation, and increase foreign exchange earnings.

Multilateral trade: Trade beyond the regional trade dimension. It follows the approach of conducting trade based on cooperation, equal rights and obligations, non-discrimination and the participation as equals of many countries, regardless of their size or share of international trade (multilateralism). Multilateralism is the basis of the rules and principles embodied under the World Trade Organization.

Non-tariff barrier: Government measures other than tariffs that restrict trade flows, such as quantitative restriction and import licensing.

Non-traditional exports: A product cluster that consists of exports other than copper and base metals such as cobalt.

Proudly Zambian: The “buy local campaign” of Zambia, aimed at promoting the consumption of quality locally produced goods and services for wealth creation and employment generation.

Quality infrastructure: A system comprising the organizations (public and private), together with the policies, relevant legal and regulatory frameworks, and practices needed to support and enhance the quality, safety and environmental soundness of goods, services and processes. It relies on metrology, standardization, accreditation, conformity assessment and market surveillance.

Quota free: A situation where there are no quantitative restrictions on goods being imported or exported.

Regional trade: Trade within a geographical region. It could be in the form of a free trade agreement, customs union or common market. The regional trade arrangements of Zambia are within the framework of COMESA and SADC.

Rules of origin: Criteria for establishing the country of origin of a product. Often based on whether production (processing) leads to a change in tariff heading (classification) or in the level of value added in the country where the good was last processed.

Sector-specific issues: Issues that are critical for the priority sectors and require specific interventions.

Servicification: The transformation or encapsulation of existing processes or systems into one or more discrete services.

Standard: A document, established by consensus and approved by a recognized body, that provides, for common and repeated use, rules, guidelines or characteristics for activities or their results, aimed at the achievement of the optimum degree of order in a given context.

Support infrastructure: Services and supplies needed to sustain an organization in its day-to-day operations, such as communications, labour, power and transport.

Target sector: A priority sector, as identified in this report, for investment promotion, such as manufacturing (food processing, wood and wood products, leather and leather products, textiles and garments, engineering products, mineral beneficiation and pharmaceuticals); construction; agriculture; tourism; education; energy; information and communications technology (ICT); and health.

Tariff: A duty or tax levied at the border on imported goods.

Technical barriers to trade: Trade-restrictive effects arising from the application of technical regulations or standards, such as testing requirements, labelling requirements, packaging requirements, marketing standards, certification requirements, origin marking requirements, health and safety regulations, and sanitary and phytosanitary regulations.

Technical regulation: A document that specifies product characteristics or related processes and production methods, including the applicable administrative provisions, with which compliance is mandatory. It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements, as they apply to a product, process or production method.

Trade facilitation: The simplification and harmonization of international trade procedures, including the activities, practices and formalities involved in collecting, presenting, communicating and processing data required for the movement of goods in international trade.

Trade in goods (or merchandise trade): Commercial transactions in tangible goods between residents and non-residents of a country.

Trade in services:

The supply of a service on commercial terms:

- (a) From the territory of one country into the territory of another country;
- (b) From the territory of one country to the service consumer of another country;
- (c) By a service supplier of one country through commercial presence in the territory of another country;
- (d) By a service supplier of one country through the presence of natural persons of that country in the territory of another country.

Trade openness: A measure of the openness of a country to international trade. The ratio is computed by adding exports and imports and dividing the sum by the country's GDP.

Value addition: Any step in the production process that improves the product or service for the customer and results in a higher net worth.

Value chain cluster: The full range of business or economic activities required to bring a product or service from conception through the different phases of production (involving a combination of physical transformation and the input of various producer services), commercialization, delivery to final customers and final product disposal after use.

World Trade Organization: An international organization that deals with discussions, negotiations and resolution of trade issues covering goods, services and intellectual property. Its essential functions are administering and implementing multilateral and plurilateral trade agreements, acting as a forum for multilateral trade negotiation, seeking to resolve disputes, overseeing national trade policies, and cooperating with other international institutions involved in global economic policymaking.

Abbreviations

AfCFTA	African Continental Free Trade Area
BAZ	Bankers Association of Zambia
BoZ	Bank of Zambia
CEEC	Citizens Economic Empowerment Commission
COMESA	Common Market for Eastern and Southern Africa
ECA	Economic Commission for Africa
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
IAZ	Insurers Association of Zambia
IBAZ	Insurers Brokers Association of Zambia
ICT	Information and Communications Technology
IEC	International Electrotechnical Commission
MCTI	Ministry of Commerce, Trade and Industry
MoF	Ministry of Finance
MSMEs	Micro, Small and Medium-sized Enterprises
MTC	Ministry of Transport and Communications
NEST	National Export Strategy
SADC	Southern African Development Community
SMEs	Small and Medium-sized Enterprises
ZABS	Zambia Bureau of Standards
ZAM	Zambia Association of Manufacturers
ZCSMBA	Zambia Chamber of Small and Medium Business Associations
ZDA	Zambia Development Agency
ZICTA	Zambia Information and Communications Technology Authority
ZMA	Zambia Metrology Agency
ZTA	Zambia Tourism Agency

Executive summary

This strategy is a blueprint for the engagement of Zambia with member States of AfCFTA. It will help Zambia implement the provisions of the Agreement Establishing the African Continental Free Trade Area, while enabling the country to fully exploit and internalize the opportunities emerging from the implementation of the Agreement.

With a combined population of 1.3 billion and a purchasing power of \$3.4 trillion, AfCFTA provides Zambian entrepreneurs with the opportunity to trade preferentially beyond the COMESA and SADC regions, and venture into Central, West and North Africa.

The objectives of the strategy are to diversify the export markets of Zambia, increase the country's earnings from traditional and non-traditional exports, improve the competitiveness and reach of its services sector, and deepen sectoral linkages through national and regional value chains.

The strategy is guided by and complements aspirations elaborated in Vision 2030;¹⁰ the Seventh National Development Plan, 2017–2021;¹¹ the National Trade Policy;¹² the Micro, Small and Medium Enterprise Development Policy, 2008;¹³ the National Industrial Policy;¹⁴ the National Quality Policy; the National Intellectual Property Policy;¹⁵ the National Investment Promotion Strategy;¹⁶ and the National Local Content Strategy.¹⁷ Building on these key national pronouncements, the strategy seeks to create more economic opportunities for Zambian entrepreneurs for job and wealth creation, poverty reduction, enterprise development, and the empowerment of women and youth. The private sector will be particularly assisted in harnessing opportunities that emerge in the areas of investment, competition policy and intellectual property protection, in order to maximize its benefits from AfCFTA.

The overarching objectives of the strategy are to open a new African market for Zambian entrepreneurs each year of implementation, and to contribute to increased foreign exchange earnings in existing and new markets, while stimulating production for export and local production through SME development. Overall, a competitive private sector will be key to benefiting from AfCFTA, and the Government commits to creating an enabling environment to support entrepreneurs.

The success of the strategy will be anchored on a dynamic and growing private sector focused on increasing the production and supply of diversified and competitive products. Therefore, each year for 10 years of implementation of the strategy, 11 SMEs will be identified, “nurtured” and supported to produce exportable products. Through government support, these SMEs will be introduced into an export market, and will be supported in establishing a foothold and product diversity. The strategy endeavours to increase finance for enhancing production and export capacity by raising the loan portfolio for export production and marketing. For the services sector, the strategy will contribute to making it a major contributor to employment creation through supporting the growth of a competitive export sector.

¹⁰ Republic of Zambia, Ministry of National Development Planning, *Vision 2030* (Lusaka, 2006).

¹¹ Republic of Zambia, Ministry of National Development Planning, *Seventh National Development Plan, 2017–2021* (Lusaka, 2017).

¹² Republic of Zambia, Ministry of Commerce, Trade and Industry, *National Trade Policy 2018* (Lusaka, 2018).

¹³ The 2008 MSME Development Policy has lapsed and a successor policy is currently under development.

¹⁴ Republic of Zambia, Ministry of National Development Planning, *National Industrial Policy, 2018* (Lusaka, 2018).

¹⁵ Republic of Zambia, Ministry of Commerce, Trade and Industry, *National Intellectual Property Policy, Implementation Plan 2010–2014* (Lusaka, n.d.).

¹⁶ Republic of Zambia, Ministry of Commerce, Trade and Industry, *National Investment Promotion Strategy, 2018 to 2022* (Lusaka, n.d.).

¹⁷ Republic of Zambia, Ministry of Commerce, Trade and Industry, *National Local Content Strategy, 2018–2022* (Lusaka, n.d.).

The strategy emphasizes human capital development as a key anchor to industrial production and productivity. Thus, capacity-building of all actors – through short- and long- term training, skills development and upscaling, mentorships, internships and technical/professional attachments – will be strengthened to support the production and export sectors. Research, development and innovation activities at the industry/firm level will be supported by the Government, and relevant research institutions will be supported to anchor product development and diversification for competitiveness.

The strategy is the product of a highly consultative process including all stakeholders, and incorporates a gender component that will support the entrepreneurial activities of women, including cross-border traders. As a consequence of this gender sensitivity, all trade measures will be implemented taking into account the need for gender balance, to ensure that women and men benefit equally from new economic and trade opportunities under AfCFTA. The strategy will be implemented for a period of 10 years, after which any incomplete or ongoing activities and programmes will be mainstreamed, as appropriate, in government ministries or other public or private sector institutions or organizations within the country.

The implementation, monitoring and evaluation of the strategy will be under the auspices of an AfCFTA national implementation committee, which will specifically manage, direct, monitor and evaluate the implementation of all activities and programmes incidental to the Agreement Establishing the African Continental Free Trade Area in Zambia and elaborated in this strategy. The committee will be serviced by a full-time secretariat for the duration of implementation of the strategy.

The AfCFTA national implementation committee will employ a robust communications and awareness campaign elaborated under the communications strategy to educate and inform Zambian stakeholders in the public and private sectors (manufacturers' associations, farmers' unions and chambers of commerce), civil society, academia, non-governmental organizations – especially consumer organizations – and the population in general.

The Government of Zambia will provide the seed funding to support the implementation of the strategy, and will mobilize additional resources from development partners for sustainability and effective implementation of all activities, as well as the attainment of goals enumerated therein.

I. Introduction

The Government of Zambia seeks to create “a diversified and resilient economy for sustained growth and socioeconomic transformation driven, among others, by agriculture”.¹⁸ In line with Vision 2030,¹⁹ it seeks to develop an economy that is “competitive, self-sustaining, dynamic and resilient to any external shocks”. This includes supporting stability and protection of biological and physical systems, free from donor dependence. In addition, the Government aims to have stable social and cultural systems that support human capital formation”.²⁰ These goals will be achieved through a combination of human capital development, industrialization and competitive, export-led growth strategies.

Zambia has key strategic policy objectives to aid in the achievement of the aforementioned aspirations. Some of the strategic policy objectives with respect to trade and industry are the following:

- (a) To promote the production and export of value added products in order to increase foreign exchange earnings and contribute to wealth creation;
- (b) To promote competitive and fair trade practices to create a level playing field and protect consumer welfare;
- (c) To maintain an open economy with a liberalized import and export regime that supports industrial development;
- (d) To encourage the production of exportable products and continue the process of diversifying the export base;
- (e) To support and encourage exports of value added goods;
- (f) To seek new markets and strengthen the trading ties of Zambia with regional and other international markets; and
- (g) To reduce poverty through sustained export-led economic growth.

Zambia is cognizant of the opportunities to enhance trade and growth in industry through good trade relations with other countries. In this regard, Zambia is party to a number of international and regional organizations.

At the multilateral level, Zambia is a member of the World Trade Organization, while at the regional level, it is a member of SADC and COMESA. In 2016, Zambia also joined the East African Community and SADC tripartite framework, commonly known as the Tripartite Free Trade Area.

Zambia has signed the Agreement Establishing the African Continental Free Trade Area. AfCFTA is the focus of this publication, which provides a national strategy for the implementation of the Agreement by Zambia. It includes an introduction and covers a situation analysis, goals of the strategy, and a strategy implementation plan and coordination.

A. Background on the African Continental Free Trade Area

AfCFTA was officially launched on 21 March 2018 in Kigali. Zambia signed the Agreement Establishing the African Continental Free Trade Area on 10 February 2019. As of 1 May 2020, there were 54 signatory States and 30 ratifications of the Agreement.

¹⁸ Republic of Zambia, Ministry of National Development Planning, *Seventh National Development Plan, 2017–2021* (Lusaka, 2017), p.1.

¹⁹ Republic of Zambia, Ministry of National Development Planning, *Vision 2030* (Lusaka, 2006).

²⁰ Ibid.

The establishment of AfCFTA is part of the African Union agenda to boost intra-Africa trade and contribute to the attainment of “the Africa we want”, in line with Agenda 2063: The Africa We Want, of the African Union. The Agreement aims for liberalization of trade in goods and trade in services for member States. The negotiations have three phases: (a) phase one on trade in goods, trade in services and dispute settlement mechanism; (b) phase two on investment, intellectual property and competition policy; and (c) phase three on e-commerce. The movement of persons is also considered an important complement to the effective implementation of AfCFTA, and a separate protocol on movement of persons was signed during the launch of AfCFTA in 2018.

The Agreement Establishing the African Continental Free Trade Area entered into force on 30 May 2019, after meeting the required 22 instruments of ratification, which were deposited with the African Union Commission.

Although the Agreement has entered into force, there are critical elements that require finalization in order for it to become fully operational. For the trade in goods component, the Agreement requires a schedule of tariff liberalization by each country and a set of rules of origin for the products to be traded. For trade in services, each country’s schedule of commitments is required, even just for the five priority services sectors that comprise financial, communications, tourism, business and transport services.

B. Vision

The vision is a structurally transformed and competitive economy exporting to all viable African markets and spurring the economic diversification and development of Zambia.

C. Rationale

The economic development agenda of Zambia is premised on industrialization and export-led growth. For this reason, the country is seeking to diversify and increase its range of export products, diversify its export markets, and increase the number of service suppliers exporting to international markets.

While the country has had traditional exports of both goods and services in Europe, Asia and Eastern and Southern Africa, the country has had very little trade with the rest of Africa, especially Central, West and North Africa.

Through this strategy, the country will explore new markets for existing and new products in these parts of Africa.

D. General objective

The general objective of the strategy is to support government aspirations to attain higher levels of economic growth and development, raise the standard of living of the citizens of Zambia, improve infrastructure, create sustainable jobs, raise human capital and reduce inequalities across gender and regions.

E. Specific objectives

The specific objectives of this strategy are:

- (a) To open up new markets for the exports of Zambia in parts of Africa to which the country does not currently export any goods and/or services;

- (b) To increase market share in existing parts of Africa to which Zambia already exports its goods and services;
- (c) To ensure that exports to African markets contribute to the country's:
 - (i) Increased foreign reserves;
 - (ii) Increased job creation;
 - (iii) Improved industrialization drive; and
 - (iv) Reduction in economic inequality;
- (d) To build the productive capacity and export-readiness of the MSME sector for both the merchandise and services sectors;
- (e) To contribute to raising the technical competence of both the public and private sectors in trade policy issues;
- (f) To strengthen the trade defence mechanisms to address any threats and challenges resulting from import surges and unfair trade practices;
- (g) To strengthen the national quality infrastructure to support the production of quality products.

F. Guiding principles

The following are guiding principles for implementing this strategy:

- (a) Continuity: Building on the progress achieved at the level of regional economic communities such as SADC and COMESA;
- (b) Integrity: Upholding the agreed modalities for trade in goods and services;
- (c) Openness: Maintaining active participation in bilateral and multilateral trade negotiations;
- (d) Transparency: Benchmarking trade policy options against international best practices;
- (e) Inclusivity: Acknowledging equitable participation in trade of both local and foreign entrepreneurs;
- (f) Mutual accountability: Subjecting the strategy to monitoring, evaluation and a midterm review under the leadership of the AfCFTA national implementation committee;
- (g) Sustainability and innovative funding: Ensuring adequate funding for successful implementation of the strategy through increased domestic resource mobilization.

G. Policies guiding national trade objectives

The country is pursuing development goals as guided by Vision 2030,²¹ the Seventh National Development Plan,²² and several sectoral policies and strategies that include the following:

- (a) National Export Strategy, 2018–2022;²³
- (b) National Trade Policy, 2018–2028;²⁴
- (c) National Industrial Policy, 2018;²⁵

²¹ Republic of Zambia, Ministry of National Development Planning, *Vision 2030* (Lusaka, 2006).

²² Republic of Zambia, Ministry of National Development Planning, *Seventh National Development Plan, 2017–2021* (Lusaka, 2017).

²³ Republic of Zambia, Ministry of Commerce, Trade and Industry, *National Export Policy (NEST), 2018–2022* (Lusaka, 2018).

²⁴ Republic of Zambia, Ministry of Commerce, Trade and Industry, *National Trade Policy 2018* (Lusaka, 2018).

²⁵ Republic of Zambia, Ministry of National Development Planning, *National Industrial Policy, 2018* (Lusaka, 2018).

- (d) National Investment Promotion Strategy, 2018 to 2022;²⁶
- (e) National Local Content Strategy, 2018-2022;²⁷
- (f) Micro, Small and Medium Enterprise Development Policy, 2008;²⁸
- (g) National Intellectual Property Policy, 2010–2014;²⁹
- (h) National Tourism Policy, 2015;³⁰
- (i) Tourism Master Plan, 2018–2038;³¹
- (j) National Gender Policy;³²
- (k) National Quality Policy, 2010–2020.

This strategy is developed as a subcomponent under the National Trade Policy, 2018– 2028³³ and the National Export Strategy, 2018–2022.

II. Situation analysis

A. Economy of Zambia

Zambia is a landlocked country of about 18 million people. The country is surrounded by eight countries – Angola, Botswana, the Democratic Republic of the Congo, Malawi, Mozambique, Namibia, the United Republic of Tanzania and Zimbabwe – which together make up a market of nearly 240 million people and a combined GDP of nearly \$ 300 million.³⁴

The World Bank has classified Zambia as a lower-middle-income country since 2008, and the United Nations has classified it as a least developed country since 1991. The country's GDP per capita stood at \$ 1,291.34 in 2019, while its economic growth averaged about 3.4 per cent in the period 2015–2018. GDP growth in this period was stimulated by the mining sector (which accounts for more than 70 per cent of foreign exchange earnings) and complemented by the good performance of the services sector, which includes the transport, communications and construction subsectors.

In 2018, services accounted for 65 per cent of GDP, agriculture 2.6 per cent, and manufacturing 8.5 per cent. The services sector also accounts for the largest source of formal sector employment, estimated at 67 per cent of total formal employment in 2018. However, the majority of Zambians are employed in the agriculture sector, which accounts for about 77 per cent of informal employment. Its low contribution to GDP is reflective of the low productivity of the sector.

The country's economic competitiveness is low, having recorded an index of 46.51 points out of 100 in 2018, as was its economic complexity, with a complexity index of -0.514 out of 1 in 2017. Moreover, economic growth recorded during the early 2000s was not inclusive. In 2015, 54.4 per cent of the population was defined as poor, and 40.8 per cent lived in extreme poverty. The lack of inclusiveness in growth results led to an increase in income inequality (Gini coefficient), which

²⁶ Republic of Zambia, Ministry of Commerce, Trade and Industry, *National Investment Promotion Strategy, 2018 to 2022* (Lusaka, n.d.).

²⁷ Republic of Zambia, Ministry of Commerce, Trade and Industry, *National Local Content Strategy, 2018–2022* (Lusaka, n.d.).

²⁸ The 2008 MSME Development Policy has lapsed and a successor policy is currently under development.

²⁹ Republic of Zambia, Ministry of Commerce, Trade and Industry, *National Intellectual Property Policy, Implementation Plan 2010–2014* (Lusaka, n.d.).

³⁰ Republic of Zambia, Ministry of Tourism and Arts, *National Tourism Policy* (Lusaka, 2015).

³¹ Republic of Zambia, Ministry of Tourism and Arts, *Tourism Master Plan, 2018–2038* (Lusaka, 2018).

³² Republic of Zambia, Ministry of Gender and Child Development, *National Gender Policy, 2014* (Lusaka, 2014). This follows on the first gender policy of 2000. It builds on the successes of the first policy and seeks to address limitations and gaps identified as not having been adequately addressed during implementation of the first gender policy. This strategy will complement the attainment of these national objectives.

³³ Republic of Zambia, Ministry of Commerce, Trade and Industry, *National Trade Policy 2018* (Lusaka, 2018).

³⁴ World Bank, *World Development Indicators 2017* (Washington, D.C., 2017).

rose from 0.60 in 2006 to 0.69 in 2015. AfCFTA could thus have a great catalytic effect on the Government's anti-poverty programmes and the country's overall development agenda, such as attainment of the Seventh National Development Plan, 2017– 2021³⁵ and Vision 2030,³⁶ by providing income-generating opportunities in the expanded markets.

A SWOT analysis (strengths, weaknesses, opportunities and threats) of the Zambian economy in table 1 shows significant opportunities for the country to benefit from participation in AfCFTA.

Table 1: SWOT analysis of the economy of Zambia

<p>Strengths</p> <ul style="list-style-type: none"> • Availability of raw materials and other factors of production for export production; • Land-linkedness due to central location in the continent; • Educated population and easily trainable labour force; • Experience in free trade operations from COMESA and SADC; • An economy with open current and capital accounts; • Abundant touristic attractions and great potential for tourism exports; • Abundant and inexpensive quality education and health services; • Political stability conducive for business; • Good investment climate conducive for the development of the private sector; • Strong political will. 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Limited capacity to engage, inefficient processing and production; • Limited infrastructure; • Low level of economic competitiveness; • Inadequate and costly export finance for MSMEs and cooperatives; • Weak legal framework for invoking trade defence measures; • Limited competence in trade defence mechanisms among public and private sector players; • Limited expertise in export marketing; • Limited exposure to, and knowledge of, potential export markets in AfCFTA among MSMEs and cooperatives; • Predominance of export of primary products with limited value addition; • Costly services such as communications and insurance; • Limited availability of reinsurance services; • Weak legal and regulatory framework for services sectors; • Weak interministerial coordination; • Limited research and development for export production; • Limited access to finance; • High cost of production (high electricity tariffs, high cost of fuel); • Limited specialized skilled labour to support value addition and manufacturing; • Limited innovation; • Limited market intelligence and research; • Weak quality infrastructure; • Weak trade and investment support institutions for MSMEs and cooperatives.
<p>Opportunities</p> <ul style="list-style-type: none"> • Expanded export opportunities in large AfCFTA market; • Potential for joint ventures and value chains in AfCFTA; • Potential for skills and technology transfer from more advanced AfCFTA countries; • Potential for increased services exports such as tourism, financial, education, health, transport, communications and banking services; • Potential opportunities through digitization; • Potential to grow the reinsurance sector. 	<p>Threats</p> <ul style="list-style-type: none"> • Potential for increased competition from larger and/or more competitive economies in AfCFTA; • Potential application of unfair and anti-competitive trading and business practices by AfCFTA countries; • Potential application of non-tariff barriers on Zambian exports by AfCFTA countries; • Potential climate change challenges causing drought and load-shedding; • Potential challenges caused by digitization; • Potential challenges caused by public health emergencies; • Potential challenges caused by animal and plant diseases.

³⁵ Republic of Zambia, Ministry of National Development Planning, *Seventh National Development Plan, 2017–2021* (Lusaka, 2017).

³⁶ Republic of Zambia, Ministry of National Development Planning, *Vision 2030* (Lusaka, 2006).

B. Merchandise trade of Zambia

The economy of Zambia is fairly open, with a trade openness index of 70.04 per cent in 2019. However, the country's trade position has been weakening over the last five years. Merchandise exports declined at an annualized rate of -5 per cent, from \$ 10.2 billion in 2014 to \$ 6.5 billion in 2016, before rising to \$ 9.02 billion in 2018. Similarly, imports declined, but at a slower pace, at an annualized rate of -0.4 per cent, leading to an overall negative trade balance, with the exception of 2017, when a positive merchandise trade balance of \$ 24 million³⁷ was recorded.

The exports of Zambia are highly concentrated in a few products and a narrow market base. Copper accounted for an average of 75.6 per cent of total foreign exchange earnings from 2014 to 2018. The non-traditional exports (other exports excluding copper and cobalt) contributed an average of 25 per cent over the same period. These non-traditional exports are also dominated by a few sectors. In 2017, most of the non-traditional exports (72.9 per cent) were from four subsectors: engineering (25 per cent), primary agriculture (19.3 per cent), chemicals and pharmaceuticals (14.8 per cent), and processed and refined foods (13.2 per cent).

In 2018, the main export destinations from Zambia were, in descending order, Switzerland, China, India, South Africa and the Democratic Republic of the Congo, while the main sources of imports were South Africa, the Democratic Republic of the Congo, China, Kuwait and the United Arab Emirates. From 2016 to 2018, Zambia traded with 52 of the 55 members of the African Union, with the exception of the Comoros, Libya and Western Sahara. However, the country's trade within Africa is concentrated within the SADC and COMESA regions, with South Africa, the Democratic Republic of the Congo and Zimbabwe accounting for more than 75 per cent of total trade annually from 2016 to 2018.

Outside COMESA and SADC, the country's trade with African countries is low, despite the huge potential presented by countries such as Nigeria³⁸ (population 196 million, GDP \$ 397 billion), Algeria (population 42 million, GDP \$ 180 billion) and Morocco (population 36 million, GDP \$ 118 billion). Thus, AfCFTA provides Zambia with an opportunity to trade with these countries on a preferential basis. It also provides Zambia an opportunity to diversify its non-traditional exports within the priority sectors and destination base, as the country pursues its long-term vision of being an upper-middle-income country by 2030.

Despite the potential to diversity exportable goods and export markets, this is constrained by weak trade facilitation infrastructure and prohibitive transport costs. The available portfolio of finance for export production, export marketing or research, development and innovation in the export sector is very limited. Further, the country has inadequate capacity, institutional and legal frameworks to identify and invoke trade defence mechanisms when faced with unfair trade practices.

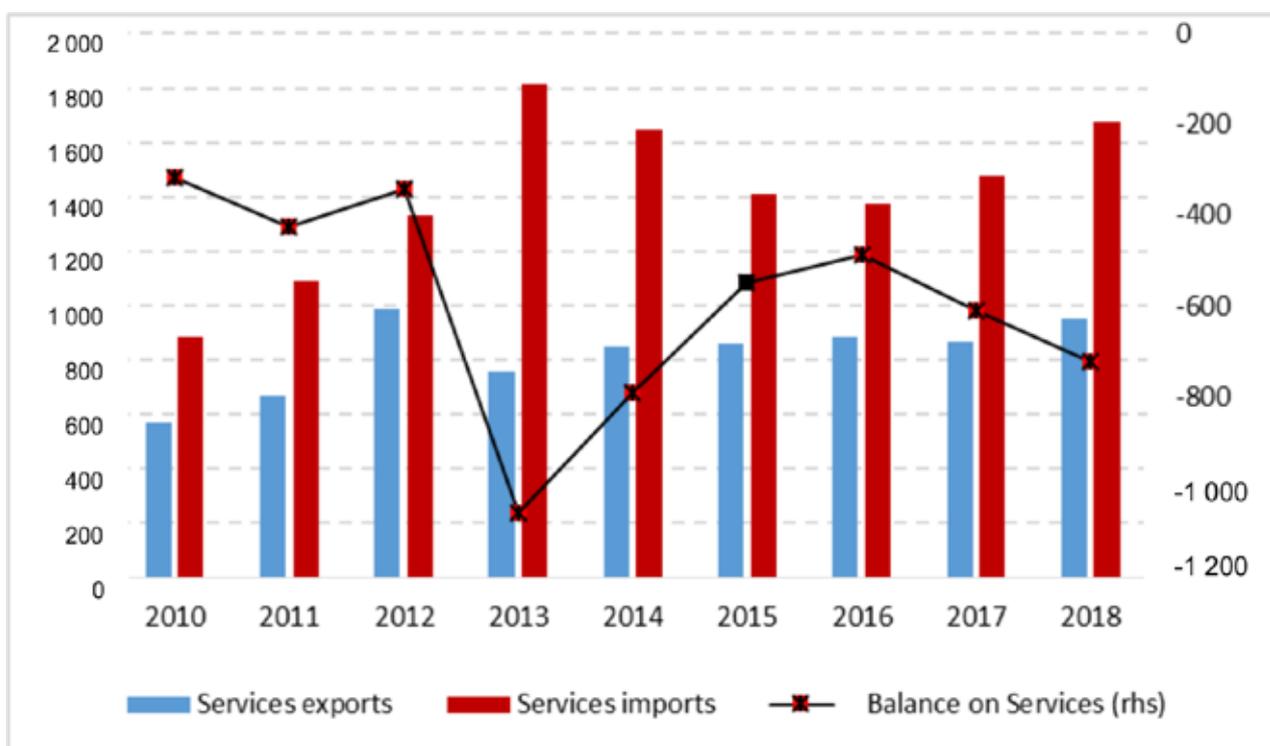
C. Trade in services of Zambia

Production and trade in services play an important role in promoting economic growth and sustainable development. Particularly, services have a strong intermediate role and have both a direct effect themselves and an indirect contribution, through servicification of production, to value added in other sectors, such as mining and manufacturing. Intermediate services, such as transport and finances, are major inputs into production of such sectors

as agriculture, manufacturing and tourism. In Zambia, the service inputs contribute up to 35 per cent of total production and sales costs of manufactured products.

Although the services sector influences the growth and employment dynamics in the economy, its contribution to exports remains low. Inefficiencies, as well as regulatory and organizational challenges, undermine some of its subsectors. Most of the key services sectors have little or no local participation. During 2010–2018, services exports averaged 9 per cent of total trade, while imports averaged 16 per cent of total imports. The accompanying figure shows that exports increased from \$ 570.9 million (7 per cent of total exports) in 2010 to \$953.3 million (10 per cent of total exports) in 2018. Imports rose from \$ 888.0 million in 2010 to \$ 1.678 billion in 2018, widening the services trade deficit and ultimately the current account position.

Trend in aggregate services imports and exports



Source: Bank of Zambia (BoZ) Balance of Payments Statistics database, 2001–2019.

The main services imports are transport, travel and business services. Transport services accounted for 57 per cent (\$ 957.4 million) of total services imports, while travel services contributed 17 per cent (\$ 279.3 million) of total imports. Insurance and pension services contributed 7 per cent, while other services, comprising financial and business services, were at 25 per cent (\$ 323.4 million).

At about 10 per cent of total exports, services exports remain very low relative to their significance in economic growth and GDP. The contribution to overall exports has been largely determined by trends in the country's traditional commodity exports rather than the inherent competitiveness of the country's services sector. The sector is faced with many regulatory challenges and concerns related to consumer protection and the need for institutional and regulatory reforms essential to realizing the potential benefits, while mitigating the risks.

The country has to address some administrative, regulatory (licensing, ownership and shareholding) and organizational constraints and ambiguities in the services sector if the country is to effectively participate in regional and global value chains. Furthermore, the expansion of an efficient services sector has the potential to create opportunities to diversify the country's foreign exchange earnings, and to improve the overall efficiency and capacity to export both goods and services. This strategy is framed to address these issues.

D. Zambia and the African Continental Free Trade Area

Agenda 2063: The Africa We Want, of the African Union, underscored AfCFTA as one of the flagship projects "to significantly accelerate growth of intra-Africa trade and use trade more effectively as an engine of growth and sustainable development". Specifically, its goal is to double intra-African trade by 2022, by addressing persistent challenges comprehensively and resolutely.

AfCFTA offers Zambia an additional market in these and other African countries, as it is envisaged to be open to all 55 members of the African Union. These countries represent a combined population of 1.239 billion (2017) and a combined total economic output (GDP) of \$ 2.234 trillion (2017) and an average per capita purchasing power (gross national income) of \$ 2,371.³⁹

Under the Agreement Establishing the African Continental Free Trade Area, countries have agreed to eliminate 97 per cent of customs duties and all non-tariff barriers. They have also adopted provisions on rules of origin, technical barriers to trade, and sanitary and phytosanitary.

Among services, countries have agreed to liberalize five priority sectors: financial, communications, business, transport and tourism. These sectors have been identified for their importance as intermediate inputs with increased servicification of production and export diversification potential. In 1996, Zambia committed a number of services sectors to liberalization as part of the initial General Agreement on Trade in Services. Among the key selected sectors that were liberalized are the tourism sector; segments of the professional services that include accountancy, medical and dental services; and services provided by midwives, nurses, and physiotherapist and paramedical personnel. In addition, the Government also made commitments in the health-related and social services sectors, which comprise hospital services and other human health services. The other sectors, which include financial services and communications, were unilaterally liberalized as part of the 1991 reforms.

E. Agreement Establishing the African Continental Free Trade Area

Phases of the negotiations

The Agreement Establishing the African Continental Free Trade Area comprises three phases of negotiations:

- (a) phase one on trade in goods, trade in services and dispute settlement;
- (b) phase two on investment, intellectual property and competition policy; and (c) phase three on e-commerce.

³⁹Ibid.

At a more general level, Zambia will participate actively in phase II of the AfCFTA negotiations – which will include negotiations on competition policy and consumer protection, among others – to ensure that the benefits of free trade are not amassed by the economically powerful players to the detriment of weaker participants. Part of the capacity-building under the strategy will focus on enhancing the Zambian public and private sectors’ technical skills in these negotiations. During the negotiations, it will be important to push for the adoption of a common policy on standardization and quality assurance of goods and services, as envisaged in the African Quality Policy, which seeks to enhance the quality, safety and environmental soundness of goods, services and processes.

F. Cross-cutting issues

1. Women’s and youth participation in the African Continental Free Trade Area Equity and inclusivity in the implementation of the African Continental Free Trade Area

AfCFTA seeks to ensure that the benefits from production and trade expansion are inclusive and shared equitably. This is reflected, among others, by the decision of the African Union, which identifies “full gender equality in all spheres of life” as a priority goal towards the realization of Agenda 2063.

The 2030 Agenda for Sustainable Development of the United Nations, and its Sustainable Development Goals, reinforce the existing human rights obligations of States to advance gender equality and women’s empowerment.⁴⁰ Noting that “unbalanced power relations between women and men in the domestic, community and public domains remain impediments to the advancement of women,”⁴¹ the Seventh National Development Plan of Zambia points out that addressing gender inequality requires a holistic multisectoral approach through interventions, including the scaling up of women’s economic empowerment programmes, affirmative action for women and gender mainstreaming.⁴²

These principles will be underscored in the implementation of this strategy. Also in this implementation, gender equality and youth participation will be enhanced by increasing economic opportunities and entrepreneurship for women- and youth-owned or led small and medium-sized enterprises (SMEs). Specific and tailor-made training and enterprise development support will be provided to these groups during the implementation of the strategy, as contained in the implementation action plan.

The National Industrial Policy, 2018 acknowledges that gender is an “economic issue” and that gender inequalities “impede economic growth, industrial activities and frustrate efforts to reduce poverty”.⁴³

All gender-affirmative measures to be implemented under this strategy will be consistent with the objectives outlined in the country’s National Gender Policy, 2014.⁴⁴

⁴⁰ See in particular Sustainable Development Goal 5: Achieve gender equality and empower all women and girls, which is closely associated with Goal 17 of Agenda 2063.

⁴¹ Republic of Zambia, Ministry of National Development Planning, *Seventh National Development Plan, 2017– 2021* (Lusaka, 2017), p. 14.

⁴² *Ibid.*, p. 88.

⁴³ Republic of Zambia, Ministry of National Development Planning, *National Industrial Policy, 2018* (Lusaka, 2018), p. 12.

⁴⁴ Republic of Zambia, Ministry of Gender and Child Development, *National Gender Policy, 2014* (Lusaka, 2014). This follows on the first gender policy of 2000. It builds on the successes of the first policy and seeks to address limitations and gaps identified as not having been adequately addressed during implementation of the first gender policy. This strategy will complement the attainment of these national objectives.

This support will cover all economic sectors in which women and youth are active: agriculture, manufacturing, mining, fisheries, tourism and services. These may include:

- (a) Facilitating access to finance/working capital, and to markets and market information.
- (b) Marketing skills and expertise training on product standards, labelling requirements and trade regulations, to help female entrepreneurs meet AfCFTA-specific requirements, as well as quality requirements of larger companies.
- (c) Mentorship, buyer and business network opportunities, particularly the prioritization of exchange and mentorship programmes with large companies, as part of facilitating the growth of women-owned small businesses.
- (d) Skills development and training, including on digital financial literacy and digital skills training, as more regional value chain activities go digital. This will also include training on the requirements of local content and rules of origin.
- (e) Specialized financial literacy, and business and financial management training, particularly for female/youth-owned/led micro-entrepreneurs.
- (f) Particular attention paid to the need for the translation of services/documentation into local languages.
- (g) Government-induced incentives for women-owned export businesses.
- (h) Support for the formation of public–private partnerships.
- (i) Support for women-owned businesses in public procurement programmes.
- (j) Business development services.
- (k) Technology and digital payment systems for cross-border payments. Particular attention should be paid to gender-specific challenges of access and use of technology confronting female/youth traders.
- (l) Availability of technology hubs/trade information centres.

The country's 2015 National Youth Policy emphasizes youth employment and entrepreneurship development as its first policy objective. Through this objective, the policy seeks to “promote the economic participation of the youth in national development through employment creation and entrepreneurship development”.⁴⁵

This AfCFTA strategy will focus on and work towards deepening youth entrepreneurship development by enhancing the export capacity of youth-owned or led MSMEs and cooperatives to African countries participating in AfCFTA.

In this regard, selection of the 11 MSMEs and cooperatives per year, as outlined in the trade in goods strategy, will pay particular attention to women- and youth-owned or led enterprises.

2. Environment and climate change

Environment is a major factor in today's production systems. Sustenance of ecosystems, and production techniques and practices that avert environmental degradation, are essential in all production processes in the current economic system.

⁴⁵ Republic of Zambia, Ministry of Youth and Sport, 2015 National Youth Policy (Lusaka, 2015), p. 7.

Similarly, climate change – which sometimes leads to drought, famine and pestilence – is also known to have major consequences on production systems. Over the last few decades, it has led to drought, famine and pestilence, and has affected the agricultural production and exports of Zambia, and their sustainability.

In this regard, the country has banned and is actively working to eradicate practices that cause environmental degradation, such as bad farming practices, charcoal burning, bushfires, uneconomical land clearing, use of non-biodegradable packaging, and improper solid waste management and disposal.

At the regional and global levels, the country is a party to, or participating in, several agreements on climate change, including the United Nations Framework Convention on Climate Change, the SADC Climate Change Adaptation Strategy and the COMESA–East African Community–SADC Tripartite Programme on Climate Change.

These programmes are intended to ensure that Zambian export products and services are environmentally-friendly, and this strategy will only support production and export of such products and services.

III. Goals of the strategy

A. Trade in goods

The overall objectives of this strategy are guided by the goals and targets set out in the National Export Strategy (NEST) for merchandise exports. These are:

- (a) An annual growth rate of 15 per cent for traditional exports; and
- (b) An annual growth rate of 25 per cent for non-traditional exports.

The strategy uses 2019 as the base year. In addition to these targets, it sets out the following supply and market penetration trade goals for Zambia under AfCFTA.

1. Supply-side/export readiness goal

The greatest limitation to export growth is not market opportunity but limited domestic supply capacity. For this reason, this strategy will focus on improving domestic supply capability by stimulating production for export, especially among MSMEs and cooperatives.

Strategic goal

The strategy will develop criteria to identify and support MSMEs and cooperatives to become export-ready. Each year, the AfCFTA national implementation committee will approve and support at least 11 MSMEs and cooperatives, including cooperatives from the 11 priority sectors identified in NEST (primary agriculture, cereals and legumes, floriculture and horticulture, animal and animal products, agroprocessing, textiles and garments, leather and leather products, wood and wood products, building materials, engineering products, and non-metallic minerals and gemstones) to become export-ready and begin to export to African countries in subsequent years. The strategy will seek to have introduced at least 110 new MSMEs and cooperatives to the export sector by the end of year 10 of the implementation of the Agreement Establishing the African Continental Free Trade Area.

As part of this process, special consideration will be given to the identification and support of women-, youth- and differently abled persons-led MSMEs and cooperatives.

Strategic measures

To achieve these strategic goals, implementing agencies will:

- (a) Support, through training in entrepreneurial skills, personnel in production techniques, product standards and International Organization for Standardization (ISO)/ International Electrotechnical Commission (IEC) series manufacturing techniques (for ISO certification);
- (b) Train personnel in market research (assessing consumer preferences, evaluating local and foreign competition and understanding regulatory requirements), export marketing, export pricing including international commercial terms (INCOTERMS) and export logistics;
- (c) Be exposed to export marketing techniques through export marketing missions; trade fairs; exhibitions; and business-to-business, government-to-business and business-to-consumer meetings.
- (d) Develop bankable project proposals.

Skills development and training interventions will be strengthened to support, in particular, the export-readiness of women- and youth-led MSMEs and cooperatives.

2. Export earnings goal

The strategy focuses on both traditional and non-traditional export products from the 11 priority sectors. The goal will therefore be to ensure that exports under AfCFTA contribute to attaining the NEST 15 per cent and 25 per cent annual growth rates in traditional and non-traditional exports, respectively.

Strategic goal

The strategic goal will be to ensure that earnings from traditional exports (mainly export of metals and mineral products) to African countries increase by 15 per cent annually and non-traditional export earnings increase by 25 per cent annually during the AfCFTA implementation.

Strategic measures

To achieve these strategic goals, implementing agencies will:

- (a) Identify existing and potential markets for traditional and non-traditional export products;
- (b) Set annual export earnings targets for each priority sector and for each identified market;
- (c) Undertake market research and product promotion in the targeted markets, including advertising, product exhibitions and brand promotion;
- (d) Establish or enhance local marketing presence in identified foreign markets.

3. Market penetration goal

Strategic goal

The strategic goal is to increase the export destinations within Africa by at least one country per year.

Strategic measures

In identifying and exploiting export markets, the implementing agency(ies) will:

- (a) Identify countries to which Zambia does not currently export, or to which Zambia exports less than the \$ 50,000 annual threshold;
- (b) Undertake market research on these countries to understand their trade regulations and product standards, consumer preferences, nature and type of competition, and export channels and routes;
- (c) Establish and/or strengthen regional value chains in priority sectors by importing or exporting intermediate goods for further processing on the basis of comparative advantage.

4. Financing export of goods

The overall objective is to increase access to trade finance to boost the country's exports.

Strategic goal

The strategic goal is to increase the funding options for export production and promotion.

Strategic measures

It is imperative that this fund is enhanced/boosted through:

- (a) Establishment of the Industrial Development and Investment Promotion Fund;
- (b) Mobilizing additional financial resources from other financial institutions – such as pension funds, export credit guarantee agencies, national and regional development banks, regional trade finance institutions and development partners – to boost the loan portfolio by the AfCFTA national implementation committee;
- (c) Encouraging MSMEs and cooperatives on the use of the Moveable Property Security Interest Act, which allows MSMEs and cooperatives to access financial resources from financial institutions without fixed collateral;
- (d) Encouraging the Zambia Development Agency (ZDA) to incentivize and lobby financial institutions to set up an export-dedicated lending portfolio;
- (e) Introducing new and/or expanding existing export credit insurance schemes through the insurers' association and the Pensions and Insurance Authority.

5. Protection of domestic industry

Strategic goal

The strategic goal is to proactively protect domestic industry in case of threat or actual injury.

Strategic measures

Strategic measures include the following:

- (a) Promoting the enactment of a trade remedies act;
- (b) Strengthening the competition and consumer protection commission to adequately deal with issues relating to cartels, anti-dumping and unfair trading practices;
- (c) Enhancing capacity-building in invoking and applying safeguards such as anti-dumping and countervailing actions.

B. Trade in services

1. Identification and export strategies of services sectors

The overall goal of this AfCFTA implementation strategy in the services sector is to promote the development of a vibrant sector for both local and export markets, focusing on the priority sectors, including financial, transport, business, information and communications technology (ICT) and tourism services, among others. This strategy builds on the national development objective contained in the Seventh National Development Plan, 2017–2021,⁴⁶ the National Trade Policy 2018⁴⁷ and associated development strategies of these key priority sectors as identified in the National Export Strategy 2018–2022.

2. Goals for the priority services sectors of Zambia

(a) Financial services

The strategy focuses on the banking, insurance and pensions, insurance brokers and securities markets.

(b) Banking and other financial services

Strategic goals

The strategic goals are to promote a vibrant financial sector with accessible and affordable credit for both local and export markets.

Strategic measures

The strategy leverages on all modes, with emphasis on mode III of trade in services:

- (a) Promote diversification of financial services through increased foreign direct investment (FDI) in the sector;
- (b) Increase local participation through joint ventures with other investors, and leverage these for the export market;
- (c) Encourage banks to list on the stock exchange market;

- (d) Strengthen regulations to promote the adoption of financial inclusion strategies;
- (e) Encourage growth and competitiveness of local financial services suppliers to enable them to export;
- (f) Encourage financial institutions to develop innovative products accessible to MSMEs and cooperatives;
- (g) Encourage financial institutions to develop affordable financial products to support women, youth and differently-abled persons in the sector.
- (c) Insurance and insurance-related services

Strategic goal

This is to develop a buoyant local insurance and related services sector capable of underwriting mega risks.

Specific goals

These include:

- (a) To promote the building and utilization of local capacity for export promotion;
- (b) To strengthen the monitoring and enforcement of provisions limiting the placing of insurance of assets and liabilities within Zambia;
- (c) To ensure that all marine insurance is underwritten within Zambia;
- (d) To introduce compulsory employers' and public liabilities;
- (e) To incentivize insurance services providers to have a minimum level of ICT infrastructure;
- (f) To encourage insurance services providers to provide structured sensitization programmes;
- (g) To ensure that the Insurance Institute of Zambia is strengthened through an Act of Parliament to improve regulation of insurance practitioners;
- (h) To incentivize and encourage insurers to develop affordable products to increase support for women's and youth enterprises in the sector.

Strategic measures

For life insurance firms, the strategic measures are the following:

- (a) The firm should be incorporated as a public limited company;
- (b) No single individual or company should hold more than 70 per cent of the shares;
- (c) Existing firms should incorporate as public limited companies within five years;
- (d) Offshore insurance companies should not be permitted to underwrite life insurance for residents.

For non-life insurance, the strategic measures are:

- (a) Be private or public;
- (b) Ensure that, in joint ventures, no individual or company owns more than 75 per cent of shares, and that 25 per cent or more is held by locals;
- (c) Joint ventures shall be at most 70 per cent foreign-owned and 30 per cent or more held by locals;
- (d) Co-insurance of mega risks should be promoted;
- (e) Imported goods into Zambia, (except personal effects) shall be placed with an insurer registered in Zambia, unless local capacity is not available.

For re-insurance and retrocession (non-life), the strategic measures are:

- (a) Be private or public;
- (b) Local participation through joint ventures with other investors should be encouraged;
- (c) Outward reinsurance is permitted only if local capacity is filled up or not available;
- (d) Co-reinsurance shall be promoted for mega risks. For insurance brokers, the strategic measures are:
 - (a) Be either private or public;
 - (b) Ensure that at least 51 per cent of capital or proprietary interest in brokerage firms shall be owned by Zambians in the form of joint ventures;
 - (c) Ensure that no insurance company holds shares in an insurance brokerage firm;
 - (d) Improve and strengthen the legal and legislative requirements for improved ownership and organizational structures.

(d) Tourism services

The overall aim is to effectively tap the tourism potential for socioeconomic development, including income generation and foreign exchange earnings anchored on environmental sustainability.

Strategic goals

Strategic goals include the following:

- (a) To promote consumption of tourism products within AfCFTA by expanding the market share as a new niche market;
- (b) To address bottlenecks affecting the competitiveness of the sector;
- (c) To diversify the range of tourism products.

Strategic measures

These include the following:

- (a) Promote deliberate policies to reduce the financing cost in the tourism sector through regulatory reforms;
- (b) Design policies to grow the domestic tourism sector and use it as a catalyst for regional tourism exports;
- (c) Facilitate more charter services targeted at tourists;
- (d) Expeditiously come up with a single licence levy in the tourism sector to reduce the cost of doing business;
- (e) Actively participate in collaborative regional tourism programmes to entrench gains for local operators;
- (f) Engage in bilateral agreements for possible complementarity in the tourism sector;
- (g) Encourage Zambians to establish businesses abroad;
- (h) Develop the tourism infrastructure and complementary services.

(e) Business services

Business services broadly include those such as legal, accounting, taxation, architectural, engineering, urban development, veterinary, medical and physiotherapist, among others. Computing services and other business categories comprise research and development, advertising, market research, public opinion, polling services and management consulting. Services incidental to energy distribution, among others, constitute some of the key sectors for rapid economic development and employment creation.

The overall aim is to develop and nurture an innovative and competitive business services sector able to exploit domestic and continental opportunities.

Strategic goals

Strategic goals include:

- (a) To promote sustainable development of business services;
- (b) To build capacity for business services provision and export.

Strategic measures

Strategic measures include:

- (a) Building capacity and providing assistance on how to market the services;
- (b) Facilitating intersectoral cooperation to increase product diversity and market coverage;
- (c) Encouraging financial institutions to develop affordable financial products to support the sector;
- (d) Creating coordinating structures for the development of each subsector to streamline interventions for improved domestic productivity and export markets.

(f) Communications services

The communications services comprise courier, postal and telecommunications. The strategy focuses on telecommunications services.

The overall aim is to develop a competitive and efficient telecommunications sector that serves as an enabler for business and government functions through lower production and trade costs for domestic and export diversification.

Strategic goals

Strategic goals include:

- (a) To enhance the efficiency of the business environment for the telecommunications sector to support and enable the industry to thrive;
- (b) To enhance compliance with international standards in order to improve access to networks of productivity.

Strategic measures

Strategic measures include:

- (a) Reforming policies for improved data and mobile service delivery to facilitate the emergence of a competitive sector;
- (b) Building or developing a national infrastructure backbone and facilitating connection to the international backbone for a competitive telecommunications industry;
- (c) Improving local participation in the telecommunications industry through shareholding.

(g) Transport services

The overall aim is to establish adequate and economically sustainable transport infrastructure able to facilitate domestic, regional and international trade.

Strategic goals

Strategic goals include:

- (a) To support the development of an integrated transport network;
- (b) To promote an efficient transport system and infrastructure that strengthens the local transport system;
- (c) To promote regional cooperation in the transport sector.

Strategic measures

Strategic measures include:

- (a) Leveraging the regional integration efforts to build joint transport and border infrastructure;
- (b) Cooperating on the development of transport corridors and other related infrastructure.

C. Strategies for financing the services sector

1. Financing the telecommunications sector

Strategic goals

Strategic goals include:

- (a) To promote increased access to telecommunications services;
- (b) To reduce the cost of telecommunications services by deploying modern technology.

Strategic measures

These will enhance the Universal Access and Service Fund, targeted at supporting telecommunications development in unserved and underserved areas. The creation of the fund is provided for in the ICT Act, where licence holders contribute a percentage of their annual incomes. The State, through the Zambia Information and Communications Technology Authority (ZICTA), and participation from industry players, uses this fund for development and operation of the telecommunications, mobile and data services in the unserved and underserved areas.

2. Tourism Development Fund

Zambia established the Tourism Development Fund to promote product development, marketing, training and research, and infrastructure development, in accordance with the Tourism and Hospitality Act No. 23 2007.

Strategic goals

The strategic goals for the fund are the following:

- (a) To promote the expansion of tourism into new areas and services;
- (b) To increase the tourist base by tapping into the larger African market.

Strategic measures

Strategic measures include:

- (a) Strengthening the Tourism Development Fund;
- (b) Ensuring sustainability, and that subsequent resources for the Fund shall be derived from the Tourism Levy;
- (c) Transforming the national hostels' board into a business-oriented tourism development funding investment vehicle.

3. Access to affordable financing

Access to affordable/inexpensive financing should be made available through quasi-governmental financial institutions to promote and prioritize the rural industrialization and services industries of the tourism sector.

IV. Strategy implementation and coordination

The activities to be implemented under this strategy shall be coordinated by an AfCFTA national implementation committee, to be specifically established to manage and superintend all activities in pursuance of fulfilling the obligations of Zambia under the provisions of the Agreement Establishing the African Continental Free Trade Area.

A. African Continental Free Trade Area national implementation committee

1. Composition

The Government of Zambia shall establish an AfCFTA national implementation committee, whose terms of reference are contained in annex II, which shall comprise public sector senior officials and senior management industry representatives from, but not limited to:

- (a) Ministry of Commerce, Trade and Industry (MCTI);
- (b) Ministry of Finance (MoF);
- (c) Ministry of National Development and Planning;
- (d) Ministry of Foreign Affairs;
- (e) Zambia Development Agency (ZDA);
- (f) Zambia Private Sector Alliance.

The proposed coordinating committee will be established as shown in table 2.

Table 2 Proposed coordinating committee of the AfCFTA national implementation committee

	Institution	Designation
1.	Ministry of Commerce, Trade and Industry	Permanent Secretary
2.	Ministry of Foreign Affairs	Permanent Secretary
3.	Ministry of Finance	Permanent Secretary
4.	Ministry of National Development and Planning	Permanent Secretary
5.	Zambia Development Agency	Director General
6.	Zambia Private Sector Alliance	Chief Executive Officer
7.	Ministry of Commerce, Trade and Industry	4 officers as secretariat

2. Chair

The committee will be chaired by the Permanent Secretary with the Vice-Chair coming from the private sector.

3. Functions

The functions of the AfCFTA national implementation committee shall be to initiate, supervise and monitor, and cause to be undertaken, all activities under the Agreement Establishing the African Continental Free Trade Area. The committee will monitor and evaluate progress in the implementation of the strategy, and will mobilize resources to support its activities.

4. Secretariat

The national implementation committee should be serviced by a full-time secretariat based at the Ministry of Commerce, Trade and Industry.

The national AfCFTA secretariat will undertake all technical work; prepare briefing papers; keep records of committee deliberations, activities and programmes; be the link between national stakeholders and the Government; and serve as a first point of call on all matters relating to AfCFTA. It should also serve as a link between Zambia and the technical wings of the African Union Commission and other cooperating partners, and serve as an information repository on AfCFTA.

5. Services trade development council

The effective implementation of a services strategy will require a strong coordination that champions the attainment of the goals. In this regard, a services trade development council, whose role will be to foster the development of the domestic services sector, will be established.

The council should be comprised of government officials and representatives from identified services sectors. The Chair shall be a senior government official and a Vice-Chair will come from the private sector, with champions drawn from the private sector. This committee will work under the national implementation committee.

B. African Continental Free Trade Area strategy implementation plan

Implementation of activities under AfCFTA shall be led by government ministries or statutory bodies, with active participation of all other stakeholders, as reflected in table 3.

Table 3 Focal points for strategy implementation

	Issue	Public/private sector players	Lead agency
1	Industry and trade policy(merchandise), including trade defence measures	MCTI, Ministry of Agriculture, MoF, Ministry of Fisheries and Livestock, private sector	MCTI
2	Trade capacity-building	Selected public and private, academic and research institutions, private sector	MCTI
3	Product research, development and innovation	MCTI, National Institute for Scientific and Industrial Research, ZDA, Zambia Bureau of Standards (ZABS), National Technological Business Centre, Zambia Metrology Agency (ZMA), Technology Development and Advisory Unit (University of Zambia), private sector	National Institute for Scientific and Industrial Research
4	Export product development and promotion	MCTI, ZDA, ZMA, ZABS, Zambia Agriculture Research Institute, ZEGA, Zambia Chamber of Small and Medium Business Associations (ZCSMBA), Seed Control and Certification Institute, Zambia Association of Manufacturers (ZAM), CVRI, private sector	ZDA

	Issue	Public/private sector players	Lead agency
5	Market development and diversification	MCTI, ZDA, ZABS, Zambia Revenue Authority, ZMA, ZAM, Zambia Chamber of Commerce and Industry, Zambia National Farmers Union, ZCSMBA, ZCF, private sector	ZDA
6	Export finance	ZDA, BoZ, Bankers Association of Zambia (BAZ), MoF, private sector	MoF
7	Export credit insurance	BoZ, ZDA, Insurers Brokers Association of Zambia (IBAZ), Insurers Association of Zambia (IAZ), private sector	IAZ
8	Services trade	MTA, Ministry of Transport and Communications (MTC), MoF, Zambia Tourism Agency (ZTA), BAZ, BoZ, ZICTA, clearing agents, Tourism Board of Zambia, Engineering Institute of Zambia, Immigration, other services associations, private sector	MCTI
9	AfCFTA communications and advocacy	Ministry of Information and Broadcasting Services, MCTI, all other media institutions	MIBS

C. Communications strategy

A communications strategy will be developed to ensure comprehensive, detailed and continuous information dissemination and sharing with all stakeholders. The AfCFTA national implementation committee will use all means of communications available – including national and community radio and television stations, newspapers, billboards, banners, Internet and flyers – at strategic places on particular buildings, walls and poles along selected streets.

The AfCFTA national implementation committee may also organize road shows; drama in schools and among youth; and live artist performances at markets, bus and train stations, airports and similar public places.

The communications strategy will seek to inform target audiences about the benefits, architecture, coverage and scope of the Agreement Establishing the African Continental Free Trade Area. The messages and information will be audience-specific for relevance.

The audiences will be segmented by age, gender, economic activity, region and perceived level of understanding/education, and the information will be accordingly packaged.

Quizzes and competitions on AfCFTA will be employed as a form of communications, as well as a monitoring tool to assess awareness and perceived usefulness of the Agreement in selected population groups.

A draft communications strategy – consisting of three specific objectives supported by strategic actions, tools and indicators of achievement – is presented in annex III.

D. Resource mobilization

Implementation of the Agreement Establishing the African Continental Free Trade Area will require significant human, technical and financial resources. Human resources will be required to coordinate the national AfCFTA secretariat, and financial resources will be needed to finance programmes and activities under AfCFTA identified and listed in the implementation action plan.

Resources are intended to cover smooth implementation of the AfCFTA programmes and activities, including operation of the AfCFTA secretariat for the duration of the implementation period.

With regard to sustainability, it is envisaged that activities and programmes initiated and implemented as part of AfCFTA will slowly and gradually be absorbed by government departments, statutory bodies and private sector organizations and entities as part of their legislated mandate, so that by the end of the implementation period, all AfCFTA activities will have been completed or offloaded to existing national public or private sector agencies.

E. Monitoring and evaluation

The AfCFTA national implementation committee will undertake two types of evaluations of activities and programmes.

The first type will be internal annual reviews of activities by participating agencies, and will be based on periodic and annual reports of these agencies generated after every activity and any relevant report or documentation. Monitoring will be an ongoing activity following programme implementation to ensure timeliness of implementation and adequacy of financial, technical and human resources.

The second type will be an external evaluation to be undertaken by an independent person, firm or agency commissioned by the AfCFTA national implementation committee which will review every three years the progress and success of activities and programmes under AfCFTA. The evaluation will review all benchmarks of activities and programmes in the implementation action plan.

Monitoring is intended to assess progress of implementation against set time limits, while evaluation focuses on efficacy and efficiency of implementation, with emphasis on resource utilization vis-à-vis activity or programme outputs. This ensures that the outputs justify the means deployed to attain them, thereby achieving value for money.

This principle will be key for each and every activity/programme during implementation of the Agreement Establishing the African Continental Free Trade Area. Activities or programmes deemed behind schedule will be appropriately scaled up, those needing additional resources will be addressed, while those proving difficult to implement will either be redesigned or dropped.

Annex I: Implementation action plan

The matrix below is a set of actions, anticipated time frames, expected outputs, proposed lead agencies and anticipated resources for the implementation of AfCFTA over the 10-year period 2020–2030.

As part of monitoring and evaluation, the action plan will be subject to annual review to ensure successful implementation and achieve value for money for each activity.

AfCFTA statutory obligations are those actions that (a) have been decided by the Assembly of Heads of State and Government of the African Union; (b) are part of the Agreement Establishing the African Continental Free Trade Area; and (c) Zambia must implement, as it has assumed them by virtue of being a signatory to the Agreement.

No.	Strategic objective	Strategic measures	Time frame/ deadline	Lead agency	Reference
A					
Start of trading in the African Continental Free Trade Area					
1	Commitment to the obligations of the Agreement Establishing the African Continental Free Trade Area.	Sign the Agreement.	Done in February 2019	MCTI	Article 23 of the Agreement
2	Taking up, and committing to implement, obligations of AfCFTA.	Ratify the Agreement.	To be announced	MCTI	Articles 23 and 24 of the Agreement
Statutory actions					
3	Commitment to open up market to other AfCFTA signatories for goods.	Develop and submit schedules of: (a) 90 per cent of tariff lines for immediate liberalization; (b) 7 per cent of tariff lines being list of sensitive products; (c) 3 per cent of tariff lines being list of products excluded from liberalization.	January 2020	MCTI	Decision 9(a) of the twelfth extraordinary session of the Assembly of Heads of State and Government of the African Union, held in Niamey on 7 July 2019
4	Participation in AfCFTA for trade in goods.	Eliminate customs duties on non-sensitive products (90 per cent of tariff lines), subject to double qualification.	2020–2034 (inclusive)	MoF	Decision 9(b) of the twelfth extraordinary session of the Assembly of Heads of State and Government of the African Union, held in Niamey on 7 July 2019
		Eliminate customs duties on sensitive products (7 per cent of tariff lines).	2025–2037 (inclusive)	MoF	Decision 9(b) of the twelfth extraordinary session of the Assembly of Heads of State and Government of the African Union, held in Niamey on 7 July 2019
5		5 services sectors: Transport, communications, tourism, financial	Done	MCTI	Decision 3 of the thirty-first ordinary session of the

No.	Strategic objective	Strategic measures	Time frame/ deadline	Lead agency	Reference
A Start of trading in the African Continental Free Trade Area					
	Participation in the AfCFTA negotiations for trade in services.	and business services as priority services sectors.			Assembly of Heads of State and Government of the African Union, held in Nouakchott on 1 and 2 July 2018
		Submit schedule of specific commitments on trade in services in line with agreed modalities.	January 2020	MCTI	Decision 13(i) of the thirty-first ordinary session of the Assembly of Heads of State and Government of the African Union, held in Nouakchott on 1 and 2 July 2018
6	Recognition of significance of economic integration in Africa.	Designate and celebrate 7 July of each year as "Africa Integration Day" (without it being a public holiday).	By April 2020	Cabinet Office	Decision 9(f) of the twelfth extraordinary session of the Assembly of Heads of State and Government of the African Union, held in Niamey on 7 July 2019
7	Preparation for full participation in all aspects of AfCFTA.	Participate in negotiations on competition policy, investment and intellectual property rights so that draft texts are ready by January 2020.	February 2020 – 31 December 2020	MCTI	Decision 13(ii) of the thirty-first ordinary session of the Assembly of Heads of State and Government of the African Union, held in Nouakchott on 1 and 2 July 2018
B Strategy implementation actions					
B1 Coordination					
8	AfCFTA strategy implementation structure.	Establish AfCFTA national implementation committee.	By December 2020	MCTI	Section IV.A above
		Set up full-time secretariat to service the national implementation committee.	By December 2020	MCTI	Section IV.A above
B2 Trade in goods					
9	Increase intra-Africa trade of Zambia through MSMEs and cooperatives.	Identify and prepare 11 MSMEs and cooperatives for export-readiness each year for duration of strategy implementation. Special consideration will be given to women-, youth- and differently abled persons-led MSMEs and cooperatives.	Yearly, 2020–2030	ZDA, Citizens Economic Empowerment Commission (CEEC), ZABS, ZCSMBA	Section III.A.1 above
10	Increase export earnings of Zambia under AfCFTA, contribute to attaining the NEST 15 per cent and 25 per cent annual growth rates in traditional and non-traditional exports, respectively.	(a) Identify existing and potential markets for traditional and non-traditional export products; (b) Set annual export earnings targets for each priority sector and for each identified market; (c) Undertake product promotion including advertising, product exhibitions and brand promotion in the targeted markets; (d) Establish or enhance local marketing presence in identified foreign markets.	Yearly, 2020–2030	ZDA, ZAM, ZPASA, ZCSMBA	Section III.A.2 above

No.	Strategic objective	Strategic measures	Time frame/ deadline	Lead agency	Reference
A					
Start of trading in the African Continental Free Trade Area					
11	Diversify export markets of Zambia.	Enter one new African export market per year of strategy implementation: (a) Identify countries to which Zambia does not currently export, or exports less than the \$ 50,000 annual threshold; (b) Undertake market research on these countries to understand them well in terms of trade regulations and product standards, consumer preferences, nature and type of competition, and export channels and routes; (c) Establish and/or strengthen regional value chains, particularly in priority sectors, by importing or exporting intermediate goods for further processing on the basis of comparative advantage; (d) Facilitate access to markets and market information, including for women-led enterprises.	Yearly, 2020–2030	ZDA, ZEGA, ZCSMBA	Section III.A.3 above
12	Increased export supply capacity, product quality and export market research, export marketing and export-related research and development through increased finance.	(a) Increase loan portfolio of Zambia Export Development Fund and other financing funds in each year of strategy implementation;	Yearly, 2020–2030	MoF, ZDA	Section III.A.4 above
		(b) Build capacity for packaging and labelling;			
		(c) Strengthen national quality infrastructure;			
		(d) Increase awareness of other sources of export-related project and trade finance;	2020–2025	ZDA	Section III.A.4 above
		(e) Introduce or increase export credit insurance;	2020–2025	MoF, Bank of Zambia, BAZ, IAZ, IBAZ, ZDA	Section III.A.4 above
		(f) Establish an aggregation centre for exports;	2020–2025		
		(g) Establish a centre of excellence for packaging;	2020–2025	Zambia Compulsory Standards Agency, ZEGA	
	(h) Provide management skills training in financial literacy and financial management, including to women-led enterprises;	2020–2030	MCTI, training institutions	Sections II.E and III.A.4 above	
	(i) Provide on-the-job training, ICT, technical education and skills development, to ensure that women are able to take advantage of higher-skilled jobs.				
13	Protection of domestic industry in case of threat or actual injury.	(a) Strengthen the policy and legal frameworks to enhance the protection of domestic firms;	2020–2030	MCTI, Ministry of Justice, BRR, PAC	Section III.A.5 above
		(b) Establish investigative arrangements as appropriate;	By 2025	MCTI	
		(c) Enhance capacity-building in invoking and applying safeguard measures, anti-dumping and countervailing actions;	2020–2030	MCTI, training institutions	
		(d) Provide training in addressing the effects of balance of payments challenges.	2020–2030	MCTI, training institutions	

No.	Strategic objective	Strategic measures	Time frame/ deadline	Lead agency	Reference
A	Start of trading in the African Continental Free Trade Area				
B3	Trade in services				
14	Financial services – Banking and other financial services (a) Promote diversification of financial services by using FDI in the sector to build local capacity through the securities market; (b) Promote the export of banking services.	(a) Promote diversification of financial services using FDI in the sector; (b) Encourage foreign banks to be incorporated as public limited companies; (c) No individual may, without prior approval of the Bank of Zambia, acquire more than 25 per cent voting shares in a bank or financial institution company; (d) Strengthen regulations to promote the adoption of financial inclusion strategies as agency banking, especially in underserved areas; (e) Encourage financial institutions to invest in innovation and reduce interest rates and charges; (f) Encourage financial institutions to develop low-interest sector-specific financial products to support women and youth enterprises in the sector.	2020–2030	MoF, BoZ, BAZ	Section III.B.2.(b) above

No.	Strategic objective	Strategic measures	Time frame/ deadline	Lead agency	Reference
A Start of trading in the African Continental Free Trade Area					
15	Insurance services (a) Promote the building and utilization of local capacity for export promotion; (b) Strengthen the monitoring and enforce provisions limiting the placing of insurance of assets and liabilities within Zambia; (c) Ensure that all marine insurance is underwritten locally; (d) Introduce compulsory employers and public liabilities.	<p>For life insurance firms, the strategic measures are the following:</p> <ul style="list-style-type: none"> (a) The firm should be incorporated as a public limited company; (b) No single individual or company should hold more than 70 per cent of the shares; (c) At least 30 per cent of the shareholding must be floated on the Lusaka Stock Exchange or be a joint venture with a local firm; (d) Already established firms should be allowed a transition period of 10 years to incorporate as public limited companies; (e) Imported goods into Zambia, (except personal effects) shall be placed with an insurer registered in Zambia, unless local capacity is not available. <p>For non-life insurance firms, the strategic measures are the following:</p> <ul style="list-style-type: none"> (a) They can either be private or public; (b) Foreign companies must take the form of joint venture with no individual or company owning more than 75 per cent of shares; 25 per cent or more should be held by locals; (c) Promote co-insurance of mega risks. <p>For reinsurers and retrocession (non-life), the strategic measures are the following:</p> <ul style="list-style-type: none"> (a) They can either be private or public; (b) Foreign companies must be encouraged to form joint ventures with locals; (c) Outward reinsurance is permitted only if local capacity is filled up or not available; (d) Co-reinsurance shall be promoted for mega risks. <p>For insurance brokers, the strategic measures are the following:</p> <ul style="list-style-type: none"> (a) They can be either private or public; (b) At least 51 per cent of capital or proprietary interest in brokerage firms shall be owned by Zambians in joint ventures; (c) No insurance company may hold shares in an insurance brokerage firm; (d) Improve the legal and legislative requirements for improved ownership and organizational structures. 	2020–2030	MoF, BoZ, Pensions and Insurance Authority, IBAZ, IAZ, DBZ	Section III.B.2(c) above

No.	Strategic objective	Strategic measures	Time frame/ deadline	Lead agency	Reference
A Start of trading in the African Continental Free Trade Area					
16	Tourism (a) Promote consumption of tourism products by foreign nationals, and within AfCFTA, exploiting African visitors as a new niche market; (b) Address bottlenecks affecting the competitiveness of the sector; (c) Diversify the tourism products in order to enhance export revenue.	(a) Promote deliberate policies to reduce the financing cost in the tourist sector through regulatory reforms; (b) Design policies to grow the domestic tourism sector and use it as a catalyst for tourism exports to then enhance the capacity of the domestic tourism sector; (c) Introduce incentives to encourage more charter services targeted at tourists; (d) Actively participate in collaborative regional tourism programmes to entrench gains for local operators; (e) Engage in bilateral agreements for possible reciprocity in a liberalized sector; (f) Promote international standards and tourism with emphasis on participation of women.	2020–2030	MTA, MCTI, Tourism Council, BRRA, ZTA	Section III.B.2.(d) above
		(b) Foreign companies must take the form of joint venture with no individual or company owning more than 75 per cent of shares; 25 per cent or more should be held by locals; (c) Promote co-insurance of mega risks. For reinsurers and retrocession (non-life), the strategic measures are the following: (a) They can either be private or public; (b) Foreign companies must be encouraged to form joint ventures with locals; (c) Outward reinsurance is permitted only if local capacity is filled up or not available; (d) Co-reinsurance shall be promoted for mega risks. For insurance brokers, the strategic measures are the following: (a) They can be either private or public; (b) At least 51 per cent of capital or proprietary interest in brokerage firms shall be owned by Zambians in joint ventures; (c) No insurance company may hold shares in an insurance brokerage firm; (d) Improve the legal and legislative requirements for improved ownership and organizational structures.			

No.	Strategic objective	Strategic measures	Time frame/ deadline	Lead agency	Reference
A					
Start of trading in the African Continental Free Trade Area					
16	Tourism (a) Promote consumption of tourism products by foreign nationals, and within AfCFTA, exploiting African visitors as a new niche market; (b) Address bottlenecks affecting the competitiveness of the sector; (c) Diversify the tourism products in order to enhance export revenue.	(a) Promote deliberate policies to reduce the financing cost in the tourist sector through regulatory reforms; (b) Design policies to grow the domestic tourism sector and use it as a catalyst for tourism exports to then enhance the capacity of the domestic tourism sector; (c) Introduce incentives to encourage more charter services targeted at tourists; (d) Actively participate in collaborative regional tourism programmes to entrench gains for local operators; (e) Engage in bilateral agreements for possible reciprocity in a liberalized sector; (f) Promote international standards and tourism with emphasis on participation of women.	2020–2030	MTA, MCTI, Tourism Council, BRRA, ZTA	Section III.B.2.(d) above
17	Business services (a) Promote the sustainable development of the selected business services and make these sectors become a major contributor to the economic development and export diversification of Zambia; (b) Build capacity in the domestic market.	(a) Build capacity and provide assistance on how to market the services by subsector; (b) Facilitate triangular cooperation with other subsectors, such as ICTs, to increase product diversity and market coverage; (c) Encourage financial institutions to develop low-interest sector-specific financial products to support the sector; (d) Create coordinating structures for the development of each subsector to streamline interventions for improved domestic productivity and export market.	2020–2030	MTA, MCTI, ZDA, ZABS, ZICTA	Section III.B.2.(e) above
18	Telecommunications services (a) Enhance efficiency and business environment for the telecommunications sector to support and enable the industry to thrive; (b) Enhance compliance with international standards in order to improve access to networks of productivity.	(a) Reform policies to improve data and mobile service delivery through competition to facilitate the emergence of a competitive sector; (b) Build or develop a national infrastructure backbone and facilitate connection to the international backbone for a competitive telecommunications industry; (c) Develop a national infrastructure backbone and facilitate connection to the international backbone; (d) Commit mode III for mobile networks as per license agreement of listing on the stock exchange 30 per cent of shares to the public; (e) Promote the development of women-friendly ICT products for trade facilitation.	2020–2025	MTC, MCTI, ZICTA	Section III.B.2.(f)

No.	Strategic objective	Strategic measures	Time frame/ deadline	Lead agency	Reference
A Start of trading in the African Continental Free Trade Area					
19	Transport services (a) Support the development of a coordinated transport network; (b) Promote an efficient transport system and infrastructure that builds the local transport system; (c) Promote regional cooperation in the transport sector.	(a) Introduce and complement existing standards for passenger transport to improve passenger safety; (b) Leverage the regional integration efforts to build joint transport and border infrastructure (such as the one-stop border posts and bridges) to improve transportation; (c) Cooperate on the development of transport corridors and other related infrastructure.	2020–2030	RTSA, MTC, MCTI, transporters' association	Section III.B.2.(g) above
20	Financing telecommunications services Enhance the Universal Access and Service Fund targeted at unserved and underserved areas	The strategic measure will be the enhancement of the Universal Access and Service Fund, targeted at supporting telecommunications development in unserved and underserved areas. The State, through ZICTA, will create a fund where licence holders will contribute a percentage of their annual income, and participation from industry players will use this fund for development and operation of telecommunications, mobile and data services in rural areas.	2020–2025	MTC, MoF, IDC, ZICTA	Section III.C.1 above
21	Financing tourism development (a) Promote the expansion of tourism into new areas and services; (b) Increase the tourist base by tapping into the larger African market.	(a) Strengthen the Tourism Development Fund by expanding tourism into new areas and services. To ensure sustainability, subsequent resources for the fund shall be derived from the Tourism Levy; (b) Transform the National Hostels Board into a business-oriented tourism development funding investment vehicle.	2018–2020	MTA, MoF	Section III.C.2 above
22	Access to affordable financing through other sources of financing – CEEC, IDC, DBZ and Natsave Provide additional funding for rural-based tourism sector players.	(a) CEEC supports the development of tourism clusters in the designated priority areas. Its financial support includes loans to private sector value chain players and this will be extended to MSMEs and cooperatives; (b) Provide access to affordable/ inexpensive financing through quasi-governmental financial institutions to promote and prioritize rural industrialization and service industry promotion of the tourism sector.	2020–2030	MCTI, MTA, MoF	Section III.C.3 above
23	Institutional arrangements for services Establish a services trade development council.	Establish a services trade development council to coordinate the implementation of strategic measures in the services sector.	2020	MTA, MCTI, MTC, Tourism Council	Section IV.A.5 above

No.	Strategic objective	Strategic measures	Time frame/ deadline	Lead agency	Reference
A	Start of trading in the African Continental Free Trade Area				
B3	Gender and the African Continental Free Trade Area				
24	Mainstream gender in AfCFTA trade Make trade under AfCFTA gender-inclusive.	(a) Champion introduction of a continental simplified trade regime, similar to the East African Community and COMESA simplified trade regimes; (b) Implement gender-sensitive trade facilitation measures that build upon existing measures, aimed at simplifying and harmonizing customs and border procedures, as well as import and export processes; (c) Sensitize and create awareness on AfCFTA online non-tariff barrier reporting, monitoring and elimination mechanism, to report and resolve trade barriers.	2020–2030	MCTI, MoLGH, ZCSMBA, ZDA	Section II.F above
25	Empower women and youth to benefit from AfCFTA.	(a) Implement gender-sensitive trade facilitation measures that build upon existing measures, aimed at simplifying and harmonizing customs and border procedures through the likes of digitalization, as well as import and export processes; (b) Facilitate access to finance/working capital for women-led and youth-run enterprises; (c) Build trading capacity to empower women and youth-led enterprises to take advantage of new opportunities under AfCFTA.	2020–2030	MCTI	Section II.F above
B4	African Continental Free Trade Area communications strategy				
26	AfCFTA awareness and sensitization.	Develop and implement a communications strategy for AfCFTA.	2020–2030	National implementation committee, MCTI, MIBS	Section IV.C above
B5	Resource mobilization				
27	Resource mobilization.	Mobilize resources for successful implementation of the strategy measures and attainment of the goals.	2020–2030	MCTI, MoF, national implementation committee, private sector stakeholders, cooperating partners	Section IV.D above
B6	Monitoring and evaluation				
28	Monitoring and evaluation	Implement a monitoring and evaluation system that ensures timely implementation and value for money.	2020–2030	MCTI, national implementation committee, external evaluator	Section IV.E above

No.	Strategic objective	Strategic measures	Time frame/ deadline	Lead agency	Reference
A Start of trading in the African Continental Free Trade Area					
25	Empower women and youth to benefit from AfCFTA.	(a) Implement gender-sensitive trade facilitation measures that build upon existing measures, aimed at simplifying and harmonizing customs and border procedures through the likes of digitalization, as well as import and export processes; (b) Facilitate access to finance/working capital for women-led and youth-run enterprises; (c) Build trading capacity to empower women and youth-led enterprises to take advantage of new opportunities under AfCFTA.	2020–2030	MCTI	Section II.F above
B4 African Continental Free Trade Area communications strategy					
26	AfCFTA awareness and sensitization.	Develop and implement a communications strategy for AfCFTA.	2020–2030	National implementation committee, MCTI, MIBS	Section IV.C above
B5 Resource mobilization					
27	Resource mobilization.	Mobilize resources for successful implementation of the strategy measures and attainment of the goals.	2020–2030	MCTI, MoF, national implementation committee, private sector stakeholders, cooperating partners	Section IV.D above
B6 Monitoring and evaluation					
28	Monitoring and evaluation	Implement a monitoring and evaluation system that ensures timely implementation and value for money.	2020–2030	MCTI, national implementation committee, external evaluator	Section IV.E above

Annex II Terms of reference for the African Continental Free Trade Area national implementation committee

Introduction

Zambia, as a signatory to the African Continental Free Trade Area (AfCFTA), shall establish an AfCFTA national implementation committee to coordinate the implementation of AfCFTA. The terms of reference of the committee are elaborated below.

Rationale

Successful implementation of commitments under any trading arrangement requires effective coordination. This is largely due to the wide-ranging nature of trade that necessitates the involvement of various ministries and private sector stakeholders. It is therefore imperative that a coordination mechanism be established, to bring together relevant stakeholders for sustained and targeted engagement and coordination.

Overall objective

The overall objective of the AfCFTA national implementation committee is to coordinate the implementation of AfCFTA in Zambia.

Terms of reference

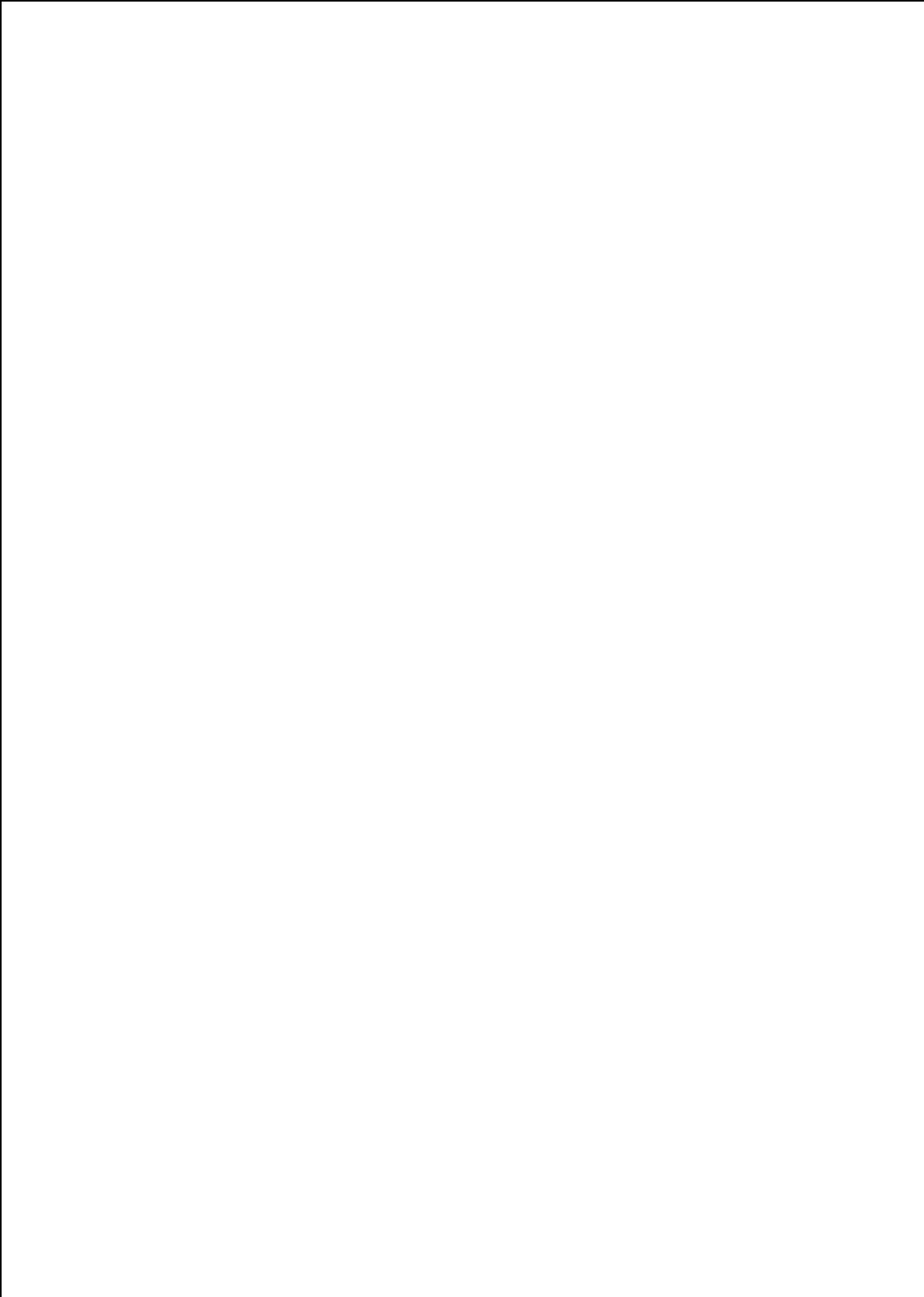
The terms of reference of the committee include the following:

- (a) Initiate and coordinate the implementation of activities under the Agreement Establishing the African Continental Free Trade Area, follow up with implementing agencies, and develop a mechanism for engagement with stakeholders on the Agreement;
- (b) Consult stakeholders on issues under the Agreement;
- (c) Consider the negotiating position of Zambia on AfCFTA;
- (d) Promote communications, advocacy and awareness about AfCFTA;
- (e) Provide policy advice to the Government on matters incidental to the Agreement and its implementation;
- (f) Mobilize resources for implementation of the Agreement;
- (g) Monitor and evaluate the implementation of the Agreement in Zambia;
- (h) Review the results of the AfCFTA country business index.

Annex III African Continental Free Trade Area communications strategy

Objective 1: To raise and improve awareness and understanding about AfCFTA among all stakeholders			
Strategic actions	Tools	Frequency	Indicators of achievement
Craft and disseminate specific AfCFTA messages to targeted audiences	Web page, newspapers flyers, CDs, radio and television, Internet (social media)	Continuous	Messages crafted and disseminated
Organize sensitization workshops for different categories of stakeholders	Workshops	Quarterly	Number of sensitization workshops held each year, number of stakeholders sensitized
Hold round-table/panel discussions on radio and television talk shows for sensitization and engagement on AfCFTA	Radio, television	Quarterly	Number of round-table/panel discussions held on radio and/or television
Translate sensitization materials into all major languages spoken in Zambia	Web page, newspapers, flyers, radio and television	Continuous	Number of languages into which sensitization materials have been translated
Presentation of AfCFTA instruments, issues and updates (by MCTI or competent private sector representative) at various meetings of the private sector, such as annual general meetings	Presentation	Continuous	Number of presentations made at private sector meetings
Publication of AfCFTA information on the MCTI website	Website/web page	Continuous	Updated MCTI website/web page
Run segments and columns dedicated to AfCFTA on various media	Television, radio, newspaper	To be determined	AfCFTA columns and segments developed
Develop and show documentaries on AfCFTA	Television/social media	To be determined	Documentaries on AfCFTA developed
Promote hard news stories in AfCFTA	Television, radio, newspaper	To be determined	AfCFTA stories featured on the news
Develop radio dramas on AfCFTA	Radio	To be determined	Radio dramas on AfCFTA developed

Objective 2: To create an effective communications mechanism on AfCFTA			
Strategic actions	Tools	Frequency	Indicators of achievement
Identify focal points and information desks on AfCFTA in all relevant ministries, departments and agencies, and private sector organizations	N/A Once Telephone Once		Focal points for AfCFTA identified in all relevant MDAs and private sector organizations; information desks on AfCFTA created in all relevant MDAs and private sector organizations
Enhance communications platforms at MCTI to respond to AfCFTA-related queries			Various communications platforms at MCTI enhanced to respond to AfCFTA-related queries
Strengthen coordination between the Government and the private sector on AfCFTA issues	Public-private sector dialogue	Continuous	Number of meetings held, level of representation of private sector and Government at AfCFTA meetings
Allow sufficient time – at least two weeks – for communications and response on AfCFTA issues and events	Email, letters, telephone	Continuous	Circulation of communication on AfCFTA issues and events, at least two weeks in advance
Hold engagement and communications meetings before and after AfCFTA events at regional and continental levels	Meetings	To be determined (based on regional and continental AfCFTA events)	



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