

COVID-19 Recovery in Zambia: An opportunity for inclusive climate action

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Key Messages

- Before the COVID-19 pandemic, Zambia's economy was reeling from subdued economic activities, in part due to the impacts of climate change.
- The pandemic further weakened the economy and reduced Zambia's productive capacity.
- Safeguarding livelihoods that rely on the agriculture sector and ensuring inclusive growth should be central to all recovery plans, both from the pandemic and other factors.
- Investing in reliable and climate resilient electricity supply will enhance growth of the agriculture sector as well as manufacturing, industrial, and service value chains.



Introduction

The COVID-19 pandemic has resulted in disruptions of socio-economic activities and led to health care emergencies across the globe. Like in many other countries, the impacts of the pandemic on Zambia's economy have been considerable. There have been, among other impacts, disruptions in the supply chains, an increase in food insecurity, and closures of businesses—particularly in the tourism sector—resulting in job losses. Besides the tourism sector being a source of foreign exchange, it employs a considerable number of women and young people. Thus, closure of tourism related businesses has had far reaching consequences towards the fight for gender equality.

Before the pandemic struck, Zambia was already reeling

from subdued economic activities due to debt overhang, tight liquidity conditions, and rising inflationary pressures. At the same time, impacts of climate change were evident, particularly in the climate sensitive sectors such as the agriculture, tourism, and energy sectors [1, 2]. The adverse effects of climate change have continued to negatively impact agricultural and electricity production, resulting in economy-wide spill-over effects. For example, in 2019, Zambia experienced the worst power outages in over 15 years due to droughts [3].

Going forward, climate change poses significant threats to economic stability, particularly in Low and Middle-Income Countries (LMICs), whose adaptive capacity is low. Therefore, dealing with climate change in the wake of COVID-19 pandemic re-

emphasizes the need for a robust multi-sectoral approach to ensure smooth coordination, increased efficiency, and administrative ease of implementing planned interventions and recovery programmes. Accordingly, Zambia's Economic Recovery Programme (ERP) [4], which focuses on "restoring growth and safeguarding livelihoods through macroeconomic stability, economic diversification and debt sustainability", and other national plans and strategies, offers an opportunity to build a just, inclusive, and resilient economic recovery.

This brief explored how the targets of the ERP, national development plans, and climate action goals can be achieved to ensure climate compatible and inclusive growth recovery in Zambia.

Methodological approach

Together with a participatory scenario development approach, a comprehensive review of relevant policy, plans, and strategy documents was undertaken to ascertain a situational analysis of the climate actions in place and the effects of the COVID-19 pandemic. A diverse range of 27 stakeholders (Government ministries and agencies, private sector, Non-Governmental Organizations, Civil Society Organizations, and Faith-Based Organizations) were engaged. These stakeholder engagements brought to the fore insights that decision makers and experts thought were the main co-benefits that exist to enable a robust recovery from the pandemic while being in line with climate action. By analysing that stakeholder interviews and the policy documents, it was possible to assess the viability of the identified co-benefits, such as increased income, employment possibilities, improved food security, and energy supply security.

Climate compatible and inclusive growth

Zambia's public debt service obligation has been on the in-

crease, outstripping social sector spending on education, health, and social protection combined; and the COVID-19 pandemic itself has required vast public spending at a time when the country has limited resources. Additionally, climate change requires that the Government also draws from the same limited resources to invest in the enhancement of the country's adaptive capacity. This means that achieving a climate resilient and inclusive growth has been made more challenging. As such, carving a path out of the country's debt situation is crucial in facilitating a green, just, and inclusive transition.

Being a signatory of the Paris Agreement on Climate Change, Zambia places significant importance and priority on adaptation to reduce the effects of climate change and enhance resilience of its ecosystems and productive sectors.

This is in part because a considerable share of livelihoods in Zambia are reliant on the agriculture sector, which is vulnerable to impacts of climate change. For example, the 2019 Labour Force Survey [5] shows that the agriculture sector is the second largest employer, accounting for over 22 percent of

the labour force in Zambia. The majority of those employed in the sector are based in rural areas, where poverty is estimated to be more than 76 percent. Thus, the sector was identified as being one of the key sectors required to achieve a climate compatible and inclusive growth recovery.

"A resilient agriculture sector is central to an inclusive climate action"

Based on our stakeholder interviews and policy documents analysis, a robust recovery through the agriculture sector provides an opportunity to improve productivity, sustainability, and resilience of local food systems and to increase household income. Furthermore, enhancing agriculture value chains would enable increased consumption of agricultural products and production of high value commodities. Thus, provision of reliable and climate resilient electricity supply would be key in the development of a robust agriculture-based value chain. Currently, Zambia produces over 80 percent of its electricity from hydropower, which is vulnerable to climatic events.

Recommendations

To ensure that Zambia's response to climate change and the COVID-19 pandemic (among others) are inclusive and in line with climate action, the following are the main policy recommendations:

1. Take a more aggressive approach in the mainstreaming of climate change at all levels of the development planning process. This should include incorporation of the aspirations of Zambia's Economic Recovery Programme as well as the national and global climate actions.
2. Target both COVID-19 recovery support and climate action to sectors that have green and sustainability attributes.
3. Develop clear policy and regulatory framework to foster inclusivity with respect to forest carbon credits and trading, as well as inform and govern investments across various climate sensitive sectors, particularly the agriculture sector. This is because land-use change due to increased agricultural activities could lead to increased greenhouse gas emissions.

4. Provide adequate financing to facilitate capacity building, research and development, and information dissemination by adding these interventions to national and sectoral budgets.

This will allow such activities, such as capacity building, research and development, and information dissemination, to be mainstreamed more efficiently.

References

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Notes

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