

Republic of Zambia
Ministry of Commerce, Trade and Industry

**NATIONAL INVESTMENT PROMOTION STRATEGY
2018 TO 2022**

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FOREWORD

The Government of the Republic of Zambia in its commitment to ensure sustained economic growth necessary for poverty reduction, creating domestic employment opportunities and a more equitable income distribution, recognizes the need for local and foreign investment in various sectors of the economy. This is anchored on the fact that Zambia offers significant economic opportunities as it has abundant natural resources as well as access to preferential trading opportunities in regional and international markets. In this regard, Government in collaboration with various quasi-government and private sector institutions has made strides in creating an enabling environment for investment through various policy initiatives.

Despite these policy initiatives, existing investment opportunities and growth potential in various sectors, the country has continued to record low investments in almost all sectors. This can be attributed to insufficient locally available capital and lack of a cohesive, synergised and coordinated strategy to harness investments in the growth sectors. It is for this reason that Government through the Ministry has developed the National Investment Promotion Strategy to accelerate the growth of investments in the Zambian economy.

The National Investment Promotion Strategy is an investment framework that incorporates various policies currently in place for attracting investment in the country. This Strategy also addresses the existing inadequacies in monitoring investment flows and fragmented investment promotion activities. Furthermore, the Strategy consists of an implementation and monitoring plan that assigns roles and responsibilities and gives direction to the legal framework regarding investment promotion, facilitation and investment sustainability for the benefit of the nation's economic growth.

Further, the Strategy indicates timelines for implementing programmes and provides indicators for attainment of strategic objectives. While it is Governments' responsibility to implement and monitor this Strategy, its success depends on the commitment and dedication of all key players and stakeholders.



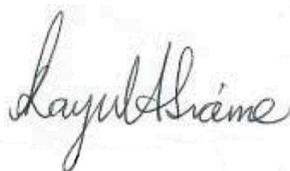
Honourable Christopher Yaluma, MP
MINISTER OF COMMERCE, TRADE AND INDUSTRY

ACKNOWLEDGEMENTS

The success of developing the National Investment Promotion Strategy, required the combined effort of a number of key stakeholders that included; line Ministries, Quasi Government institutions, Private Sector Associations and Academia. This document is a result of extensive and comprehensive consultations with various stakeholders taking into consideration international best practice.

The Ministry wishes to recognise and extend special thanks to the Common Market for Eastern and Southern Africa (COMESA) through the Regional Integration Capacity Building Project (RICB-RISM) and the SADC-EU Funded Trade Related Facility Project for the financial and technical support rendered throughout the process of developing and printing of the Strategy. Further, I take recognition of the enormous contributions made by staff from Ministry of Commerce, Trade and Industry, Zambia Development Agency (ZDA), Ministry of Foreign Affairs, Zambia Revenue Authority (ZRA), Citizens Economic Empowerment Commission, Zambia Association of Manufacturers (ZAM), Zambia Chamber of Small and Medium Business Associations (ZCSMBA) and the International Growth Center (IGC), among others for working tirelessly to put the document together. My hope is that Government and the Private Sector will own this Investment Strategy to ensure successful implementation of the measures contained therein.

I also wish to express special gratitude to respondents from various line Ministries and Institutions, whose feedback we value, for the cooperation in providing information. Lastly but not in any way the least, I extend my special thanks to the Zambia Private Sector Alliance (ZPSA) for their valued contribution and effort in making the Strategy a reality.



Kayula Siame (Mrs.)

PERMANENT SECRETARY

MINISTRY OF COMMERCE, TRADE AND INDUSTRY

WORKING DEFINITIONS

Agro Processing: 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.

Cooperative: An autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise and whose activities are not prohibited by law.

Core Venture Cluster: A geographical concentration of competing and complementing enterprises and industries that do business with each other and or have common needs for talent, knowledge and infrastructure forming around a large competitive anchor firm.

Duty Free: Goods entering a market without being subject to import duties or tariffs.

E-commerce: The use of electronic and traditional delivery systems such as postal network to facilitate the process of trading in goods and services using electronic payment system and technologies such as internet.

Economic Resources: Includes physical, technical, human and financial resources.

Foreign Investor: A person who makes direct investment in the country and who in the case of a natural person is not a citizen or permanent resident of Zambia and in the case of a company is incorporated outside Zambia.

Greenfield Investment: A productive investment such as new factory and power plants that are located on the new sites rather than on sites with existing facilities.

Industrial Yard: A specific location where a group of similar and related firms share common markets, technologies, infrastructure, worker skill needs and which are often linked by buyer-seller relations.

Industrialization: The act of transforming or value addition, on a commercial scales, of raw materials into finished or semi-finished products and includes 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 which 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, including copyrights, trademarks, patent, and related rights.

Investment Act: The Investment Act repealed under section eighty-four of the laws of the Republic of Zambia.

Investment: Contribution of capital, in cash or in kind, by an investor to a new business enterprise, to the expansion or rehabilitation of an existing business enterprise or to the purchase of an existing business enterprise from the State.

Investor: Any person, natural or juristic, whether a citizen of Zambia or not, investing in Zambia in accordance with the ZDA Act.

Joint Venture: An enterprise that is a business undertaking between two or more persons for mutual benefit.

Local Content: The extent of utilization of local inputs and/or products in the production and provision of goods and services throughout the economy.

Local Investor: A person who makes direct investment in the country and who, in the case of a natural person is a citizen or permanent resident and in the case of a company is incorporated in Zambia.

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

Multi Facility Economic Zone/Industrial Park: A specific geographic area or premises with high quality physical and social infrastructure that attract investments in manufacturing and act as engines for economic growth wealth and job creation and increase foreign exchange earnings.

Private Sector Development Reform Programme (PSDRP): A Government Reform Programme aimed at laying the foundation for faster, sustained and private sector led economic growth by implementing a comprehensive PSD Reform Action Plan for enhancing the business and investment climate and restoring investor confidence.

Privatization: The transferring of part or the whole of the equity or other interest held by the Government to the private sector, directly or indirectly, in a State Owned Enterprise.

State Owned Enterprise: A corporation, board, company, parastatal or other body in which the Government has direct or indirect ownership, equity or interest and includes a partnership, joint venture or any other form of business arrangement or organization in which the Government has direct or indirect interest, but does not include a Government ministry or department.

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

Target Sector: Sectors identified in this document as priority sectors for investment promotion, these include: Manufacturing (Food Processing, Wood and Wood Products, Leather and Leather Products, Textiles and Garments, Engineering Products, Mineral Beneficiation, Pharmaceuticals), Construction, Agriculture, Tourism, Education, Energy, ICT and Health.

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

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 which are 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), and commercialization, delivery to final customers and final product disposal after use.

World Trade Organization (WTO): An international organization that deals with trade issues covering goods, services and intellectual property. Its essential functions are administering and implementing the multilateral and plurilateral trade agreements that constitute it, 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 policy-making.

ACRONYMS

AIDS	Acquired Immune Deficiency Syndrome
CEC	Copperbelt Energy Company
COMESA	Common Market for Eastern and Southern Africa
CPI	Consumer Price Index
CTI	Commercial, Trade and Industrial
EBZ	Export Board of Zambia
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GNI	Gross National Index
HDI	Human Development Index
HIV	Human Immuno-deficiency Virus
ICT	Information and Communications Technology
IDC	Industrial Development Corporation
INDECO	Industrial Development Company
IPS	Investment Promotion Strategy
IPPA	Investment Promotion and Protection Agreement
LDI	Local Direct Investment
MCTI	Ministry of Commerce, Trade and Industry
MNC	Multi-National Corporation
MFEZ	Multi Facility Economic Zones
NIP	National Industrial Policy
OSS	One Stop Shop
PPP	Public Private Partnership
PSDRP	Private Sector Development Reform Programme
R&D	Research and Development
R – SNDP	Revised Sixth National Development Plan
SADC	Southern Africa Development Community
SOEs	State Owned Enterprises
UNCTAD	United Nations Conference on Trade and Development
WTO	World Trade Organization
ZAMTEL	Zambia Telecommunications Limited
ZDA	Zambia Development Agency
ZEPSA	Zambia Export Processing Zones Authority
ZESCO	Zambia Electricity Supply Corporation
ZIMCO	Zambia Industrial and Mining Corporation
ZPA	Zambia Privatization Agency
ZIC	Zambia Investment Centre
ZIDIS	Zambia Institute of Diplomacy and International Studies
ZTA	Zambia Tourism Agency

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EXECUTIVE SUMMARY

The National Investment Promotion Strategy (NIPS) is aimed at accelerating the growth of investments in all sectors of the Zambian economy and also addresses the existing inadequacies in monitoring investment flows and fragmented investment promotion activities. The Strategy puts forward an overarching programme for the country to become a prosperous, competitive and dynamic world-class investment destination by 2026. The Strategy further focuses on Zambia becoming an industrialized nation with a diversified, innovative and globally competitive industrial base, which contributes to sustainable growth and employment creation.

The NIPS aspiration is derived from the Government's long-term vision of becoming a Prosperous Middle Income Nation by 2030 that feeds into the Ministry's goal of contributing to the creation of wealth, jobs and poverty reduction.

This NIPS was developed through a nation-wide consultative process involving various stakeholders who included among others, Government line Ministries, Government Departments, the Private Sector, civil society, Cooperating Partners and ordinary citizens.

The Strategy outlines specific strategic objectives to deliver outcomes on the identified priority sectors for investment which include the following: Manufacturing - Processed Foods, Textiles and Garments, Engineering Products, Wood and Wood Products, Leather and Leather Products, Mineral (Metallic and Non-Metallic) Processing and Beneficiation and Pharmaceuticals; Construction; Agriculture; Tourism; Education, Energy; Information and Communication Technology and Health. Institutional framework strategies will further be developed to facilitate, coordinate and monitor investment flows in these sectors.

The Strategy focusses on six (6) Strategic Objectives to attain its aspirations as outlined below:

- (i) **Increased actualized investments in priority sectors by effectively mobilizing domestic and foreign investments** - The Strategy focuses on the following: putting in place comprehensive sector investment profiles for each priority sector; developing annual targeted investment promotion programme focusing priority sectors and engaging and following up on investment leads and pledges.
- (ii) **Undertake targeted investment marketing programmes in order to attract and retain investments in the country** - The Strategy focuses on the following: engaging renowned global brand investors annually, undertaking investment promotion missions in targeted countries annually; facilitating participation and organizing international trade fairs, conferences, and exhibitions; engaging Zambian Foreign Missions/ and Investment Promotion Agencies (IPAs) to market Zambia as a preferred investments destination, creating and maintaining a comprehensive data base on investments, facilitating local investment promotion activities annually, identifying and facilitating the establishment of flagship potential local investments; supporting the formation of industrial yards and value chain clusters in priority sectors; developing investment profile and plans at district level to promote investment in rural areas, promoting partnerships and collaborations among business community locally and abroad, and promoting private and public investment in supportive infrastructure in order to facilitate investments in the development of regional value chains in the priority sectors.

- (iii) **Promote and facilitate investments by cooperatives in priority sectors of the economy in order to increase citizen’s participation in the economy** - The Strategy focuses on the following: encouraging capitalization of cooperatives for investment in priority sectors, facilitate linkages between cooperatives and business development service providers and provision of special incentives for cooperatives to invest in priority sectors.
- (iv) **Promote re-investments and diversification by already operationalized investors in order to increase the value of domestic investments in the priority sectors by 10 percent annually:** The Strategy focuses on the following: streamlining processes and procedures for acquiring land, engaging existing investors on available diversification opportunities; and offering special incentives for diversification and reinvestments.
- (v) **Strengthen the coordination and collaboration of investment promotion and facilitating institutions in order to improve investor support** - The Strategy focuses on the following: reviewing and modernizing policy and regulatory frameworks implemented by various government agencies to determine the impact of investment promotion and facilitation, establish and strengthen inter-agency investment promotion facilitation committees and encourage exchange programs between local and foreign investment promotion institutions.
- (vi) **Develop and implement monitoring and evaluation mechanisms in order to monitor the performance and contribution of local and foreign investments to the economy** - The Strategy focuses on the following: undertaking quarterly monitoring of actualized investments through site visitations; quarterly follow up on pledged investments; and quarterly monitoring and evaluation of companies that signed IPPA’s.

The Strategy has a Monitoring and Evaluation framework for assessing progress that emphasizes the importance of (a) set of measures for each objective and (b) combining qualitative and quantitative indicators.

The implementation of the Strategy over a period of 5 years will require financial and technical support from the Treasury, Cooperating Partners and the Private Sector that share the Strategy’s Vision, aspirations and agenda of economic growth and development for Zambia and its people.

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Zambia at a Glance

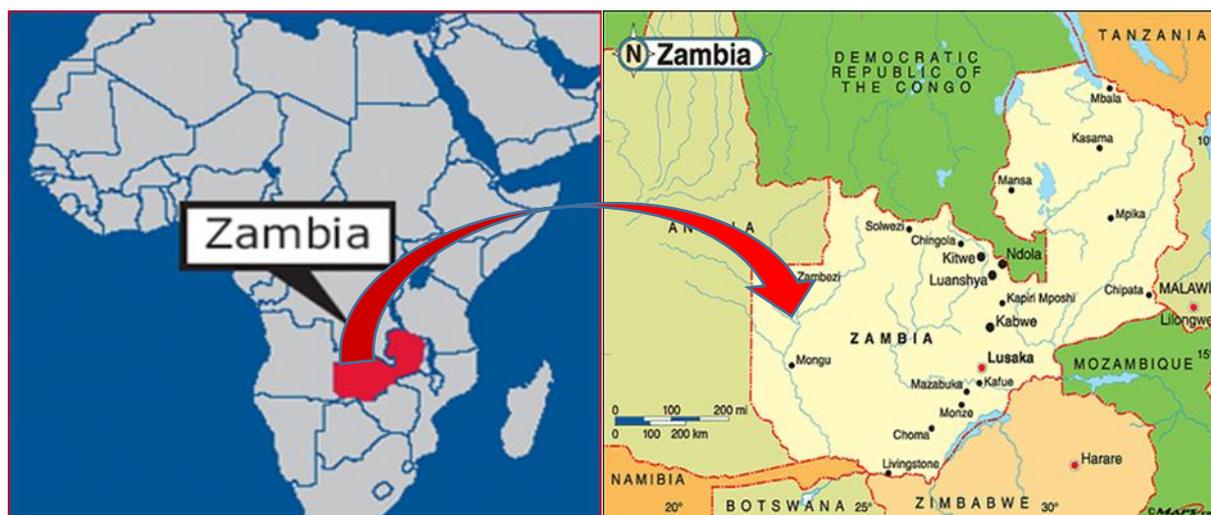


Figure 1.

Land Area: 752,614 square Km

Region: Sub Saharan Africa

Population: 16.21 million (2015)

Religions: Christianity, Muslim, Hindu and Others

Official Language: English

Population Growth Rate: 3.05 percent (2016)

Total GDP: US\$ 19.117 Billion (2016)

GDP per Capita: US\$ 1,143.55 (2016)

Growth GDP Rate: 3.60 percent (2016)

Income Level: Lower middle income

CPI Inflation: 7 percent

Inflation: 7.5 percent (2016)

HDI Ranks: 139

Life expectancy at birth: 61 years old

Expected years of schooling: 13.5

Mean years of schooling: 6.6

GNI per capita (PPP): USD 3,660 (2015)

Style of Government: Democracy

Legal System: English Common Law with the 3 independent arms of Government, Judiciary, Legislature and Executive.

CHAPTER I

1.0 INTRODUCTION

1.1 Introduction

Zambia's geographical location, abundant natural resources and stable political environment have made it a favorable investment destination. Notwithstanding these favorable investment conditions, the country has not attracted the much needed investment to spur economic development. In addition, the country has not developed a harmonized investment policy framework which has led to uncoordinated investment promotion activities. Recognizing the challenges that Zambia faces in attracting investment, Government through the Ministry of Commerce, Trade and Industry has developed a National Investment Promotion Strategy to provide a coordinated policy framework in order to attract both foreign and local investment.

This Strategy paper focuses on scaling up investments in Zambia through domestic and foreign based investment interventions. It will revolve around capital formation in Zambia and include the attraction of Foreign Direct Investment (FDI), without diminishing the role of domestic capital formation through increased savings in the general economy.

1.2 Historic Perspective of Investment Promotion in Zambia

After attaining political independence as a country, investment was dominated by Industrial Development Company (INDECO)¹ which managed State Owned Enterprises (SOEs). During the period 1964 to 1991, the mining and financial sectors received more foreign direct investments than any other sectors in the economy.

Upon the adoption of a multi-party state in 1991, the investment policy framework was strengthened and the following major reforms were undertaken;

- (i) removal of price and exchange controls;
- (ii) privatization of state owned enterprises;
- (iii) repatriation of profits;
- (iv) interest rate liberalization;
- (v) removal of quantitative restrictions on imports; and
- (vi) trade liberalization.

The reforms also led to the creation of institutions charged with the mandate of promoting trade and investment in the country. These included the:

- a) Export Board of Zambia (EBZ);
- b) Zambia Privatization Agency (ZPA);
- c) Zambia Investment Centre (ZIC);
- d) Small Enterprises Development Board (SEDB); and later on
- e) Zambia Export Processing Zones Authority (ZEPZA).

Further in 2004, the Private Sector Development Reform Programme (PSDRP) was initiated with the aim of improving the investment climate, regulatory framework, encouraging private

¹

1 INDECO was set up after the Mulungushi Reforms of April 1968. Zambia Industrial and Mining Corporation (ZIMCO) took over the operations of these companies in 1971.

investment and generally reducing the cost of doing business. The PSDRP thereafter spearheaded the creation of the Zambia Development Agency (ZDA) through an Act of Parliament, Act No. 11 of 2006 which resulted in the merging of the EBZ, ZPA, ZIC ZEPZA and SEDB. ZDA was created with the aim of facilitating and promoting investments in the country. In addition to ZDA, Government put in place a number of institutions such as Zambia Tourism Agency (ZTA), Public Private Partnership Unit (PPPU) and Industrial Development Corporation (IDC) that are promoting investment in the country.

These reforms were meant to provide a conducive investment climate for accelerating industrial growth and achieving continuous economic growth and diversification resulting in Zambia’s investment climate being characterized by macro-economic stability and public sector investment in infrastructure, health and education which has led to improved productivity in the economy and lowered the cost of doing business.

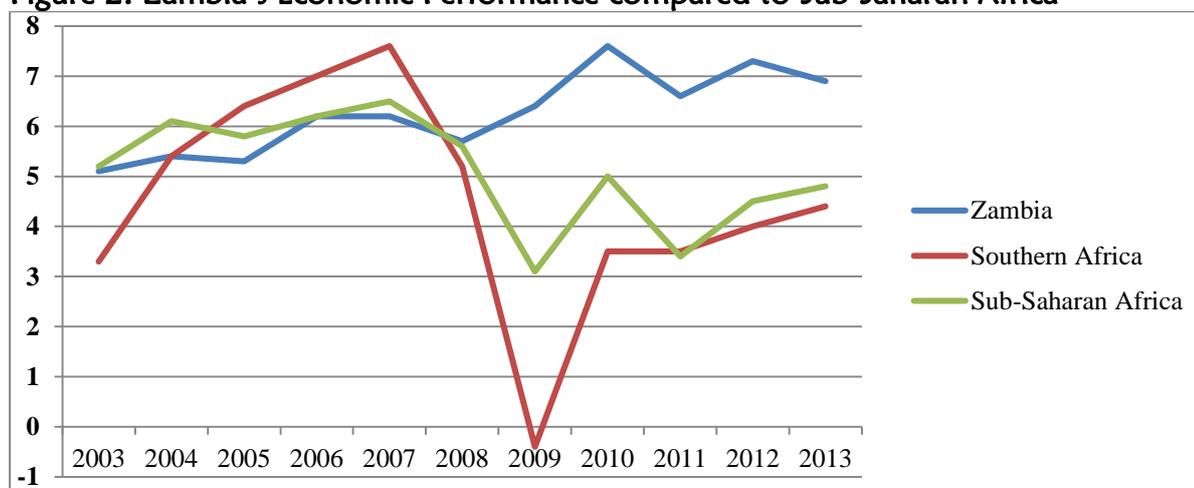
1.3 Overview of the Zambian Economy

Since the founding of our nation, the promise of economic opportunities has been a central component of Zambia’s development vision. The Zambian economy has grown at an average of 7 percent over the past decade, one of the fastest in Sub-Saharan Africa. Yet, the benefits of growth have been unevenly distributed, a reflection of regional differences in factor endowments and, most importantly, of the economy’s over-reliance on a single commodity to a single market. The Government is firmly committed to the diversification of Zambia’s economy through increased participation of other sectors in growth generation.

Zambia’s economy grew at an average annual rate of 6.2 percent between 2010 and 2015. However, global headwinds and domestic pressures have strained the Zambian economy. Consequently growth in 2015 fell to an estimated 3 percent (compared to 4.9 percent in 2014) following a 6 year low in copper prices, increasing power outages and El Nino related poor harvest.

Growth is expected to remain around 3 percent in 2016, subject to the 2016 harvest, the mining industry’s reaction to softer copper prices and stabilization of the power situation.

Figure 2: Zambia’s Economic Performance compared to Sub-Saharan Africa



Source: OECD, 2012; Global Economic Prospects, January, 2015.

1.4 Sector Performance

Zambia's mainstay of the economy is the mining sector. The privatization of the mines in the late 1990s coupled with a favorable international price for copper and a large inflow of foreign capital investment led to an increase of copper production and exports. Consequently, between 2000 and 2010, the mining sector's share of GDP grew from 6 percent to almost 10 percent. Much of the growth is attributable to massive investments in the copper mining industry², which has stimulated further investments in mining support industries such as construction and manufacturing.

Therefore, Government's objective is to reduce dependence on copper mining which accounts for more than 70 percent of exports by exploiting various investment opportunities in targeted sectors such as manufacturing, construction, agriculture, tourism, education, energy, ICT and health.

1.4.1 Manufacturing

The manufacturing sector accounts for about 11 percent of GDP and has been consistently growing at an average of 3 percent annually. The manufacturing sector's contribution to GDP between 2006 and 2015, averaged 8.4 percent (Central Statistical Office, 2015).

The Manufacturing sub-sectors priority drivers of industrialization include Processed Foods; Textiles and Garments; Engineering Products; Wood and Wood Products; Leather and Leather Products; Processing of Mineral (Metallic and Non-metallic) Products (Beneficiation) and Pharmaceuticals.

The Food, Beverages and Tobacco sector has shown the greatest manufacturing sector performance having grown by about 150 percent between 2006 and 2015, mostly driven by commodities such as sugar, tobacco, cotton, soybean and wheat production (Fessehaie, Nair, Ncube, & Roberts, 2015). Cement production (non-metallic mineral sub-sector) also performed very well, driven by investment in cement production and the construction boom in Zambia and the region.

1.4.2 Construction

The Construction sector on average contributes 10.2 percent to GDP (2004-2013). It has been one of the fast growing sectors with growth, averaging 11.7 percent per annum between the periods 2004-2013. This growth has been driven by strong demand from residential, commercial and public infrastructure construction projects across the country. The coming in of new cement manufacturing companies has contributed to increased supply of cement on the market, and will support growth in the sector.

1.4.3 Agriculture

The average contribution of the agriculture sector to GDP is 11.7 percent. Despite being endowed with a large arable land resource base of 42 million hectares only 1.5 million hectares is cultivated every year. Given the vast resource endowment in terms of land, labor and water, Zambia has huge potential to expand its agricultural production through irrigation.

² The Zambian mining sector contributes to about 70 percent of gross export revenue

1.4.4 Tourism

Over the past 10 years, the tourism sector has grown at an average of 4 percent, with the establishment of various hotels in major tourist cities/towns being a major contributor to this growth. By the end of 2015, Zambia recorded a total of 931,000 tourist arrivals. The sector has more than 20 magnificent waterfalls and wildlife which are located in different parts of the country.

1.4.5 Education

The Ministry of Education (MoE) initiated the Basic Education Sub-Sector Investment Programme (BESSIP) in 1999 in collaboration with its development partners. The BESSIP tackles the immediate issue of access and equity in basic education from Grades 1-7, and developed a model for Zambian ownership and more effective, coordinated support from international development agencies.

The Free Middle Basic Education policy (Grades 1-7) was announced in February 2002. All user fees have been abolished from Grades 1-7 and uniforms are not compulsory. Education Boards and PTAs are expected to raise funds through various activities, but no child can be denied access to school on account of costs. In 2004, enrolment in Grades 1-7 increased by 39 percent, while enrolment in Grades 1-9 increased by 40 percent. Enrolment was increasing by about 9 percent. This was supported by the completion of about 900 new classrooms each year at new and existing schools.

One of the activities being undertaken to facilitate the implementation of the Policy is by sensitizing communities about the importance of educating girls, women, orphans and the vulnerable; distribution of grants to all government and recognized community schools based on unit cost, learner population and equity-based criteria; provision of infrastructure and learning materials; bursaries for orphans and children with special needs for basic essentials like clothing, and weekly boarding facilities for those without adequate home-based care. (Ministry of Education Strategic Plan 2003 - 2007).

Further, the MoE introduced the Early Childhood Care Education and Development as a new programme aimed at imparting quality education in basic schools. The programme implementation commenced in 2005 to date and targets rural schools. Similarly, adult literacy programmes, which impact on parents' support to children's education have been gradually developed from 2005.

1.4.6 Energy

This sector is mainly driven by hydro-electricity and petroleum. Per capita consumption of electricity is estimated at 66 watts. The State owned Zambia Electricity Supply Corporation (ZESCO) is the country's only electricity producer.

The country has a potential of 10,000 MW generating capacity, however, only 1, 890 MW of hydro - electricity is being produced. Demand has outstripped generation capacity and the country has been experiencing power surges and outages more frequently since 2009. By 2020, electricity demand is projected at twice the current generation capacity. (Zambia Human

Development Report 2016). On the other hand, coal reserves exceed 30 million tones and satisfy 9 percent of energy demand.

1.4.7 Information and Communication Technology (ICT)

The Government developed the National Information and Communications Technology (ICT) Policy in 2005 and began to implement it in 2007 (Souter, 2010). The goal of the policy is to create a knowledge economy by 2030, increase public ICT access, develop suitable telecommunications infrastructure and introduce e-government and e-commerce. (Ministry of Communications and Transport 2009).

In 2009, Government launched the ICT Bill, which repealed the telecommunications Act of 1994 and focused on technology convergence, innovation, competition and fair play and; consumer rights. (Jere, 2009). In the same year, Government launched the Electronic Communications Act of 2009 which aimed to develop a safe, secure and effective environment for consumers, businesses and Government.

By 2014, 71 out of every 100 people were using mobile phones in Zambia. The number of businesses that report using ICT is much higher than individual users, with Zambia ranking quite highly for capacity for innovation (44 on the networked readiness index). (Zambia Human Development Report 2016)

There are currently five (5) Zambian companies licensed to operate as Carrier of Carriers; ZESCO, ZAMTEL, CEC Liquid Telecom, Airtel and MTN and the three companies licensed to operate optic fiber networks and three (3) mobile telephone service providers.

1.4.8 Health

The Ministry of Health (MoH) has embarked on the 2011-2015 National Health Strategic Plan (NHSP), aimed at reducing the disease burden and accelerating the attainment of the Millennium Development Goals and other national priorities.

The NHSP groups priority areas into four major categories: human resources, health service delivery interventions, clinical care and diagnostic service priority interventions, and priority integrated support systems.

In some cases, flying doctor services cover remote areas and provide immediate care and transport for urgent cases. However, major surgery cases are usually referred to other countries with specialized services and this therefore presents investment opportunities in the sector.

CHAPTER II

2.0 SITUATION ANALYSIS

2.1 Foreign Direct Investment

2.1.1 Recent Global FDI Trends and Prospects

According to the World Investment Report by UNCTAD, global investment trends in 2015 indicated the highest increment in FDI flows since the global economic and financial crisis of 2008 to 2009 with a 38 percent rise amounting to USD 1.76 trillion with developed countries contributing over USD 962 billion to global FDI while developing countries contributed about 55 percent of the increment amounting to USD 765 billion. Europe and the United States reported the strongest growth in FDI inflows.

The growth in FDIs was mainly due to surges in cross-border mergers and acquisitions which increased from USD 432 billion in 2014 to USD 721 billion in 2015.

Table 1: Global FDI Inflows

	2012 billion USD	2013 billion USD	2014 billion USD	2015 billion USD
Developed Countries		680	522	962
ASIA		431	468	541
Africa	55	52	58	54
Southern Africa	8.1	11	17	17.9
Zambia	2.4	1.8	3.2	1.6

Source: UNCTAD World Investment Report 2015

2.1.2 Recent Regional Investment Trends

FDI flows to Africa fell to USD 54 billion in 2015, a decrease of 7 percent over the previous year. An upturn in FDI into North Africa was offset by decreasing flows into Sub-Saharan Africa, especially to West and Central Africa.

Low commodity prices depressed FDI inflows in natural-resource-based economies. FDI inflows to Africa are expected to increase moderately in 2016.

The SADC region recorded a decrease in FDI inflows from USD 17, 457 million to USD 13, 216 million from 2013 to 2014 respectively. In 2013, Mozambique, South Africa and Democratic Republic of Congo registered the highest FDI inflows whilst Angola, Lesotho and Swaziland recorded the lowest inflows in the region.

In 2014, most of the countries in the SADC region registered a decline in terms of investment inflows, though Zambia notably registered an increase. (UNCTAD, FDI online database and World Investment Report 2015).

The COMESA region recorded an increase in FDI inflows from USD 8, 049 million in 2013 to USD 11, 611 million in 2014. In 2013 Egypt, Democratic Republic of Congo and Zambia

registered the highest FDI inflows whilst Burundi, Comoros, South Sudan registered the lowest investment inflows. (UNCTAD, FDI online database and World Investment Report 2015).

2.1.3 Recent Investment Trends in Zambia

Zambia recorded a significant rise in investments and attracted over USD 10 billion in FDI inflows in the past 5 years. Notably the leading sectors that have attracted the most investments are; mining, manufacturing, energy and construction.

In an effort to diversify the economy, investment incentives have been introduced resulting in increased investments in food and mineral processing, hydro and thermal power generation, real estate and commercial property development and, construction of tourism facilities such as hotels and shopping malls.

There was a downward trend of investment inflows in the country during the period 2012 to 2014 with the exception of the mining sector. Figure 2 below depicts a bi-annual analysis of Zambia's FDI inflows.

Table 2: FDI Inflows in Zambia by Sector

Sector	2012 million USD	2013 million USD	2014 million USD
Manufacturing	469.6	444.2	242.4
Agriculture	28.3	86.3	60.5
Construction	54.6	-0.2	83.9
Real Estate	4.9		-9.2
Transport & Communication	19.7	-5	-150
Bank & Non-bank financial institutions	193.6	196.4	64.1
Tourism	0	-4.5	-
Mining	933.6	1,375.5	1003.3
Energy (Electricity, Gas, Steam)	6.5	-46.8	-23.4
Others	-19.2	-	217.3
TOTALS	1,731.60	2,100	1,489

Source: ZDA/BOZ/CSO *Foreign Private Investment & Investor Perceptions Survey, 2011, 2012, 2013, 2014, 2015*

In January 2013, investment inflows were recorded at USD 253.4 million and increased to USD 604.2 million in July 2013. However, there was a sharp drop from January 2014 to July 2014 from USD 542.3 million to USD 70.5 million. The decrease was mainly attributed to the depreciation of the kwacha against other major foreign currencies and the rise in inflation. Further, from January 2015 to January 2016 there has been a steady inflow of investment at an average of USD 407.45 million.

Figure 3



2.2 SWOT ANALYSIS

The SWOT analysis was used to understand specific strengths, weaknesses, opportunities and threats in which the Strategy was prepared in attracting local and foreign direct investments. The Table below shows the SWOT analysis:

Strengths	Weaknesses
<ul style="list-style-type: none"> - Stable political environment - Growing middle-income class - Youthful population - Favourable investment incentives - Ease of doing business - Free market economy - Good ICT infrastructure - Abundant natural and mineral resources - Favourable weather patterns - Independent judicial system - Low cost of labour 	<ul style="list-style-type: none"> - Fragmented investment promotion - Inconsistent administration of incentives - Inadequate physical infrastructure - Mismatch between skills acquired and industry demand - Inadequate capacity for research and development - Lack of efficient M&E systems
Opportunities	Threats
<ul style="list-style-type: none"> - Access to wider markets e.g. COMESA, SADC, ACP-EU etc. - Central geographical location - Advancements in technology - High operational costs and slowdown in China 	<ul style="list-style-type: none"> - Political instability in the region - Unfair competition from imported goods - Global economic shocks - Climate change

CHAPTER III

3.0 VISION, RATIONALE AND GUIDING PRINCIPLES

3.1 VISION

3.1.1 Vision Statement

“To be a prosperous, competitive and preferred investment destination by 2030.”

3.1.2 Mission Statement

“To promote and facilitate investments for sustainable economic growth, wealth and employment creation.”

3.2 RATIONALE

The Strategy is aimed at creating a conducive environment for investment growth through the implementation of a coordinated approach to investment promotion, facilitation and maintenance. The Strategy identifies priority sectors for investment in Manufacturing, Construction, Agriculture, Tourism, Education, Energy, Information and Communication Technology and Health. These sectors and their subsequent subsectors are chosen in line with Government policy of industrialization, job creation and export product diversification. The Manufacturing, Tourism, Construction and Agriculture sectors have been identified as priority sectors due to their potential for employment creation and industrial development. The sectors also have great potential to enhance Zambia’s export product diversity. Education, Energy, Information and Communication Technology and Healthcare are key support sectors for the development of the Manufacturing, Tourism, Construction and Agriculture sectors.

3.3 GUIDING PRINCIPLES

The implementation of this Strategy shall be guided by the following principles:

- 1) **Inclusiveness** - It is necessary that deliberate efforts are made to ensure that both local and foreign investors invest in the country. In addition, other disadvantaged groups such as women, youths and people with disabilities should be given equal opportunities to actively participate in the economy.
- 2) **Realism and Implementability** - Interventions and measures in this Strategy is based on a realistic implementation plan informed by results based management principles.
- 3) **Responsiveness** - Interventions and measures should be responsive to the needs of investors and be aligned to the broader national objective of reducing inequality, poverty, employment creation and uplifting the living standards of the majority in line with the *Vision 2030*.
- 4) **Policy Predictability** - This Strategy underscores the need for policy consistency, transparency and commitment to a conducive and predictable economic environment.

CHAPTER IV

4.0 OBJECTIVES, STRATEGIES AND TARGETS

4.1 Overall Objective

To mobilise and increase actualized domestic and foreign direct investments by 25 percent annually that supports sustainable socio-economic development.

4.1.1 Specific Objectives, Strategies and Measurable Outputs

Specific Objective 1: To effectively mobilize domestic and foreign direct investments in order to increase actualized investments in target sectors by 5 percent annually.

Strategies:

- (i) Develop comprehensive investment profiles for each target sector;
- (ii) Develop annual investment promotion programmes focusing on target sectors; and
- (iii) Develop a mechanism to monitor, engage and follow up on investment leads and pledges.

Targets:

- (i) At least each priority sector should have feasibility studies conducted for investment by 2020;
- (ii) One hundred and five (105) investment profiles and plans at district level developed to promote investment in rural areas;
- (iii) At least ten (10) feasibility studies conducted in all provinces done to anchor rural industrialisation;
- (iv) At least five (5) feasibility studies conducted under PPP framework;
- (v) At least two (2) Investment Promotion activities in target sectors undertaken annually; and
- (vi) Grow investment pledges by 5 percent of which 25 percent should be actualized.

Specific Objective 2: To undertake targeted investment marketing programmes in order to attract and retain investments in the country.

Strategies:

- (i) Develop and maintain linkages with renowned global brand investors;
- (ii) Facilitate participation and organize international investment fairs, conferences and exhibitions;
- (iii) Enhance capacity of Missions abroad and institutions involved in investment promotion;
- (iv) Facilitate local investment promotion activities annually; and
- (v) Promote partnerships and collaborations among the business community locally and abroad.

Targets:

- (i) At least two (2) renowned global brand investors engaged annually;
- (ii) Participation of both public and private sector institutions in international investment fairs, conferences and exhibitions annually;
- (iii) Trade and investment promotion Specialists at MCTI, ZDA and Missions abroad trained;

- (iv) Trade and investment promotion offices established;
- (v) Conduct ten (10) provincial investment promotion road shows annually;
- (vi) At least thirty (30) flagship potential local Investments established by 2022;
- (vii) At least ten (10) Industrial Yards established in target sectors by 2022;
- (viii) At least fifteen (15) Value Chain Clusters developed in target sectors by 2022;
- (ix) Identify and facilitate strategic partners for possible joint ventures between foreign and local investors;
- (x) At least two (2) regulatory service centers established in each province;
- (xi) Business registration procedures undertaken by local authorities; and
- (xii) At least ten (10) MoUs signed between ZDA and Investment Promotion Agencies in foreign countries.

Specific Objective 3: To promote and facilitate investments by cooperatives in target sectors of the economy in order to increase citizen's participation in the economy.

Strategies:

- (i) Facilitate capitalization of cooperatives for investment in target sectors; and
- (ii) Facilitate linkages between cooperatives and business development service providers.

Targets:

- (i) At least ten (10) capitalized cooperatives invest in two target sectors in each province per annum;
- (ii) At least one (1) cooperative established value chain in one target sector in each district annually;
- (iii) At least three (3) cooperatives per district linked to business development service providers annually; and
- (iv) At least one (1) cooperative trade center established annually.

Specific Objective 4: To promote re-investments and diversification by already operationalized investors in order to increase the value of domestic investments in the target sectors by 10 percent annually.

Strategies:

- (i) Engage existing investors on available diversification opportunities; and
- (ii) Offer special incentives for diversification and reinvestments.

Targets:

- (i) Increase the value of reinvestments and diversification by at least 5 percent annually; and
- (ii) Identify and offer special incentives for reinvestments and diversification.

Specific Objective 5: To strengthen the coordination and collaboration of investment promotion and facilitating institutions in order to improve investor support.

Strategies:

- (i) Review regulatory frameworks implemented by various Government agencies;
- (ii) Promote research and development as well as innovation to enhance beneficiation and value addition; and
- (iii) Establish and strengthen inter-agency investment promotion facilitation committees.

Targets:

- (i) Review and streamline policy and regulatory frameworks by various Government agencies involved in investment promotion; and
- (ii) Establish Council of Ministers for investment promotion facilitation.

Specific Objective 6: To develop and implement monitoring and evaluation mechanisms in order to monitor the performance and contribution of local and foreign investments to the economy.

Strategies:

- (i) Undertake quarterly monitoring of actualized investments;
- (ii) Undertake quarterly follow ups on pledged investments; and
- (iii) Undertake quarterly monitoring and evaluation of companies that signed IPPA's.

Targets:

- (i) Develop a tracking mechanism that will track pledges, jobs created etc;
- (ii) Develop and maintain a comprehensive data base;
- (iii) Undertake quarterly tracking and monitoring of investment performance through ZDA;
- (iv) Re-align and strengthen the legal framework; and
- (v) Monitor and evaluate companies that have signed IPPA's.

4.2 Research and Development

Industrial research, development and innovation are important in nurturing and promoting entrepreneurship and product development. In this regard, the government has been supporting domestic technology development, industrial diversification and enhancing scientific research.

Establishment of an effective and efficient National Science, Technology and Innovation System for increased productivity and competitiveness is crucial to the development of the country. There is therefore need to strengthen linkages between research institutions and industry as well as the capacity for research and development in science, technology and innovation.

The R-SNDP encourages enhanced collaboration between industry and research institutions through the introduction of incentives for innovations in the field of scientific and technological research. In order for collaboration to be enhanced the following Key policy reforms have been identified:

- (i) Revamping of the National Institute for Scientific and Industrial Research and the National Science and Technology Council;
- (ii) Commercialization of Research and Development outputs;
- (iii) Provision of relevant support for research and development activities in priority areas; and
- (iv) Enhance coordination with various stakeholders within and outside the country.

CHAPTER V

5.0 IMPLEMENTATION FRAMEWORK

5.1 Introduction

The NIPS will be implemented over a period of five (5) years from 2018 to 2022. Implementation of the NIPS will take a multi-sectoral approach involving all stakeholders at National, Provincial and District levels including Missions abroad.

5.2 Institutional Arrangements

The institutional arrangements for the successful implementation of the National Investment Strategy shall be as indicated below.

5.2.1 Ministry of Commerce, Trade and Industry

The Ministry of Commerce, Trade and Industry (MCTI) shall be the lead Government Institution responsible for the formulation, coordination and administration of the NIPS. The Ministry shall have a primary responsibility of providing an enabling environment to attract investments for operations of both domestic and foreign business enterprises.

In addition, MCTI shall closely work with its statutory bodies namely: Zambia Bureau of Standards (ZABS), Zambia Compulsory Standards Agency (ZCSA), Zambia Metrology Agency (ZMA), Zambia Development Agency (ZDA), Competition and Consumer Protection Commission (CCPC), Citizens Economic Empowerment Commission (CEEC), Patents and Companies Registrations Agency (PACRA), Business Regulatory Review Agency (BRRA) and the Kaizen Institute of Zambia (KiZ) Limited in implementing the National Investment Promotion Strategy.

5.2.2 Other Implementing Agencies

The successful implementation of the NIPS will require the active participation of the following key players among others:

- (i) Government Ministries;
- (ii) Business Associations;
- (iii) Private Sector;
- (iv) Government Agencies;
- (v) Missions abroad;
- (vi) Cooperating Partners;
- (vii) Academia and Research Institutions;
- (viii) Non State Actors; and
- (ix) Vocational Training Institutions.

5.3 Legal Framework

There are various policy statements and legal frameworks that provide guidance in which the National Investment Strategy is anchored. These include the Vision 2030, NDPs,

Industrialization and Job Creation Strategy, Zambia Development Agency (ZDA) Act, Investment, Trade and Enterprise Development Act of 2018 and the PPP Act.

5.3.1 Vision 2030

Zambia aspires to become a prosperous middle income nation by 2030. To achieve this vision, the country has identified the promotion of investment as one of the key strategies of attaining this objective and in this regard, the vision 2030 prioritizes the following;

- (i) Maintaining a favorable macroeconomic environment and fostering an investment climate conducive for attracting and retaining high levels of foreign and domestic investment;
- (ii) Attracting foreign direct investment in productive sectors with a view of entrenching knowledge and technology among the local people; and
- (iii) Improving access to capital by nationals for investment needs.

In this regard, the NIPS highlights specific steps and strategies for creating a conducive investment climate which is consistent with the planned socio-economic development objectives and improving the performance of key government agencies servicing private sector.

5.3.2 National Development Plans

The successive National Development Plans (NDPs) which are vehicles for operationalizing the 2030 vision also focus on national investment promotion. The NDP is primarily an investment plan with a bias towards rural development, industrialization and job creation. The NDP articulates policies, strategies and resource requirements to enhance their contribution to employment creation and growth.

For effective promotion of investment, industrialization and establishment of value adding industries to increase the countries capacity to create wealth and decent employment, the NIPS will seek to accelerate these efforts in a systematic and coordinated manner.

5.3.3 Commercial, Trade and Industrial Policy (2010 - 2015)

The overall vision of the Commerce, Trade and Industrial Policy is to develop an enabling economic environment in Zambia which supports private investments, enables the development of domestic productive capacities, and contributes to the expansion of Zambia's international trade.

The policy emphasizes on adding value to locally produced goods for increased domestic and foreign markets earnings, and developing hard and soft infrastructure such as roads, e-commerce and border facilities.

The aim is to achieve an export-driven, competitive and viable trade and commerce sector by 2030 while increasing the contribution of exports to GDP.

To operationalize this policy direction, the NIPS has prioritized specific sectors as key drivers for investment and has proposed practical steps of achieving the objectives in the subsectors.

5.3.4 National Industrial Policy

The overall objective of the National Industrial Policy is to transform Zambia from a producer and exporter of primary products into a net exporter of value added goods utilizing local primary resources with increased citizens' participation.

Additionally the Policy aims to increase actualized domestic and foreign direct investment in priority sectors and increase the contribution of the manufacturing sector to GDP.

5.3.5 Zambia Development Agency (ZDA) Act

The ZDA ACT No. 11 of 2006 established the Zambia Development Agency whose mandate is to facilitate investment by providing effective and comprehensive business services facilitation, micro, small and medium enterprise development, business development and aftercare services as well as market information in order to promote Zambian exports. The Act is currently undergoing revision to align it with the current trends in investment promotion.

Further, the Agency promotes both FDI and LDI in order to strengthen the growth of local manufacturing industries such as investments in the MFEZs and Industrial Parks.

5.3.6 Business Regulatory Review Agency (BRRA)

The Zambian Government has enacted the Business Regulatory Act No. 3 of 2014 which amongst other functions, provides for the establishment of Regulatory Service Centres (RCS) for facilitating access to business services such as e-registration, cooperatives registration, registration for taxation and Pension Schemes which are expeditiously provided.

5.4 Resource Mobilization and Financing

5.4.1 Role of Government

The Government of the Republic of Zambia through the Ministry of Finance (MOF) shall be responsible for mobilizing and allocating adequate resources to Ministries, Provinces and Spending Agencies (MPSAs) for the implementation of the NIPS. The Government through MCTI will also be expected to create a friendly business environment that will promote and encourage investments in various sectors of the economy through the promotion of both local and foreign investments.

5.4.2 Role of Cooperating Partners

The Government through MCTI and other MPSAs will work closely with Cooperating Partners to mobilize financial resources and develop technical capacities needed for the growth of the Industrial sector through the promotion of domestic and foreign direct investments.

5.4.3 Role of the Private Sector

The Government will engage the private sector and other stakeholders in the mobilization of resources through Public Private Partnerships (PPPs) and other financing models. Through Public Private Partnerships, the Government will promote investment in all the sectors of the economy.

5.5 Monitoring and Evaluation Measures

MCTI will serve as the principal institution responsible for the monitoring and evaluation of the NIPS on behalf of the Government of the Republic of Zambia. Through its Departments, Agencies and in collaboration with line Ministries, Cooperating Partners, Private Sector and other stakeholders, MCTI will periodically monitor progress on the implementation of the NIPS.

MCTI in conjunction with key various stakeholders will prepare periodic progress reports on the implementation of the NIPS.

The Monitoring and Evaluation efforts will focus on:

- (i) Technical performance to assess quality, effectiveness, and relevance of interventions in achieving the set objectives;
- (ii) Time performance to ensure that programmes and projects are implemented on schedule and that they are being implemented within the stipulated time frames;
- (iii) Cost performance to review the relationship between projected costs of interventions, actual expenditure and the resultant outputs;
- (iv) The promotion of evaluation as a measure for strengthening programme implementation and impact assessment; and
- (v) The mid-term and final review of activities in achieving set objectives in the Strategy.

Therefore, MCTI will hold quarterly and annual meetings with key implementing agencies, institutions and Ministries to monitor the implementation of the NIPS.

5.6 Implementation Log Frame

The Implementation Log Frame outlines the overall objective, specific policy objectives, policy strategies, activities, indicators of achievement, time frame, the estimated cost of implementing identified activities and the institution(s) responsible for implementation. The lead implementing institutions are reflected in bold.

IMPLEMENTATION LOGFRAME FOR THE NATIONAL INVESTMENT PROMOTION STRATEGY

OBJECTIVE 1: To effectively mobilize domestic and foreign investments in order to increase actualized investments in target sectors by 5 percent annually												
Strategy	Target	Activities	Time Frame					Indicators of achievement	Budget (ZMW)	Implementing Institution		
			YR1 2018	YR 2 2019	YR3 2020	YR 4 2021	YR5 2022					
1.1 Develop comprehensive investment profiles for each target sector	1.1.1 At least fourteen (14) feasibility studies conducted in target sectors	<ul style="list-style-type: none"> • Collect data in target sectors • Compile and develop sector profiles • Structure at least one (1) project per target sector for private sector participation annually 	X	X	X	X	X	<ul style="list-style-type: none"> • Feasibility study reports • Sector profiles 	1,000,000	ZDA, MCTI, Line Ministries/ Institutions		

	1.1.2 One hundred and five (105) investment profiles and plans at district level developed to promote investment in rural areas.	<ul style="list-style-type: none"> • Collect data in districts • Compile and develop sector profiles 	X		X		X		X		X	<ul style="list-style-type: none"> • Sectors and businesses in which Zambia has competitive advantage identified 	1,000,000	MCTI, ZDA
	1.1.3 At least ten (10) bankable investment projects in target sectors packaged.	<ul style="list-style-type: none"> • Identify the possible bankable investment projects • Package the investment projects 	X		X		X		X		X	Number of identified and packaged bankable investment projects	2,000,000	ZDA, MCTI, PPP, Line Ministries
	1.1.4 Bankable project proposals under PPP prepared	<ul style="list-style-type: none"> • Identify the possible bankable investment projects under PPP • Package the investment projects 										Number of identified and packaged bankable investment projects under PPP	2,000,000	ZDA, MCTI, PPP, Line Ministries

1.2 Develop annual investment promotion programmes focusing on target sectors	1.2.1 At least two (2) Investment Promotion activities undertaken annually	<ul style="list-style-type: none"> Under take investment promotion activities 	X		X		X		X		X		At least one (1) new investment in each priority sector operationalized annually emanating from target countries	2,000,000	ZDA, MCTI, Line Ministries/ Institutions
1.3 Engage and follow up on investment leads and pledges	1.3.1 Grow investment pledges by 5 percent of which 25 percent should be actualized	<ul style="list-style-type: none"> Follow up on investment leads and pledges by institutions, companies and individuals 		X	X	X	X	X	X	X	X	X	Number of identified and packaged bankable investment projects	2,000,000	ZDA, MCTI, Line Ministries/ Institutions

OBJECTIVE 2: To undertake targeted investment marketing programmes in order to attract and retain investments in the country

Strategy	Targets	Activities	Time Frame					Indicators of achievement	Budget (ZMW)	Implementing Institution
			YR 1	YR 2	YR 3	YR 4	YR 5			

2.1 Engage renowned global brand investors	2.1.1 At least two (2) renowned global brand investors identified and engaged annually	<ul style="list-style-type: none"> Identify and engage global brand investor Undertake targeted investment promotion 		X		X		X		X		X	<ul style="list-style-type: none"> At least 2 signature investors identified At least 1,200 jobs created by new investments in priority sectors annually 	1,000,000	ZDA, MCTI, Line Ministries/ Institutions
2.2 Facilitate participation and organize international investment fairs, conference and exhibitions.	2.2.1 Both Public and Private Sector institutions participate in international investment fairs, conferences and exhibitions annually	Produce A Brochure for new enquiries		X		X		X		X		X	Brochure of new enquiries and new business contacts resulting from fairs, conferences and exhibitions produced annually	1,000,000	ZDA, MCTI, Line Ministries/Inst itutions
2.3 Enhance capacity of Missions abroad and institutions involved in	2.3.1 Trade and Investment Promotion Specialists at MCTI, ZDA and	<ul style="list-style-type: none"> Induction of investment promotion officers Include a curriculum on 			X			X					<ul style="list-style-type: none"> At least 15 specialists trained At least 5 new investments 	12,000,000	MCTI, MoFA, ZDA, Missions abroad

investment promotion	Missions abroad trained	<p>investment promotion at ZIDIS</p> <ul style="list-style-type: none"> Engage Zambia Foreign Missions and Investment Promotion Institutions to market Zambia as a preferred investment destination Zambia Missions abroad and Investment Promotion Agencies (IPAs) undertake investment promotions activities in their respective countries 									established in Zambia within ten (10) years as a result of investment promotion activities by Missions abroad and investment promotion institutions		
2.4 Facilitate local investment	2.4.1 Trade and Investment promotion	<ul style="list-style-type: none"> Participate in trade fairs 		X		X		X		X	One (1) trade and investment promotion	20,000,000	ZDA, MCTI

promotion activities	offices established											office established in each province			
	2.4.2 Conduct ten (10) provincial investment promotion road shows annually	<ul style="list-style-type: none"> Organize investment fairs in all 10 provinces 		X		X		X		X		X	At least one (1) investment established annually per province as a result of the provincial road show undertaken	10,000,000	ZDA, MCTI
	2.4.3 At least 30 flagship potential local investments identified and established	<ul style="list-style-type: none"> Identify potential local investment 											At least thirty (30) flagship local investments operationalized	2,000,000	ZDA, MCTI
	2.4.4 At least 10 industrial yards established in target sectors	<ul style="list-style-type: none"> Identify areas where to develop industrial yards Establish industrial yards 		X		X		X		X		X	At least one (1) industrial yard established in each province	20,000,000	CEEC, ZDA, MCTI
	2.4.5 Facilitate the development of value chain clusters in target sectors	<ul style="list-style-type: none"> Develop value chain clusters 		X		X		X		X		X	At least fifteen (15) value chain clusters developed	10,000,000	CEEC, MCTI

2.5 Promote partnerships and collaborations among the business community locally and abroad	2.5.1 Identify and facilitate strategic partners for possible joint ventures between foreign and local investors	<ul style="list-style-type: none"> Identify partners for Joint Ventures 		X		X		X		X	At least 5 joint ventures operationalized	1,000,000	ZDA, MCTI, PPP Unit
	2.5.2 At least two (2) Regulatory Service Centers established in each province	<ul style="list-style-type: none"> Establish Regulatory Service Centers 		X		X		X		X	-Streamlined administration procedures -reduced cost of doing business	5,000,000	MCTI, ZDA, PACRA, MWS, MOJ
	2.5.3 Business registration with local authorities	<ul style="list-style-type: none"> Engage local authorities to develop the land acquisition procedure 									A 30 day land acquisition procedures developed	2,000,000	MCTI, ZDA, MWS, MOJ
	2.5.4 At least ten (10) MoUs signed between ZDA and Investment Promotion Agencies in foreign countries	<ul style="list-style-type: none"> Facilitate the signing of ten MoUs Encourage exchange programs between local and foreign investment 		X		X		X		X	Information exchange between ZDA and IPA's in foreign countries	1,000,000	ZDA, MCTI

		promotion institutions																
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OBJECTIVE 3: To promote and facilitate investments by cooperatives in target sectors of the economy in order to increase citizens participation in the economy

Strategy	Target	Activities	Implementing Period					Indicators of achievement	Budget (ZMW)	Implementing Institution
			YR 1	Y R 2	YR 3	YR 4	YR 5			
3.1 Facilitate capitalization of cooperatives for investment in target sectors.	3.1.1 At least ten (10) capitalized cooperatives invest in two target sectors in each province annually.	<ul style="list-style-type: none"> Facilitate access to finance by establishing financing schemes 	X	X	X	X	X	Capitalized cooperatives invest in target sectors	2,000,000	MCTI, ZDA, Financial Institutions/Agences
	3.1.2 At least one (1) cooperative established value chain in one priority sector in each district annually.	<ul style="list-style-type: none"> Establish a cooperative value chain 	X	X	X	X	X	Establish a cooperative value chain in one target sector in each district	10,000,000	MCTI, CEEC, ZDA
3.2 Facilitate linkages between cooperatives	3.2.1 At least three (3) cooperatives per district linked to	<ul style="list-style-type: none"> Credit Cooperatives Business development 	X	X	X	X	X	Linkages between cooperatives and business	1,000,000	MCTI, ZDA, Local Communities,

and business development service providers	business development service providers annually.	service providers										development service providers created		Provincial Administration
	3.2.2 At least one (1) cooperative trade center established annually	<ul style="list-style-type: none"> Established trade centers 		X		X		X		X		Five (5) trade centers established	1,000,000	MCTI, ZDA

OBJECTIVE 4: To promote re-investments and diversification by already operationalized investors in order to increase the value of domestic investments in the target sectors by 10 percent annually

Strategy	Targets	Activities	Implementing Period					Indicators of achievement	Budget (ZMW)	Implementing Institution
			YR 1	Y R 2	YR 3	YR 4	YR 5			

4.1 Engage existing investors on diversification opportunities	4.1.1 Increase the value of re-investments and diversified firms by at least 5 percent annually	<ul style="list-style-type: none"> Include Special incentives for re-investment in the ZDA law 		X	X	X	X	X	X	X	X	X	X	Growth of existing firms	2,500,000	ZDA, MCTI
	4.2.1 Offer special incentives for diversification and re-investments.	<ul style="list-style-type: none"> Include Special incentives for diversification in the ZDA law 		X	X	X								Special incentives for diversification included in investment legislation	1,000,000	MCTI, ZDA, MOF

OBJECTIVE 5: To strengthen the coordination and collaboration of investment promotion and facilitating institutions in order to improve investor support

Strategy	Targets	Activities	Implementing Period					Indicators of achievement	Budget (ZMW)	Implementing Institution				
			YR 1	Y R 2	YR 3	YR 4	YR 5							
5.1 Review regulatory frameworks implemented by various government agencies	5.1.1 Review and streamline the policy and regulatory framework by various government	<ul style="list-style-type: none"> Review the policy and regulatory frameworks 		X	X	X	X	X	X	X	X	policy and regulatory frameworks reviewed and streamlined	10,000,000	ZDA, MCTI, Line Ministries, Private Sector

	agencies involved in investment promotion														
5.2 Establish and strengthen inter-agency investment promotion facilitation committees.	Establish inter-agency investment promotion facilitation committee.	<ul style="list-style-type: none"> Establish committees 		X	X	X	X	X	X	X	X	X	Specialized investment promotion and facilitation committees established	500,000	MCTI, ZDA Line Ministries

OBJECTIVE 6: To develop and implement monitoring and evaluation mechanisms in order to monitor the performance and contribution of local and foreign investments to the economy

Strategy	Targets	Activities	Implementing Period										Indicators of achievement	Budget (ZMW)	Implementing Institution
			YR 1	Y R 2	YR 3	YR 4	YR 5								
6.1 Undertake quarterly monitoring of actualized investments	6.1.1 develop a tracking mechanism.	<ul style="list-style-type: none"> Establish a mechanism to track information Undertake on-site visitations 	X	X	X	X	X	X	X	X	X	X	<ul style="list-style-type: none"> 100 percent of actualized investments monitored enhanced data management system 	5,000,000	ZDA, MCTI, BoZ, CSO, Line Ministries/ Institutions

	6.1.2 Create and maintain a comprehensive database.	<ul style="list-style-type: none"> Develop comprehensive data base 										Comprehensive data base developed	2,000,000	ZDA, MCTI
	6.1.3 Undertake quarterly tracking and monitoring of investment performance through the ZDA.	<ul style="list-style-type: none"> undertake monitoring on investments performance 										Investment performance monitored	2,000,000	ZDA, MCTI
6.2 Quarterly follow up on pledged investments	6.2.1 re-align and strengthen the legal framework	<ul style="list-style-type: none"> undertake monitoring on pledged investments 			X	X	X	X				100 percent of pledged investments followed up.	2,000,000	MCTI, ZDA, MOJ, Line Ministries/ Institutions
6.3 Quarterly monitoring and evaluation of companies that signed IPPA's	6.3.1 Monitor and evaluate companies that have signed IPPA's.	<ul style="list-style-type: none"> undertake monitoring of the signed IPPAs 			X	X	X	X				100 percent of companies that signed IPPAs monitored and evaluated	1,000,000	ZDA, MCTI

-----End-----