



ZAMBIA DEVELOPMENT AGENCY



2018 – 2021 STRATEGIC PLAN

TABLE OF CONTENTS

ACRONYMS	ii
FOREWORD	iii
ACKNOWLEDGMENTS	iv
EXECUTIVE SUMMARY	1
1.0 INTRODUCTION	2
1.1 Background.....	2
1.2 Rationale and Methodology for developing the 2018 - 2021 strategic plan	4
2.0 ENVIRONMENTAL ANALYSIS	5
2.1 External Environmental Analysis.....	5
2.2 Political/Policy Environment.....	5
2.3 Economic Environment	5
2.4 Social Environment	7
2.5 Technology.....	8
2.6 Natural Environment	8
2.7 Legal Environment	8
2.8 Clients and Stakeholders Engagement	8
2.9 Internal Institutional Analysis.....	9
3.0 STRATEGIC DIRECTION	11
3.1 Vision	11
3.2 Strategic Themes and Strategic Results	11
3.3 Mission Statement.....	12
3.4 Core Values	12
3.5 Strategic Objectives, Intended Results, Measures, Targets and Strategies	13
4.0 ENABLING FACTORS	14
4.1 Pre-conditions	14
4.2 Assumptions.....	14
5.0 MONITORING AND EVALUATION	14
6.0 CORE FUNCTIONAL STRUCTURE	15
APPENDICES	16

ACRONYMS

7NDP	Seventh National Development Plan
BOZ	Bank of Zambia
BRRRA	Business Regulatory Review Agency
CPD	Continuous Professional Development
CRM	Customer Relationship Management
CSO	Central Statistical Office
FDI	Foreign Direct Investment
FTA	Free Trade Area
GDP	Gross Domestic Product
HCD	Human Capital Development
ICT	Information and Communication Technology
IPPA	Investment Promotion and Protection Agreement
ITC	International Trade Centre
LDCs	Least Developed Countries
LDI	Local Direct Investment
M & E	Monitoring and Evaluation
MCTI	Ministry of Commerce, Trade and Industry
MDD	Management Development Division
MFEZ	Multi Facility Economic Zone
MIS	Management Information Systems
MoF	Ministry of Finance
MoU	Memorandum of Understanding
MSEs	Micro and Small Enterprises
NTEs	Non Traditional Exports
OD	Organisational Development
OE	Operational Efficiency
PACRA	Patents and Company Registration Agency
PESTEL	Political, Economic, Social, Technological, Environmental and Legal
PF	Patriotic Front
R&D	Research and Development
SOE	State Owned Enterprise
SOPs	Standard Operating Procedures
SWOT	Strengths, Weaknesses, Opportunities and Threats
USD	United States Dollar
ZACCI	Zambia Association of Chambers of Commerce and Industry
ZCSMBA	Zambia Chamber of Small and Medium Business Associations
ZEMA	Zambia Environmental Management Agency
ZMW	Zambian Kwacha
ZPSLF	ZDA Private Sector Liaison Forum

FOREWORD

On behalf of Management and the Board of Directors of the Zambia Development Agency, it is my pleasure to provide a statement on this Strategic Plan which will provide the direction of the Agency in the next four (4) years, to 2021. The Strategic Plan is a product of effective collaboration of the Agency and its key stakeholders and clients. Technical support in preparing the Plan was provided by Management Development Division at Cabinet Office.

The 2018–2021 Strategic Plan is a product of the review of the 2016–2020 Zambia Development Agency Strategic Plan. The review was necessitated by finalization of the 7NDP in 2017, and recent policy pronouncements as contained in both Presidential Speech of November 2016 and the 2017 National Budget Speech.

The Strategic Plan has consolidated the desire and actions by both the ZDA Board and Management to turnaround, re-engineer and transform the ZDA so as to enhance its performance and image.

The Agency will focus on improving service delivery to both its clients and stakeholders, while enhancing trade and investment by small and large enterprises in priority sectors of the domestic economy, as outlined in the 7NDP. In this regard ZDA's activities will cut across all sizes, ownership and structures of businesses comprising Zambian owned businesses, local investors, foreign investors, and micro, small and medium enterprises.

The Agency will continue to provide a platform for public-private dialogue on matters affecting the business community across sectors. This will be alongside the promotion and facilitation of private sector participation in the development of the country's core infrastructure.

The implementation of this Strategic Plan will result into a ZDA that is at the centre stage of interpreting and implementing Government's development agenda with regard to attracting significant magnitude of investment and promoting exports, which will lead to increased wealth and creation of jobs. It is envisaged that the Agency will become aggressive, proactive, visible and relevant to its clients and stakeholders. It is further envisaged that the 2018–2021 Strategic Plan will enable the Agency to be decentralized with its services accessed across the country and globally.

Monitoring and Evaluation of this Strategic Plan will be at the centre stage in order to assess the Agency's performance on quantified targets and outcomes.

As the Board of the Agency, we look forward to continued support from Government, cooperating partners, the private sector, Non-Governmental Organization (NGOs), the general public and all the stakeholders to realize the mandate of the Agency. Further, with continued support from our parent Ministry, the Ministry of Commerce Trade and Industry and our Cooperating Partners, the Agency will remain committed to deliver on its mandate of fostering economic development during the Strategic Plan period, and beyond.



Mary Ncube
BOARD CHAIRPERSON

ACKNOWLEDGMENTS

The preparation of this Strategic Plan was facilitated with technical support from the Management Development Division (MDD), at Cabinet Office, who worked tirelessly during the preparation of the Plan, and therefore much appreciation is extended to them.

Further appreciation is extended to both clients and stakeholders who provided input, through effective engagement, in reviewing the 2016-2020 Strategic Plan and developing the 2018-2021 Strategic Plan. Particular clients included among others, NIZA Technology (Z) Limited, Lusaka South - MFEZ Limited, ZCCM - IH, Msimbi Dolls, ZCCZ and Zelo Foods Lusaka. Specific stakeholders included among others, ZAM, Ministry of Home Affairs, Ministry of Mines, Ministry of Agriculture, Ministry of National Development and Planning, Reform Coordination Division at Cabinet Office and Ministry of Tourism & Arts.

Policy guidance and support provided by the Ministry of Commerce, Trade and Industry (MCTI) is also well appreciated and acknowledged.

Finally, appreciation is extended to the entire Management and members of staff for the team spirit exhibited during the preparation of the Plan, even as the Agency embarks on the implementation of the 2018-2021 Strategic Plan.

As ZDA, we are committed to fully implementing this Plan as a means to meeting Government's aspirations and our vision thereby ensuring economic development for all Zambians.



Perry Mapani

DIRECTOR GENERAL

The 2018–2021 Strategic Plan is anchored on the Seventh National Development Plan (7NDP) which was launched in June 2017 by H. E Mr. Edgar Chagwa Lungu, President of the Republic of Zambia, under the theme: *“Accelerating development efforts towards Vision 2030 without leaving anyone behind”*. Through this and other key planning instruments, the Government aspires to achieve a diversified and inclusive economy. This Strategic Plan is the third that the Agency has developed since its inception in 2007. This Plan is as a result of the review of the second Strategic Plan (2016–2020) following the launch of the 7NDP.

This Plan will contribute to Zambia’s economic development directly through pillars 1 and 3 and indirectly through pillars 2, 4 and 5 of the 7NDP.

The Plan has five (5) Strategic Objectives to deliver outcomes on the Agency’s mandate as provided in the ZDA Act No.11 of 2006. The Agency’s main functions relate to job and wealth creation through the promotion of non-traditional exports (NTEs), local (MSEs) and foreign direct investments (FDIs).

The five (5) Strategic Objectives are:

- (1) **Strategic Objective 1:**
Improve Service Delivery in Promotion and Facilitation of Investment, Export and Enterprise.
- (2) **Strategic Objective 2:**
Enhance Collaboration with Stakeholders
- (3) **Strategic Objective 3:**
Expand Financial Base and Enhance Financial Management
- (4) **Strategic Objective 4:**
Improve Business Systems and Processes
- (5) **Strategic Objective 5:**
Enhance Human Capital

While the Vision, Mission, Objectives and Strategies will be supported by the Agency’s seven (7) Core Values (*Knowledgeable, Excellence, Transparency, Integrity, Innovation, Diversity and Team Spirit*), the successful implementation of the Strategic Plan and, ultimately, the achievement of the set strategic results will be dependent on five (5) key pre-conditions (*optimal Organization Structure; adequate skilled and committed staff; timely and adequate mobilisation of resources and Decentralization of the Agency’s operations*) and five (5) underlying assumptions (*timely and adequate funding from the Government; continued political stability; continued economic stability; continued support from the stakeholders and a supportive legal framework*). Monitoring and evaluation of the Agency’s performance, on a quarterly and annual basis, will form a vital necessity.



1.0 INTRODUCTION

1.1 Background

The Zambia Development Agency (ZDA) is a quasi-Government institution established under the ZDA Act No. 11 of 2006. The Agency became operational in 2007 and falls under the Ministry of Commerce, Trade and Industry (MCTI).

The mandate of the Agency is to foster economic development through promoting and facilitating investment, trade and enterprise development in Zambia. The Agency is headed by a Director General as its Chief Executive Officer who reports to a Board of Directors.

The review of the 2016 – 2020 Strategic Plan was necessitated by the following:

- i. Vision 2030, whose ultimate goal is to ensure Zambia becomes a prosperous middle income country by 2030;
- ii. The Seventh National Development Plan (7NDP) 2017 – 2021, whose overall goal is to create a diversified and resilient economy as well as to increase employment opportunities for all Zambians;
- iii. Ministerial Strategic Plan whose overall goal is to develop an enabling economic environment in Zambia which supports private investment, enables the development of productive capacities, and contributes to the expansion of Zambia's international trade;
- iv. The ZDA Act No. 11 of 2006;
- v. National Industrial Policy, National Local Content Strategy and National Investment Promotion Strategy; and
- vi. The ZDA Strategic Plan 2016 – 2020, whose thrust was transforming businesses for the benefit of all Zambians.

Additionally, the review was informed by among other documents; the 2018 National Budget Speech and the 2016 ZDA Customer Satisfaction Survey.

1.1.1 Specific Functions

The Agency's core functions as provided for in the Act can be summarised as follows:

- (1) Promote and facilitate investment;
- (2) Regulate and facilitate the development of multi-facility economic zones and industrial parks in Zambia and monitor their performance;
- (3) Oversee the privatisation programme;
- (4) Promote and facilitate the development of micro and small business enterprises;
- (5) Increase Zambia's capacity to trade;
- (6) Undertake economic and sector studies and give advice to the Minister;
- (7) Encourage public-public, private-private and private to public dialogue; and
- (8) Establish a database of facilities and promote accessibility to industry.

1.1.2 Management and Operational Structure

The day to day operations of the Agency are managed by a team of Directors headed by the Director General. The Divisions and Departments are as follows:

- (1) Export Development – export promotion and market development;
- (2) Investment – Investment promotion and business facilitation;
- (3) Enterprise Development – development of micro and small business enterprises;
- (4) Policy, Planning and Research – monitoring and evaluation, policy advocacy, planning and research;
- (5) Finance and Administration – budgeting, accounting and financial reporting;
- (6) Corporate Support Services – support operations i.e. ICT, procurement and human resource;
- (7) Systems Assurance – audit, risk management and compliance;
- (8) Board Secretarial and Legal Services – legal support and Board secretarial; and
- (9) Public Relations & Communication – media relations.

1.1.3 Strategic Operational Linkages

To manage the execution of the Strategy, the Agency developed a client strategy map representing its intentions to meet the needs of clients. At a high level, the client map consists of three major perspectives, segmented into specific needs as follows:

- (1) Clients;
- (2) Government; and
- (3) Cooperating Partners and other stakeholders.

The Agency will update its Client Charter to provide information on the services offered, fees charged and duration in which to provide services. In terms of service delivery, the Agency will give priority to existing and potential domestic and foreign investors in priority sectors and generating huge social benefits for local communities. Further, focus will be on exporters with potential to contribute substantially to foreign exchange. These priorities are in line with the economic diversification agenda of the Country.

In carrying out its functions, the Agency will collaborate with various stakeholders including Government Ministries and Agencies, and the private sector.

Internationally ZDA will collaborate with Regional Economic blocks such as SADC, COMESA, and bilateral and multilateral cooperating partners.

The main areas of collaboration will include provision of business support services such as business financing, access to domestic and export markets, permits, certificate of registration, and land acquisition among others.

1.2 Rationale and Methodology for Developing the 2018 – 2021 Strategic Plan

The review of the 2016 – 2020 Strategic Plan was necessitated by the need to establish key priorities relating to the mandate of ZDA as stated in the Act and the 7NDP.

Pillar 1 (*Economic Diversification and Job Creation*) and Pillar 3 (*Reducing Development Inequalities*) of the 7NDP outline the outcomes that informed the development of the Plan. The following are the outcomes under the two pillars:

Pillar 1

- (1) A diversified and export-oriented agriculture sector;
- (2) A diversified and export-oriented mining sector;
- (3) A diversified tourism sector;
- (4) Improved energy production and distribution for sustainable development;
- (5) Improved access to domestic, regional and international markets;
- (6) Improved transport system and infrastructure;
- (7) Improved water resources development and management;
- (8) Enhanced information and communication technology;
- (9) Enhanced decent job opportunities in the economy;
- (10) Enhanced research and development.

Pillar 3

- (1) Reduced Inequalities

Figure 1: Core Functional Structure for the Zambia Development Agency



The review process of the 2016 – 2020 Strategic Plan for the Agency involved a number of iterative steps which were participatory and consultative in nature. The process began with an inception meeting in which the Executive Management was oriented on the review and development of the Strategic Plan by a consulting team consisting of three (3) members from MDD, Cabinet Office.

A Core Team constituting fourteen (14) members representing all the Divisions of the Agency was established and assigned the task to review the 2016 - 2020 Strategic Plan and develop the 2018 - 2021 Strategic Plan.

The second step involved collection of data and information on the performance of the Agency against each objective. The data collected was analyzed and used for rating the performance of the Agency with respect to each indicator, objective and ultimately the institution as a whole.

Further, a two-pronged approach constituting the institutional assessment (IA) and organisational development (OD) was adopted. The IA involved assessing the current performance of the Agency through engagement of various stakeholders. An internal capability assessment was conducted as well as analysing the macro-environment using various tools, such as, the McKinsey 7s model, Objective and Problem Trees, SWOT and PESTEL Analyses.

The information collected facilitated the determination of the Strategic Direction for ZDA over the next four (4) years. The Strategic direction was determined by the IA/OD-BSC strategic planning process.



2.0 ENVIRONMENTAL ANALYSIS

2.1 External Environmental Analysis

All organisations including ZDA operate under a dynamic environment. It is therefore critical that there is an appreciation of the key factors of development in the environment in order to come up with a realistic strategic plan. Among the key factors for consideration are Political, Economic, Social, Technological, Environmental and Legal.

2.2 Political/Policy Environment

Zambia gained political independence in 1964, and has since been a stable and peaceful country. From the inception of multi-party democratic politics in 1991, Zambia has held regular and successful general elections every five years. The rule of law prevails and continues to offer a strong foundation for the continued stability and peace, providing a suitable business and investment climate.

The 7NDP has prioritized the implementation of strategies towards attainment of development outcomes that will support economic diversification and create a conducive Governance environment for a diversified and inclusive economy. These priorities express Government's commitment to promoting a private sector driven economy. These developments have enhanced ZDA's capacity to promote FDI, LDI and trade.

During the Strategic Plan period, there are no perceived threats to Zambia's regionally and globally renowned peaceful democratic elections and Government transitions. The Agency will enhance its trade and investment promotion and facilitation efforts for the benefit of both local and foreign investors, and ultimately the domestic economy.

2.3 Economic Environment

The domestic economy has, over a decade, continued to exhibit a favourable trend in major macroeconomic indicators. The average Gross Domestic Product (GDP) growth rate of 5.8 percent was driven by good performance in the agriculture, mining, manufacturing, services and construction sectors. Zambia's average GDP growth rate was higher than that achieved in Sub-Saharan Africa. The Country attained the lower middle income status in 2010, and its per capita GDP was estimated at USD 1,329, in 2016. The domestic economy in

2017 continued to exhibit a stable and favourable trend in key macroeconomic indicators relative to 2016. See trend in selected macroeconomic indicators for the period 2013 to 2016 in table 1.

Table 1: Selected Macroeconomic Indicators

	2013	2014	2015	2016	2017
GDP Growth Rate (%)	6.5	4.9	3.6	3.4	4.2
Inflation (end-period) (%)	7.1	7.4	21.1	7.5	6.1
Commercial Bank Interest Rate (end-period) (%)	16.3	19.9	23.2	29.5	24.5
FDI (US\$ 'million)	2,099.9	1,304.9	1,488.6	662.8	1,152.1
Total Exports (US\$ 'million)	10,606.9	9,687.2	6,991.0	6,462.4	6,726.7
NTEs (US\$ 'million)	3,550.3	2,408.8	1,881.9	1,846.8	1,864.4

Source: Bank of Zambia, Central Statistics Office, ZDA Estimates

Global FDI inflows exhibited a favourable trend having increased from US \$ 1,443.2 billion in 2013 to US \$ 1,746.4 billion in 2016, mainly driven by an upsurge in direct investment in developed economies and Asia. Africa registered a decline in the inflows from US \$ 74.6 billion in 2013 to US \$ 59.4 billion in 2016.

FDI inflows to the domestic economy followed the African pattern and reflected an unfavourable and declining trend, having fell from a record high of US \$ 2.1 billion in 2013 to US \$500 million in 2016 (UNCTAD, 2017). Over a decade unprecedented decline in FDI inflows to the Country, since 2014 was mainly attributable to both the decline in commodity prices (notably copper) on the international market and the energy crisis on the domestic market. The trend in FDI inflows and outflows, globally and for selected regions and countries is shown in Table 2.

Table 2: Foreign Direct Investment Flows (USD 'billion)

	INFLOWS				OUTFLOWS			
	2013	2014	2015	2016	2013	2014	2015	2016
World	1,443	1,324	1,774	1,746	1,712	1,284	1,306	1,354
Developed	684.3	563.3	984.1	1,032.4	890.9	707.6	1,172.9	1,043.9
Developing	674.7	703.8	752.3	646.0	432.8	472.8	389.3	383.4
Asia	421.5	460.3	523.6	442.7	362.7	412.3	338.7	363.1
Africa	74.6	71.3	61.5	59.4	37.9	28.3	18.0	18.2
Tanzania	2.1	1.7	1.6	1.4	-	-	-	-
Mozambique	6.1	4.9	3.9	3.1	0.09	0.02	-	-
Zambia	2.1	1.4	1.5	0.5	0.4	-0.1	0.1	0.3
South Africa	8.3	5.8	1.7	2,3	6.6	7.7	5.7	3.4

Source: UNCTAD, 2016 World Investment Report

With regard to international trade, Zambia's NTEs marginally increased from USD 1.8 billion to USD 1.9 billion, representing an increase of 5.9 percent. The reason for the foregoing is due to the anticipated optimal levels of production by exporting firms. However, Zambia recorded a total value of US\$ 1846.76 million in Non-Traditional Exports (NTEs) in 2016 compared to US\$ 1881.90 million in 2015 representing a decline of 1.87 %. This decline has been sustained with NTEs falling from a peak of US\$ 3, 550.28 million in 2013 to US\$ 1881.90 million in 2015 and subsequently to US\$ 1846.76 million in 2016. The four year average reduced from 12% in 2015 to only 11% in 2016.

The sustained decline in the NTEs among other things in 2016 was attributed mainly to the high cost of production, depreciation of the Kwacha against major currencies particularly the US\$, inadequate supply of electricity to

firms across sectors in the economy. The prospects of NTEs will be influenced by the stability on the foreign exchange market creating confidence among the exporters and improved power supply to the manufacturing sector thereby sustaining the projected production quantities for the export market.

NTEs in 2016 contributed 28.58 % as share of total exports compared to 26.92% in 2015. During the period under review NTEs contributed an average of 28% as share of total exports while the metal exports contributed 72%. The highest NTEs contribution to total exports during the five year period under review was 33.43 % recorded in 2013 as indicated in figure 1.

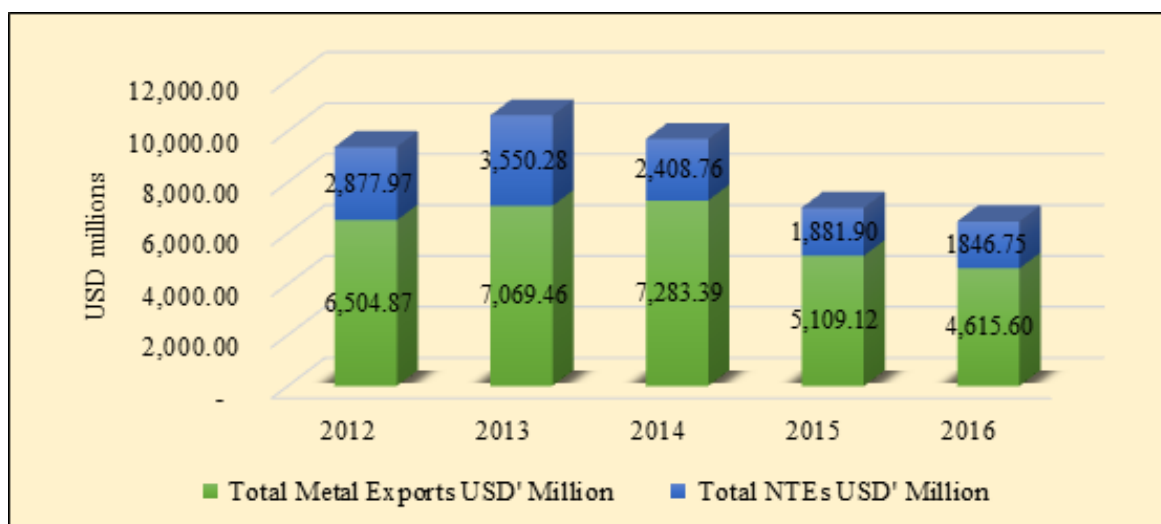


Figure 1: **NTEs as share of total exports**

Source: Created from CSO data

While the country is faced with the challenge of the relatively high cost of doing business mainly on account of high transportation costs, being a landlocked country and the less developed road and rail networks, Government through both the Public Private Partnerships and the Reform Coordination Division at Cabinet Office has continued to invest in infrastructure and implement laws and regulation intended to reduce the cost of doing business. According to the 2018 World Bank Report, Zambia was rated among the Top Ten (10) best reformers, with four (4) other Africa countries namely Mauritius and Malawi (Southern Africa), Rwanda (East Africa) and Nigeria (West Africa).

During the Strategic Plan period, there are no perceived global and regional shocks and the Agency will take advantage of the improvements in global, regional and domestic economic fundamentals to enhance trade and investment.

2.4 Social Environment

In 2016, Zambia's projected population of about 15.8 million people occupied the 752,000 km² surface area. Almost 39 percent of people lived in urban areas, mostly along the "line of rail". The low population density means that it is expensive to provide social infrastructure and services. During the implementation phase of the Strategic Plan, the Agency will leverage on the political will of Government and the measures that are being put in place to facilitate inclusive economic growth with a strong emphasis on increasing the participation of the citizens of Zambia on sustainable economic development. The Agency will promote public private partnerships projects to accelerate social and economic infrastructure development including health, education, transport, energy and communication. The Agency will, further, enhance its efforts to contribute to raising the standard of living of people by creating wealth and decent jobs.

2.5 Technology

Government has developed *e-Governance* to enhance delivery of goods and services by connecting all public institutions through information communication technologies (ICTs). Advances in ICT continue to enhance the capability of organizations to deliver innovative services at a faster rate. ICTs have also eased and simplified the process of monitoring service delivery and measuring performance of organizations and products.

Consistent with global and domestic developments in the ICT sector, the Agency will, during the Strategic Plan period, improve ICT networks with both its clients and key stakeholders.

2.6 Natural Environment

Zambia has a well-developed legal, policy and institutional framework to regulate economic activities that have an impact on the natural environment. The Zambia Environmental Management (ZEMA) is the lead implementing Government Agency overseeing compliance in environmental concerns.

Apart from the ZEMA, investors need to secure secondary licenses from other institutions responsible for administering the following pieces of legislation: Town and Country Planning Act; Public Health Act; Zambia Wildlife Act; Forests Act; Energy Regulation Act; Information and Communication Technology Act; Fisheries Act; Lands Act; and Mines and Minerals Development Act.

The Sustainable Development Goals (SDGs), the successor to Millennium Development Goals (MDGs), will complement other international efforts to promote good corporate social responsibility and yield desirable results in the resource-rich developing countries like Zambia.

In dealing with global and domestic climatic issues, the Agency will increase collaboration with the ZEMA and other stakeholders, as the Agency's clients are required to adhere to rules and regulations relating to the natural environment, during the Strategic Plan period and beyond.

2.7 Legal Environment

The business environment has improved over the recent years, especially with reforms facilitated by the Reform Coordination Division at Cabinet Office. The reforms to the business environment included the streamlining of a number of licenses and processes that entrepreneurs go through to set up and operate businesses in Zambia.

Government's more recent legislative reforms resulted in the enactment of the Business Regulatory Act No. 3 of 2014 which established the Business Regulatory Review Agency (BRRRA) that is charged with the responsibility of ensuring that the cost associated with meeting business regulatory requirements is kept at its minimal.

Further, a number of reforms were undertaken in other areas, some of which led to review of laws such as the Tourism and Hospitality Act, Zambia Wildlife Act and the Companies Act.

2.8 Clients and Stakeholders Engagement

An analysis of the clients revealed that the major needs that ZDA should be addressing to their full satisfaction are as follows:

A. Internal Needs:

1. Improve the marketing of Zambian products;
2. Enhance development of Small and Medium Enterprises;
3. Enhance collaboration with other relevant institutions in Monitoring and Evaluation as regards to the operations of investors;
4. Enhance promotion of investment opportunities through our

- missions abroad;
- 5. ZDA must enhance joint ventures;
- 6. ZDA should shorten the licensing period;
- 7. ZDA must champion the stability of investment policies and incentives;
- 8. Need to enhance ZDA visibility (Communication Strategy) and
- 9. Enhance access to regional and international markets.

B. External Needs:

- (1) The investment threshold required by ZDA for local investors should be different from international investors; and
- (2) Enhance consultation relating to policy development on trade and investment.

Further, the analysis of the Stakeholders indicated that their major interest/concerns include the following:

- (1) Strengthen collaboration with stakeholders on program implementation e.g. collaboration with Associations on training;
- (2) Enhance information dissemination on the operations and mandate of ZDA and the use of various platforms;
- (3) Enhance promotion of local investments;
- (4) The Agency should enhance collaboration with the Department of Immigration especially when it comes to foreign investments;
- (5) Enhance on collaboration with relevant stakeholders on strengthening policies to do with investments;
- (6) Review the existing and implement a communication strategy;
- (7) Decentralize to all 10 provinces;
- (8) Engage relevant authorities on Enterprise Development Fund;
- (9) Develop and implement a resource mobilization strategy;

2.9 Internal Institutional Analysis

2.9.1 Performance Assessment

As part of the internal analysis of the Agency, a performance assessment was conducted to ascertain the extent of implementation of the 2016 – 2020 Strategic Plan, and the impact created, if any. The assessment revealed that the Agency's performance was at an overall percentage rating of 50.9 performance, however, varied across the objectives and between core and support objectives. The Agency scored 43.0 percent on the core objectives and 55.9 percent on support objectives, an indication of the need to enhance the capacity of the institution as a whole. The average performance was attributed to a number of factors, among them:

- 1. Support from the Government and Cooperating partners;
- 2. Support from the Board of Directors of the Agency; and
- 3. Qualified and professional staff.

The enabling factors notwithstanding, were also some constraints that the Agency encountered in executing its mandate: Key among them were;

- 1. Some planned activities could not be undertaken due to policy changes by Government;
- 2. Inadequate staffing level vis-à-vis the Agency's mandate and the Corporate Structure; and
- 3. Chronic budgetary constraints, with staff related expenses accounting for well in excess of 80 percent of total funding from Government.

Against the foregoing, an enabling legal framework and innovative resource mobilisation strategy cannot, therefore, be overemphasised in ZDA's quest to effectively execute its mandate and meet the needs of its clients and expectations of its stakeholder.

2.9.2 Capability Assessment

In addition to assessing the performance, an assessment of the Agency's internal capability was conducted. The analysis revealed a number of strengths that needed to be optimised, and weaknesses that needed to be addressed. Among the key strengths were:

(1) Knowledgeable and professional staff

The Agency has a team of knowledgeable and professional staff with in-depth knowledge of the Agency's principal business activities. The Agency will optimize the support of cooperating partners to ensure that appropriate training interventions are undertaken to develop relevant skills. The Agency will also continuously seek feedback from the staff through performance appraisals and departmental meetings. In addition, the Agency will prioritize Continuous Professional Development (CPD) to enhance and sustain the critical human capacity.

(2) Receptive Board of Directors

The Board of Directors was constituted in line with the Act and tenets of good corporate governance practices. With a diverse Board of Directors in place, Management will actively and constructively engage them on critical issues, policy direction and outcomes to secure timely approval for implementation. It will also promote the development of management and leadership skills.

(3) Institution with a Credible Mandate

The Agency has a credible mandate which fact is well appreciated by its stakeholders. Stakeholders and other similar institutions in the country and the region demonstrated willingness to participate in the survey for the performance assessment and strategic planning process. The Agency will work to strengthen and promote constructive engagements with stakeholders and other similar institutions in the region and elsewhere and use the credible mandate to secure financial, material and technical support.

Notwithstanding these strengths, the Agency has also some weaknesses. Among the weaknesses include:

(1) Lack of an Integration of Agency Systems

The existing Information Technology (IT) systems that support Agency's principal business processes relating to issuance of licenses/permits, accounting and preparation of financial statements were not integrated and operated in silos. These business systems and processes are part of the structural capital that complements human capital to perform the functions of the Agency. Thus, the Agency commits itself to transforming the way it interacts and delivers services to clients. This will impact positively on the quality of service delivery, utilization of resources and productivity.

(2) Inadequate Staff

The Agency has inadequate staff to carry out its mandate effectively and efficiently. As a mitigation measure, the Agency will ensure adequate staffing levels are maintained throughout the Strategic Planning period.

(3) Weak Human Resource Capacity Building Programme

The Agency does not have a strong HR capacity building programme and this makes it difficult to come up with prioritised programmes in order to motivate and train staff.

(4) Uncompetitive Conditions of Service

The Agency has been unable to effectively retain staff due to uncompetitive terms and conditions of service. This compounded the challenge of inadequate staff.

(5) Limited and Low Operational Presence Outside of Lusaka

The Agency needs to decentralise which is envisaged in this 2018-2021 Strategic Plan. This will enable the Agency to be decentralized with its services accessed across the country and globally.

3.0 STRATEGIC DIRECTION

Having analysed the internal and external environment within which ZDA is operating, the Agency has set out an operational framework to execute its mandate from 2018 to 2021.

3.1 Vision

The Agency envisions:

“A dynamic hub for promoting economic development for Zambia”.

Through this vision, the Agency will strive to be practical and responsive to the dynamics in the environment, as well as, build confidence and trust among its stakeholders in discharging its mandate.

3.2 Strategic Themes and Strategic Results

To ensure that adequate attention is paid to the key issues raised and the Agency remains focused on its core mandate, two (2) strategic themes and strategic results have been developed to underpin the Agency’s 2018 – 2021 Strategic Plan and to guide the Board and Management in their decision-making as illustrated in Table 4.

Table 4: Strategic Themes and Strategic Results

S/N	STRATEGIC THEME	STRATEGIC RESULT
1	Operational efficiency and institutional development The Agency commits to addressing all the key internal capability deficiencies, which include, operational and management systems, and staffing. This is in a quest to deliver the highest possible quality of service and in the most transparent and cost-effective manner.	Effective and efficient Service Delivery The Agency’s quest is to meet stakeholders’ expectations through consistently managing effectively and improving business processes and ultimately, the quality of service delivery. Further, with improved internal businesses processes, positive work culture and quality service delivery, the Agency will bolster and communicate a healthy/positive brand outlook, which will win it public confidence and support so much needed to effectively execute its mandate.
2	Investment, Trade and Enterprise Development The Agency commits itself to addressing the key concerns raised by the stakeholders, which include increasing client complaints, diminishing client base and negative perception on the Agency corporate image. The service will be of the highest possible standard.	Satisfied Clients Attainment of an effective and efficient Service Delivery will entail that the Agency is able to acknowledge and attend to stakeholders’ inquiries and demands in a timely and satisfactory manner.

In respect of the two (2) strategic results, several key variables will be adopted and used to measure progress towards and/or attainment of the strategic results so as to ensure delivery of an excellent customer service on a sustainable basis. See appendix (iii).

3.3 Mission Statement

To realise the vision and achieve the strategic results the Agency commits itself to the mission stated below:

“To efficiently and effectively promote and facilitate investment, trade and enterprise development in Zambia”

Through this mission the Agency shall endeavour to proactively provide investment, trade and enterprise development services in an efficient and effective manner.

3.4 Core Values

To deliver on the mandate and overall goal, the Agency operations will be anchored on the following Seven (7) core values:

(1) Knowledgeable

We commit to gather, analyze and share relevant information about markets and sectors for use by clients in their decision making processes. We will build the expertise of our staff so that they are credible and trusted business advisors.

(2) Excellence

We commit to provide service of the highest standard with the least waste of time, effort and resources.

(3) Transparency

We commit to undertake all our dealings in an open manner.

(4) Integrity

We commit to approach all our work with honesty, confidentiality, accountability, and professionalism.

(5) Innovation

We commit to embrace the power of ideas and to not be afraid to challenge conventional thinking. We will invest in our people and in new ideas in order for us to succeed in a business environment that is constantly changing

(6) Diversity

We commit to embrace all stakeholders irrespective of their gender, culture, race, religion, or ethnicity. We value cooperation **with our stakeholders to promote a culture of continuous engagement.**

(7) Team Spirit

We commit to exhibit high levels of cooperation and collaboration to operate seamlessly to maximize efficiency, effectiveness and diversity.

3.5 Strategic Objectives, Intended Results, Measures, Targets and Strategies

In the next four (4) years, the Agency commits to pursuing the following five (5) strategic objectives with associated intended results, measures, targets and strategies (initiatives):

(1) Strategic Objective 1: Improve Service Delivery in Promotion and Facilitation of Investment, Export and Enterprise.

The Agency commits itself to improving service delivery in its quest to minimize client complaints, increase client base and attain positive public image. To achieve this, the Agency will review the Communication Strategy to enhance interactions with clients, monitoring and evaluation (M & E) mechanisms, enhance Entrepreneurship and Enterprise development, enhance Export development, promotion and facilitation, enhance Investment promotion and facilitation, promote re-investment and expansion, use Research and Market Intelligence to remain competitive, Operationalise M & E framework, operationalize the decentralisation of ZDA services, develop mechanism for infant industry protection, enhance promotion of labour intensive industry, enhance competitiveness of Zambian products, review policy and legal framework on trade facilitation, facilitate the establishment of credit guarantee schemes and develop Cross Sector value addition and value chain framework. This will result into improved corporate image, reduced client complaints, and increased client base and rate of re-investment.

(2) Strategic Objective 2: Enhance Collaboration with Stakeholders

This objective will strengthen collaboration with stakeholders on programme implementation and engaging the relevant authorities on development of the National Export and National Investment Promotion Policies and the revision of the MSME Development Policy among others. This should result in improved technical and financial support from stakeholders.

(3) Strategic Objective 3: Expand Financial Base and Enhance Financial Management.

The Agency will increase its financial resources by increasing both the financial base and the level of Government funding. The Agency will develop and implement a fit-for-purpose Resource Mobilisation Strategy. Further, the Agency will align its annual work plans and budget to this Plan and strengthen internal controls. The Agency will put in place systems to prudently manage and utilise the resources under its custody to ensure value for money, consistent delivery of quality service and enhanced corporate image.

(4) Strategic Objective 4: Improve Business Systems and Processes

The Agency will improve business systems and processes which are part of the operational tools that complements human capital to effectively and efficiently perform the Agency's functions. This will impact positively on the quality of service delivery, efficient utilization of resources and increased productivity.

(5) Strategic Objective 5: Enhance Human Capital

The Agency will enhance skills, innovation, attitude and behaviours of its workforce. Further, the Agency will ensure that staff have adequate facilities such as tools, automobiles, databases, and ICT (computers and computer accessories) to carry out their roles. Enhancements in these areas will entail enhanced and sustained quality service delivery, increased productivity, and improved work processing time.

The strategic themes, results and objectives are indicated in Appendices (II), while intended results, measures, key performance indicators and strategies are shown in Appendix (III).

4.0 ENABLING FACTORS

The successful implementation of this Strategic Plan is centred on the following pre-conditions and assumptions:

4.1 Pre-conditions

Pre-conditions are key factors to the successful implementation of this Strategic Plan that are within the control of the Agency. These factors should be actualised to the fullest to realise ZDA's Vision. The following are the pre-conditions:

- (1) Optimal organization structure;
- (2) Adequate skilled and committed staff; and
- (3) Decentralization of ZDA operations.
- (4) Timely and adequate mobilisation of resources.

4.2 Assumptions

These are critical factors to the successful implementation of this Strategic Plan that are outside the control of the Agency. The Agency shall constantly monitor these factors and put in place measures to mitigate their negative effects. The following are the key assumptions:

- (1) Timely and adequate funding from the Government.
- (2) Continued political stability
- (3) Continued economic stability.
- (4) Continued support from the stakeholders.
- (5) Supportive legal framework
- (6) An attractive incentive framework

5.0 MONITORING AND EVALUATION

Monitoring and Evaluation (M & E) of the Strategic plan will be vital for ascertaining its impact. The M & E mechanism will be strengthened to measure performance against set strategic objectives. Our Performance Management System (PMS) will assist in monitoring and evaluating individual outcomes and develop capacity.

A mid-term evaluation will be undertaken in July, 2019 to assess the progress made towards achieving set strategic objectives. A terminal evaluation will be conducted in December 2021 to determine the full extent of Plan implementation, impact and inform the preparation of the next Strategic Plan.

Further, the Agency has formulated an internal Companion document to this Strategic Plan which details the implementation and on-going monitoring of the Plan. The Companion highlights the strategic activities, key performance indicators, budgets, time lines and identified risks attached to each strategic objective. Performance on this Strategic Plan will therefore be monitored through the use of the Companion as well as other internal documents and tools.

6.0 CORE FUNCTIONAL STRUCTURE

During the planning and drafting process of this Strategic Plan, an indicative core functional structure for ZDA was developed. These underscored the key areas where results would be expected for the Agency. The indicative core functional structure for the Agency was arrived at by grouping the following objectives:

- (1) Improve service delivery
- (2) To enhance collaboration with Stakeholders.
- (3) Expand financial base and enhance financial management
- (4) Improve Business Systems and Processes
- (5) Enhance Human Capital

These objectives were grouped into specialised functional areas using the following criteria:

- (i) Similarity of objectives;
- (ii) Uniqueness of the objectives;
- (iii) Accountability for the objectives; and
- (iv) Coordination of the objectives.

Table 6: **IDENTIFIED CORE FUNCTIONS**

S/N	CLUSTER NAMES	OBJECTIVE
01	Economic Development Services	1. Improve Service Delivery in Promotion and Facilitation of Investment, Export and Enterprise. 2. To enhance collaboration with Stakeholders
02	Corporate Support Services	1. Expand financial base and enhance financial management 2. Improve business systems and processes 3. Enhance human capital

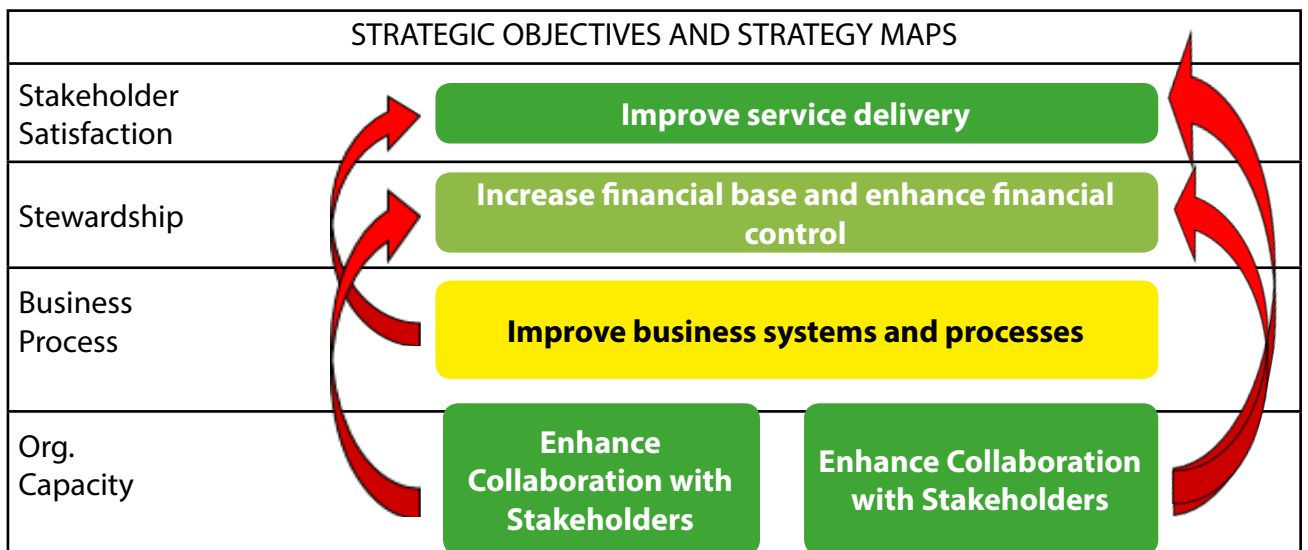
Notes:

- (i) Economic Development Services (Objectives 1 and 2) and
- (ii) Corporate Support Services (Objectives 3, 4 and 5)

APPENDIX 1:

BALANCED SCORECARD

Vision	A dynamic hub for promoting economic development for all	
Mission	To efficiently and effectively promote and facilitate investment, trade and enterprise development in Zambia	
Themes	Operational efficiency and institutional development	Service Excellence
Measures	KPIs	Strategies
<ul style="list-style-type: none"> • Certificate of registration issued within 10 days • Reports submitted within 7 days of completion of programme. • Client complaint responded to within 14 working days • 50% of reduction in complaints annually. • 10% increase in client base for investment and exports annually • 40% increase in enterprise client base annually • 95% Stakeholders satisfaction levels attained annually. • 75% of staff appraised scoring above 95% annually • 85% client satisfaction levels attained annually • 95% staff retention • 100% staffing levels attained by December 2018 • 95% Staff satisfaction levels attained annually • 20% increase in financing from other sources annually 10 % Increase in Government funding annually • 100% reduction in recurring audit issues • 75% reduction in audit issues annually • 100% compliance to budget implementation annually 	<ul style="list-style-type: none"> • Certificate of registration issued within 10 days • Reports submitted within 7 days of completion of programme. • Client complaint responded to within 14 working days • 50% of reduction in complaints annually. • 10% increase in client base for investment and exports annually • 40% increase in enterprise client base annually • 95% Stakeholders satisfaction levels attained annually. • 75% of staff appraised scoring above 95% annually • 85% client satisfaction levels attained annually • 95% staff retention • 100% staffing levels attained by December 2018 • 95% Staff satisfaction levels attained annually • 20% increase in financing from other sources annually 10 % Increase in Government funding annually • 100% reduction in recurring audit issues • 75% reduction in audit issues annually • 100% compliance to budget implementation annually 	<ul style="list-style-type: none"> • Entrepreneurship and Enterprise development. • Export development, promotion and facilitation. • Investment Promotion and facilitation • Using research and market intelligence to remain competitive • Operationalise M& E Framework • Operationalize decentralization of ZDA Services • Enhance Corporate Image • Strengthen collaboration with stakeholders on programme implementation • Develop and implement a resource obilization strategy • Expand financial base. • Enhance Financial Management • Automate and Integrate business systems • Strengthen internal controls • Human Resource Development (training, coaching, mentorship and exposure) • Realign Structure to the Strategic Plan • Develop a talent management system • Develop and implement a culture remodelling programme.



CORE VALUES:
 Knowledgeable. Excellence. Transparency. Integrity. Innovation. Diversity. Team spirit.

APPENDIX II: STRATEGIC THEMES, RESULTS AND OBJECTIVES

SN	STRATEGIC THEMES	STRATEGIC RESULTS	STRATEGIC OBJECTIVES
1	Operational efficiency and institutional development	Effective and efficient Service Delivery.	<ul style="list-style-type: none">• Enhance Human Capital• Expand Financial Base and Enhance Financial Management.
2	Investment, Trade and Enterprise Development	Satisfied Client.	<ul style="list-style-type: none">• Improve business systems and processes.• Improve Service Delivery in Promotion and Facilitation of Investment, Export and Enterprise, Enhance collaboration with Stakeholders

APPENDIX III:

LOGFRAME

STRATEGIC THEME 1: Investment, Trade and Enterprise Development			
STRATEGIC RESULT: Satisfied Clients			
STRATEGIC OBJECTIVE 1: Improve Service Delivery in Promotion and Facilitation of Investment, Export and Enterprise.			
INTENDED RESULT	MEASURES	KEY PERFORMANCE INDICATORS (KPIs)	STRATEGIES
<ul style="list-style-type: none"> Improved corporate image. Reduced complaints Client retention. Increased client base 	<ul style="list-style-type: none"> % of client satisfaction % increase % reduction 	<ul style="list-style-type: none"> 85% of client satisfaction levels attained annually. 40% increase in enterprise client base annually. 50% of reduction in complaints annually. 	<ul style="list-style-type: none"> Enhance Entrepreneurship and Enterprise development Enhance Export development, promotion and facilitation Enhance Investment promotion and facilitation (FDI) Promote re-investment and expansion Using Research and Market Intelligence to remain competitive Establish trade portal and information desk Operationalise M & E framework. Operationalize the decentralisation of ZDA services. Develop mechanism for infant industry protection Enhance promotion of labour intensive industry Enhance competitiveness of Zambian products Review policy and legal framework on trade facilitation Facilitate the establishment of credit guarantee schemes Develop Cross Sector value addition and value chain framework
STRATEGIC OBJECTIVE 2 : Enhance Collaboration with Stakeholders			
Increased Goodwill (technical and financial support)	% stakeholder satisfaction.	95% Stakeholders satisfaction levels attained annually	<ul style="list-style-type: none"> Strengthen collaboration with stakeholders on programme implementation Operationalize JPCs Enhance management capabilities in cooperatives Establish links for rural industrialization
STRATEGIC THEME 2: Operational efficiency and institutional development			
STRATEGIC RESULT: Effective and Efficient Service Delivery			

STRATEGIC OBJECTIVE 3: Expand Financial Base and Enhance Financial Management.			
Intended Result	Measures	Key Performance Indicators (KPIs)	STRATEGIES
Increase financial base and improve financial management	<ul style="list-style-type: none"> • % increase in financing • % increase in funding 	<ul style="list-style-type: none"> • 20% increase in financing from other sources annually • 10% increase in Government funding annually • 100% reduction in recurring audit issues. 	<ol style="list-style-type: none"> Develop and implement a resource mobilization strategy Enhance Financial Management

STRATEGIC OBJECTIVE 4: Improve Business Systems and Processes			
Intended Result	Measures	Key Performance Indicators (KPIs)	STRATEGIES
<ul style="list-style-type: none"> • Timely decision making. • Accurate and timely reports • Timely Service delivery 	<ul style="list-style-type: none"> • % outputs against targets • % reduction in complaints • % of Audit Issues 	<ul style="list-style-type: none"> • Certificate of registration issued within 10 days • Reports submitted within 7 days of completion of programme. • Client complaint responded to within 14 working days • 75% reduction in audit issues annually. 	<ol style="list-style-type: none"> Automate and integrate business Processes. Strengthen Internal controls Develop and Implement a Business Continuity Management System.

STRATEGIC OBJECTIVE 5 : Enhance Human Capital			
Intended Result	Measures	Key Performance Indicators (KPIs)	STRATEGIES
<ul style="list-style-type: none"> • Improved performance • Improved service delivery • Staff retention • Optimal staffing levels • Motivated staff 	<ul style="list-style-type: none"> • % of Performance • Rate of retention • % /staffing • % staff satisfaction 	<ul style="list-style-type: none"> • 75% of staff appraised scoring above 95% annually • 95% staff retention • 100% staffing levels attained by December 2018 • 95% Staff satisfaction levels attained annually 	<ol style="list-style-type: none"> Develop and implement a comprehensive human resource development Review the organisation structure Develop a talent management system Develop and implement a culture remodeling programme



ZAMBIA DEVELOPMENT AGENCY
Privatisation House, Nasser Road
P. O. Box 30819, Lusaka, Zambia

Tel: +260 211 222858 / 220177
Fax: +260 211 225270
email: pr@zda.org.zm
website: <http://www.zda.org.zm>