

# 2022 ANNUAL REPORT





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## ACRONYMS

<b>8NDP</b>	Eighth National Development Plan
<b>AfCFTA</b>	African Continental Free Trade Area
<b>AGS</b>	Accelerated Growth for SMEs
<b>B2B</b>	Business to Business
<b>B2G</b>	Business to Government
<b>BDS</b>	Business Development Services
<b>BIMI</b>	Business Intelligence and Market Information
<b>BOZ</b>	Bank of Zambia
<b>BUP</b>	Business Understanding Programme
<b>CBU</b>	Copperbelt University
<b>CAMINEX</b>	Copperbelt Agriculture, Mining and Trade Expo
<b>CCC</b>	Currently Vulnerable to Non-payment
<b>CIT</b>	Corporate Income Tax
<b>COMESA</b>	Common Market for Eastern and Southern Africa
<b>COR</b>	Certificate of Registration
<b>COVID -19</b>	Corona Virus Disease 2019
<b>CTPD</b>	Centre for Trade and Policy Development
<b>CRM</b>	Customer Relationship Management
<b>CSS</b>	Customer Satisfaction Survey
<b>CSR</b>	Corporate Social Responsibility
<b>DDI/LDI</b>	Domestic Direct Investment /Local Direct Investment
<b>DRC</b>	Democratic Republic of Congo
<b>EMPRETEC</b>	Emprendedores (entrepreneurs) and Tecnologia (technology)
<b>EPM</b>	Enterprise Performance Monitoring
<b>EU</b>	European Union
<b>FDI</b>	Foreign Direct Investment
<b>FPI and IP</b>	Foreign Private Investment and Investor Perceptions
<b>GBP</b>	Great British Pound
<b>GDP</b>	Gross Domestic Product
<b>IFPAB</b>	International Federation for People with Albinism
<b>ICT</b>	Information and Communication Technology
<b>IMF</b>	International Monetary Fund
<b>IPPA</b>	Investment Promotion and Protection Agreement
<b>IPs</b>	Industrial Parks
<b>IRC</b>	Information Resources Centre
<b>ITC</b>	International Trade Centre
<b>ITBD</b>	Investment Trade and Business Development
<b>LBDP</b>	Local Business Development Programme
<b>LTS</b>	Lusaka Telecom Solutions
<b>M and E</b>	Monitoring and Evaluation
<b>MCTI</b>	Ministry of Commerce, Trade and Industry
<b>MFEZs</b>	Multi-Facility Economic Zones
<b>MoFA</b>	Ministry of Foreign Affairs
<b>MoFNP</b>	Ministry of Finance and National Planning
<b>MoHA</b>	Ministry of Home Affairs
<b>MoJ</b>	Ministry of Justice
<b>MLNR</b>	Ministry of Lands and Natural Resources
<b>MoL</b>	Ministry of Labour

<b>MST</b>	Ministry of Science and Technology
<b>MoT</b>	Ministry of Transport
<b>MOUs</b>	Memoranda of Understanding
<b>MSME</b>	Micro, Small and Medium Enterprises
<b>MYSA</b>	Ministry of Youth Sport and Arts
<b>NGOs</b>	Non-Governmental Organizations
<b>NAPSA</b>	National Pensions Scheme Authority
<b>NES</b>	Not Elsewhere Specified
<b>NORAD</b>	Norwegian Agency for Development Cooperation
<b>NTBs</b>	Non-Tariff Barriers
<b>NTEs</b>	Non-Traditional Exports
<b>PACRA</b>	Patents and Companies Registration Authority
<b>RD</b>	Restricted Default Credit Rating
<b>ROW</b>	Rest of the World
<b>SADC</b>	Southern African Development Community
<b>SD</b>	Selective Default Credit Rating
<b>SDGs</b>	Sustainable Development Goals
<b>SDR</b>	Special Drawing Rights
<b>S&amp;P</b>	Standard and Poor's Credit Rating Guide
<b>SLAs</b>	Service Level Agreements
<b>SSA</b>	Sub Saharan Africa
<b>TFO</b>	Trade Facilitation Office
<b>UAE</b>	United Arab Emirates
<b>UK</b>	United Kingdom
<b>UN</b>	United Nations
<b>UNCTAD</b>	United Nations Conference on Trade and Development
<b>UNDP</b>	United Nations Development Program
<b>UNIDO</b>	United Nations Industrial Development Organization
<b>USAID</b>	United States Agency for International Development
<b>USD</b>	United States Dollars
<b>UNILUS</b>	University of Lusaka
<b>UNZA</b>	University of Zambia
<b>VAT</b>	Value Added Tax
<b>ZACCI</b>	Zambia Chamber of Commerce and Industry
<b>ZABS</b>	Zambia Bureau of Standards
<b>ZAFWIB</b>	Zambian Federation Association of Women in Business
<b>ZAM</b>	Zambia Association of Manufacturers
<b>ZAR</b>	South African Rand
<b>ZCGS</b>	Zambia Credit Guarantee Scheme
<b>ZDA</b>	Zambia Development Agency
<b>ZEDF</b>	Zambia Export Development Fund
<b>ZEGA</b>	Zambia Export Growers Association
<b>ZEMA</b>	Zambia Environmental Management Agency
<b>ZIPAR</b>	Zambia Institute of Policy Advocacy and Research
<b>ZANACO</b>	Zambia National Commercial Bank
<b>ZRA</b>	Zambia Revenue Authority
<b>ZPPA</b>	Zambia Public Procurement Authority
<b>ZMW</b>	Zambian Kwacha
<b>ZNBC</b>	Zambia National Broadcasting Cooperation
<b>ZSA</b>	Zambia Statistics Agency
<b>ZTA</b>	Zambia Transport Association



His Excellency President Hakainde Hichilema delivering remarks at the first ever EU Zambia Economic Forum



Minister of Commerce, Trade and Industry, Hon. Chipoka Mulenga MP with his Congolese counterpart signing an agreement to manufacture batteries for electric vehicles.

## FOREWORD BY PERMANENT SECRETARY



It is my honour and privilege to present the Zambia Development Agency (ZDA) Annual Report for the year 2022. The report highlights strides made in promoting and facilitating investments, trade and enterprise development in the quest to accelerate the social-economic transformation agenda.

It is important to note that the year 2022 was characterised by a number of challenges, key among them the Russia– Ukraine conflict, lockdowns in China related to COVID-19 leading to global supply disruptions, food and energy inflation as well as tighter financial conditions in advanced economies. These developments resulted in the downward revision of global growth to from 6 percent to 3.2 percent (IMF, 2022) with increasing fears of a global recession further eroding growth prospects.

These global factors compounded domestic challenges, causing a marginal decline in the Country’s Gross Domestic Product (GDP) growth rate from 3.3 percent in 2021 to 3.1 percent in 2022. This was largely on account of the Russia-Ukraine War which caused widespread shortages in the supply of crude oil and gas as well as the key agriculture inputs such as fertilizer. The War also caused the closure of key supply lines, a freezing of global finance due to increased risk aversion, and widespread inflation.

Notwithstanding these challenges, the Government implemented an ambitious economic transformation agenda aimed at restoring macroeconomic stability, with support from Zambia’s international partners, particularly the International Monetary Fund (IMF). The effective implementation of pro-business reforms assisted the country to reverse the negative effects of the COVID-19 Pandemic, which negatively affected the economy in 2020 and 2021.

During the period under review, the Ministry remained responsive to creating an enabling environment for the Agency to thrive. Most notably, the Ministry strengthened and enhanced

“ I am delighted to note that Government has remained committed to enhancing the competitiveness of the private sector, as evidenced by the implementation of pro-business reforms such as the reduction in investment threshold to USD 50,000.00 for local investors; zero percent income tax on profits made from exports for companies in Multi-Facility Economic Zones (MFEZs)/ Industrial Parks (IPs) ”

corporate governance by appointing the Board of Directors for the Agency in order to improve the oversight role and delivery of programmes and activities under the Agency.

Through the ZDA, the Ministry continued to promoting and facilitating the growth of the private sector by providing the policy direction required for the Agency to fulfil its mandate of promoting trade and investment and as the main link between Government and the private sector. In view of the aforementioned, in 2022, the Ministry commenced



reviews of legislations, policies and strategies that were aimed at enhancing the Agency's ability to fulfil its mandate. These include:

**i. The Zambia Development Agency (ZDA) Act No. 17 of 2022 and the Investment, Trade and Business Development (ITBD) Act No. 18 of 2022**

The Zambia Development Act of 2006 was repealed and replaced by the Zambia Development Agency Act No. 17 of 2022 and the Investment Trade and Business Development Act No. 18 of 2022. The two Acts were enacted by Parliament in November 2022.

The intent of the ZDA Act is to continue the existence of the Zambia Development Agency and to re-define its functions; while the ITBD Act provides for the technical aspects of the Agency to strengthen the trade, investment and business development mandate.

**ii. National Trade Policy (2022)**

The National Trade Policy 2018 was developed to support Zambia's industrialisation agenda through the promotion of domestic and international trade as well as ensure effective participation of private sector in regional and international trade. The Ministry in consultation with key stakeholders undertook the mid-term review of the policy.

**iii. Pharmaceutical Strategy (2022)**

The Pharmaceutical Manufacturing Strategy and its Implementation Plan were developed with the aim of identifying interventions to address existing impediments in the pharmaceutical sector. The strategy and plan were developed through a consultative process involving Technical Working Group discussions and stakeholder consultations. The Strategy awaits finalisation and launch.

**iv. National e-Commerce Strategy (2022)**

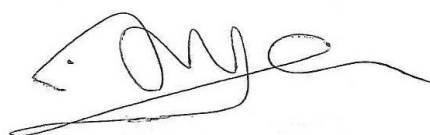
The National e-Commerce Strategy and its Implementation Plan were developed with an aim of having focused interventions with measurable targets in promoting the development and growth of Zambia's E-Commerce and fully harness its benefits. Several consultations were held to review the document and currently awaiting finalisation and validation before launch.

**v. Trade Remedies Bill (2022)**

The Trade Marks Bill, 2022 seeks to repeal and replace the Trade Marks Bill Act No.13 of 1994 to provide for the registration and protection of trademarks, service mark, collective trademark, certification trademarks and geographical indications.

Furthermore, I am delighted to note that Government has remained committed to enhancing the competitiveness of the private sector, as evidenced by the implementation of pro-business reforms such as the reduction in investment threshold to USD 50,000.00 for local investors; zero percent income tax on profits made from exports for companies in Multi-Facility Economic Zones (MFEZs)/Industrial Parks (IPs); and zero rating of taxes on dividends for a period of ten years, expected to boost investments and reinvestments. Government committed to further reforms in 2023, including enhancement of the investment incentive structure, notably the introduction of income tax concessions on income generated from local sales of corn starch by Agro-processing businesses operating in a Multi-Facility Economic Zone, Industrial Park or rural area by reducing the corporate income tax rates for these investors to 0 percent until 2033.

In conclusion, on behalf of the Minister of Commerce, Trade and Industry, I would like to congratulate the ZDA Management and staff for the successes scored during a rather difficult period of global and domestic economic challenges. The Ministry and Government will continue to provide the requisite support to the Agency in fulfilling its mandate.



Jonas A. Mulongoti

**Permanent Secretary**

**MINISTRY OF COMMERCE, TRADE AND INDUSTRY**

## BOARD CHAIRPERSON'S STATEMENT



In the year 2022, the Agency improved its performance largely due to increased Government funding in key strategic areas such as investment and trade promotion. This enabled the Agency to enhance its implementation of programmes and to position itself as the premier economic development institution in Zambia, thus enhancing its responsiveness to the expectations of Government.

Notwithstanding the Agency's improved performance, conditions in the global economy posed serious challenges, particularly the Russia-Ukraine War, constriction of global economic fundamentals which were caused by record-high food and energy inflation, COVID-19 Pandemic, climate change effects, and widespread sovereign debt among emerging economies. In spite of these challenges, the Agency was able to achieve measurable results by leveraging on the introduction of pro-business reforms by Government and stabilization of domestic macroeconomic fundamentals.

In 2022, the Agency achieved an overall program implementation rate of 81 percent compared to 78.4 percent in 2021, representing an increase of 3.32 percent, as measured by the implementation of planned interventions.

During the period under review, the Agency recorded projected investment amounting to USD 8.61 billion from 359 registered projects, compared to USD 3.33 billion recorded from 255 projects in 2021, representing an increase of 158.56 percent.

A total of 75,320 jobs were recorded in both new and renewal projects compared to 24,585 jobs in 2021, representing an increase of 206.37 percent.

Actualised investments recorded from 167 monitored enterprises increased by 39.56 percent to USD 4.51 billion in 2022 from USD 3.23 billion

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A total of 75,320 jobs were recorded in both new and renewal projects compared to 24,585 jobs in 2021, representing an increase of 206.37 percent. ”

in 2021. The USD 4.51 billion was actualised from the pledged investments of USD 6.61 billion in 2022 compared to USD 3.23 billion actualised from the USD 16.69 billion pledged in 2021.

The monitored enterprises recorded actualised employment of 24,911 compared to 66,457 jobs that were actualised in 2021, representing a decrease of 63 percent.

311 exporters from various sectors were linked to export markets against a target of 480, representing an achievement of 64.79 percent.

A total of 4,830 MSMEs received Business Development Support (BDS) services compared to 4,079 in 2021, representing an increase of 15.55 percent. The MSMEs supported with BDS created a total of 7,247 jobs in 2022, compared to 6,334 jobs created by 4,079 MSMEs supported in 2021.

In 2023, The Agency will focus on the following strategic areas to contribute the Eighth National Development Plan:

1. Attracting significant export oriented foreign and domestic investments;
2. Promoting and attracting investment into enabler sectors such as energy, infrastructure and ICT;
3. Analysing and prioritising sectors and integrated value chains (i.e. Cotton, mineral, timber, horticultural) with potential to enhance growth, value addition, job creation and exports;
4. Promoting the development and commercialisation of Special Economic Zone (SEZ) such as Integrated agro industrial parks;
5. Creating and/or facilitating development of

export ready products;

6. Profiling and/or packaging Climate smart investments (Green and Blue Economy) projects including promotion of carbon credits;
7. Facilitating Joint Ventures/ Partnerships and transitioning medium sized businesses into Large National Corporations through specialist Business Development Services; and
8. Research and advocating for policy measures (i.e. smart incentive, reduction in cost of doing business) that will facilitate an enabling business environment for growth and competitiveness of businesses.



Professor Biemba Maliti

**Board Chairperson**  
**ZAMBIA DEVELOPMENT AGENCY**

## DIRECTOR GENERAL'S ACKNOWLEDGEMENT



**D**uring the year under review, the Agency realigned its programmes to the strategic focus of the New Dawn Government of scaling up the promotion trade and investment as pillared in the Eight National Development Plan. In this respect, the Agency continued to play its frontier role as a premier economic think tank for the Country. The focus of the New Dawn Government on creating jobs and wealth through trade and investment for the people of Zambia was at its record high.

In the year 2022, the focus on trade and investment as a precursor to meaningful and sustainable development did not only reverberate in Zambia but across the entire globe. As a result the Agency experienced high levels of interest in Zambia from a number of investors across various sectors key among them manufacturing, energy, infrastructure, agriculture and mining.

The high levels of interest gave birth to increased levels of collaboration with cooperating partners who promoted bilateral trade and investment with Zambia. The solid relationships with our cooperating partners gave birth to the inaugural business fora spearheaded by the ZDA that included the EU- Zambia Economic Forum, the US -Zambia Business Forum, the Zambia Israel Business Form and the China Zambia Business Forum.

Given the investor traffic in 2022, the Agency in collaboration with the Smart Zambia Institute commenced the digitization of its services to process licences and permits online. The online application process once concluded and rolled out in second of 2023, will bring about efficiency and quick turnaround for licence issuance for investors. Further the online presence will make the Agency visible to other economic institutions

“ I am indebted to Line Ministries and Government Agencies for continued cooperation and support in the implementation of various programmes and activities under the Agency. ”

on the Government Service Bus thereby creating a one stop shop for delivery of critical services within record time.

Further, allow me to express appreciation to the Ministry of Commerce, Trade and Industry, for continued provision of policy guidance and appointment of the Board of the Agency to provide strategic direction.

I am indebted to line ministries and government agencies for continued cooperation and support in the implementation of various programmes and activities under the Agency. Without you, the Agency would not have attained its 2022 annual targets.

I can't thank the private sector enough for, among others, working with the Agency to identify gaps to be addressed in order to promote and facilitate investment, trade and enterprise development. The Agency commits to continue collaborating with private sector in the quest to promote economic development.

To the entire ZDA team, thank you for your commitment to implementing the mandate of the institution. I dedicate all the success recorded in 2022, to you.

In 2023, I look forward to continued support from the Government, Management, Staff and our cooperating partners in ensuring that we contribute to the Government's development aspirations of creating a prosperous and equitable Zambia, in line with the 'Vision 2030'.

Albert Halwampa

**Director General**

**ZAMBIA DEVELOPMENT AGENCY**

## CORPORATE GOVERNANCE

Pursuant to the Zambia Development Agency Act No. 11 of 2006 (“the Act”), the Agency is overseen by a Board of Directors (“the Board”) appointed by the Minister of Commerce, Trade and Industry. The Board is the custodian of corporate governance principles in the Agency.

### THE BOARD OF DIRECTORS

During the period under review, the Agency operated without the Board of Directors until 29th December, 2022 when the Minister appointed one. Before the Board was appointed, the previous Board had delegated approval of licences and Permit applications to the Licences, Permits and Certificates Approval (LPCA) Committee. This Committee was made up of Management and three external Members. The LPCA Committee was responsible for considering applications for licences, permits and certificates. Delegating the Board responsibility of Licence and Permit approval to the LPCA Committee ensured continuity in the issuance of licences, permits and certificates despite not having a Board. In particular, it ensured the Agency continued its mandate of registering investments.

The Permanent Secretary Ministry of Commerce Trade and Industry provided governance oversight to the Agency on matters that are ordinarily required to be dealt with by a Board. In this regard, monthly and quarterly reports on the activities of the Agency were submitted to MCTI.

### THE EXECUTIVE COMMITTEE

The following constituted the Executive Committee of ZDA as at December 31, 2022:

Mr. Albert Halwampa	Acting Director General
Mr. Innocent Melu	Director – Policy and Planning
Mrs. Jessica Chombo	Director – Investment
Mr. Gabriel Musentekwa	Director – Enterprise Development
Mr. Obby Banda	Acting Director – Export Development
Ms. Chama Chilambwe	Acting Director – Finance and Administration
Mrs. Theresa M. Liswaniso - Kampata	Board Secretary/Legal Counsel

### INTEGRITY COMMITTEE

The Agency aspires to be a model of public probity by providing a good return on public funds and promoting high standards of integrity. In 2022, the Integrity Committee was re-constituted comprising 9 members with guidance from the Anti-Corruption Commission.

## BOARD MEMBERS

The following constituted the Board as at 31st December, 2022



**Prof. Biemba Maliti**  
Board Chairperson



**Mr. Ashwini Ashu Sagar**  
Board Vice Chairperson



**Ms. Subek Mutelo**  
Board Member



**Ms. Thandiwe Shonga**  
Board Member



**Mr. George Samukonga**  
Board Member



**Mr. Jonathan Phiri**  
Board Member



**Mr. Sunday Chikoti**  
Board Member



**Mr. Michael Couvarus**  
Board member

## EXECUTIVE COMMITTEE

The following constituted the Executive Committee of ZDA as at 31st December, 2023



**Mr. Albert Halwampa**  
Acting Director General



**Mr. Innocent Melu**  
Director Policy & Planning



**Ms. Jessica Chombo**  
Director Investment



**Mr. Gabriel Musentekwa**  
Director - Enterprise  
Development



**Mr. Obby Banda**  
Acting Director - Export  
Development



**Ms. Chama Chilambwe**  
Acting Director - Finance &  
Administration



**Ms. Theresa Kampata**  
Board Secretary / Director Legal

## EXECUTIVE SUMMARY

The Agency leveraged on the improved business climate characterised by stable exchange rate, inflation, introduction of fiscal incentives and increased funding. On account of these factors, the Agency performed relatively well in promoting and facilitating trade, investment and enterprises development.

The Agency facilitated Business Development Support Services (BDSS) to MSMEs in key sectors of the economy which include; Agriculture, Mining, Tourism, Manufacturing, Infrastructure and Service. During the period under review, a total of 4,830 MSMEs were supported compared to 4,079 supported in 2021, representing an increase of 18.41 percent. Projected employment from the supported MSMEs increased to 7,247 in 2022 from 6,334 jobs in 2021 to, representing an increase of 14.41 percent.

In terms of investment promotion, total investment worth USD 8.61 billion was recorded in 2022 from 355 registered investment projects compared to USD 3.33 billion in 2021 from 255 registered investment projects. This represented an increase of 158.56 percent in the value of projected investments. Of the total registered investment in 2022, USD 6.41 billion was Foreign Direct Investment (FDI) while USD 2.20 billion was Domestic Direct Investment (DDI), representing 74.45 percent and 25.55 percent of the total projected investment, respectively.

A total of 75,320 jobs in 2022 compared to 24,585 jobs in 2021 were projected from both new investments and re-investments, representing an increase of 306.37 percent.

A total of one hundred and sixty-seven (167) enterprises were monitored and evaluated in the year under review. A total of 24,911 in 2022 compared to 66,457 jobs in 2021 were actualised from the monitored enterprises, representing a decrease of 62.51 percent.

Additional investments reported in 2022 by both developers and operators in the Multi-Facility Economic Zones (MFEZs) and Industrial Parks (IPs) amounted to USD 510.7 million while existing total employment as at 2022 stood at 19,489.

During the period under review the country recorded total export earnings amounting to USD 11.65 billion in 2022 compared to USD 11.08 billion in 2021 representing 5.07 percent increase. Of the total exports recorded in 2022, USD 8.13 billion were traditional exports and Non-Traditional Exports amounting to USD 3.52 billion. The

The Agency performed relatively well in promoting and facilitating trade, investment and enterprise development in Zambia amidst declining fiscal space, inflationary pressure, high commercial bank lending rates and exchange rate instability that had hostile effects on production in all sectors of the economy.

**The Agency provided BDS to  
4,830 MSMEs**



compared to 4,079 supported in 2021

**Projected Investments:  
USD 8.61 BILLION**



compared to 3.3 billion in 2021

**Projected Employment:  
75,320**



compared to 24,585 jobs in 2021

**Multi-Facility Economic  
Zones (MFEZ) & Industrial  
Parks (IPs) amounted to**

**USD 510.7 MILLION**



compared to 19,489 in 2021

**Actualised Investments:  
24,911 JOBS**



compared to 66,457 in 2021

**Export Earnings:  
USD 11.65 BILLION**



compared to 11.08 billion in 2021



total-Non-traditional Exports of USD 3.52 billion recorded in 2022 represents a jump to 30.92 percent from the USD 2.69 billion recorded in 2021. The share of NTEs to total exports increased to 30.21 percent in 2022 from 24.24 percent in 2021 representing an increase of 18.52 percent. The increase in share of NTEs to total exports was attributed to the increased trade between Zambia and countries in Southern Africa Development Community (SADC)/Common Markets for Eastern and Southern Africa (COMESA) as well as the deliberate efforts through the Agency's trade missions, fairs and expos.

During the period under review a total of 311 exporters were linked to exports markets against a target of 480, representing an achievement of 92.92 percent. Furthermore, the Agency recorded USD 101.67 billion worth of export deals from the 446 exporters linked to markets and recorded USD 64.21 billion confirmed export orders and USD 37.46 billion export leads. 165 exporters were trained in export readiness against a target of 360 representing an achievement of 45.83 percent and additionally 88 exporters were linked to financial sources. The Agency continued to monitor the closure of the transactions from the recorded leads and deals with the view to report in the 2023 period.

In the year 2022 the Agency undertook a Client Satisfaction survey whose main objective was to measure the levels of satisfaction with the services

provided by ZDA to clients and other stakeholders. The Survey revealed an overall satisfaction score of 78 percent against a target of 85 percent. This is in comparison to a satisfaction score of 77 percent recorded in 2021 representing, an increase of 1.29 percent in client satisfaction.

The findings revealed that the execution of core functional activities was rated fairly but a large proportion of respondents were not aware of many of the services offered by ZDA. The respondents recommended that the Agency enhances its decentralization of services and sensitization on the services that it provides.

During the period under review, the Balance of Payments Statistical Committee (BOPSC) of the Republic of Zambia which includes ZDA, BOZ, and ZSA conducted a Survey with the aimed at measuring foreign private investment statistics and collect information on investor perceptions and collect information on investor perceptions from Foreign Direct Investors for informed policy recommendations to Government. The Agency is responsible for the Investor Perception (IP) component of the Foreign Private and Investor Perception (FPI-IP) Survey. Overall, the IP Survey reviewed an improvement in investor satisfaction by 62.1 percent from (21.6) percent in 2021.

Furthermore, in meeting its policy advocacy function, the Agency produced Six (6) impactful position papers. In fostering and strengthening stakeholder collaborations, the Agency signed six (6) MOUs.



MoU signing during the China - Zambia Trade and Investment Forum

## 1.0 INTRODUCTION

The 2022 Annual report details the performance of the Agency for the year, premised on the 2022 Annual Work Plan.

### 1.1. About the ZDA

#### Our Mandate

The Zambia Development Agency (ZDA) is Zambia's premier economic development Agency with a multifaceted mandate of promoting and facilitating trade, investment and enterprise development in the country. The Agency is also responsible for building and enhancing the country's investment profile for increased capital inflows, capital formation, employment creation and growth of the Micro, Small and Medium Enterprises (MSME) Sector.

The Agency plays a critical role of driving Zambia's economic development and diversification agenda leveraged on attraction and facilitation of targeted investment and re-investment across all sectors of the economy. Further, it promotes the development of markets for Zambian products, especially non-traditional exports (NTEs) and the growth of Micro, Small and Medium Enterprises (MSMEs) in line with national priorities espoused in national development plans.

The Agency fosters private sector development through stakeholder engagement, public-private dialogue and evidence-based policy advocacy, which is aimed at creating a conducive business environment.

## Our Vision

“A dynamic hub for promoting economic development for Zambia”

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## Our Mission

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

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## Our Core Values

### **KNOWLEDGEABLE**

Gather, analyse and share relevant information about markets and sectors for use by clients in their decision-making processes and build the expertise of staff so that they are credible and trusted business advisors.

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### **EXCELLENCE**

Provide service of the highest standard with the least waste of time, effort and resources.

---

### **TRANSPARENCY**

Undertake all dealings in an open manner.

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### **INTEGRITY**

Approach all work with honesty, confidentiality, accountability and professionalism.

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### **INNOVATION**

Embrace the power of ideas and not be afraid to challenge conventional thinking.

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### **DIVERSITY**

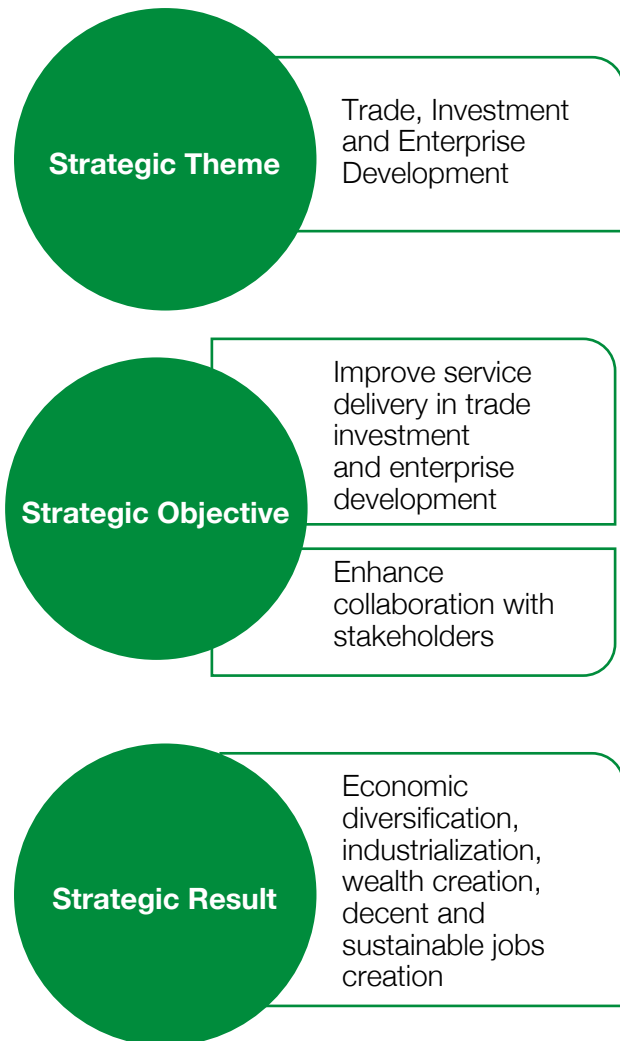
Embrace all stakeholders irrespective of their gender, culture, race, religion, or ethnicity.

---

### **TEAM SPIRIT**

## STRATEGIC FOCUS

### STRATEGIC FOCUS A



### STRATEGIC FOCUS B



Source: ZDA Strategic Plan (2018-2021)

## 2.0 ECONOMIC OVERVIEW

The International Monetary Fund (IMF, 2022) global economic growth forecast was a slowdown from 3.6 percent in 2021 to 3.2 percent in 2022 representing the weakest growth profile since 2021. The slowdown in the 2022 forecast global growth was on account of high inflation, tightening financial conditions in most regions, Russian - Ukraine war and persistence Covid 19 pandemic.

In 2022 the Zambian economy grew by 4.7% from a growth of 4.6% in 2021. Growth was mainly driven by the Education, Transport, Storage and Information & Technology Sectors. Notwithstanding the forgoing, negative growth was recorded in Agriculture, Mining and Construction Sectors.

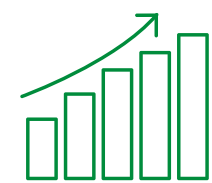
In the year under review, the Kwacha appreciated against all major convertible currencies. On average, it traded at ZMW 16.94 in 2022 compared to ZMW 20.00 per USD in 2021. The appreciation of the Kwacha was attributed to remittance of copper receipts in USD; the increased volumes of NTEs; the International Monetary Fund (IMF) approved 38-month arrangement under the Extended Credit Facility (ECF) in an amount equivalent to SDR 978.2 million (around US\$1.3 billion, or 100% of quota); and the World Bank (WB) approved USD 275 million development policy operation for Zambia to support the country's reforms to restore fiscal and debt sustainability and promote private sector-led growth which added to the positive performance of the kwacha.

The end-year inflation rate recorded a decline of 39.63 percentage points to 9.9 percent in 2022 from 16.4 percent in 2021. This was due to the reduction of food and non-food prices and significant appreciation of the Kwacha against the US dollar among others.

Commercial banks' average lending rates declined by 2.47 percentage points to 25.26 percent in 2022 from 25.90 percent in 2021. Notwithstanding the reduction, lending rates remained high due to market risk and tight liquidity conditions.

On the fiscal side, Zambia's deficit reduced by 7.20 percent from ZMW 34.16 billion in 2021 to ZMW 31.7 billion in 2022. This was largely attributed to reduction in subsidies in the energy and farm subsidies that had come as a means of debt restructuring. However, the debt still remained high due to increased expenditure in

The economy grew by  
**4.7%**



The Kwacha appreciated against all major convertible currencies at

**ZMW 16.94**

Compared to 3.3 percent in 2021

The end-year inflation rate recorded a decline of 39.63 percentage points

**▼ 9.9%**

From 16.4 percent in 2021

Commercial banks' average lending rates declined by 2.47 percentage

 **25.26%**

From 25.90 percent in 2021

Zambia's deficit reduced by 7.20%

**31.7 BILLION**

From ZMW 34.16 billion in 2021

the health sector that was aimed at reducing medical shortages in medical facilities.

In terms of exports, Zambia's total earnings were USD 11.65 billion in 2022 compared to USD 11.08 billion in 2021, representing an increase of 5.14 percent. The value of Non-Traditional Exports (NTEs) increased to USD 3.52 in 2022 from USD 2.69 billion in 2021 representing an increase of 30.92 percent. As a result of the above performance, the

share of NTEs to total export rose to 30.21 percent in 2022 from 24.5 percent in 2021.

Overall, the macroeconomic environment was subdued due to fiscal and monetary challenges that were exacerbated by lingering effects of the COVID-19 Pandemic and huge external debt. Zambia's economic performance is summarized in Table 1 below.

Table 1: Selected Key Macroeconomic Indicators 2021 – 2022

No.	Indicator	2021	2022
1	Real GDP growth rate (%)	3.3	3.2
2	Exchange Rate (period average)		
	ZMW/USD	20.00	16.94
	ZMW/GBP	23.75	21.06
	ZMW/ZAR	1.36	1.05
3	Commercial banks' lending rate (period average, %)	25.90	25.26
4	Inflation (end period, %)	16.4	9.9
5	Fiscal balance: surplus (+)/deficits (-), (ZMW, billion)	(34.16)	(31.7)
6	Commodity prices (period average)		
	Copper (USD/Tonne)	8,313	8,375.4
	Cobalt (USD/Tonne)	65,963.79	59,985.00
	Crude oil (Dubai) (USD/Barrel)	77.24	73.60
7	Total Export earnings (USD, billion)	11.1	11.65
8	NTEs Export earnings (USD, billion)	2.69	3.52
9	Share of NTEs to Total Exports (%)	24.5	30.21

Source: BOZ, ZSA, MOF



### 3.0 OPERATIONAL AND PERFORMANCE REVIEW

In 2022, the Agency achieved an overall program implementation rate of 81 percent compared to 78.4 percent in 2021, representing an increase of 3.32 percent, as measured by the implementation of planned interventions.

The Agency responded to the COVID 19 regulations and guidelines, by encouraging clients and stakeholders to utilize digital platforms to access the Agency's services. The agency continued to enhance service delivery through the development and implementation of digital solutions in the following services; enterprise development, processing of applications for Certificate of Registration of Micro, Small and Medium Enterprises, Large investors, as well as permits for MFEZs; facilitation of B2B and B2G meetings, conferences, summits, and other business facilitation functions.

The increase in Government funding to the Agency, and strengthened stakeholder collaboration and partnerships, enhanced the implementation of planned programmes, which included:

- Increased export promotion and market development activities;
- Increased local, inward and outward investment missions;

However, more funding is required for the Agency to optimally undertake its trade and investment mandate in comparison to similar Agencies within the region. Increased funding will enable the Agency to among other things, scale up trade and investment activities such as trade missions, business fora, enterprise performance monitoring, staff motivation and retention, industrial aftercare and research.

The Agency achieved an overall program implementation rate of 81 percent compared to **78.4** percent in 2021, representing an increase of **3.32** percent, as measured by the implementation of planned interventions.

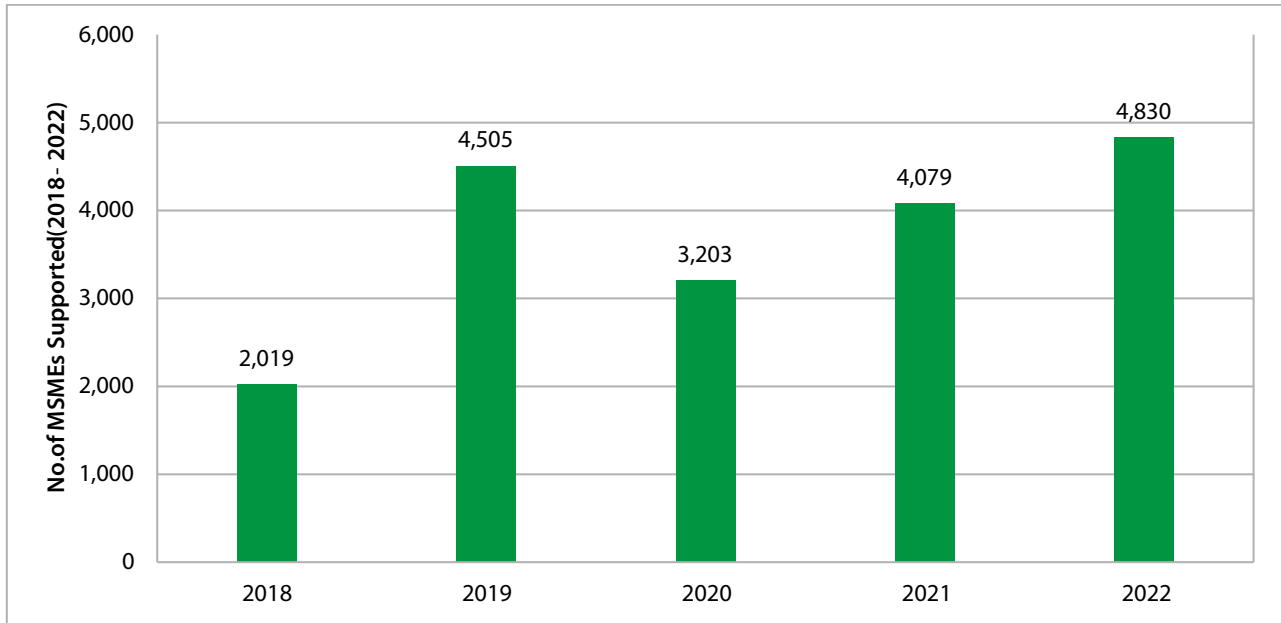


## 4.0 DEVELOPMENT OF MICRO, SMALL AND MEDIUM ENTERPRISES

The Agency implemented interventions aimed at developing MSMEs in key sectors of the economy which included among others; Agriculture, Manufacturing, Construction and Services.

In 2022, a total of 4,830 MSMEs received Business Development Support (BDS) services compared to 4,079 in 2021, representing an increase of 18.41 percent (See Figure 1).

**Figure 1: Trend in Number of MSMEs supported with BDS, 2018 – 2022**



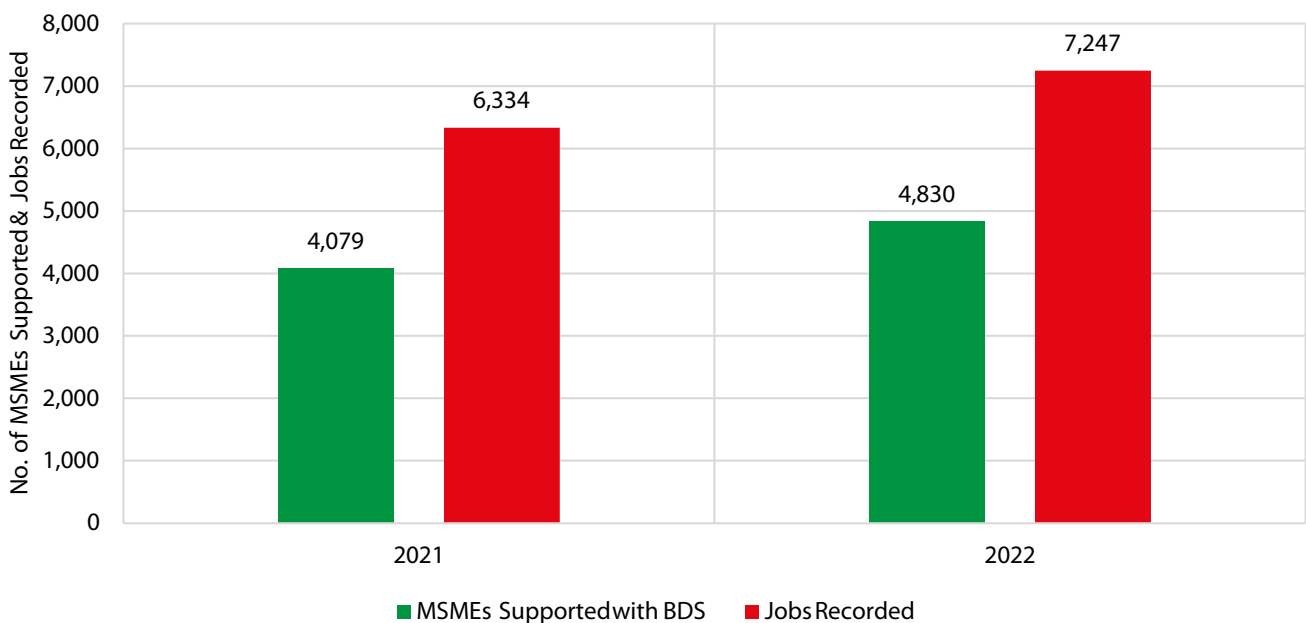
(Source: ZDA)

### ZDA in collaboration with First Quantum Minerals, Trident Foundation Hosts a Business Clinic in Kalumbila, North-Western Province

#### Employment Creation

The 4,830 MSMEs supported with BDS created a total of 7,247 jobs in 2022, compared to 6,334 jobs created by 4,079 MSMEs supported in 2021 (See Figure 2).

**Figure 2: MSMEs Supported and Employment Created, 2021 – 2022**



(Source: ZDA)



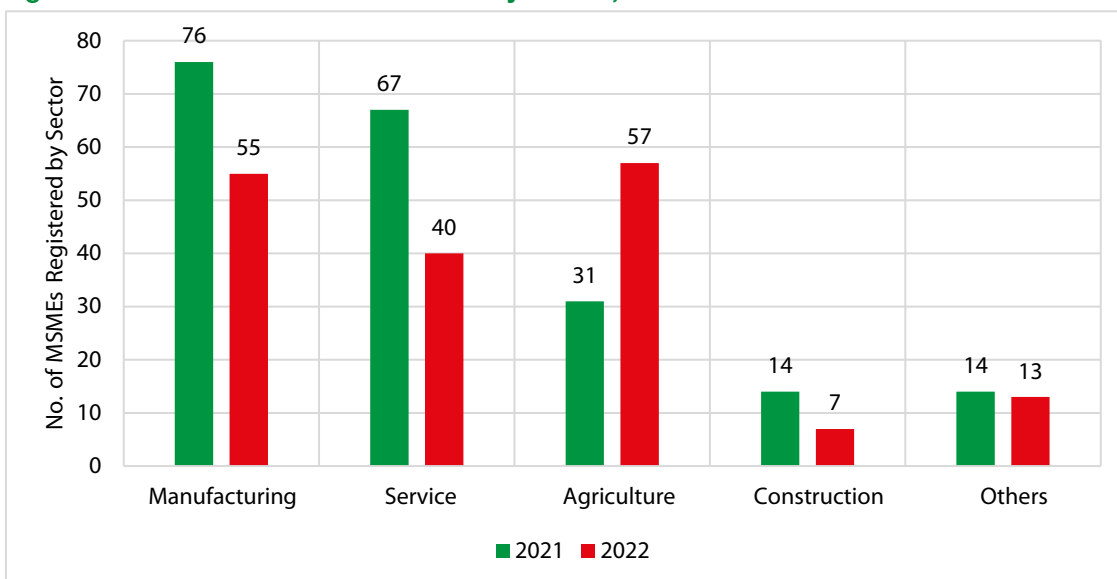


ZDA in partnership with Trident Foundation and CSR arm of First Quantum Minerals conducted a business clinic and sensitisation programmes to business owners in Kalumbila district.

### Business Formalization

A total of 202 Micro and Small Enterprises (MSEs) were formalized with ZDA in 2022 compared to 172 in 2021, representing an increase of 17.44 percent. The Service sector recorded the largest number of formalized MSEs with 76 followed by Manufacturing and Agriculture with 67 and 31 MSEs, respectively. The other sectors included; Transport with 2, Trading 7, Health 1, Tourism 1 and Mining 3 with a combined figure of 14 as shown in Figure 3 below.

**Figure 3: MSE Business Formalization by Sector, 2021 – 2022**

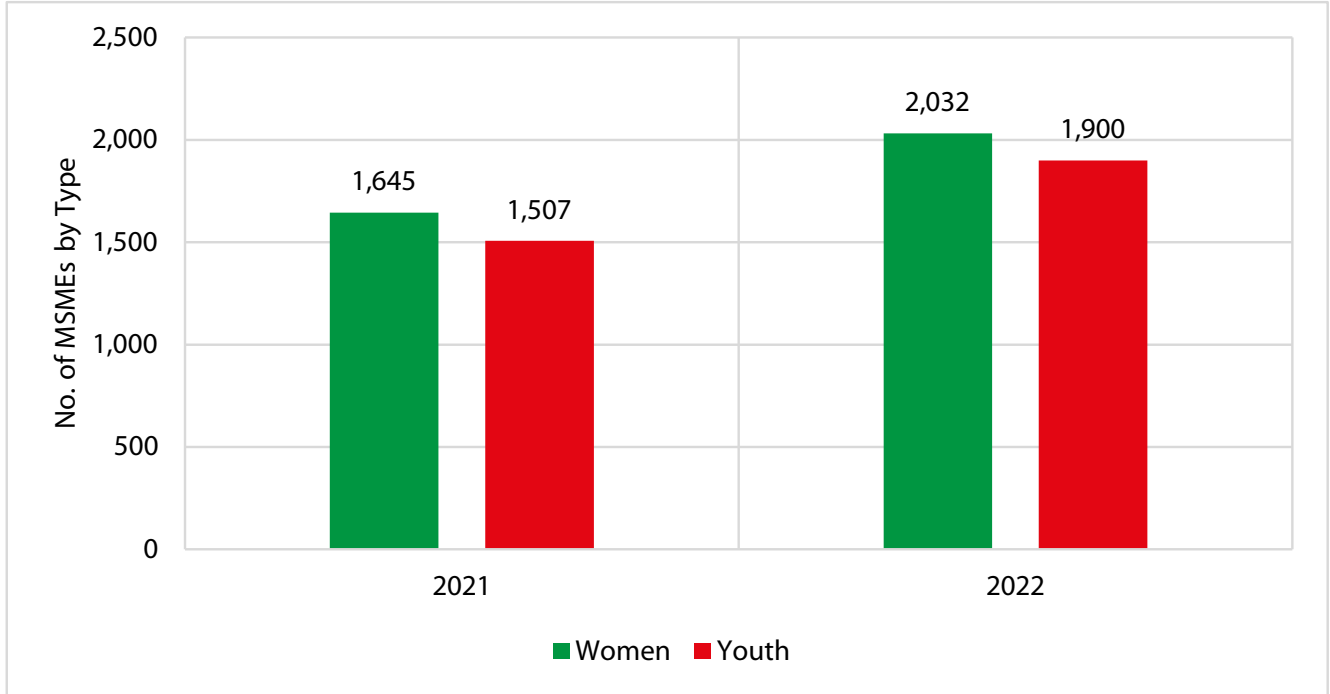


(Source: ZDA)

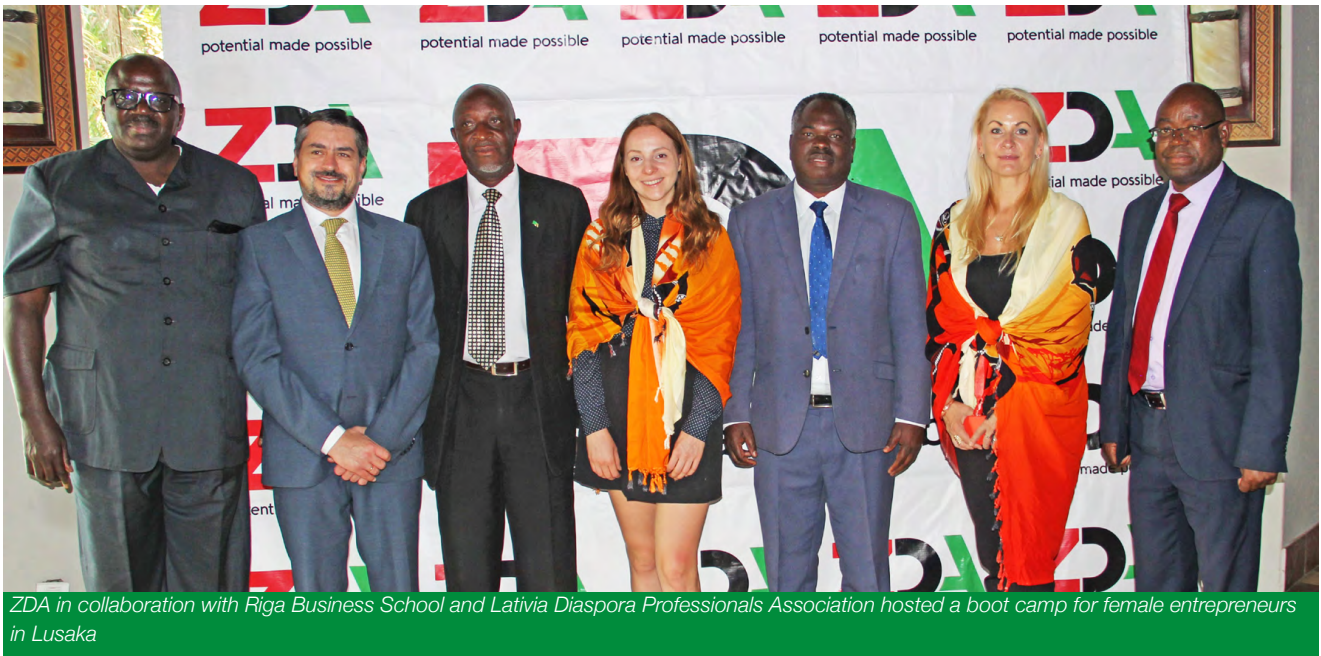
## Support to Youth and Women

The Agency implemented specific interventions targeting women and youth entrepreneurs with tailored BDS services. Of the 4,830 MSMEs supported, 2,032 were women, representing 42.08 percent, with 1,900 youths representing 39.34 percent. This is in comparison to 1,645 women and 1,507 youths out of the 4,079 MSMEs supported in 2021, representing an increment of 23.53 and 26.07 percent respectively as seen in Figure 4 below.

**Figure 4: MSMEs Supported by Ownership, 2021 - 2022**



(Source: ZDA)



ZDA in collaboration with Riga Business School and Latvia Diaspora Professionals Association hosted a boot camp for female entrepreneurs in Lusaka

### 4.1. Interventions aimed at Developing Micro, Small and Medium Enterprises

A number of interventions in entrepreneurship and enterprise development were used to support the 4,830 MSMEs that created 7,247 jobs. The interventions included: trainings, financial linkages, product development, coaching and mentorship, business advisory, business incubation, and Business/Market

Linkages. These services were offered across different sectors of the economy and contributed to poverty reduction and wealth creation.

Table 2: Summary of Interventions aimed at Developing MSMEs, 2022

S/N	Interventions	Outputs
<b>Entrepreneurship Development Services</b>		
1	Entrepreneurship Trainings	2,380 MSMEs benefited from trainings conducted in Entrepreneurship skills development, Cooperatives Management and “EMPRETEC”, among others
2	Business Formalization	202 MSEs formalized their businesses with ZDA
3	Coaching and Mentorship	142 MSMEs received coaching and mentorship services
4	Business Advisory	996 MSMEs/Cooperatives received financial management and business plan development advisory services
<b>Enterprise Development Services</b>		
1	Tailor-made business development services	Tailor-made business development services packages were developed as follows: fish handling, preservation and marketing; packaging, Branding and labelling; entrepreneurship and business management programme in chicken, goat rearing and bee farming; Entrepreneurship and business management as well as financial literacy for small holder farmers in different value chains; and Facilitation of financial and market linkages
2	Business Linkages	691 MSMEs were facilitated with business linkages; of which 221 was access to finance and 470 was access to markets (with 29 rural-urban linkages)
3	Business Intelligence and Market Information (BIMI)	2,695 MSMEs accessed Business Intelligence and Market Information (BIMI) in the Agriculture, Agro processing, Manufacturing, Construction, Transport, Trading, Tourism, Mining, Real estate, ICT and Service sectors, through the Information Resources Centre (IRC)
4	Inclusive Business	1,541 MSMEs were provided with business sensitization and provided with various BDS interventions

Source ZDA



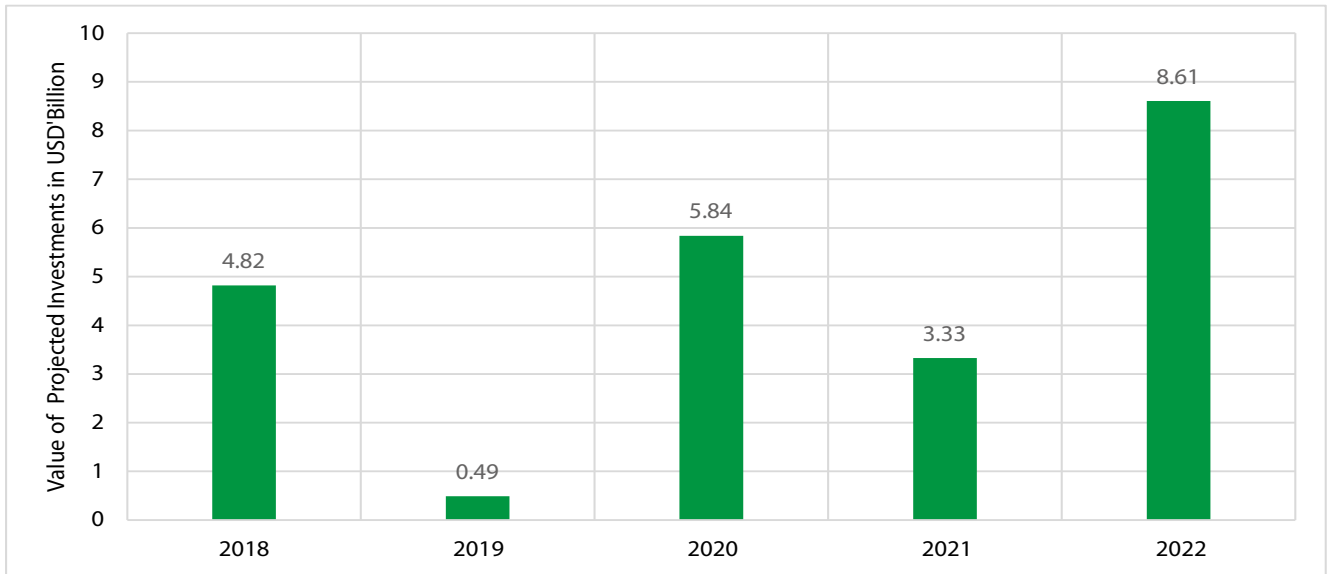
Action Director General and ZDA Management at the induction of the newly appointed diplomats to Zambian missions abroad.

## 5.0 INVESTMENT PROMOTION AND FACILITATION

### Projected Investment

In 2022, the Agency recorded projected investment<sup>1</sup> amounting to USD 8.61 billion from 359 registered projects, compared to USD 3.33 billion recorded from 255 projects in 2021, representing an increase of 158.56 percent. The increase in investment pledges was largely on account of targeted efforts in investment promotion and the favourable investment climate. Figure 5 below shows the trend in projected investments in the last five years with the highest being 2022 and the lowest being 2019. Furthermore, re-investments worth USD 709.48 million from 39 investment projects were recorded in 2022 as compared to USD 2.34 billion from 22 projects in 2021. The registered re-investments pledged to expand their businesses and create 5,754 additional jobs in 2022, compared to the 10,276 jobs pledged in 2021.

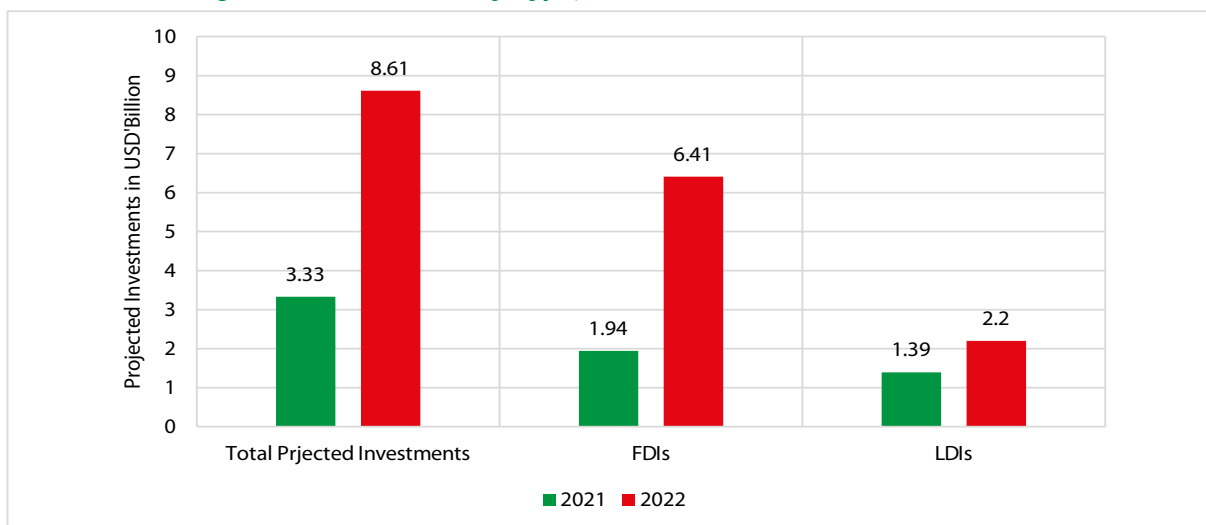
**Figure 5: Trends in Registered Projected Investment, 2018 – 2022**



(Source: ZDA)

Of the total value of projected investment in 2022, USD 6.41 billion was Foreign Direct Investment (FDI) while USD 2.20 billion was Domestic Direct Investment (DDI), representing 74.45 percent and 25.55 percent, respectively (see Figure 6).

**Figure 6: Value of Registered Investment by Type, 2021 – 2022**

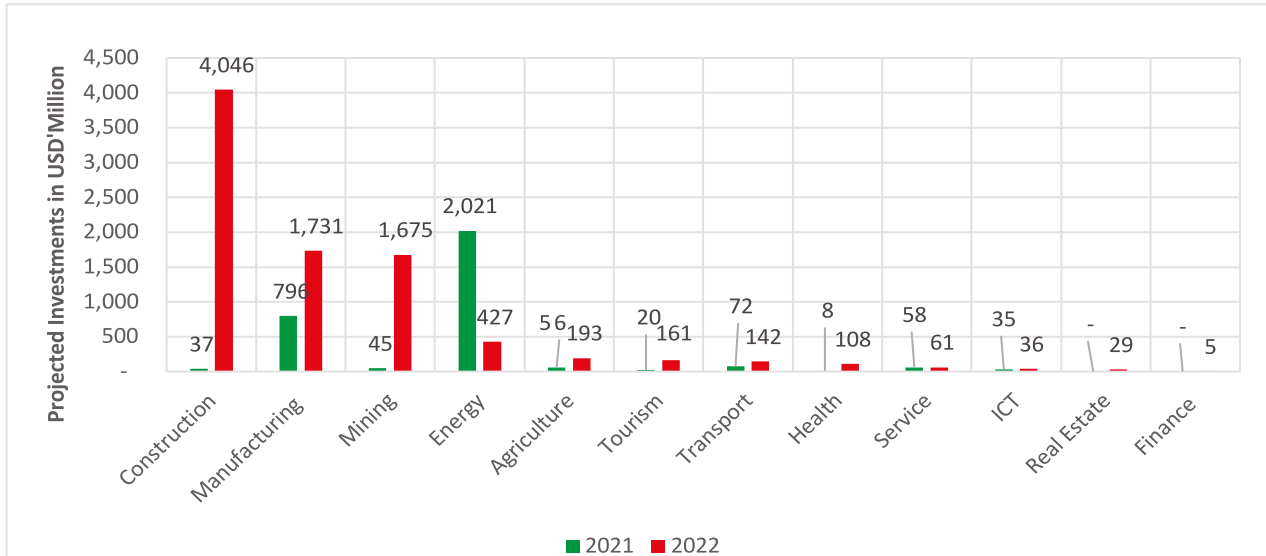


(Source: ZDA)

<sup>1</sup> Projected investment and employment figures in this report represent the investments facilitated by the ZDA.

In terms of sector representation, the Construction sector recorded the highest projected investment of USD 4.05 billion, representing 47 percent of total investment. This was followed by the Manufacturing and Mining sectors with projected investment of USD 1.73 billion and USD 1.68 billion accounting for 20 percent and 19 percent respectively, while the rest of the sectors combined recorded USD 1.16 billion and represented 13 percent of the total projected investments (See Figure 7 below).

**Figure 7: Sectorial Contribution to Projected Investment, 2021 – 2022**

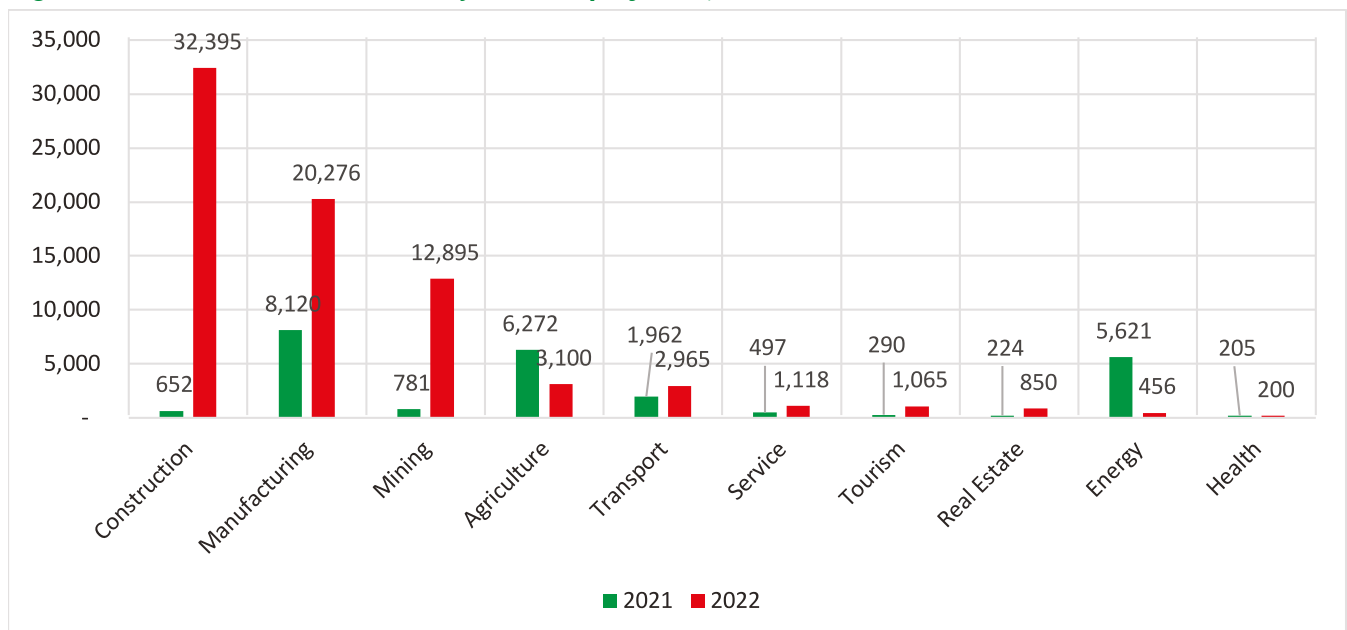


(Source: ZDA)

### Projected Employment

A total of 75,320 jobs were recorded in 2022 in both new and renewal projects compared to 24,585 jobs in 2021, representing an increase of 206.37 percent. In particular, the Construction sector recorded the highest employment of 32,395 jobs, representing 43 percent, this was due to one company that projected to create 31,795 jobs. This was followed by the Manufacturing sector which remained resilient with 20,276 jobs recorded, representing 27 percent. The Energy sector recorded 12,895 jobs, representing 17 percent of total projected employment. Other sectors projected to create a combined total of 9,754 jobs, representing 12 percent as shown in Figure 8 below.

**Figure 8: Sector Contribution to Projected Employment, 2021 - 2022**



(Source: ZDA)

In 2022, the Agency recorded one notable high value investment in the Construction sector worth USD 4.0 billion. On the other hand, the Manufacturing sector recorded 6 out of the top 10 projects registered. From the analysis of the analysis, it is worth noting that the Agency was targeted in its investment promotion, ensuring that investments were attracted in priority sectors as espoused in the Eighth National Development Plan (8NDP) (see Table 3 below).

Table 3: Top 10 High Value Registered Investment Projects by Sector, 2022

No.	Sector	Country of Origin	Projected Investment (in USD' million)
1	Construction	South Africa	4,000.00
2	Manufacturing	United States of America	342.26
3	Energy	Zambia	341.52
4	Mining	British Virgin Island	310.11
5	Manufacturing	Australia	250.00
6	Manufacturing	Singapore	157.70
7	Manufacturing	United Kingdom	110.00
8	Manufacturing	South Africa	100.00
9	Manufacturing	Democratic Republic of Congo	100.00
10	Agriculture	Zambia	100.00

Source: ZDA



ZDA Signs an IPPA with United Capital Fertilizer for a D Compound fertilizer manufacturing plant worth US\$ 135 million



ZDA and Chenguang Biotech (Z) Limited team touring a Marigold field in Chibombo before signing an IPPA

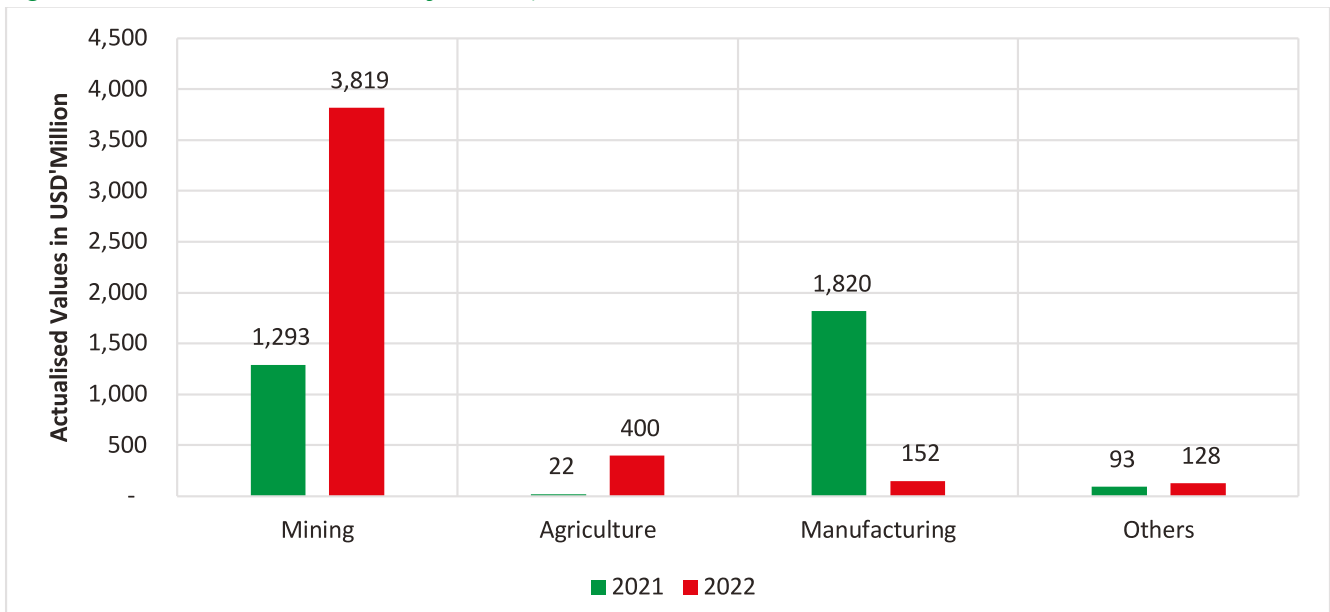
### Actualised Investment

A total of 167 enterprises were monitored in 2022 compared to 204 in 2021, representing a decrease of 18.14 percent. The decline in the number of monitored enterprises is largely attributed to the low staffing levels and inadequate logistics.

Actualised investments<sup>2</sup> recorded from the 167 monitored enterprises increased by 39.56 percent to USD 4.51 billion in 2022 from USD 3.23 billion in 2021. The 4.51 billion was actualised from the pledged investments of 6.61 billion in 2022 compared to USD 3.23 billion actualised from the USD 16.69 billion pledged in 2021. Of the 167 monitored enterprises, significant actualised investment was recorded from one (1) enterprise in the Mining sector amounting to USD 3.82 billion, representing 84.88 percent of the total actualised investments.

In terms of sectorial contribution, the Mining sector had the highest actualised investment of 3.82 billion in 2022 compared to USD 2.63 billion in 2021. This was followed by the Agriculture sector that recorded USD 400 million in 2022 compared to USD 20 million in 2021 and the Manufacturing sector came third with USD 152 million in comparison to USD 1.33 billion. The rest of the sectors recorded USD 128 million and represented 3 percent as shown in Figure 9.

Figure 9: Actualised Investment by Sector, 2021 – 2022



(Source: ZDA)

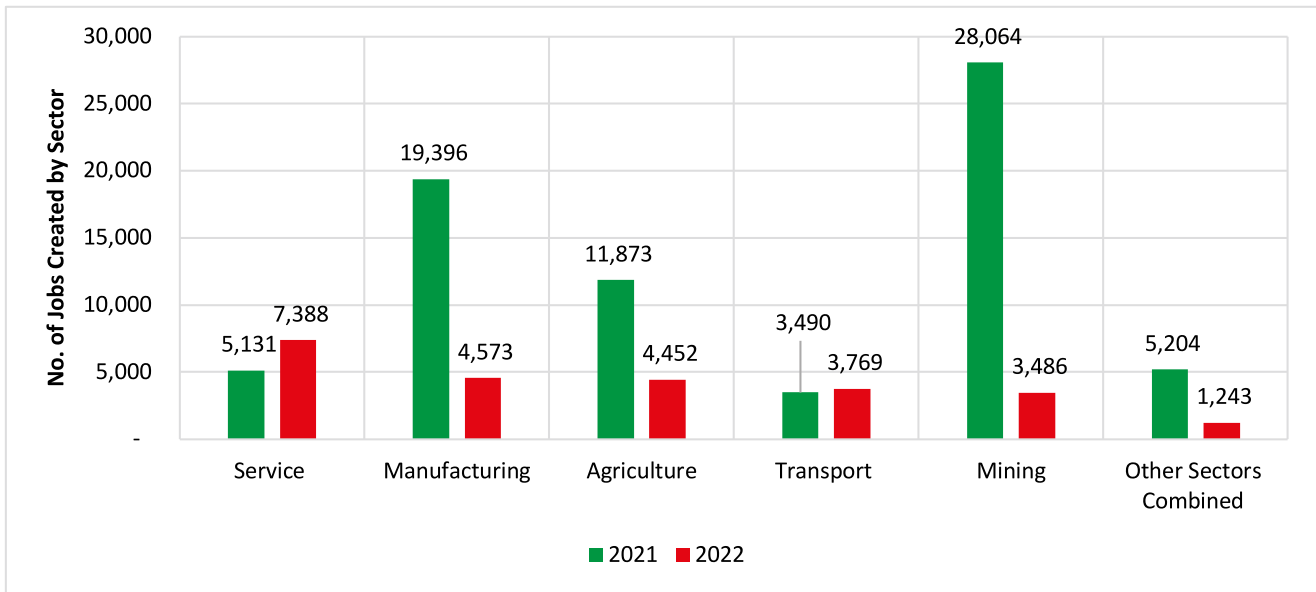
<sup>2</sup> Actualised investment and employment figures in this report represent the findings from monitored enterprises registered with ZDA.

## Actualized Employment

The monitored enterprises recorded actualised employment<sup>3</sup> of 24,911 compared to 66,457 jobs that were actualised in 2021, representing a decrease of 63 percent.

The Service sector created the highest number of jobs with 7,388, representing 30 percent. The Manufacturing and Agriculture sectors were second and third with 4,573 and 4,452 jobs recorded representing 18.1 percent and 17.9 percent, respectively. The Transport sector was fourth with 3,769 jobs, representing 15 percent, followed by the Mining sector with 3,486 jobs representing 14 percent. The rest of the sectors combined actualised 1,243 jobs representing 5 percent as depicted in Figure 10 below.

**Figure 10: Actualised Employment by Sector, 2021 – 2022**



(Source: ZDA)

## 5.1. Other economic development benefits / impact from the Monitored Enterprises

The one hundred and sixty-seven (167) enterprises monitored by the Agency made contributions to national development. These included contributions towards social security, local business development (LBD), treasury through taxes and other statutory obligations as well as Corporate Social Responsibility (CSR). The economic benefits contributed included; USD 3.91 million in pensions; USD 19.36 million in taxes and USD 1.36 million in Exports.

### Performance of Multi-Facility Economic Zones and Industrial Parks

To foster industrialisation and economic development, the Agency continued to promote the development and commercialization of Multi-Facility Economic Zones (MFEZs) and Industrial Parks (IPs). In 2022, one additional MFEZ was operationalized, bringing the total number of operational MFEZs to five (5), while two (2) IPs remained functional.

Table 4 highlights the progress made in the five (5) MFEZs and two (2) IPs. Total actualised investments from both developers and operators amounted to USD 510.7 million in 2022 as compared by both developers and operators while created employment in all MFEZs and IPs in 2022 stood at 19,481 by both developers and operators.

<sup>3</sup> NAPSA verified data



Table 4: Operational Status of MFEZs/IPs 2022

Name	Pledged Inv. at Inception by Developer (s) (USD, million)	Pledged Emp. at Inception by Developer (s)	Number of Operational Companies	Jobs Created by companies operating in MFEZ / IP	Actualized Investment by Investors operating in MFEZ / IP (USD, million)	Invested amount by Developer (s) (USD, million)
			2022	2022	2022	2022
Chambishi MFEZ	800	12,897	26	6,833	4	169
Lusaka East MFEZ	500	10,432	13	529	1.5	25.2
Lusaka South MFEZ	100	2,249	21	10,972	70	40
Sub-Sahara Industrial Park	N/A	191	2	125	-	11
Roma Park	100	25	21	1,030	-	20
Jiangxi	Not stated	455	2	-	-	60
Kalumbila MFEZ	N/A	N/A	3	-	-	110

Source: ZDA



Zambia China Economic &amp; Trade Cooperation Zone (ZCCZ) - Chambishi Multi-Facility Zone

## 5.2. Key Investment Promotion and Facilitation Interventions

The Agency implemented and facilitated a number of interventions that included targeted investment promotion and business facilitation aimed at attracting investment and re-investment in Zambia across sectors. During the period under review, the following were the key interventions implemented as displayed in Table 5.

Table 5: Summary of Investment Promotion Interventions, 2022

S/N	Interventions	Outputs
<b>Key Local Investment Promotion</b>		
1	Project Profiling	48 profiled projects published on the Global Impact Investing Network Website and UNIDO's Investing ACP Portal.
2	Lusaka Expo	10 Companies exhibited under the theme: "The Impact of Small Businesses on Zambia's economic development".
3	Expert Sharing Session	15 participants from various Government institutions and private sector participated and shared best practices on investment promotion
<b>Key Inward Mission</b>		
1	China-Zambia Economic Forum	1,100 delegates were in attendance which included Diplomats, Government Officials as well as the Private Sector
2	13th African Union Annual Private Sector Forum (AUPSF)	400 participants which included Diplomats, Government Officials as well as the Private Sector were in attendance
3	Zambia- Israel Economic Forum-	40 participants attracted from various sectors.
4	Business Mission by World Sustainability Organization	11 Private Sector companies participated with the aim of exploring areas of partnership with public and private sector.
5	EU – Zambia Business Forum	1,100 delegates were in attendance
6	Egypt – Zambia Business Forum	Egyptian companies in the ICT, Agriculture, Manufacturing and Trade sectors participated at the Egyptian Round-table and Innovation Africa Summit
<b>Key Outward Missions</b>		
1	Botswana Global Expo	5 companies in various sectors participated. potential investment pledges of US\$19,950,000
2	US Africa Leadership Summit	5 Zambian Private sector Companies participated
3	Supreme Council for Arab-African Economy (SCAAE)	US 20 billion aimed at catalysing government's development efforts.
4	Summit for Organization of African, Caribbean and Pacific States	84 Zambian Companies showed interest to participate 5 Zambian Companies participated
5	Japan AFHWIN Healthcare Business Webinar	15 Zambian companies introduced to Japanese companies that expressed interest to invest in the health sector by way of getting into partnerships
6	Commonwealth Business Forum	12 Zambian private companies representing Energy, Fintech, Waste Management, Technology and Real Estate Sectors participated
<b>Facilitation of Fiscal Incentives</b>		
1	Recommendation for incentives	36 companies recommended for fiscal incentives
2	Rebates	106 rebates facilitated for 23 companies with ZRA for excise duty purposes
3	IPPAs	3 IPPAs facilitated for with a combined projected investment of USD1.69 billion and 30,600 jobs
<b>Aftercare Services</b>		
1	Industrial Visitations	77 companies were visited across the country
<b>MFEZ and Industrial Park Development</b>		

S/N	Interventions	Outputs
1	MFEZ / IP Approved	1 MFEZ was declared, bringing the number of operational MFEZs to 5, while 7 remain in the pipeline; 2 IPs in operation while 2 are in pipeline

Source ZDA



His Excellency Mr Hakainde Hichilema, with Hon. Chipoka Mulenga, MP, Minister of Commerce, Trade and Industry during Tour of exhibitions at China-Zambia Trade and Investment Conference



Ambassador Jacek Jankowski, head of the EU Delegation to Zambia delivering remarks at the launch of the EU-Zambia Economic Forum



His Excellency President of the Republic of Zambia, Mr. Hakainde Hichilema and his counterpart, President of the Republic of Namibia Hage Geingob at the ZDA stand during Swaitex



Acting Director General, Mr. Albert Halwampa delivering remarks during Israel-Zambia Investment Economic Forum

## 6.0 EXPORT FACILITATION AND MARKET DEVELOPMENT

During the period under review, the Agency linked 311 exporters from various sectors to export markets against a target of 480, representing an achievement of 64.79 percent. The Agency enhanced collaboration with various stakeholders in implementing planned strategic activities, including the: trade mission to Democratic Republic of Congo (DRC); Mozambique International Trade Fair (FACIM); 17th CII EXIM Bank Conclave on India; Africa Growth Partnership; Afriexporter Conference and Exhibition; Global Expo Botswana; Swakopmund International Trade Expo (SWAiTEX) in Namibia; Macfrut Fair in Italy; Benguela Agriculture Show; and the OACP in Angola.

The key outputs from the above export interventions were the USD 64.21 million export leads recorded, and USD 37.46 million confirmed orders from mainly the Agro-processing sub-sector, chemicals and manufacturing sectors.

Further, the Agency facilitated for trade finance totalling USD 500,000 to seven (7) exporters from the Agro-processing and Manufacturing sectors, through the Zambia Export Development Fund (ZEDF).



From left to right: Mr. Albert Halwampa – Acting Director General ZDA, Mr. Patrick Mulad Kabey – FEC President, Ms. Celine Kanyeba, Provincial Minister of Economy and Trade Haut Katanga Province, Nalituba Mwale, Director Human Resources and Administration MCTI, Mr. Kennedy Mumba – Director BDG Min. of SMED & His Excellency Jan Koivu – Dep. Ambassador Embassy of Finland in Zambia during the official opening of the DRC Trade Mission in Lubumbashi.



Ms. Celine Kanyeba, Provincial Minister of Economy and Trade Haut Katanga Province, leads the Zambian team during the tour of exhibitions at the DRC Trade Mission.



Visitors at the Zambian Stand during the Organisation of African, Caribbean and Pacific States (OACPS) Business Forum in Luanda, Angola



Representatives from ZDA, Embassy of Finland, AGS and ABSA at the launch of the DRC Trade Mission in Lusaka



Part of the group of company representatives pose for a photo before starting off for enroot to DRC for the trade mission

## 6.1. Overall Performance of Traditional and Non-Traditional Exports

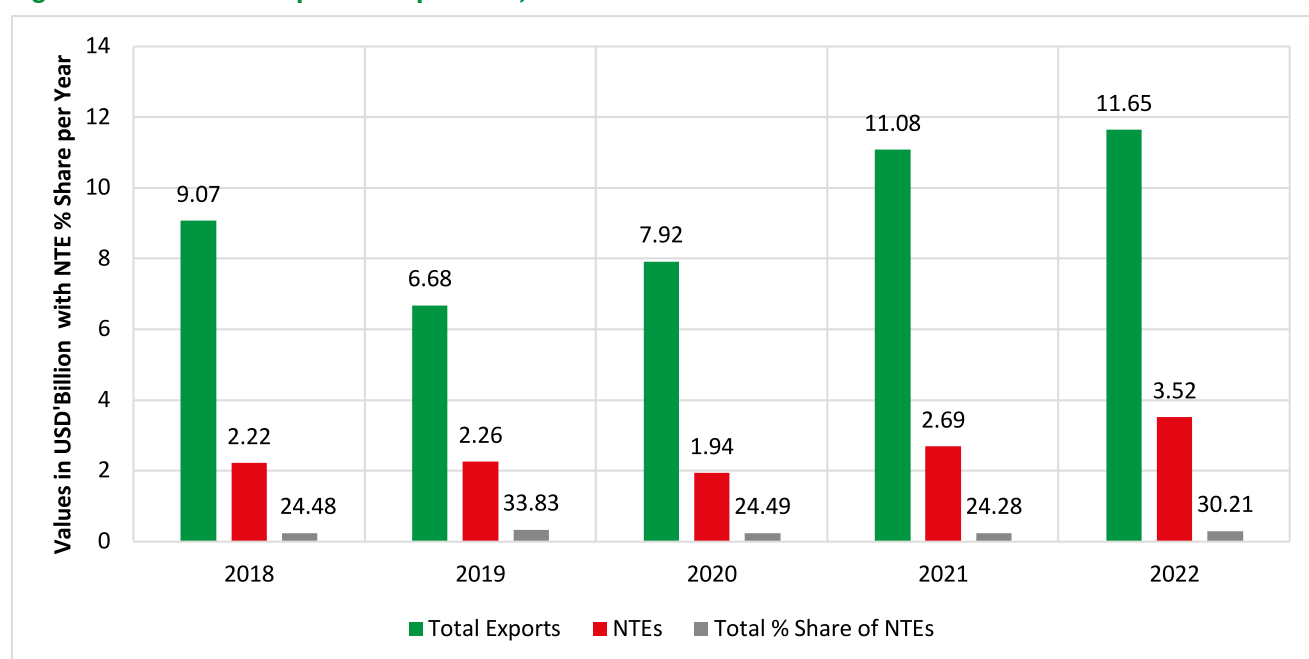
Zambia's total export earnings in 2022 were valued at USD 11.65 billion compared to USD 11.08 billion that was recorded in 2021, representing an increase of 5.07 percent. The value of Non-Traditional Exports (NTEs) increased to USD 3.52 billion in 2022 from USD 2.69 billion in 2021 representing an increase of 30.92 percent. The share of NTEs to total export increased to 30 percent in 2022 from 24 percent in 2021. The increase in NTEs was attributed to the increased trade with the COMESA/SADC trading bloc.

Table 6: Analysis of Exports, 2018 - 2022

	2018	2019	2020	2021	2022
Total Exports (USD, million)	9,067.60	8,944.14	7,816.57	11,084.86	11,646.68
Total Exports Growth (Percent)	10.01	(1.38)	(14.43)	29.48	5.07
Total TEs (USD, million)	6,850.40	6,680.01	5,889.03	8,397.88	8,128.78
Total TEs Growth (Percent)	9	(2.55)	(13.43)	29.87	(3.31)
Total NTEs (USD, million)	2,217.20	2,264.13	1,927.54	2,686.99	3,517.90
NTE Growth (Percent)	11.82	2.07	(17.46)	28.26	30.92
NTEs as Percent of Total Exports	24.45	25.31	24.66	24.24	30.21

Source: ZSA, ZDA calculations

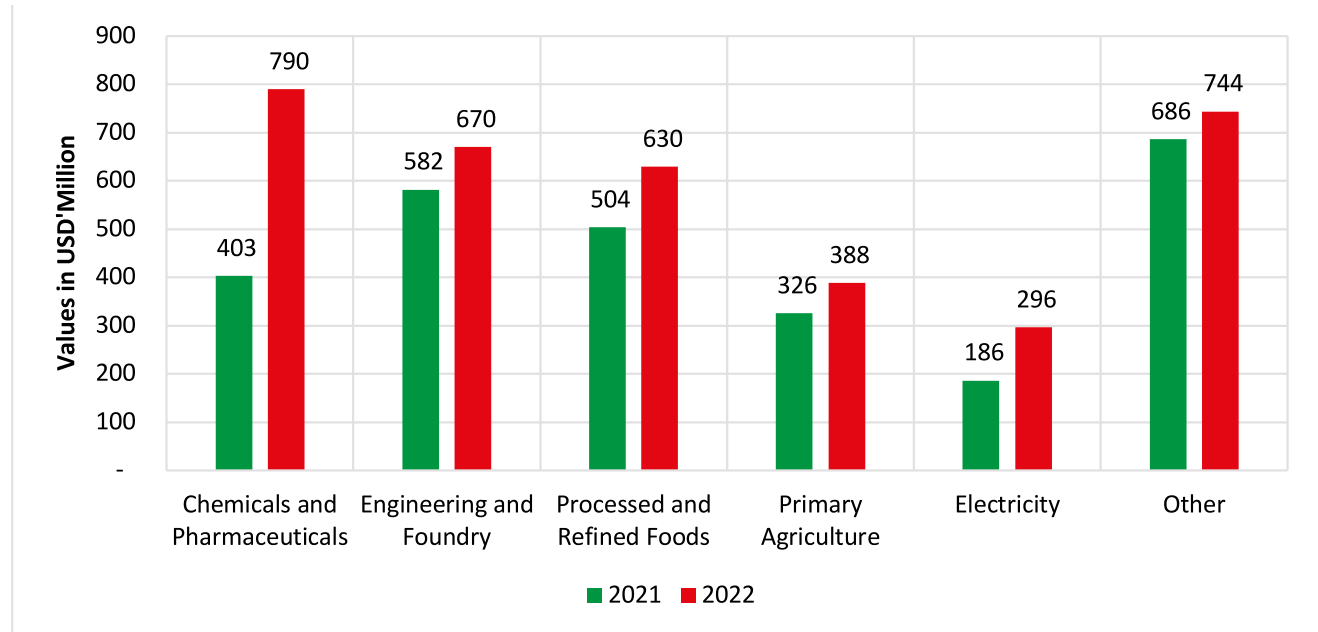
Figure 11: Zambia's Export Composition, 2018 - 2022



(Source: ZSA, ZDA calculations)

### Sectorial Contribution of NTEs

In 2022, the Chemicals and Pharmaceuticals sector accounted for the largest share of NTEs at USD 790 million, representing 22.46 percent of the total NTEs in comparison to USD 403 million in 2021 which represented 14.99 percent of the total NTEs. The second largest contribution came from Engineering and Foundry at USD 670 million, representing 19.04 percent, while Processed and Refined Foods recorded USD 630 million representing 17.91 percent. Primary Agriculture recorded USD 388 million and Electricity USD 186 million representing 11.03 and 5.29 percent respectively. The other sectors contributed a combined total of USD 744 million, representing 22 percent (See Figure 12).

**Figure 12: Sectorial Contribution to NTEs, 2021 - 2022**

(Source: ZSA, ZDA calculations)

Table 7 below highlights the top 10 NTE products in 2022 in comparison to the top 10 NTE products in 2021.

**Table 7: Top Ten NTE Products, 2021 -2022**

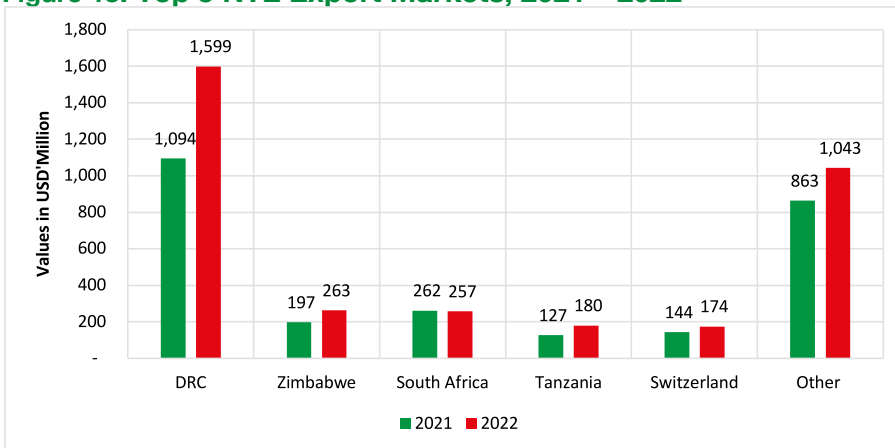
N/S	2022			2021		
	Product	Value in USD' Million	Percentage contribution to NTEs (%)	Product	Value in USD' Million	Percentage contribution to NTEs (%)
1	Other non-alcoholic beverages, NES	123.86	3.52	Sulphur of all kinds	308.58	11.48
2	Ferro-silico-manganese	122.91	3.49	Electrical energy	296.37	11.03
3	Portland cement	117.65	4.84	Ferro-silico-manganese	170.22	6.33
4	Electrical energy	113.73	3.84	Sulphuric acid	134.95	5.02
5	Sulphur of all kinds	108.78	3.38	Nickel ores and concentrates	118.84	4.42
6	Rubies, sapphires and emeralds	96.57	3.23	Other non-alcoholic beverages, NES	113.58	4.23
7	Oil-cake and other solid residues, of soya-bean	85.52	3.06	Portland cement	107.69	4.01
8	Nickel ores and concentrates	82.23	2.91	Tobacco	102.35	3.81
9	Tobacco	77.14	2.41	Oil-cake and other solid residues, of soya-bean	84.60	3.15
10	Wire of refined copper	74.96	2.13	Cobalt oxides and hydroxides;	80.59	2.99

Source: ZSA, ZDA calculations

### Top Five (5) NTE Markets

In terms of the major export markets for NTEs, the top five (5) markets recorded USD 2.48 billion representing 70 percent, while the rest of the markets accounted for USD 1.04 billion in 2022. The Democratic Republic of Congo (DRC) continued to be Zambia’s top destination with export earnings of USD 1.59 billion in 2022, representing 45.17 percent of total NTEs. There was a 45.87 percent increase in NTEs to the DRC in 2022 as compared to the previous year which recorded USD 1.09 billion. The second and third largest markets for Zambia’s NTEs were Zimbabwe and South Africa valued at USD 263 million and USD 257 million, representing 7.48 and 7.31 percent respectively. The fourth and fifth largest markets were represented by Tanzania and Switzerland which recorded USD 180 million and USD 174 million, representing 5.12 and 4.95 percent respectively, as depicted in Figure 13.

**Figure 13: Top 5 NTE Export Markets, 2021 – 2022**



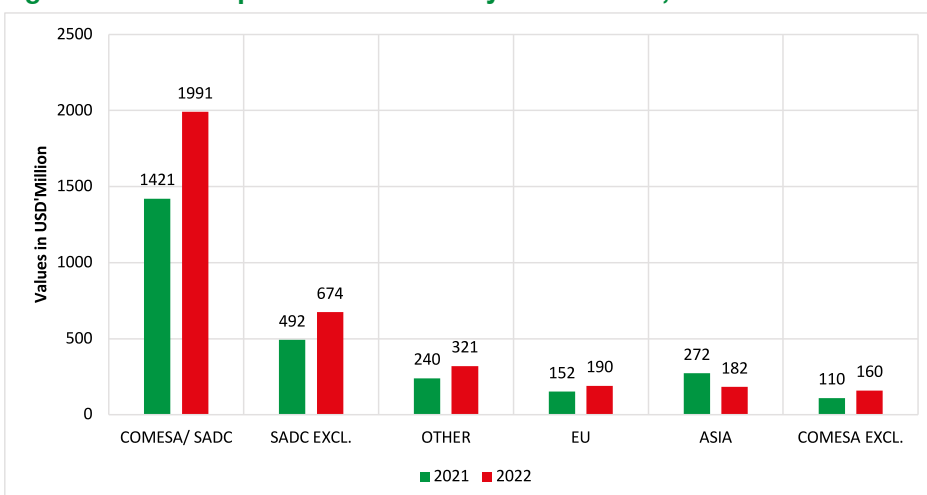
(Source: ZSA, ZDA calculations)

### Performance by Market Blocs

In 2022, Zambia’s major export destinations by market bloc was dominated by trading partners within COMESA/SADC with exports amounting to USD 1.99 billion, representing 56.53 percent of total NTEs. This is in comparison to USD 1.41 billion recorded in 2021, representing an increase of 41.13 percent. Exclusively, countries from SADC recorded USD 674 million representing 19.15 percent, while other countries accounted for USD 321 million, representing 9.98 percent of the total market share. Amongst the selected trading blocs, exclusively COMESA countries accounted for the least share of exports amounting to USD 160 million representing 4.55 percent of the total market share.

The analysis above shows that SADC and COMESA continue to be Zambia’s biggest trading partners and Zambia’s membership to these bodies remains viable for Zambia’s trade in terms of market access. The percentage distribution of Zambia’s total exports by market bloc is depicted in Figure 14 below.

**Figure 14: Total Export Performance by Market Bloc, 2021 -2022**



(Source: ZSA, ZDA calculations)



## 6.2. Key Interventions aimed at Export Promotion and Market Development

Table 8 below highlights key export promotion and market development interventions implemented and facilitated during the year under review.

Table 8: Summary of Export Promotion and Market Development Interventions, 2022

S/N	Interventions	Outputs
<b>Trade Promotion</b>		
1	Summit of the Organisation of the African, Caribbean and Pacific States (OACPS) Heads of State and Government	3 Companies exhibited at the OACP Heads of State Summit exhibition and generated USD 686,419.44 worth of leads and USD 20,340,000 export deals (US\$21,026,419.44 in total).
2	Benguela Agricultural and Livestock show	6 Exporters linked to Angolan Market through the Benguela Agriculture Show and generated USD 41.5 million trade leads.
3	8th Africa Sourcing and Fashion week	10 linked to Ethiopian Market through African Week and generated USD 280,240 worth of export leads
4	Botswana Global Expo 2022	9 Exporters linked to the Botswana Market through the global Expo and generated USD 5, 880,000 out of which spot sales of \$200 were made
5	SWAITEX – Namibia	10 Companies linked to the Namibian Market through SWAITEX and generated USD 2million worth of leads
6	MacFrut Expo	2 Zambian companies exhibited at the MacFrut- Italy Exhibition and 5 business leads recorded for exports of avocado fruit and avocado oil to Italy, Romania, Saudi Arabia, Russia and United Arab Emirates. 1 Deal signed for exports of avocado oil to Italy USD 2.8 million worth
7	DRC Trade Mission	50 Zambian companies exhibited and products sold included chickens, day old chicks, rice, beans, ginger, sugar, agro-chemicals, industrial chemicals, and maize and mealie meal. USD 13.68m worth of Leads and USD 10.82 worth of confirmed orders generated
8	Mozambique International Trade Fair (FACIM)	11 Zambian companies participated and products sold included, Tiles, Sanitary Ware and Fertilizer (Fertilizers products, Urea and D-Compound). USD 2m worth of Leads and USD 1.5m worth of confirmed orders generated
9	Zambia China Economic Forum	The Agency coordinated participation for Business to Business Meetings with private sector
10	Private sector's participation CII Exim Bank conclave in India	9 Zambian companies participated with 3 attending virtually
<b>Export Capacity Building</b>		
1	Export Readiness Training	165 MSMES were trained in export readiness and access to finance
2	Mentorship of exporters	11 exporters were mentored in developing export plans
<b>Exporter Monitoring</b>		
2	Exporter Audit Survey	50 companies were audited in the Copperbelt, Eastern and Lusaka Provinces
<b>Access to Finance</b>		
1	Export finance	7 companies were provided with export finance by ZEDF totalling USD 500,000
2	Facilitation of financial linkages	88 exporters facilitated with financial linkages

Source ZDA

## 7.0 RESEARCH, POLICY ADVOCACY AND STAKEHOLDER ENGAGEMENT

The Agency undertakes research, policy advocacy, and stakeholder engagement aimed at identifying business constraints and advising Government through the Minister of Commerce Trade and Industry on policy formulation to improve the business environment. The Agency also undertakes monitoring and evaluation aimed at assessing its level of program implementation; as well as ascertain the levels of project implementation with regards to actualised investments, jobs created, and contribution to other economic benefits.

### 7.1. Research

The following are the research projects the Agency undertook during the period under review:

#### Foreign Private Investment and Investor Perceptions Survey (FPI&IPS)

This Survey was conducted by the Balance of Payments Statistical Committee (BOPSC) of the Republic of Zambia which includes ZDA, BOZ, and ZSA. The objectives of the survey were to measure foreign private investment statistics during the period and collect information on investor perceptions from Foreign Direct Investors, which would enable the Agency to make informed policy recommendations to Government.

The findings revealed that there was an increase in FPI from (21.2) in 2021 to 62.1 in 2022 and an overall improvement in investor satisfaction, particularly in the Manufacturing and Service sectors, from -21.6 percent in 2021 to 40.5 percent in 2022, representing an improvement by 62.1 percentage points.

#### Client Satisfaction Survey (CSS)

The main objective of this annual survey is to measure the levels of satisfaction with the services provided by ZDA to clients and other stakeholders. The findings revealed that the execution of core functional activities was rated fairly but a large proportion of respondents were not aware of many of the services offered by ZDA. The respondents recommended that the Agency enhances its decentralization of services and sensitization of the services that it provides.



*ZDA team led by Acting Director General appreciating the technology at Lusaka Telecoms Solutions during an industrial visit to understand the challenges and opportunities for the company.*

#### Feasibility Study of Establishing a Motor Vehicle Assembly / Spares Manufacturing Plant in Zambia

The main objectives of the study were: to provide preliminary information that may be used by investors for investment decisions; provide a background of vehicle manufacturing in Zambia; and highlight opportunities for investment to motivate an in-depth feasibility study by experts. The study found that the market share for Toyota Zambia Limited had declined, therefore preliminary evidence showed prevailing conditions were not conducive for establishing a motor vehicle assembly / spare manufacturing plant. However, it was recommended that the preliminary finding be validated by a more comprehensive feasibility study.

## 7.2. Policy Advocacy

One of the key mandates of the Agency is to conduct policy advocacy aimed at improving the business environment. During the period under review, the Agency facilitated and participated in a number of consultative meetings and developed papers addressed to different stakeholders, as summarized in Table 9 below.

**Table 9: Summary of Key Papers and Outcomes, 2022**

S/N	Title of Paper	Thematic Area/ Issues Addressed/ Raised	Addressed to:	Outcomes/ Results
1	Parliamentary Memorandum to the Committee on Energy, Water Development and Tourism on Tourism Sector Development	On the Effectiveness of Tourism Development Strategies	National Assembly	The Committee was informed on the status of Tourism sector development
2	Parliamentary Memorandum to the Committee on Transport, Works and Supply on the operations of Zambia Airways	Operations, Opportunities, and Challenges Faced by Zambia Airways	National Assembly	The Committee was informed on operations of Zambia Airways
3	2023-2025 MTEF Policy Reforms	To provide input through a non-tax policy review with the MOFNP as well as tax proposals for consideration	MOFNP	The following measures that were proposed by the Agency were approved and announced in the 2023 Budget Speech: <ul style="list-style-type: none"> <li>- Increase the exemption threshold for Pay As You Earn (PAYE) to K4,800 per month from K4,500</li> <li>- Reduce the Corporate Income Tax rate to 25 percent from 30 percent on income earned from value addition to gemstones</li> <li>- Suspend Customs Duty for the tourism and aquaculture sectors on selected capital equipment, machinery, fittings and fixtures which are not produced locally</li> <li>- Reduce excise duty to 60 percent from 125 percent on methylated spirit</li> <li>- Exempt interest income earned on green bonds listed on a securities exchange in Zambia with maturity of at least 3 years from Withholding Tax</li> <li>- Introduce income tax concessions on income generated from local sales of corn starch by agro-processing businesses operating in an MFEZ, IP or rural area</li> </ul>

S/N	Title of Paper	Thematic Area/ Issues Addressed/ Raised	Addressed to:	Outcomes/ Results
4	National Youth Policy	Input into the formulation of the National Youth Policy	Cabinet office/MYSA	Measures to enhance youth investments, exports and business development were included in the draft policy
5	Parliamentary Memorandum on the contribution of MSMEs in Zambia	Response to queries by the auditor general on the performance of MSMEs in Zambia	National Assembly	The Committee was given information on the reasons attributed to the poor performance of MSMEs in Zambia
6	Parliamentary Memorandum on the ITED and ZDA Bills	Comments on the Bills	National Assembly	The committee was informed of the relevance of the 2 Bills in positioning the Agency to effectively and efficiently contribute to the economic transformation agenda of the country

Source: ZDA

### 7.3. Stakeholder Collaboration

The Agency worked closely with stakeholders in line with its strategic objective of enhancing stakeholder engagement. The stakeholders included both public and private institutions, international organizations, academia, think-tanks, and the media, among others.

Key among them included:

- **The National Assembly**
- **Cabinet Office**
- **Government ministries and agencies:** Ministry of Commerce, Trade and Industry, Ministry of Education, Ministry of Finance and National Development Planning (MoFNP), Ministry of Science and Technology (MST), Ministry of Foreign Affairs (MoFA), Ministry of Land and Natural Resources (MLNR), Ministry of Home Affairs (MoHA), Ministry of Labour, Ministry of Transport (MoT), Ministry of Justice (MoJ), Ministry of Youth, Sport and Arts (MYSA), Ministry of Agriculture (MoA)
- **Foreign Missions Accredited to Zambia**
- BOZ, ZSA, ZEMA, ZRA, ZABS, Immigration, NAPSA, PACRA, ZPPA, ZTA, ZIPAR
- **Academia:** UNZA, CBU, UNILUS
- **Development Partners:** World Bank, UNIDO, EU, COMESA, SADC, UNCTAD, UNDP, USAID, ITC, IFPAB, AGS, ActionAid, Technoserve, and TFO among others.
- **Civil Society Organisations:**
- **Business Associations:** ZACCI, ZAM, ZEGA, ZNFU, and Federation of Small- Scale Miners; ZAFWIB, Association of Small-Scale Women in Mining
- **Media:** ZNBC, Zambia Daily Mail, Times of Zambia, Hot FM, Radio Phoenix

During the period under review, six (6) MOUs were executed to enhance: collaboration, coordination, promotion, information sharing, investment, enterprise development and facilitation of trade (see Table 10).

Table 10: Memoranda of Understanding (MOUs) Executed

S/N	Name	Overall Purpose
1	ZDA and Agency for Private Investment and Promotion of Export (AIPEX) of Angola	To provide a framework for coordination in implementing the Parties' shared functions and responsibilities in a systematic manner
2	ZDA and JIT Inspections Limited	To create a framework for collaboration between the Parties in facilitating the provision of various growth-enabling Business Development Support Services (BDS) to MSMEs to enhance their business performance and improve competitiveness
3	ZEDF and ZDA and World Sustainability Organization	To provide a framework for the Parties for the establishment of an African Sustainability Hub in Zambia. The Project aims to develop sustainable practices among Small and Medium Enterprises (SMEs) and promote products of sustainable SMEs towards foreign markets
4	ZDA and Zambia Tourism Agency, Livingstone City Council, PACRA, ZRA, Department of Tourism and BRRRA	To determine the manner in which the Parties will interoperate in respect of piloting of the single licensing system for the tourism sector in Livingstone.
5	ZDA and Kenya Investment Authority	To create a framework for coordination in implementing the Parties' shared functions and responsibilities in a systematic manner
6	ZDA and Rwanda Development Board	To establish a practical framework for the Parties to collaborate with each other in implementing an efficient and effective program geared towards the promotion and facilitation of business enterprise in Rwanda and Zambia

Source: ZDA



Signing of an MoU between ZDA and JIT Inspections Limited for the provision of various growth-enabling Business Development Support Services (BDS) to MSMEs to enhance their business performance and improve competitiveness

## 8.0 COMMUNICATIONS AND PUBLIC RELATIONS

The Agency employed various communication and public relations tactics to disseminate essential information on investment, trade and entrepreneurship and build mutually beneficial relationships with the public.

Table 11 below highlights some of the key interventions employed to increase ZDA's visibility.

Table 11: Summary of Interventions aimed at Increasing Visibility

Intervention	Output	Comment
TV/Radio Programmes dubbed "Investment Trends"	30 TV and 4 radio programs produced and aired	Programmes televised on the Zambia National Broadcasting Corporation (ZNBC) TV1 Platform with an estimated viewership of <b>5,261,507</b>
News Column	10 Published	The News Column published in the Zambia Daily Mail Newspaper with an estimated readership of over 128,000 per publication
Press Releases	23 press releases on trade, investment, and enterprise development	Event marketing and publicity
Promotional Materials	Produced promotional material including booklets and other marketing material	Promoted investment and trade opportunities and enhanced visibility.
Media Briefings and Media Coverage	Media briefings on the Agency's quarterly and annual performance and events, and media coverage of other activities and events	Publicity and organizational performance update
Trade Fair, shows and exhibitions	The Agency participated in the following events: EU - Zambia Economic Forum; China - Zambia Trade and Investment Forum; US - Zambia Summit; Zambia International Trade Fair; Agriculture and commercial show; Kalumbila Business Clinic and Exhibitions Public Service Day Exhibitions and Western Province Expo.	Participation in local events where it directly interacted with its clients and stakeholders to market its services and get feedback
Facebook	4,052 followers	This brings the total followers as at December 31st, 2022 to <b>26,927</b>
LinkedIn	9,915 followers	Majority followers from United Kingdom, South Africa, Washington D.C., Australia and Zambia. Total followers as at December 31st 2022 was <b>40,164</b>
Twitter	1,615 followers	This culminated into a total of <b>5,249 followers</b> as at December 31st 2022.
YouTube	290 followers	Total followers stood at <b>683</b> , as at December 31st, 2022
Instagram	96 followers	Total followers stood at <b>286</b> , as at December 31st 2022
Corporate Social Responsibility	Goods worth K40, 000 donated to less privileged girls at Hillcrest Community School in Chongwe	Contributed to "End Period Poverty Campaign" in collaboration with Plan International and Sunda Industrial Zambia



Hon. Chipoka Mulenga, MP, Minister of Commerce, Trade and Industry flagging off the 2022 Zambia International Trade Fair (ZITF) in Ndola



His Excellency, Mr. Hakainde Hichilema, President of the Republic of Zambia with exhibitors at the MCTI pavilion at the 2022 ZITF



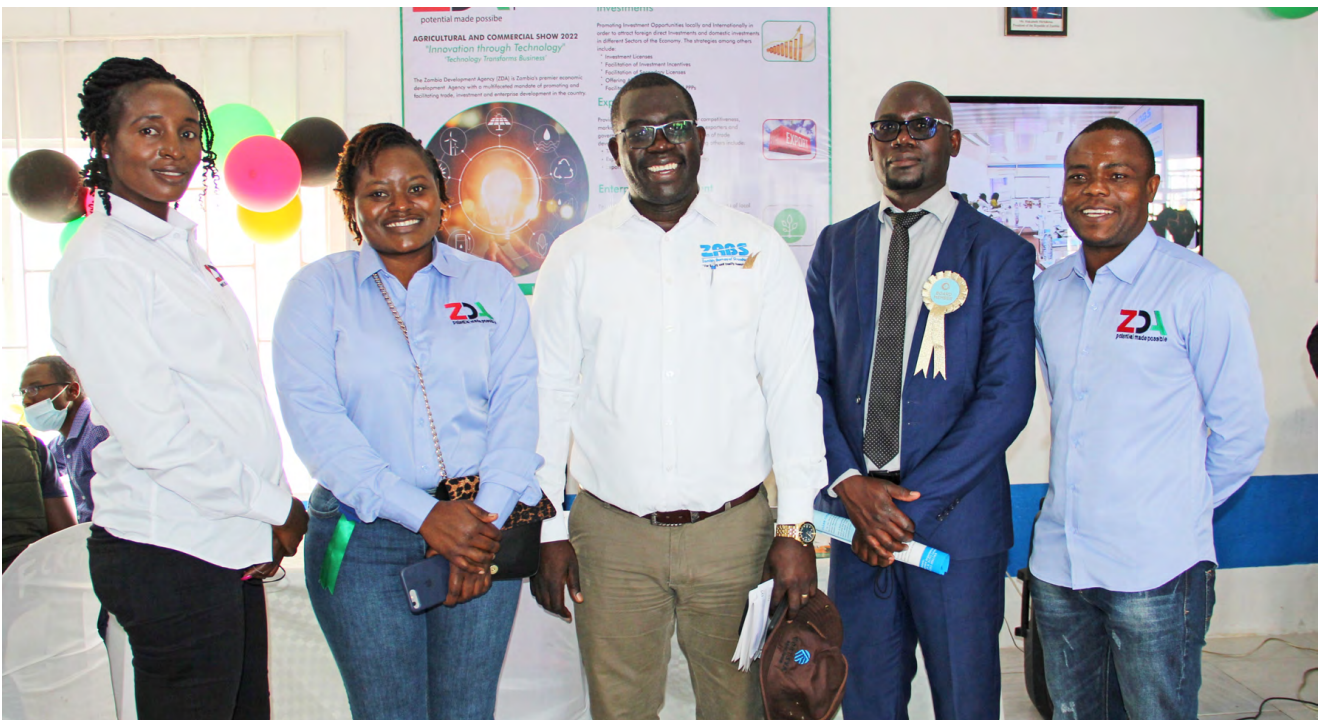
Acting Director General briefing the media on the performance of the agency in the third quarter of 2022



Media briefing for the launch of the Trade Mission to the Republic of Congo at Hotel Intercontinental by the Zambia Development Agency in partnership with AGS programme, Embassy of Finland in Zambia and ABSA Bank.



ZDA partners with Plan International Zambia and Sunda Industrial Zambia on a CSR initiative at a Community School in Chongwe District.



ZDA team with the Minister of Commerce, Trade and Industry (MCTI) in the MCTI pavilion at the Agriculture and Commercial Show.



## 9.0 SUCCESS STORIES - CASE FOR IMPACT INVESTMENT

Seven (7) companies supported by the Agency were sampled and featured as success stories based on the contribution to national development in terms of undertaking Local Business Development Programmes (LBDP), actualization of projected jobs and investments, contribution to treasury through taxes, pensions and exports, as well as contribution to environmental sustainability.

### **Supa Oil Zambia Limited**

Supa Oil (Zambia) Limited is a ZDA registered Project in the Manufacturing sector, agro-processing subsector. The British origin project has created 200 decent jobs and is in the business of producing edible oil from soya beans, palm oil and sunflower. Since its inception in 1998, the project has expanded its production capacity and achieved a 30 percent market share in the edible oil manufacturing industry in Zambia. Through the help of ZDA the company accessed fiscal incentives and benefited from Tax Relief for their project. The company have also ventured into packaging of rice, salt and sugar and their operations have outgrown the local market and are now exporting their products to Zambia's neighbours, namely; DRC.

### **Magileti Bakery Limited**

Magileti Bakery Limited is a ZDA registered medium enterprise in the manufacturing sector and is owned by a group of 4 people and managed by Mr. Alex Phiri. The enterprise is located in Chipata and has 30 permanent employees from the initial 8 which they started with. Magileti Bakery Limited is into confectionaries and through the help of ZDA, the enterprise accessed financial support worth US\$110,500 from Market Connect a project under Zambia Agribusiness and Trade Project (ZATP). Through the support accessed, the enterprise purchased baking equipment to expand their baking operations and they have since opened 2 more branches. The enterprise which started as a micro-enterprise has now grown to medium enterprise as the investments has grown to more than USD 300,000 and with over 30 employees. The enterprise is in the process of opening a new branch which is likely to create more than 20 jobs, mainly for the youths.

### **United Capital Fertilizer**

The United Capital Fertilizer (Z) Company Limited (UCF), a subsidiary of the Wonderful Group of Companies, registered with the ZDA in 2021 in the manufacturing sector. In the same year the company obtained its investment licence from the Agency, it held a ground breaking ceremony and started production in 2022. UCF is in the business of manufacturing fertilizer and is already supplying the local markets. The company actualized its initial pledged investment of USD 308 million, and further invested additional funds, bringing the total investment to over USD 400 million. ZDA signed an Investment Promotion and Protection Agreement (IPPA) with UCF in October 2022.

### **FQM Trident Limited**

FQM Trident Limited is a ZDA registered project, located in the North-Western Province of Zambia, in Kalumbila District, in the Mining sector. The project's principal business is mining of copper and nickel for local and export sales and has created employment of around 3,400.

The enterprise, in 2014, established a 'not for profit' organization to facilitate the implementation of Corporate Social Investment around the mine catchment area. The organization engages in the maintenance of local procurement programs, including prioritization of procurement of goods and services from local firms where commercially possible; engaging with local communities and governmental authorities to improve access to education and healthcare, including through: construction of educational facilities; scholarship programs; provision of educational materials; and supporting professional development of teachers; sponsoring healthcare development programs that target public health issues affecting the local community; engaging with government entities at various levels and advocating for solutions to local public health issues. Further, the enterprise is committed to developing a diversified economy, including through the development of Kalumbila MFEZ, attracting investments from diversified group of companies in range of industries. In addition to this is the commitment to supporting economic development of the urban and rural areas near its operations and to helping local businesses mitigate the current infrastructure challenges, lowering cost of operations.

### Quattro Company Limited

Quattro Company Limited is a ZDA registered enterprise headquartered in Copperbelt Province – Kitwe, with branches in North-Western Province of Zambia, and is under the Transport sector. The enterprise principal business activity is the transportation of personnel for the mines and heavy haulage and has created employment of around 38.

Quattro has also empowered various Employees to start their own businesses by offering, among others, loans and material support. The businesses include transport sub-contracting, farming, construction, spares wholesaling and quarrying and has through the help of ZDA accessed fiscal incentives and benefited from Tax Relief for their renewal projected. Further, the company actively supports one orphanage monthly, and a few other orphanages and welfares occasionally with both monetary and material support. In addition, the company has an active training and education program; a full-time driving school in 4 towns.

### Yash Life Sciences Limited

Yash Life Sciences Limited is a Zambian incorporated pharmaceuticals and registered with ZDA, the enterprise deals in nutritional supplements, laboratory supplies and surgical and allied products. The company is a local manufacturing company with a wide range of essential pharmaceutical drugs manufactured locally for the local market. Yash Life has created about 330 jobs from inception and is involved in local development programmes. They also run a Foundation and through this foundation Yash Life Sciences donated a 1x3 Classroom Block, 1x2 Science Lab and an Ablution Block at Lukamantano School in Chilanga District. Through the help of ZDA the enterprise accessed fiscal incentives and benefited from Tax Relief for their renewal projected. The enterprise is currently in the process of expanding their plant and have included building Housing Units for their employees.



*ZDA team and Yash Life Sciences during Aftercare visitation*

### Modern Millers Limited

Modern Millers Limited a ZDA registered enterprise is located in Kabwe, Central Province and is in the Manufacturing sector. The project is an establishment of a Soy bean milling and refinery plant and has since establishment created about 180 jobs. The plant produces edible soy beans cooking oil as the main product and other soya beans as by-products such as soy cakes, soy feeds meals, soy chunks and others. Through the help of ZDA, the enterprise accessed fiscal incentives and benefited from Tax Relief, which helped in their expansion project. Modern Millers, through their local development programme provides a ready market for the soy bean farmers through an out grower scheme and they also export their products to mostly the SADC Region and as such contribute towards increasing forex for the country.

## 10.0 TOWARDS SERVICE EXCELLENCE

In 2022, ZDA improved its business processes and procedures aimed at improving service delivery to facilitate trade and investment in key sectors of the economy, as outlined in the ZDA Strategic Plan.

The Agency continued to implement the following key initiatives during the period under review:

### a) Enhanced the implementation of Digital Technology Solutions.

The Agency in the period under review experienced a digital disruption caused by the COVID-19 Pandemic. This reduced human-to-human physical interaction. In response to this disruption, the Agency improved its digital uptake to respond to the demands of the clients and improve the efficiency of service delivery through digital solutions. The Agency began the development and implementation of e-platform services, like the digitalisation of internal processes to speed up registration and application for obtaining licenses certificates and permits.

### b) Creation of a Business Directory

The Agency, with technical and material support from United Nations Industrial Development Organization (UNIDO), created the Business Directory to enhance capacities on data collection, analysis and policy advocacy through regular updates of the FDI business directory. This was integrated to other survey operations for analysis and data visualization tools. The Directory was updated with data for a total of 488 companies.

## 11.0 OUR PEOPLE – OUR ASSETS

“We rise by lifting others.” – Robert Ingersoll

The Agency is committed to creating an all-inclusive workforce intent on making a difference. Diversity, equity and inclusiveness sits at the heart of the Agency’s 7 core values. Our fully integrated retention strategy includes our ambition to build a fair and more equitable workforce where everyone is encouraged to thrive.

As at 31st December, 2022, the Agency’s staffing levels stood at 60 employees against the approved staff establishment of 121 representing a 49.59 percent staff complement. The Agency had a staff turnover rate of 7 percent.

In order to resolve the low staffing levels and stabilize the Agency, avoid work disruptions and ensure business continuity, Management resolved to implement a staff optimum utilization exercise for selected positions. The Agency also commenced a recruitment exercise in which six (6) employees were engaged.

### 11.1. Capacity Building

The Agency facilitated training of 38 members of staff in various capacity building programmes as highlighted in the table below:

Table 12: Summary of Human Capital Training and Development

S/N	Type of Training	No. Trained	Objective(s)
1	Training of Trainers on Export Readiness	7	Training of Export Development and Enterprise Development employees on how to train and prepare clients for export of their products
2	Computer Networking	1	Capacity Building in response to training need
3	SHE-Trades Training of Trainers Workshop	5	Training on increasing participation of women led businesses in trade by improving their competitiveness
4	Data Management Training	7	Capacity building in data management and research
5	Records Management, Office Management and Etiquette	3	Capacity Building and Staff Development in office management skills

S/N	Type of Training	No. Trained	Objective(s)
6	Motorcycle Competency Training	1	Capacity Building in response to training need
7	Advanced Excel Training	18	Capacity Building and Staff Development
8	Third Country Training Programme on Enhancement of Productivity and Competitiveness (Kaizen Approach)	1	Training on how to use the Kaizen Approach to enhance productivity and competitiveness
9	Investment Analysis	2	Training on principles of investment analysis and application of the appropriate valuation methods
10	Investment Promotion and Facilitation	4	Training on the investment cycle, attracting and retaining FDI
11	ZICA Annual Conference	4	Continuous Professional Development
12	Institute of Auditors African Regional Conference	2	Continuous Professional Development
13	Zambia Institute of Procurement and Supply (ZIPS) Annual Conference	4	Continuous Professional Development
14	Secretaries Association of Zambia Annual Conference	2	Continuous Professional Development
15	Institute of Auditors Annual Conference	1	Continuous Professional Development

Source: ZDA

## 11.2. Health and Wellness Event

In promoting healthier lifestyles and encourage employees to be more active, in return reducing staff medical costs, the Agency held one (1) Health and Wellness event on 28th May, 2022 at the Heroes Stadium. The team took part in various races such as the 5km walk, relay and 100m race. The most notable race won by ZDA was First Prize in the Chief Executive Officer (CEO) – Very Important Person (VIP) Race.



ZDA staff participating at the health and wellness event on 28th May, 2022 at the Heroes Stadium

### 11.3. Annual Team Building

The Agency held one (1) fun-filled Team Building event on 23rd December, 2022 on the theme **“Enculturation – Recreating Our Work Culture”**. The event included a motivational talk, various team building games and sporting activities. A motivational speaker, Mr. Felix “Galamukani” Banda, was invited to give a talk in line with the theme, and he encouraged the ZDA team to utilize each person’s skills that would then be transferred to work projects.

### 11.4. National Events

The Table below highlights the key Human Resource activities in National programmes.

Table 13: Summary of National Events Undertaken by ZDA

S/N	Description of the National Event	Objective
1	2022 Women’s Day (“Gender Equality for a Sustainable Tomorrow”).	The Agency, in collaboration with Plan International Zambia and Sunda Industrial Company through their Corporate Social Responsibility Programmes participated in the <b>‘End Period Poverty Campaign’</b> . To encourage an all-inclusive gender equality environment for a sustainable tomorrow, donations of sanitary pads, disposal bins and hand washing basins were made to Hillcrest Community School in Chongwe District worth K50, 000 on 8th March, 2022.
2	Labour Day ('Accelerating Social - Economic Transformation Through Sustainable and Decent Job Creation Amidst Covid - 19').	With the objective to enhance staff motivation, innovation and morale, the Agency recognized and awarded five members of staff in different categories as follows; a) Most Knowledgeable Award; b) Most Transparent Award; c) Most Innovative Award; d) Most Self –Driven Award; and e) Team Player Award
3	African Public Service Day ("Enhancing the resilience of the African Administration to support and facilitate the realization of African nutritional needs during and post Covid-19 Pandemic').	The exhibitions were a build-up to the actual African Public Service Day, where ZDA joined other public institutions to showcase its services.
4	Sixteen Days of Gender Activism	In collaboration with other statutory bodies under MCTI, the Agency conducted a sensitization workshop on the various forms and effects of Gender Based Violence to the business community in Chilanga District with 32 participants.
5	Anti-Corruption Day (“Uniting the World Against Corruption”).	The Agency participated in the Anti-Corruption Day with the objective of raising awareness on the malpractice of corruption and its harmful effects on progress and development



ZDA staff commemorates the 2022 International Women's Day



ZDA staff participating at the 2022 Labour Day Celebrations

## 12.0 OUTLOOK FOR 2023

### 12.1. Global Outlook

According to the World Bank (World Bank, 2023) global growth in 2023 is forecast to decline to 1.7 percent from 3.0 percent previously projected. The slowed down in the 2023 global growth forecast is on account of expected high inflation, tightening financial conditions in most regions, continued Russian-Ukraine war and persistence Covid 19 pandemic.

### 12.2. Zambia's Economic Outlook

The Zambian economy is projected to grow at least 4 percent in 2023, it is expected that growth in 2023 will be spurred from the financial and insurance, information, communications and technology, wholesale and retail trade, mining and quarrying, agriculture, as well as education sectors. Inflation is projected to decline between to 6 and 8 percent. This projection is underpinned mainly by sustained implementation of fiscal consolidation and structural reform measures as well as the benefits associated with securing an IMF Extended Credit Facility. This will in turn foster a stable macroeconomic environment, essential for sustainable growth.

However, there is need to be vigilant as there still remain some risks following the increase in fuel pump prices and subsequent rise in transportation costs, annual overall inflation Picked up to 9.9 percent; the removal of the subsidies and the persistently elevated energy and food prices due to the prolonged Russia-Ukraine conflict. Others are higher domestic maize prices due to the short supply of this staple grain in some neighbouring countries; spill overs from intensified COVID-19 pandemic containment measures in other countries; weakening global growth amid higher inflation; and tight global financial conditions.

### 12.3. ZDA's Outlook

The ZDA 2023 work plan outlines the key interventions that the Agency plans to undertake in order to achieve the desired results that ultimately feed into the Eighth National Development Plan (8NDP) and the Vision 2030. The Agency has also revised the result monitoring and measurements (M&E) Framework with clear demonstration of how the Agency outputs and outcomes will contribute to the 8NDP. In order to demonstrate how the immediate results, contribute to the desired medium to long term objectives, an M & E framework is attached for ease of reference (Appendix 2).

#### Key Planned Interventions and Expected Results

##### *i. Investment Promotion and Facilitation*

The Agency will continue to promote and facilitate both local and foreign direct investment while enhancing partnerships and joint ventures for wealth and job creation.

Key interventions will include:

- Investment promotion and attraction that will result in increased investment registrations to 300 enterprises;
- Facilitation of private sector participation in local and international business fora, including the Zambia International Trade Fair (ZITF); Copperbelt Agriculture, Mining and Trade Expo (CAMINEX); Zambia-South Africa Business Forum; among others, that will steer investment interests in various sectors of the economy;
- Enhancing collaboration and undertaking outward and inward missions targeting 12 destinations;
- Collaboration with cooperating partners in profiling of 12 investment projects; and
- Monitoring the development of special economic zones (MFEZ/IP), while facilitating and promoting investment in the zones, including Farm Blocks.

##### *ii. Export Promotion and Development*

The Agency will continue to implement export promotion and development intervention to enhance the penetration of export products into regional and international markets.

Key interventions will include:

- Export readiness training targeting 240 exporters;
- Facilitation of private sector participation in business-to-business (B2B) fora at various international platforms and exhibitions such as the MacFrut, Zimbabwe International trade Fair and DRC trade missions, among others which are expected to result in 100 exporters accessing foreign markets;
- Provision of trade information to exporters through various platforms such as the ZDA website and sensitisation; and
- Facilitation of expansion of market access through participation in trade negotiations at bi-lateral, regional and multi-lateral levels.

### **iii. Policy Advocacy, Research, and Monitoring and Evaluation**

The Agency will continue to conduct research, to inform evidence based policy advocacy as well as monitoring and evaluation to monitor and evaluate registered businesses.

Key interventions will include:

- Undertaking of economic research, enhancing stakeholder engagement, policy analysis and advocacy and profiling trade and investment opportunities by packaging the information into product, sector and export profiles;
- Collaboration with research institutions in undertaking joint evidence-based research and policy advocacy;
- Enhancing monitoring and evaluation in order to determine levels of actualised investment, jobs, technology and skills transfer, local business development programmes and other economic benefits including; contribution to the treasury and social security targeting ZDA registered businesses comprising of large businesses, exporters and IPPA holders;
- Strengthened public-private dialogue in order to improve the business environment and by facilitating quarterly private sector liaison fora to discuss and address business constraints that may be identified in different sectors; and
- Strengthen its resource mobilization efforts through increased partnerships with cooperating partners and other stakeholders.

### **iv. Management and Support Services**

The Agency has seven (7) key management and support service functions related to Board Secretarial and Legal Services, Procurement, ICT, Human Resources, Communication and Public Relations, Systems Assurance, and Finance and Administration. The overall objective of these functions is to improve corporate governance, operational and business processes in order to enhance service delivery to clients and stakeholders.

The Agency will continue to:

- Provide secretarial services to the Board and its Committees in addition to providing legal services that will protect the Agency's interests and promote sound corporate governance;
- Ensure the implementation of competitive and fair procurement processes;
- Enhance internal support systems that are aimed at safeguarding assets, ensuring reliability of accounting data, accurate financial reporting and the promotion of operational efficiency;
- Ensure that staff have adequate tools and supplies.
- Enhancing staff welfare through team building, skills training, coaching and mentorship;
- Implementation of a Business Understanding Programme (BUP) to expose staff to updated information on the business environment, including changes in the macroeconomic, policy, legal, corporate and business environments, to mention a few;
- Enhance the Agency's visibility and corporate image through engagement with media houses, regular media briefings, publications such as newsletters, and production of promotional materials; and
- Utilization of all planned trade, investment and business development and promotion activities to enhance visibility and sensitization of the public on the Agency's mandate and service profile.



# APPENDIX 1: MONITORING AND EVALUATION RESULT FRAMEWORK

## Annex 1: ZDA's M&E Results Framework

ZAMBIA DEVELOPMENT AGENCY

M and E Logical Framework

	Results Chain	Indicators	Baseline (2018)	Target (2022)	Current Value (2022)**	Source and Means of Verification	Assumptions
Overall Objective: Impact	To facilitate trade and investment, and enterprise development for economic diversification, decent and sustainable job creation in Zambia.	Proportion of women and youth participating in business and market linkages (percent)	Women: 37	30	42.08	ZDA Annual Report	<ul style="list-style-type: none"> <li>i. <b>Optimal organisation structure.</b></li> <li>ii. <b>Adequate skilled and committed staff.</b></li> <li>iii. <b>Decentralisation of ZDA operations.</b></li> <li>iv. <b>Timely and adequate mobilisation of resources.</b></li> <li>v. <b>Timely and adequate funding from Treasury.</b></li> <li>vi. <b>Continued political stability.</b></li> <li>vii. <b>Continued support from Cooperating Partners and other key stakeholders.</b></li> <li>viii. <b>Enactment of ZDA Bill and ITED Bill into law</b></li> </ul>
		Foreign Direct Investment as percent of GDP	1.50	3.50	-3.7	BOZ Annual Report	
		Share of NTEs to Total Exports (percent)	24.45	30.00	30.21	ZSA Bulletin	
		Capital Invested/ actualized investment (ZMW, million)	3.26	-	-	ZDA Annual Report	
Outcomes (Specific Objectives)	Specific Objective 1 (SO1): To facilitate the growth and development of MSMEs to wealth and job creation	No. of actualized jobs	5,485	6,334	7,247	ZDA Annual Report	
		Value of actualized investment (USD, million)	40.4	1,500.0	4,505	FPI and IP Survey	
	Specific Objective 2: To promote and facilitate targeted (re-) investment for wealth and job creation in key sectors	No. of actualized jobs	20,004	20,004	24,911	ZDA Annual Report	
		Value of NTEs (USD, billion)	1.95	3.85	3.52	ZSA Bulletin	
	Specific Objective 3: To increase penetration of NTEs into regional and international markets	No. of Ministerial and Parliamentary Submissions	3	10	12	ZDA Bill; ITED Bill; Parliamentary Papers	
Specific Objective 4: To enhance structured research, monitoring and evaluation, and business intelligence for evidence-based decisions	Integrated planning and robust M&E system	1	1	1	Strategic Plan ZDA Annual Report		

SO1: To facilitate the growth and development of MSMEs for wealth and job creation							
Output 1.1: MSMEs provided with Business Development Support (BDS) services leading to Business Formalisation	1.1.1: No. of MSMEs accessing BDS services	4,126	5,000	4,830	ZDA Annual Report	Adequate resources to execute planned activities	
	1.1.2 No. of MSMEs formalised	57	80	202	ZDA Annual Report		
Output 1.2: MSMEs capacity built and competitiveness enhanced	1.2.1: No. of tailor-made business development service programme developed	0	2	6	ZDA Annual Report	Adequate resources to execute planned activities	
	1.2.2: No. of MSMEs receiving Capacity Development Support	932	1,780	2,380	ZDA Annual Report		
Output 1.2: MSMEs capacity built and competitiveness enhanced	1.2.3: No. of products developed	3	2	4	ZDA Annual Report	Adequate resources to execute planned activities	
	1.2.4: No. of MSMEs provided with Aftercare services	15	50	0	ZDA Progress Report		
	1.2.5: No. of MSMEs accessing Business Intelligence and Market Information	1,683	1,000	2,695	ZDA Annual Report		
	1.2.6: No. of enterprises supplying in mines	-	200	-	ZDA Progress Report		
	1.2.7: Inclusive Business awareness and support regulations made	-	1000	-	ZDA Progress Report		
	1.3.1: No. of MSMEs linked to markets (A2M)	83	80	549	ZDA Progress Report		
	1.3.2: No. of MSMEs linked to finance (A2F)	63	80	221	ZDA Progress Report		
Output 1.3: MSMEs business and market linkages enhanced	1.3.3: No. of MSMEs engaged in Agro and Forestry based processing and manufacturing	0	500	491	ZDA Progress Report		
	1.3.4: No. of enterprises participating in value chain	-	50	-	ZDA Progress Report		

SO2: To promote and facilitate targeted (re-) investment for wealth and job creation in key sectors						
Output 2.1: Targeted investment and re-investment attracted in key sectors of the economy - matching investors to opportunities	2.1.1: No. of Investment Missions facilitated	8	8	8	ZDA Progress Report	Adequate resources to execute planned activities
	2.1.2: No. of investment leads identified at Forums, EXPOs, Missions, State visits	-	230	-	ZDA Progress Report	
	2.1.3: No. of projects profiled	-	16	72	ZDA Progress Report	
	2.1.4: No. of Local Investment Missions undertaken	6	6	6	ZDA Progress Report	
	2.2.1.1: No. of Investment Projects registered	401	540	359	ZDA Annual Report	
Output 2.2: Enhanced Aftercare and Business Facilitation for (re-) investment and business expansion	2.2.1.2: Value of projected investment (USD, billion)	4.82	3.50	8.61	ZDA Annual Report	
	2.2.1.3: No. of projected jobs	27,560	20,000	75,320	ZDA Annual Report	
	2.2.1.4: No. of Investment Renewals	24	n/a	39	ZDA Annual Report	
	2.2.1.5: Value of Re-Investments (USD, million)	205	n/a	709	ZDA Annual Report	
	2.2.2: No. of Aftercare visits	-	25	77	Activity Reports	
Output 2.3: Economic Zones Developed and Promoted	2.3.1: No. of MFEZs/IP Approved	5	6	7	LPCA Reports	
	2.3.2: Value of investment in MFEZs/IPs (USD, billion)	3.74	-	507.11	ZDA Annual Report	
SO3: To increase penetration of NTEs into regional and international markets						
Output 3.1: Increased penetration of NTEs into regional and international markets	3.1.1: No. of Exporters (incl. MSMEs) linked to export market	113	n/a	311	ZDA Annual Report	Adequate resources to execute planned activities
	3.1.2: Value of new exports deals (USD'Million)	6.17	n/a	101.67	ZDA Annual Report	
	3.1.3: No. of trade issues mediated upon	-	-	-	ZDA Annual Report	

Output 3.2: Enhanced capacity and competitiveness of exporters to participate in regional and international markets	3.2.1: No. of exporters participating in export readiness and other capacity building sessions	43	50	165	ZDA Annual Report	
	3.2.2: No. of NTE products developed	3	2	3	ZDA Annual Report	
	3.2.3: No. of Exporters (incl. MSMEs) linked to export financiers	-	-	88	ZDA Annual Report	
	3.2.4: No. of users accessing electronic trade info.	38,846	100,000	5,318,330	ZDA Annual Report	
SO4: To enhance structured research, monitoring and evaluation, and business intelligence for evidenced-based decisions						
Output 4.1: Enhanced structured research, policy analysis, and business intelligence to inform policy and business processes	4.1.1: No. of country export profiles produced	n/a	9	0	ZDA Progress Report	Timely and adequate reporting
	4.1.2: No. of product profiles produced	n/a	6	72	ZDA Progress Report	
	4.1.3: No. of sector and industry profiles produced	7	18	6	Sector Profiles	
	4.1.4: No. of research and policy analysis produced	2	4	6	ZDA Progress Report	
	4.1.5: No. of information packs produced	1	1	1	FPI&IP survey	
	4.1.6: Customer Satisfaction Index %	72 percent	80 percent	78	CSS Report	

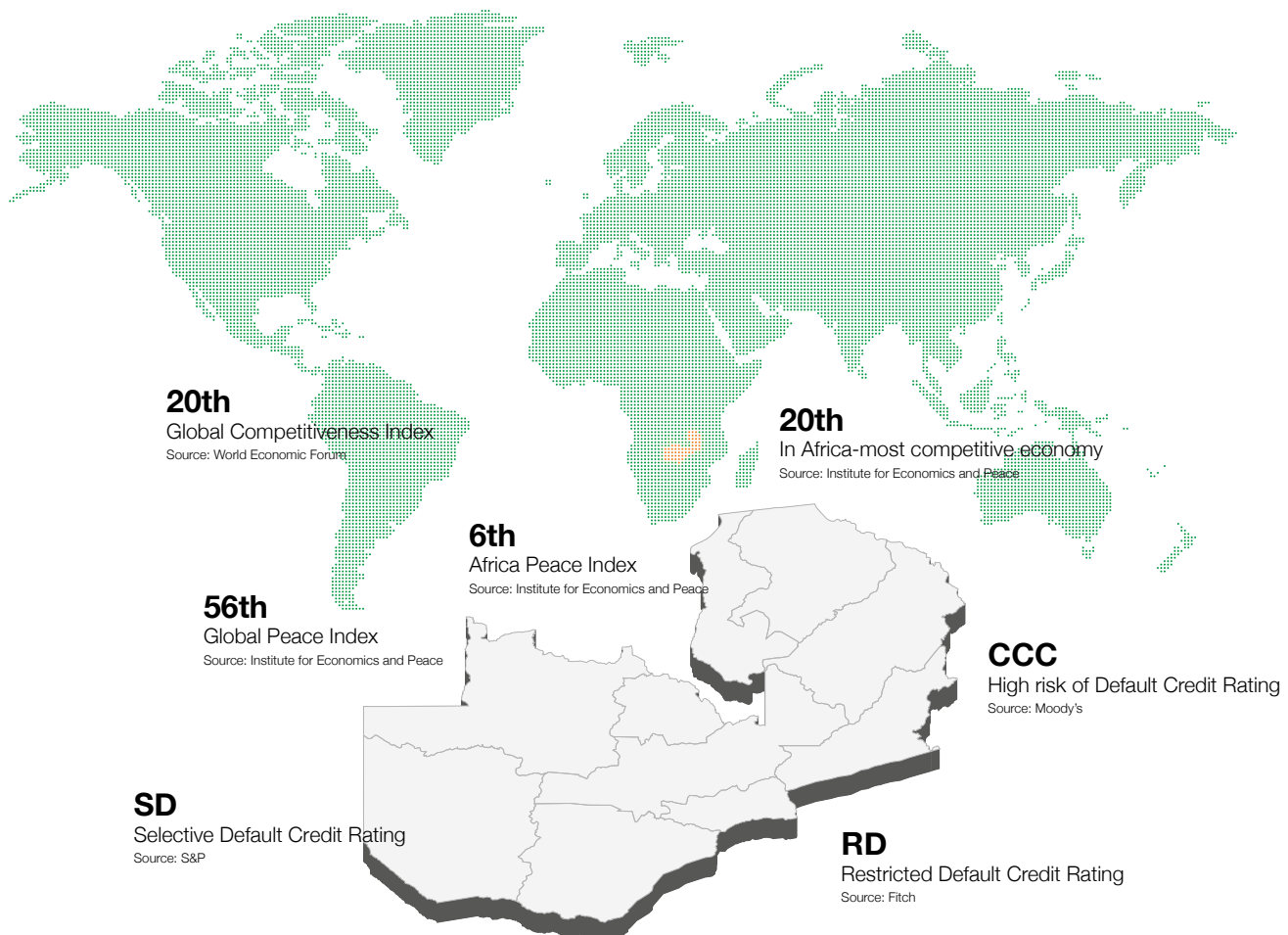
Output 4.2: Enhanced planning, monitoring and evaluation of programme interventions in trade and investment, and enterprise development	4.2.1: No. of enterprises monitored (MSMEs and Large)	112	200	167	M&E Reports	Timely and adequate reporting
	4.2.2: No. of enterprises with IPPA monitored	0	10	3	M&E Reports	
	4.2.3: No. of M&E reports produced	4	4	4	M&E Reports	
	4.2.4: No. of CORs/ Permits revoked	0	10	0	M&E Reports	
	4.2.5: No. of reports produced and approved by the Board	5	5	5	ZDA Annual Report and ZDA Progress Reports	
	4.2.6: Strategic Plan and work plan produced	2	2	2	Strategic Plan Annual work plan	
Activities	Activity Matrix				Means and Costs	Assumptions
	Activity 1.1.1: Provide Business Development Support (BDS) services to MSMEs				Means: - Internal Business Processes  i) CRM enhanced. ii) COR process re-engineered. iii) Capacity built to use applications. iv) SAGE enhanced. v) SOP utilized	i) Optimal organisation structure. ii) Adequate skilled and committed staff. iii) Timely and adequate mobilisation of resources. iv) Timely and adequate funding from Treasury.
	Activity 1.1.2: Conduct Business Clinics for Business Formalisation					
	Activity 1.2.1: Develop tailor-made business development service programme					
	Activity 1.2.2: Conduct entrepreneurship and business management training, coaching and mentorship of MSMEs					
	Activity 1.2.3: Facilitate product development support for MSMEs					
	Activity 1.2.4: Undertake site visits to MSMEs to provide Aftercare services					
	Activity 1.2.5: Facilitate to Business Intelligence and Market Information (BIM)					
	Activity 1.2.7: Conduct and raise awareness on Inclusive Business by enforcing supportive regulations to compel Large Business to source/ outsource Local Products and Services					
	Activity 1.3.1: Facilitate business and market linkages for MSMEs					
Activity 1.3.2: Facilitate linkages of MSMEs to financiers						

Activity 1.3.3: Facilitate linkages of MSMEs to local and regional value chains	Costs: i) Personal Emoluments and staff related costs. ii) Operational Costs	
Activity 1.3.4: Facilitating linkages to 300 women and 400 youths Businesses in value chain		
Activity 2.1.1: Facilitate Targeted Investment Missions (incl. participation in States visits)		
Activity 2.1.2: Facilitate Local Investment Missions (Local Investment Exhibitions and Expos)		
Activity 2.1.3: Conduct Business Forums with other countries/regions; during the Zambia International Trade Fair; at the Provincial EXPOs; at targeted investment mission; during international virtual meetings; alongside State visits		
Activity 2.1.4: Profile and Package New and Existing Bankable Impact Investment Project Proposals from Both Public and Private Promoters; Profile and Package Green Economy Investment Project Proposals		
Activity 2.2.1: Facilitate registration of investment projects		
Activity 2.2.2.1: Undertake Aftercare industrial visitation to both domestic and foreign investors		
Activity 2.3.1: Facilitate the declaration of new MFEZs and IPs and provide technical support in the development of the Zones		
Activity 2.3.2: Undertake monitoring of MFEZs and Industrial Parks		
Activity 3.1.1: Undertake Outward Trade Missions (Fairs and Expos)		
Activity 3.1.2.1: Facilitate participation of exporters to international B2B fora (Fairs and Expos) (e.g. CIIE, India Soft, CIFIT, SVUM, Africa's Big Seven)		
Activity 3.1.2.2: Conduct the Import-Export (IMPEX) Conference		
Activity 3.1.3: Participate in Bilateral, Regional and International Trade Negotiations (SADC, COMESA, AFCETA, TFTA)		
Activity 3.2.1.1: Conduct Export Readiness Training		
Activity 3.2.1.2: Conduct industrial visitation, coaching and mentorship to the Top 20 exporters		

Activity 3.2.2: Provide product development support		
Activity 3.2.3: Facilitate linkage of Exporters to export financiers		
Activity 3.2.4: Facilitate provision of electronic trade info.		
Activity 4.1.1: Produce country export profiles for N8+1 export strategy		
Activity 4.1.2: Produce NTE product profiles		
Activity 4.1.3: Update and produce sector and industry sector profiles		
Activity 4.1.4: Conduct a review of Cost of Doing Business in Zambia		
Activity 4.1.5: Participate in the Private Capital Flows and Investor Perceptions Survey		
Activity 4.1.6: Conduct a Customer Satisfaction Survey		
Activity 4.2.1.1: Redesign and update the M&E system		
Activity 4.2.1.2: Conduct enterprise performance monitoring		
Activity 4.2.2: Conduct IPPA monitoring		
Activity 4.2.3: Monitor implementation of Agency's interventions and results		
Activity 4.2.4: Produce list of COR/Permits recommended for revocation/suspension		
Activity 4.2.5: Produce ZDA reports (Quarterly Progress, Annual Report)		
Activity 4.2.6.1: Facilitate production of ZDA annual workplan		
Activity 4.2.6.2: Facilitate alignment of ZDA strategic plan and monitor its implementation		

## APPENDIX 2: ZAMBIA'S INTERNATIONAL RANKINGS

Rank	Description	Source
6th	Africa Peace Index	Institute for Economics and Peace
20th	In Africa-most competitive economy	Global Economic Forum
56th	Global Peace Index	Institute for Economics and Peace
SD	Selective Default Credit Rating	S&P
RD	Restricted Default Credit Rating	Fitch
CCC	High risk of Default Credit Rating	Moody's
120th	Global Competitiveness Index	World Economic Forum









ZAMBIA  
DEVELOPMENT  
AGENCY

potential made possible

# AUDITED FINANCIAL STATEMENTS

Zambia Development Agency Report and  
Financial Statement for the year ended 31st  
December, 2022



## APPENDIX 3: AUDITED FINANCIAL STATEMENTS

### REPORT OF THE DIRECTORS

The Directors present their report on the activities of Zambia Development Agency (ZDA) for the year ended 31 December 2022.

#### 1. The ZDA

The ZDA was established by an Act of Parliament through the ZDA Act No. 11 of 2006.

#### 2. Principal function

The Agency's principal function is to promote trade and investment in Zambia through an efficient, effective and coordinated private sector led economic development strategy.

#### 3. Results

The Agency's results for the year are as follows:

	<b>2022</b>	<b>2021</b>
	<b>ZMW</b>	<b>ZMW</b>
Revenue	<u>56,381,417</u>	<u>30,115,610</u>
Surplus/ (Deficit) for the year	<u>12,786,671</u>	<u>(5,738,155)</u>

#### 4. Directors and Secretary

The Agency had no Board. The immediate past Board appointed by the Minister of Commerce Trade and Industry in 2020 was dissolved on 29th October, 2021.

#### 5. Management

The management of the ZDA was as follows:

Mr. Albert Halwampa	-	Acting Director General (Appointed 29th September, 2021)
Mrs. T.L. Kampata	-	Board Secretary and Legal Counsel
Ms. C. Chilambwe	-	Acting Director Finance and Administration
Mr. Obby Banda	-	Acting Director Export Development
Mrs. J. Chombo	-	Director Investments
Mr. G. Musentekwa	-	Director Enterprise Development
Mr. I. Melu	-	Director Policy and Planning

#### 6. Employees

The average number of persons employed by the Agency during the year was 60 (2021: 61). The total employees' remuneration paid by ZDA was **ZMW 25,250,075 (2021: ZMW 26,795,348)**.

#### 7. Donations

ZDA did not make any donations during the year (2021: ZMW Nil).

#### 8. Property, plant and equipment

Additions to Property, plant and equipment in the year amounted to ZMW 865, 915 (2021: ZMW 125,875). In the opinion of the directors, the fair values of Property, plant and equipment are not less than the amounts at which they are included in the financial statements.

#### 9. Other material facts, circumstances and events

The directors are not aware of any material fact, circumstance or event which occurred between the accounting date and the date of this report which might influence an assessment of ZDA's financial position or the results of its operations.

## REPORT OF THE DIRECTORS

### 10. Annual financial statements

The annual financial statements on pages 6 to 25 have been approved by the Directors.

### By order of the Board



Board Secretary

Lusaka

Date: 31/03/2023

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Zambia Development Agency Act requires the Directors to prepare financial statements for each financial year which give a true and fair view of the financial position of Zambia Development Agency (ZDA) and of its financial performance and its cash flows for the year then ended. In preparing such financial statements, the Directors are responsible for:

- designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- selecting appropriate accounting policies and applying them consistently;
- making judgments and accounting estimates that are reasonable in the circumstances; and
- preparing the financial statements in accordance with the applicable financial reporting framework, and on the going concern basis unless it is inappropriate to presume that the ZDA will continue in business.

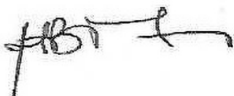
The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the ZDA and enable them to ensure that the financial statements comply with the Zambia Development Agency Act, No. 17 of 2022 of the Laws of Zambia. They are also responsible for safeguarding the assets of the ZDA and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that in their opinion

- a). the financial statements give a true and fair view of the financial position of Zambia Development Agency as of 31 December 2022, and of its financial performance and its cash flows for the year then ended;
- b). at the date of this statement there are reasonable grounds to believe that ZDA will be able to pay its debts as and when these fall due; and
- c). the financial statements are drawn up in accordance with International Financial Reporting Standards.

This statement is made in accordance with a resolution of the Board of Directors.

Signed at **Lusaka** on 31/03/2023



BOARD CHAIRPERSON

## **REPORT OF THE INDEPENDENT AUDITORS TO THE ZAMBIA DEVELOPMENT AGENCY BOARD OF DIRECTORS**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Zambia Development Agency which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the Agency's financial statements give a true and fair view of the financial position of the Agency as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Agency in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Zambia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Zambia Development Agency Act No. 17 of 2022 of the Laws of Zambia and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Agency or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Agency's financial reporting process.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE ZAMBIA DEVELOPMENT AGENCY BOARD OF DIRECTORS (CONTINUED)**

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Agency to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including significant deficiencies in internal control that we identify during our audit.

## Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements of Zambia Development Agency as at 31 December 2022 have been properly prepared in accordance with the Zambia Development Agency Act No. 17 of 2022 of the Laws of Zambia, and the accounting and other records and registers have been properly kept in accordance with the Acts.

Mark Daniels

**Chartered Accountants**

WKKK Kasongo

**Winston Kasongo (AUD/F003127)**

**Name of Partner signing on behalf of Mark Daniels Chartered Accountants**

**Lusaka**

**Date: 05/04/2023**



**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022	2021
		<b>ZMW</b>	<b>ZMW</b>
<b>Revenue</b>			
GRZ and other revenue grants	5	49,999,996	27,000,000
Other income	6	10,949,033	6,838,612
<b>Total revenue</b>		60,949,029	33,838,612
<b>GRZ Control 99 deposits</b>	6	(4,567,612)	(3,723,002)
<b>Net Revenue</b>		56,381,417	30,115,610
Staff costs	8	(25,250,075)	(26,795,348)
Depreciation	10	(387,366)	(347,882)
<b>Other operating expenses</b>		<b>(17,957,305)</b>	<b>(8,710,535)</b>
<b>Surplus/ (Deficit) before taxation</b>		12,786,671	(5,738,155)
Income tax expense	9	-	-
<b>Surplus/ (Deficit) for the year</b>		12,786,671	(5,738,155)
Other comprehensive income			
<b>Comprehensive Surplus/ (Deficit) for the year</b>		<b><u>12,786,671</u></b>	<b><u>(5,738,155)</u></b>

## STATEMENT OF CHANGES IN FUNDS

## FOR THE YEAR ENDED 31 DECEMBER 2022

	Revaluation Reserve	Accumulated deficit	Contributed reserves	Total
	ZMW	ZMW	ZMW	ZMW
<b>At 1 January 2021</b>	3,570,442	(150,203,646)	24,336,863	(122,296,339)
Privatisation Proceeds adjustment	-	93,950,193	-	93,950,193
Prior year PAYE adjustment	-	21,825,587	-	21,825,587
<b>Restated balances</b>	3,570,442	(34,427,866)	24,336,863	(6,520,561)
Comprehensive deficit for the year	-	(5,738,155)	-	(5,738,155)
<b>At 31 December 2021</b>	3,570,442	(40,166,024)	24,336,863	(12,258,716)
Revaluation	23,033,718	-	-	23,033,718
Comprehensive surplus for the year	-	12,786,671	-	12,786,671
<b>At 31 December 2022</b>	26,604,160	(27,379,350)	24,336,863	23,561,673

## ZAMBIA DEVELOPMENT AGENCY

## STATEMENT OF FINANCIAL POSITION - 31 DECEMBER 2022

	Note	2022	2021
		ZMW	ZMW
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	28,019,915	4,466,528
Intangible Assets	11	-	41,121
		28,019,915	4,507,649
<b>Current assets</b>			
Inventory	12	243,676	229,222
Other receivables	13	509,152	507,982
Cash and cash equivalents	14	17,515,931	1,886,498
		18,268,759	2,623,702
<b>Total assets</b>		46,288,674	7,131,351
<b>RESERVES AND LIABILITIES</b>			
<b>Funds and reserves</b>			
Contributed reserves	15	24,336,863	24,336,863
Revaluation reserve	pg 7	26,604,160	3,570,443
Accumulated deficit	pg 7	(27,379,350)	(40,166,025)
		23,561,673	(12,258,719)
<b>Current liabilities</b>			
Trade and other payables	16	22,727,001	19,390,070
		22,727,001	19,390,070
<b>Total reserves and liabilities</b>		46,288,674	7,131,351

The financial statements on pages 6 to 25

were approved by the Board of Directors

on 31/03/2023

and were signed on its behalf by

 )  
 ) **BOARD CHAIRPERSON**

)  
 )  
 )  
 ) **DIRECTOR GENERAL**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

<b>Note</b>		<b>2022</b>	<b>2021</b>
		<b>ZMW</b>	<b>ZMW</b>
<b>Cash flows from operating activities</b>			
Surplus/ (Deficit) for the year		12,786,671	(5,738,155)
Depreciation		387,366	347,882
(Increase)/Decrease in inventory		(14,452)	12,651
<b>Increase in other receivables</b>		<b>(1,168)</b>	<b>(172,157)</b>
Increase in trade and other payables		3,336,931	3,146,480
<b>Net cash inflow/ (outflow) operating activities</b>		<b>16,495,348</b>	<b>(2,403,299)</b>
<b>Investing activities</b>			
<b>Movement in property, plant and equipment</b>		<b>(865,915)</b>	<b>(125,875)</b>
<b>Net cash used on investing activities</b>		<b>(865,915)</b>	<b>(125,875)</b>
<b>Increase/ (Decrease) in cash and cash equivalents</b>		<b>15,629,433</b>	<b>(2,529,174)</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>1,886,498</b>	<b>4,415,672</b>
<b>Cash and cash equivalents at end of the year</b>	<b>14</b>	<b>17,515,931</b>	<b>1,886,498</b>
<b>Represented by:</b>			
Bank balances		17,506,248	1,877,997
Cash		9,683	8,501
Cash in hand and at bank		17,515,931	1,886,498

## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

### 1. Activities

- a). The Zambia Development Agency (ZDA) was established by an Act of Parliament, the Zambia Development Agency (ZDA) Act to promote trade and investment in Zambia through an efficient, effective and coordinated private sector economic development strategy.
- b). The ZDA Act repealed the following Acts:
  - Investment Act;
  - Small Enterprise Development Act;
  - Export Processing Zones Act
  - Export Development Act.
- c). From the commencement of the Zambia Development Agency (ZDA) Act the statutory officers or bodies (appropriate authorities) that were vested or bestowed with functions and powers under the repealed Acts only existed for the purpose of winding up their affairs. By virtue of the ZDA Act, rights and obligations of the appropriate authorities were transferred to, vested in and subsisted all assets, against the agency.
- d). The assets and liabilities taken over from predecessor institutions have been incorporated in the books of accounts based on the statements of affairs (SOAs) prepared at the closure of these institutions. The SOAs were prepared based on information deduced from various documents and management and directors representations. At the time the forerunner institutions merged in 2006 audit reports for these institutions were not up to date.

### 2. Basis of preparing the financial statements - going concern basis

During the year, the Agency recorded a surplus of ZMW 12,786,671 and net assets of ZMW 23,561,673. The Agency meets its day to day working capital requirements from government grants and some donor grants.

The financial statements have been prepared on a going concern basis which assumes that the Agency will continue in operational existence for the foreseeable future.

The validity of this assumption depends on continued receipt of grants from the Government of the Republic of Zambia. The Government of the Republic of Zambia as a guarantor, through the Ministry of Finance, will continue to fund the Agency a statutory body established by an Act of Parliament, to meet its funding requirements.

If the Agency were unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the statement of financial position values of assets to their recoverable amounts, to provide for further liabilities that might arise and to reclassify property, plant and equipment as current assets.

The directors have reviewed the effects of the matters mentioned above and believe that it is appropriate for the financial statements to be prepared on a going concern basis.

## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022 (CONTINUED)

### 3. Principal accounting policies

The principal accounting policies applied by ZDA in the preparation of these financial statements are set out below:

#### a). Basis of presentation

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements are presented in accordance with IAS 1 “presentation of financial statements” (Revised 2018). The Agency has elected to present the “Statement of Comprehensive Income” in one statement the “Statement of Comprehensive Income”. They have been prepared under the historic cost convention, as modified by the revaluation of financial assets and liabilities at fair value as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Agency’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3(n).

#### b). New and revised standards that are effective for annual periods beginning on or after 1 January 2022

Title	Key requirements	Effective date*
Reference to the Conceptual Framework – Amendments to IFRS 3	Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date.	1 January 2022
Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37	The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.	1 January 2022

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022 (CONTINUED)****3. Principal accounting policies (continued)****b). New and revised standards that are effective for annual periods beginning on or after 1 January 2022 (continued)**

Title	Key requirements	Effective date*
Annual Improvements to IFRS Standards 2018–2020	<p>The following improvements were finalised in May 2020:</p> <ul style="list-style-type: none"> <li>• IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities.</li> <li>• IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.</li> <li>• IFRS 1 First-time Adoption of International Financial Reporting Standards – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent’s books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.</li> <li>• IAS 41 Agriculture – removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.</li> </ul>	1 January 2022

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022 (CONTINUED)****3. Principal accounting policies****(c) Forthcoming requirements**

There are a number of standards, amendments to standards, interpretations which have been issued by the IASB that are effective in future periods and the Agency has decided not to adopt early.

Title	Key requirements	Effective date*
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	The IASB amended IAS 1 to require entities to disclose their <i>material</i> rather than their <i>significant</i> accounting policies. The amendments define what ‘material accounting policy information’ is and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.  To support this amendment, the IASB also amended IFRS Practice Statement 2 <i>Making Materiality Judgements</i> to provide guidance on how to apply the concept of materiality to accounting policy disclosures.	1 January 2023
Definition of Accounting Estimates – Amendments to IAS 8	The amendment to IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.	1 January 2023



**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022 (CONTINUED)****3. Principal accounting policies****(c) Forthcoming requirements (continued)**

Title	Key requirements	Effective date*
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	<p>The amendments to IAS 12 Income Taxes require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.</p> <p>The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognize deferred tax assets (to the extent that it is probable that they can be utilized) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:</p> <ul style="list-style-type: none"> <li>• right-of-use assets and lease liabilities, and</li> <li>• decommissioning, restoration and similar liabilities, and the corresponding amounts recognized as part of the cost of the related assets.</li> </ul> <p>The cumulative effect of recognizing these adjustments is recognized in retained earnings, or another component of equity, as appropriate.</p> <p>IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.</p>	1 January 2023

The above changes and amendments in accounting policies are not expected to have a material impact on the Agency's current financial statements

**d). Revenue****(i) Grants**

Government grants are accounted for when there is reasonable assurance that ZDA will comply with the conditions attached to them and that the grants will be received. Grants that relate to specific capital expenditure are treated as capital grants which are then amortised through the statement of comprehensive income over the related asset's useful life. Other grants are credited to the statement of comprehensive income in the period in which they are received.

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022 (CONTINUED)****3. Principal accounting policies (continued)****e). Property, plant and equipment**

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as deemed appropriate, only when it is probable that future economic benefits associated with the item will flow to ZDA and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

**e). Property, plant and equipment (continued)**

Depreciation is calculated to write off the cost of property, plant and equipment on a straight line basis over the expected useful lives of the assets concerned. The principal annual rates used for this purpose are:

	%
Leasehold land and buildings	2
Motor vehicles	25
Computer Hardware	33.3
Office Equipment	30
Office Furniture and fittings	20

**Land and capital work in progress are not depreciated.**

The assets' residual values and useful lives are reviewed at each reporting date and adjusted as appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds to the carrying amount. These are included in the statement of comprehensive income in the other operating income. When revalued assets are sold, the amounts included in the revaluation surplus relating to these assets are transferred to retained earnings.

**f). Financial assets****Classification**

ZDA classifies its investments into the following categories: financial assets at fair value through profit or loss, trade and other receivables, held-to-maturity financial assets and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired.

Management determines the classification of its investments at initial recognition and re-evaluate this at every reporting date.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022 (CONTINUED)

### 3. Principal accounting policies (continued)

#### f). Financial Assets

##### Classification

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the corporation has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The corporation reclassifies debt investments when and only when its business model for managing those assets changes.

##### Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the corporation commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the corporation has transferred substantially all the risks and rewards of ownership.

##### Measurements

At initial recognition, the corporation measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

##### Equity instruments

The corporation subsequently measures all equity investments at fair value. Where the corporation's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the corporation's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

##### Impairment

The Agency assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Agency applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 7(b) for further details.

## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022 (CONTINUED)

### 3. Principal accounting policies (continued)

#### g). Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### h). Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments and balances held with banks. Bank overdrafts that are repayable on demand are included as a component of cash and cash equivalents.

#### i). Borrowing costs

Borrowing costs, being interest payable on loans, are accounted for on an accruals basis. Transaction costs arising on arranging a new financial liability are debited to the liability and amortised over the life of that liability. Borrowing costs are charged to the statement of comprehensive income for the year in which they are incurred.

#### j). Interest bearing liabilities

Short term interest bearing liabilities include all amounts expected to be repayable within twelve months from the reporting date, including instalments due on loans of longer duration. Long term interest bearing liabilities represent all amounts repayable more than twelve months from the reporting date.

#### k). Foreign currencies

##### *i. Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which ZDA operates (the 'functional currency'). The financial statements are presented in Zambian Kwacha, which is ZDA's presentation currency.

##### *ii. Transactions and balances*

Foreign currency transactions are translated into the functional currency using the rates of exchange prevailing at the date of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022 (CONTINUED)

### 1. Principal accounting policies (continued)

#### m). Employee benefits

##### *i. Provision for retirement benefits*

The pension plan is with National Pension Scheme Authority (NAPSA) where ZDA pays an amount equal to the employee's contributions. Employees contribute 5% of their gross earnings.

Gratuity is payable at 35% of Basic salary over the contract period.

##### *ii. Provisions for leave pay*

Provision for leave pay is made in respect of all staff. Leave days are provided for up to the maximum leave days allowed under the conditions of service.

#### n). Trade and other payables

Trade and other payables are stated at cost.

#### o). Provisions

Provisions are recognised when: ZDA has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

#### p). Critical accounting estimates and judgments

ZDA makes estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the process of applying ZDA's accounting policies, management has made judgments in determining:

- i. the classification of financial assets;
- ii. whether assets are impaired;
- iii. estimation of provision and accruals; and
- iv. recoverability of trade and other receivables.

### 4. Management of financial risk

#### (a) Financial risk

ZDA is exposed to a range of financial risks through its financial assets. The most important component of this financial risk is credit risk.

##### *i. Credit risk*

ZDA has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Key area where the ZDA is exposed to credit risk is other receivables.

##### *ii. Accumulated Fund management*

ZDA's objective when managing the Fund is to safeguard ZDA's ability to continue as a going concern so that it can continue to provide benefits to stakeholders. ZDA's Fund is supported by grants from the Government of the Republic of Zambia (GRZ) and some donors.

## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022 (CONTINUED)

	<b>2022</b>	<b>2021</b>
	<b>ZMW</b>	<b>ZMW</b>
<b>5. GRZ and other revenue grants</b>		
GRZ revenue grants	29,999,996	27,000,000
Supplementary Grant	20,000,000	-
<b>Total Grants</b>	<b>49,999,996</b>	<b>27,000,000</b>
GRZ grants represent amounts received monthly.		
<b>6. Other income</b>		
Donor Funds	5,836,984	2,802,798
Exchange Gain/ (Loss)	97,961	(42,375)
Proceeds on Asset Disposal	-	68,785
Rebate fees	39,231	20,030
Rental income	254,729	242,242
Sales of tender documents	-	2,500
Sundry income	152,516	21,630
	<b>6,381,421</b>	<b>3,115,610</b>
<b>Income received on behalf of Government</b>		
Licensing fees	3,882,732	3,690,974
Processing fees	684,880	31,995
Processing fees SMEs	-	33
	<b>4,567,612</b>	<b>3,723,002</b>
<b>Total Other Income</b>	<b>10,949,033</b>	<b>6,838,612</b>
According to the Public Finance Management Act 2018 all funds received on behalf of the Government must be deposited in the Government bank account, control 99. In the year under review K4, 567,612 was collected and deposited in control 99.		
<b>7. Surplus/(Deficit) is stated after charging:</b>		
	<b>2022</b>	<b>2021</b>
	<b>ZMW</b>	<b>ZMW</b>
Audit fees	84,998	60,784
Depreciation	387,366	347,882
Directors' emoluments	-	532,553
Staff costs (see Note 8)	25,250,075	26,795,348

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022 (CONTINUED)****8. Staff Costs**

	<b>2022</b>	<b>2021</b>
	<b>ZMW</b>	<b>ZMW</b>
Salaries	18,591,071	19,780,551
NAPSA employer's contribution	673,145	685,962
Gratuities	3,765,680	4,170,768
Leave pay	<u>2,220,179</u>	<u>2,158,067</u>
	<b>25,250,075</b>	<b>26,795,348</b>

**9. Taxation**

ZDA is exempt from taxation under Section 15 of the Income Tax Act Cap 323 of the Laws of Zambia and in accordance with paragraph 5 Part III of the Second Schedule of the same Act.

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)

10. Property, plant and equipment						
(i) (Summary)						
	Leasehold		Furnitures,			
	Land and Buildings	Motor vehicles	fixtures & fittings	Office Equipment	Computer Hardware	Total
Cost or valuation	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW
<b>At 1 January 2021</b>	5,135,742	3,652,744	1,547,822	1,117,171	1,495,724	12,949,203
Additions	-	-	6,585	15,250	104,040	125,875
Disposal	-	(458,568)	-	-	-	(458,568)
				-		
<b>At 31st December 2021</b>	5,135,742	3,194,176	1,554,407	1,132,421	1,599,764	12,616,510
Additions	-	59,000	294,123	16,500	496,292	865,915
Revaluation	23,033,718					23,033,718
<b>At 31st December 2022</b>	<b>28,169,460</b>	<b>3,253,176</b>	1,848,530	<b>1,148,921</b>	<b>2,096,056</b>	<b>36,516,143</b>
Depreciation						
<b>At 1 January 2021</b>	875,823	3,635,927	1,313,012	1,098,364	1,337,538	8,260,664
Charge for the year	100,316	16,817	114,830	12,969	61,831	306,763
Disposals	-	(458,568)		-		(458,568)
<b>At 31st December 2021</b>	976,139	3,194,176	1,427,842	1,111,333	1,399,369	8,108,859
Charge for the year	100,314	3,073	100,910	12,271	170,798	387,366
<b>31 December 2022</b>	<b>1,076,456</b>	<b>3,197,249</b>	<b>1,528,752</b>	<b>1,123,604</b>	<b>1,570,167</b>	<b>8,496,228</b>
Net book value						
<b>At 31 December 2021</b>	<b>4,159,603</b>	<b>-</b>	<b>126,565</b>	<b>21,088</b>	<b>200,395</b>	<b>4,507,651</b>
<b>At 31 December 2022</b>	<b>27,093,004</b>	<b>55,927</b>	<b>319,778</b>	<b>25,317</b>	<b>525,889</b>	<b>28,019,915</b>



**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****10. Property, plant and equipment (continued)**

- ii. In 2011 the Agency's property, plant and equipment were revalued by a Board of Survey of the Government of the Republic of Zambia.

The Agency embarked on an exercise to revalue its properties in a phased manner in the last quarter of the year 2022. Seeff Zambia properties were engaged to value the Agency properties in Lusaka namely three houses in Silverest, an office block in Longacres and a residential house on a large piece of land in Makeni. The valuations were conducted in accordance with the Royal Institute of Chartered Surveyors (RICS) valuation standards as recognised by the Surveyors Institute of Zambia (SIZ)-valuation Chapter. The basis of valuation was the market value of the property, as at the date of valuation. The 2022 revaluation adjustment to the leasehold land and buildings (note 10(i)) relates to the 5 Lusaka properties referred to.

- iii. In the opinion of the directors, the carrying values of property, plant and equipment stated above are not higher than their fair values.
- iv. Land and Buildings not in the ZDA asset register due to questionable ownership are shown in schedule 2. The Agency has been unable to secure title for these land and buildings taken over from predecessor institutions due to lack of documentation validating ownership of the properties.

	<b>2022</b>	<b>2021</b>
	<b>ZMW</b>	<b>ZMW</b>
<b>11. Intangible Assets (Computer Software)</b>		
As at start of the year	41,121	82,241
Amortization	(41,121)	(41,120)
At the end of the year	<u>—</u>	<u>41,121</u>
<b>12. Inventories</b>		
Office Consumables	<u>243,676</u>	<u>229,222</u>
	<u>243,676</u>	<u>229,222</u>
<b>13. Receivables</b>		
Receivables	8,429,582	8,429,582
Less: Provision for impairment losses	(8,429,582)	(8,429,582)
Staff advances	156,304	126,163
Other receivables and prepayments	<u>352,848</u>	<u>381,819</u>
	<u>509,152</u>	<u>507,982</u>
i. Analysis of impairment losses		
At the beginning of the year	<u>8,429,582</u>	<u>8,429,582</u>
At the end of the year	<u>8,429,582</u>	<u>8,429,582</u>
<b>14. Cash and cash equivalents</b>		
Bank balances	17,506,248	1,877,997
Cash	<u>9,683</u>	<u>8,501</u>
	<u>17,515,931</u>	<u>1,886,498</u>

**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)**

<b>2022</b>	<b>2021</b>
<b>ZMW</b>	<b>ZMW</b>

**15. Contributed reserves**

At beginning and end of the year	24,336,863	24,336,863
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By virtue of the ZDA Act, the assets and liabilities and all rights and obligations of the former Zambia Privatisation Agency, Zambia Investment Centre, Small Enterprises Development Board, Export Board of Zambia and Zambia Export Processing Zones Authority were transferred to, vested in and subsisted against the Agency. The net difference between the values of assets and liabilities has been carried as contributed reserves.

- a). An initial amount of ZMW48, 134,624 was recognised as deficit in contributed reserves which represented the net amount of the assets and liabilities transferred from the predecessor institutions in 2007. This balance has been reduced and an ultimate surplus of ZMW24, 336,863 realised by adjustments resulting from balance confirmation exercises and write off of some predecessor liabilities as statute barred based on guidance from the Attorney General and subsequent approval by the ZDA Board.
- i. The Current balance of the Trade and other receivables and Trade and other payables are included in the Statement of Financial Position as detailed on notes 10 and 14 respectively.
  - ii. Property, plant and equipment transferred to the agency from predecessor institutions were brought in the agency's books at a net book value of ZMW6,018,000 (cost of ZMW8,987,000 less accumulated depreciation of ZMW2,969,000) at the time of transfer. In the absence of adequate information we were unable to verify whether the assets and liabilities transferred from the predecessor institutions and the related contributed reserves are fairly stated.

<b>16. Trade and other payables</b>	<b>2022</b>	<b>2021</b>
	<b>ZMW</b>	<b>ZMW</b>
Trade payables	8,300,209	1,704,871
Provision and Accruals	13,945,676	17,204,171
Privatisation Proceeds	920	832
Predecessor payables	<u>480,196</u>	<u>480,196</u>
	<b>22,727,001</b>	<b>19,390,070</b>

**17. Financial assets and liabilities****Financial assets**

ZDA's principal financial assets are bank balances and cash and trade and other receivables. ZDA maintains its bank accounts with major banks in Zambia of high credit standing. Trade and other receivables amounts are reduced by appropriate allowances for estimated irrecoverable amounts.

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)

### 17. Financial assets and liabilities (continued)

#### Financial liabilities

ZDA's financial liabilities are employee liabilities, accounts payable and motor vehicle lease. Financial liabilities are classified according to the substance of the contractual arrangements entered into. Accounts payable are stated at cost.

#### a). Price risk

##### i. Currency risk

ZDA's currency risk is low as it does not hold any foreign currency denominated liability.

##### ii. Interest rate risk

Financial assets are not exposed to the risk that their value will fluctuate due to changes in market interest rates.

##### iii. Market risk

ZDA is not exposed to the risk of the value of its financial assets fluctuating as a result of changes in market prices.

#### b). Credit risk

##### i. Trade debtors

The Directors believe the credit risk of trade debtors is low. Except for the balances taken from the predecessor institutions where the risk is high.

#### c). Liquidity risk

ZDA is not believed to be exposed to significant liquidity risk, being inability to sell financial assets quickly at close to their fair value.

#### d). Cash flow risk

ZDA is exposed to the risk that future cash flows associated with monetary financial instruments will fluctuate in amount.

#### e). Fair values

At the reporting date the carrying values of financial instruments reported in the financial statements approximate their fair value.

### 18. Fair value measurement

#### Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****18. Fair value measurement (continued)**

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

The Agency does not have Financial Instruments which could be ranked under hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 December 2022, 31 December 2021 and 31st December 2019.

**Fair value measurement of non-financial assets**

The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis at 31st December 2022, 31 December 2021 and 31st December 2020:

			<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
			<b>ZMW</b>	<b>ZMW</b>	<b>ZMW</b>	<b>ZMW</b>
<b>31st December 2022</b>						
Property, plant and equipment						
Land held in Zambia			-	155,000	-	155,000
Office building in Zambia			-	28,014,460	-	28,014,460
			-	28,169,460	-	28,169,460
<b>31st December 2021</b>						
Property, plant and equipment						
Land held in Zambia			-	155,000	-	155,000
Office building in Zambia			-	4,980,742	-	4,980,742
			-	5,135,742	-	5,135,742
<b>31 December 2020</b>						
Property, plant and equipment:						
Land held in Zambia			-	155,000	-	155,000
Office building in Zambia			-	5,175,741	-	5,175,741
			-	5,330,741	-	5,330,741

Fair value of the Agency's main property assets is estimated based on appraisals performed by independent, professionally-qualified property values, the Board of Survey, a team of experts appointed by Ministry of Finance. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the board of directors and audit committee at each reporting date.

**19. Related party transactions**

The following transactions were carried out with related parties:

				<b>2022</b>		<b>2021</b>
				<b>ZMW</b>		<b>ZMW</b>
i.) Key management compensation						
Salaries and other short term benefits				4,971,309		4,155,446
ii) Directors' remuneration						
Fees for service as a director				-		532,953
The Agency had no Board in the year 2022.						

**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****20. Contingent liabilities**

Contingent liabilities not provided for in these financial statements are estimated at ZMW Nil at 31 December 2022 (2021: ZMW Nil).

In January 2012, the sale of ZAMTEL to Lap Green of Libya was reversed. The likely impact on the Financial Statements cannot be estimated.

Further, the Agency inherited legal cases from predecessor institutions. The costs and damages relating to these cases are provided for and settled by the Government Treasury.

**21. Capital Commitments**

Seven (7) motor vehicles amounting to K5, 998,370 and ICT hardware and Software amounting to K800,000 were budgeted for in the supplementary grant received in December 2022. The procurement process of the assets commenced in December 2022 and it is expected to be completed in the 2nd quarter of 2023.

**22. Previous year's amounts**

Previous year's amounts have been restated or reclassified where necessary to facilitate comparison.

**23. Events subsequent to reporting date**

There has not arisen since the end of the financial year any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Agency, to affect substantially the operations of ZDA, the results of those operations or the state of affairs of ZDA in subsequent financial years.

**DETAILED STATEMENT OF COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 31 DECEMBER 2022

	<b>2022</b>	<b>2021</b>
<b>INCOME</b>	<b>ZMW</b>	<b>ZMW</b>
GRZ and other revenue grants	49,999,996	27,000,000
Cooperating Partner Funds	5,481,984	2,802,798
Other Income	5,467,049	4,035,814
<b>Total income</b>	<b>60,949,029</b>	<b>33,838,612</b>
GRZ Fees Deposited in Control 99	4,567,612	3,723,002
	<b>56,381,417</b>	<b>30,115,610</b>
<b>EXPENDITURE</b>		
Audit fee	84,998	60,784
Bank charge	61,113	49,569
Depreciation	387,366	347,882
Electricity and Water	345,000	308,440
Insurance	834,097	1,062,505
Motor Vehicle Expenses, Fuel & other lubricants	452,697	386,365
Improve Service delivery	34,570	17,320
Office Consumables/Printing and Stationery	692,698	370,963
Cleaning and Sanitation	516,003	309,435
Penalties and Interest	-	68,865
Postage, Telephone and Fax	16,780	47,605
Publicity and Marketing	1,597,745	192,278
Repairs and Maintenance	186,000	329,113
Staff costs	25,250,075	26,795,348
Security	264,480	312,968
Staff Recruitment	50,763	55,257
Subscription	312,296	403,908
Provision for Doubtful Debts	-	127,450
Staff Welfare	86,924	12,550
Settlement of Court Cases & legal	83,701	2,145
Workmen's Compensation	18,144	16,100
ZDA Meeting Expenses	211,400	91,810
ZDA Directors Emoluments ( Board)	-	532,953
Enterprise development activities	957,694	1,161,753
Investment promotion activities	7,629,455	298,648
System Assurance and Risk Management	34,490	8,180
Export Market Development activities	1,548,251	1,701,047
Information & technology activities	1,223,698	580,066
Ground Rates	111,790	-
Research, policy & planning activities	602,518	181,339
Decentralization of ZDA Services to Regions	-	21,120
<b>Total expenses</b>	<b>43,594,746</b>	<b>35,853,765</b>
<b>Surplus/(Deficit) for the year</b>	<b>12,786,671</b>	<b>(5,738,155)</b>

## LAND AND BUILDINGS HANDED OVER TO THE AGENCY BUT NOT IN THE ASSET REGISTER

Description/Location		Cost
Plot No 1693	Chipata	400,000
Plot No F 09	Chipata	50,000
Plot No L3897	Kabwe	50,000
Premises	Kabwe	535,000
Plot No L2650	Livingstone	85,000
Plot No 98	Mansa	75,600
Plot No 1611	Mongu	262,600
		<b>1,458,200</b>













**ZAMBIA  
DEVELOPMENT  
AGENCY**



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