



ZAMBIA
DEVELOPMENT
AGENCY

Investment for Prosperity



WATER SUPPLY & DEVELOPMENT SECTOR PROFILE

2024

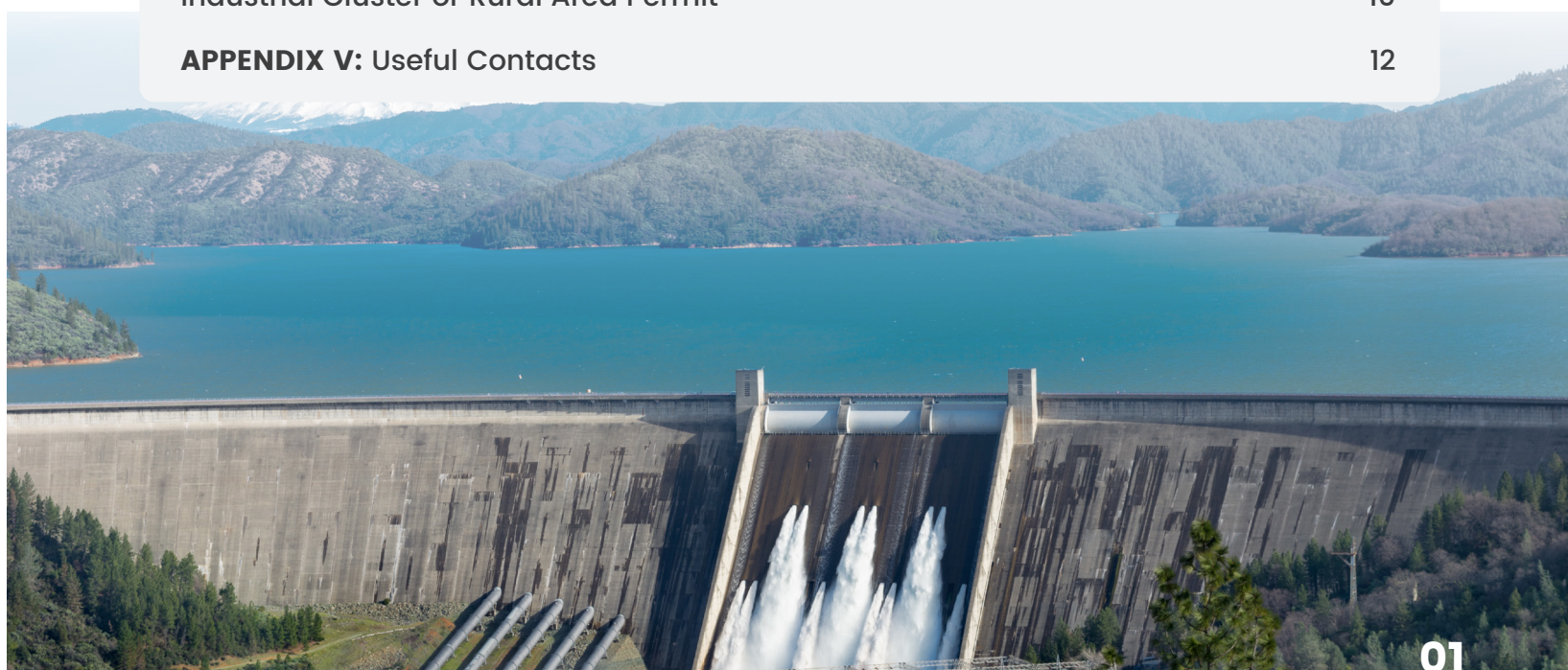


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1. ZAMBIA FACT SHEET



Population (2022)
19.6 million



Annual GDP
Growth Rate (2023)
5.8 %



Average
Exchange Rate
(2023)
ZMW 1 = USD 20.21



Inflation Rate
(March, 2024)
13.7 %



Land-Linked Country

8 + 1 Neighboring
Countries

**Malawi, Botswana,
Zimbabwe,
Tanzania, DRC,
Angola, Namibia,
Mozambique and
South Africa**



Member of the
Southern African
Development
Community

**SADC Population =
345 million**



Member of the
Common Market for
Eastern and Southern
Africa

**COMESA Population =
560 million**



**Trade Surplus (2023):
USD 306.8 million**



Working-age
Population (2022)
10.4 million



Ease of getting credit (2021)
Africa: 1st, World: 4th





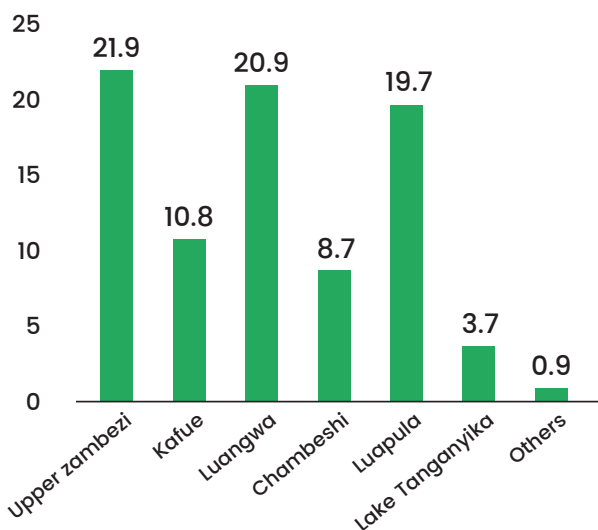
2. SECTOR OVERVIEW

Water is a fundamental determinant in realizing the objectives outlined in Vision 2030 and the Eighth National Development Plan (8NDP). The sector contributed 0.3 percent to Gross Domestic Product (GDP) in 2023. Recognized as a catalyst for sustainable socio-economic progress, water accessibility and quality are paramount concerns outlined in the 8NDP. Throughout the implementation period of the Development Plan, concerted efforts are directed towards enhancing access to potable water and undertaking initiatives to rehabilitate and protect deteriorated water catchment zones. Water serves as an indispensable resource for fostering economic growth, enhancing resilience across economic, societal, and environmental domains, and promoting inclusivity and sustainability.

Zambia's annual renewable surface water potential is estimated at 144 cubic kilometers, comprising 86.6 cubic kilometers of surface water and 57.4 cubic kilometers of groundwater. However, the utilization of water resources is estimated at 77.9 cubic kilometers per year, reflecting a utilization rate of 54 percent of the available renewable water resources. Rainfall serves as the primary source of renewable surface water, contributing to runoff into the nation's major rivers, with key river catchments including the Upper Zambezi, Luangwa, and Luapula.

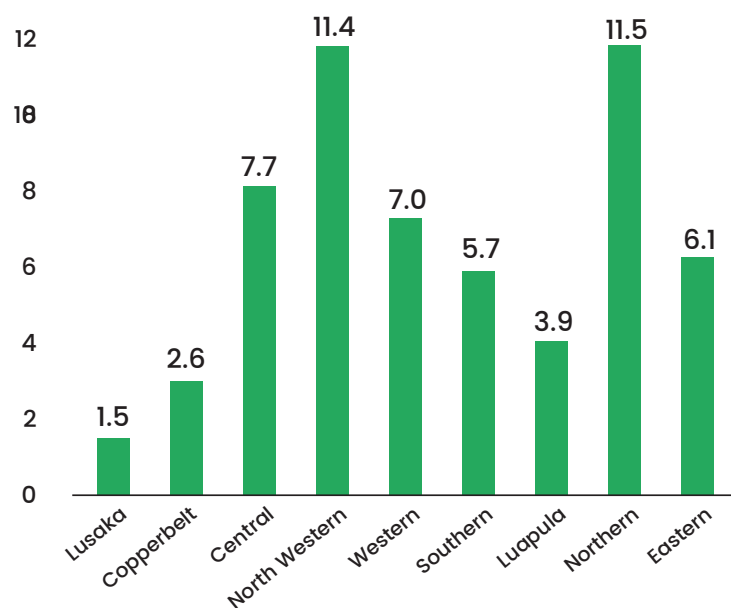
Figures 1 and 2 illustrate Zambia's surface and groundwater resource potentials respectively.

Figure 1: Surface Water Potential (km³ / annum) by Catchment Area



Source: Ministry of Water Development and Sanitation

Figure 2: Ground Water Resources Potential (km³/annum) By Province



Source: Ministry of Water Development and Sanitation

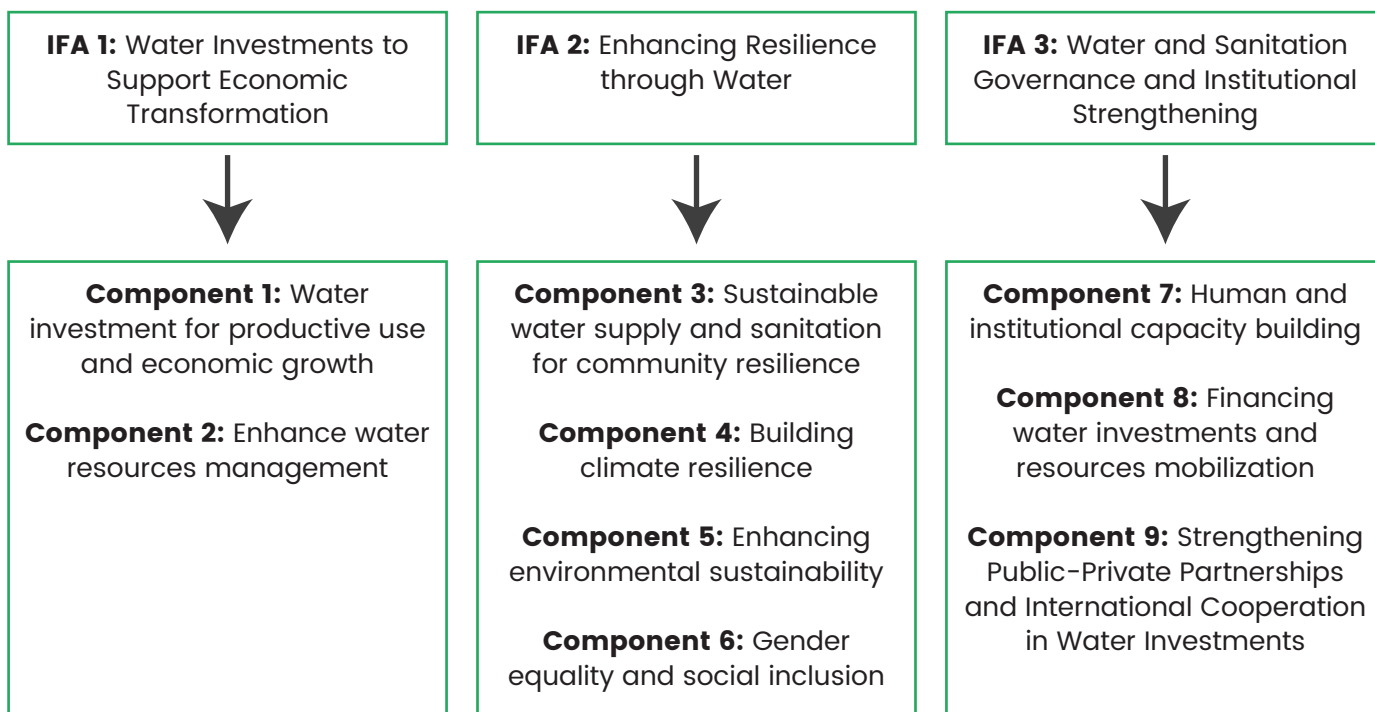
3. SECTOR OPPORTUNITIES

Government is committed to connect over two thousand boreholes in rural areas expected to benefit 92,000 households. It will also implement the Integrated Small Towns Projects in four provinces to benefit over 193,000 households. Further, the country is implementing a water harvest project estimated to collect 15.7 million cubic meters of water to benefit over 22,000 households and 1.7 million livestock. Also, 38 dams will be constructed across the country in 2024

with over 10 dams to be rehabilitated. The Government is open to work with the Private sector to implement these projects and more.

To fully achieve the country's aspirations in line with Vision 2030 and the 8NDP, the Government developed the Zambia Water Investment Programme (ZIP) which highlights opportunities for investment in the sector. The ZIP has 3 focus areas as indicated in Figure 3:

Figure 3: Investment Focus Areas and Components of the Zambia Water Investment Programme



Source: Ministry of Water Development and Sanitation



4. PRIORITY INVESTMENT PROJECTS

Investment projects available in the sector are indicated in Appendix I.



5. INVESTMENT INCENTIVES

Investors that wish to invest in a priority sector or in a rural area are eligible for incentives as provided for in the Investment, Trade and Business Development (ITBD) Act No.18 of 2022.

5.1 ELIGIBILITY CRITERIA FOR INCENTIVES

The eligibility criteria for investment incentives for investors investing in a priority sector or rural area are as indicated in Table 2.

Table 2: Incentive Eligibility Criteria

Investor Type	Shareholding Structure	Investment Threshold
Local Investor	100 percent shareholding	USD 50,000
Citizen owned Company	50.1 percent or greater Zambian shareholding	USD 100,000
Citizen Empowerment Company	25.1 percent–percent Zambian shareholding	USD 150,000
Citizen Influenced Company	5 percent – 25 percent Zambian shareholding	USD 500,000
Foreign Investor	100 percent foreign shareholding	USD 1000,000

Source: Zambia Development Agency

5.2 FISCAL (TAX) INVESTMENT INCENTIVES

The ITBD Act No. 18 of 2022 offers the following incentives for companies investing in any of the priority sectors:

i. Zero percent import duty rate on capital equipment and machinery for five years

ii. Accelerated depreciation on capital equipment and machinery.

5.3 NON-FISCAL INVESTMENT INCENTIVES

Foreign and local investors who invest in any sector or product under the Act are entitled to non-fiscal incentives as follows;

i. Investment guarantees and protection against state nationalization;

ii. Free facilitation for application of immigration permits, secondary licenses and land acquisition;

iii. Facilitation of business and partnership linkages; and

iv. Investment advisory on Zambia's Investment Climate, regulatory regime and investment opportunities.

5.4 LICENSES AND PERMITS

In order to operate a business in Zambia, an investor must obtain authorizing documentation from the following;

i. The Patents and Companies Registration Agency (PACRA) in order to obtain a Certificate of Incorporation; and

ii. Zambia Revenue Authority (ZRA) which assigns Tax Payers Identification Number (TPIN) Certificates.

Investors may opt to obtain a Certificate of Registration (CoR) from the Zambia Development Agency (ZDA), which is a statutory body mandated by the Government to promote and facilitate trade, investment and business development.



6. APPENDICES

6.1 APPENDIX I: PROJECTS UNDER THE ZAMBIA WATER INVESTMENT PROGRAMME

Investment Focus Area	Components	Priority Intervention Area and Action	Budget Estimate (USD million)
1. Water Investments to Support Economic Transformation	1.1 Water Investments for Productive use and Economic Growth	<p>1.1.1 Enhance irrigated agriculture systems</p> <p>1.1.2 Develop and strengthen fisheries and aquaculture systems</p> <p>1.1.3 Develop climate-resilient energy</p> <p>1.1.4 Water infrastructure for tourism development</p> <p>1.1.5 Support for dewatering for small-scale artisan mining</p> <p>1.1.6 Develop and implement strategies for sustainable dewatering and tailing disposal targeted at small-scale artisan mining</p> <p>1.1.7 Water supply for mineral beneficiation and value addition</p> <p>1.1.8 Water for navigation</p> <p>1.1.9 Inland waterways development and maintenance</p>	2,875
	1.2 Enhance Sustainable Water Resources Management	<p>1.2.1 International water cooperation and trans boundary water resources management</p> <p>1.2.2 National programme on water resources development and management</p> <p>1.2.3 Strengthening water information systems to support decision-making</p> <p>1.2.4 Inter and Intra basin Water Transfer Schemes</p> <p>1.2.5 Country-wide development of well fields for multipurpose economic/productive utilization of water resources</p>	
2. Resilience Building through Water	2.1 Water Supply and Sanitation	<p>2.1.1 Strengthening of water quality systems in urban areas</p> <p>2.1.2 Improvement of cross-border water supply and sanitation</p> <p>2.1.3 Improvement of water supply services in urban areas through rehabilitation and construction of climate-resilient water supply infrastructure</p> <p>2.1.4 Improvement of sanitation services and hygiene promotion in urban areas through rehabilitation and construction of climate-resilient sanitation infrastructure</p> <p>2.1.5 Improvement of sanitation services in rural areas through construction and rehabilitation of climate-smart sanitation infrastructure</p> <p>2.1.6 Improvement of water supply in rural areas through construction and rehabilitation of climate-smart water supply infrastructure</p> <p>2.1.7 Improvement of hygiene practices in households and communities in rural areas</p> <p>2.1.8 Promote efficiency in the provision of water supply and sanitation services in rural areas</p>	2,013
	2.2 Building Climate Resilience	<p>2.2.1 Water technologies for saving, recycling, irrigation and sustainable management for household, agriculture and industrial purposes</p> <p>2.2.2 Improve water storage through artificial recharge</p> <p>2.2.3 Formulation of a long-term NAP on water</p> <p>2.2.4 Promotion of carbon-neutral sanitation</p> <p>2.2.5 National programme for climate-proofing water and sanitation infrastructure</p> <p>2.2.6 Risk reduction and preparedness</p>	
	2.3 Enhancing Environmental Sustainability	<p>2.3.1 Preservation and conservation of wetlands and related Ecosystems</p> <p>2.3.2 Protection and conservation of water catchment areas</p> <p>2.3.3 Natural capital accounting for water</p> <p>2.3.4 Water pollution prevention and control</p> <p>2.3.5 Sustainable land, forest and water management</p> <p>2.3.6 Strengthening community participation in sustainable land, forest and water management</p> <p>2.3.7 Catchment management water resources planning and policy Formulation</p>	
	2.4 Gender and Social Inclusion	<p>2.4.1 Strengthen capacity for gender equality in water and climate</p> <p>2.4.2 Establish tools/guidelines for conducting gender analysis, train staff on gender inequality issues relating to water security and climate resilience, and conduct gender analyses on investments for water security and climate resilience building.</p> <p>2.4.3 Develop and implement gender action plans</p> <p>2.4.4 Business and career pathways and vocational options for youths related to water security</p> <p>2.4.5 Ensuring child-sensitive and inclusive policy, planning and interventions in water security and sanitation investments</p> <p>2.4.6 Water security for people living with disabilities</p>	
Total Budget Estimate			4,888

Source: Ministry of Water Development and Sanitation



APPENDIX II: STEPS TO BUSINESS ESTABLISHMENT

1.0 PRIMARY REGISTRATION AND LICENSES

Patents and
Companies
Registration
Agency



Zambia
Revenue
Authority



Zambia
Development
Agency

Certificate of Incorporation

Tax Payers Identification
Number (TPIN) Certificate

Investment Certificate

2.0 UTILITIES AND SECONDARY LICENSES



Zambia Electricity Supply Corporation (ZESCO)
• **Electricity**



Immigration Department
• **Immigration/work Permits**



Local Authorities
• **Business Levy** • **Fire Certificate** • **Health Permits** • **Occupancy Licence**



Zambia Environmental Management Authority
• **Environmental licenses**



Zambia Information and Communications Technology Agency
• **Telecoms Licences**



National Pension Scheme Authority

APPENDIX III: APPLICATION PROCESS AT ZAMBIA DEVELOPMENT AGENCY

STEP 1: CONSULTATION



General consultation through a meeting with a ZDA officer

Investor prepares necessary documents and submits to ZDA officer

Investment Promotion officer reviews documents and advises if there are any missing documents. For complete applications, investor proceeds to the next step

STEP 2: SUBMISSION OF APPLICATION



Investor pays processing fees and brings a receipt to the ZDA officer

Officer files the application on the system server

A senior investments officer screens the application and checks for suitability

Certificate processing

Approval letter is issued

Application is processed and recommended for approval

Signing of the Certificate by the Director General

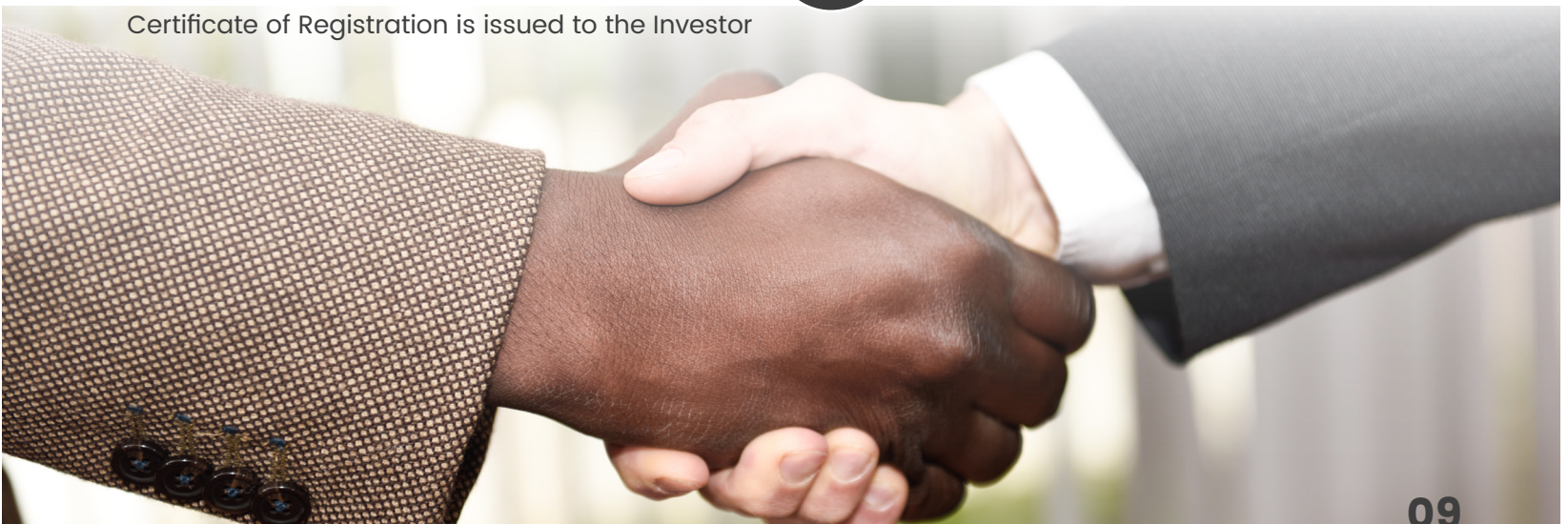
Signing of the Certificate by the Board Secretary/Legal Counsel

Secretary/Legal Counsel

STEP 3: ISSUANCE OF ZDA COR WITHIN 30 DAYS



Certificate of Registration is issued to the Investor



APPENDIX IV: PROCEDURE FOR MULTI-FACILITY ECONOMIC ZONE LICENCE, INDUSTRIAL CLUSTER OR RURAL AREA PERMIT

How does a company qualify to develop an MFEZ?

Company identifies land for the development of the MFEZ and seeks approval in principle from ZDA for an area that is suitable

Once approval of suitability is obtained, Company prepares a master plan of the MFEZ

Company submits application for MFEZ Development Permit to ZDA. Application must demonstrate that the project will generate an investment of not less than US\$500,000

ZDA scrutinizes the application with a multisectoral team of local experts, in consultation with the applicant company

The application is then submitted to the ZDA Board for approval

Once the application is approved, ZDA recommends to the Ministry of Commerce that it should issue a Statutory Instrument for declaring the MFEZ

The projects located in the MFEZ that will qualify for incentives are those with investments of US\$500,000 or more. They must be engaged in production of the following products in priority sectors: Floricultural and horticultural products, Processed foods, Beverages and stimulants – tea and coffee, Textiles – cotton, cotton yarn, fabrics and garments, Engineering products – copper products, iron ore, steel and cobalt, Leather products





How does a company qualify to operate in an MFEZ?

Investor engages with Zone Developer or Zone Management Entity for leasing of land

Investor enters into Lease Agreement with Zone Developer

Zone Developer or Zone Management Entity recommends to the ZDA that the Investor be issued with an MFEZ Permit to operate in the Zone/ Industrial Park

Company submits application for an MFEZ Operator Licence

Company pays K100 (US\$10) upon collection of MFEZ operator licence. which takes approximately 10 days from date of application

The application is then submitted to the ZDA Board for approval

Once application is approved, the ZDA Board issues Applicant with an MFEZ Licence

ACCOMPANYING DOCUMENTS FOR MFEZ OPERATOR LICENCE

- Certified copy of company registration/incorporation
- Certified copy of certificate of share capital
- Certified copy of the list of shareholders and/or directors
- Business plan and/ or feasibility study
- Verifiable evidence of project finance
- Brief resumés/CVs for shareholders and /or directors
- Letter from MFEZ Developer welcoming the project to be located in the MFEZ/industrial cluster or rural area
- Clear statement on how the project, if approved, will contribute to the country's economic growth and development.

APPENDIX V: USEFUL CONTACTS

Zambia Environmental Management Agency

P.O. Box 35131, Lusaka
Tel: +260 211 2541301/
Fax: +260 211254164
Email: zema@zema.org.zm
Website: www.zema.org.zm

Immigration Department Kent Building

P.O. Box 50300, Lusaka
Tel: +260 211252650
Fax: +260211254393/252008

Patents and Companies Registration Agency

P.O. Box 32020, Lusaka
Tel: +260 211255127255127/
Fax: +260 211 255426
Email: pro@pacra.org.zm
Website: www.pacra.org.zm

Ministry of Commerce, Trade and Industry

P.O. Box 31968, Lusaka
Phone: +260 211 2283019
Fax: +260 211 226984
Email: mcti@gov.co.zm
Website: www.mcti.gov.co.zm

Zambia Development Agency

P O Box 30819 Lusaka
Tel: +260 211220177223859/
Fax: +260 211 225270
E-mail: info@zda.org.zm
Website: www.zda.org.zm

Zambia Revenue Authority

P.O. Box 35710, Lusaka
Tel: +260 211 223754/ 2292148-
Email: advice@zra.org.zm
Website: www.zra.org.zm

National Pension Scheme Authority Levy Business Park

Cnr. of Church and Kabelenga Roads
P O Box 51275, Lusaka
Tel: +260 211 2280468
Fax: +260 211 221195
Email: infor@napsa.co.zm
Website: www.napsa.co.zm

