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REPUBLIC OF ZAMBIA

**ZAMBIA AND THE INTERNATIONAL MONETARY FUND TO CONTINUE POLICY DISCUSSIONS
AFTER THE INITIAL VIRTUAL MISSION CONCLUDES**

Lusaka, 4 March 2021 – A team from the Ministry of Finance of Zambia, led by the Minister of Finance Dr Bwalya Ng'andu yesterday concluded their virtual meetings with the International Monetary Fund (IMF) delegation, led by Mr. David Robinson, in relation to Zambia's request at the end of last year for IMF support under an Extended Credit Facility (ECF). The virtual mission was held from 11th February to 3rd March 2021.

The Authorities and the IMF agreed on the nature and causes of Zambia's macroeconomic imbalances, the current state of its public finances and the challenges that need to be addressed to return the country to a sustainable macro-fiscal situation over the medium-term.

The Ministry of Finance and the IMF staff agreed to use Zambia's recently published Economic Recovery Programme as a foundation for a more detailed policy reform agenda aimed at restoring public finance sustainability, while at the same time securing Zambia's development objectives, and ensuring social protection for the most vulnerable social groups in the country.

Discussions were positive and constructive. Exchanges will continue in the next few weeks towards an agreement on a policy package and a path to fiscal and debt sustainability.

Zambia's Minister of Finance, Dr Bwalya Ng'andu stated:

"We thank the IMF team for the very open and constructive discussions we had during the virtual mission. The Government is committed to secure a programme with the IMF in support of our efforts to strengthen our response to the shocks caused by the COVID-19 pandemic and ensure a solid foundation for a prompt and inclusive economic recovery. We value the work we have embarked on with the IMF and will pursue our discussions on detailed policy measures to return our economy and public finances to a sustainable trajectory. I am confident that, with the help of the IMF and all of our international partners, we will be able to address our fiscal and economic challenges, return the country to growth and improve the livelihoods of the Zambian people."

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To stabilize the economy severely hit by the COVID-19 pandemic, Zambia requested a formal IMF program under the Extended Credit Facility window in November 2020 and launched its Economic Recovery Programme 2020 – 2023 in December 2020. The Zambian Ministry of Finance continues its engagement with creditors, and in late January 2021, Zambia requested a debt treatment under the Common Framework agreed by the G20 and Paris Club members, which the Ministry hopes will contribute to its goal of restoring Zambia’s public debt sustainability.