



Transformation
Strategic Plan
2024–2033

Spearheading Zambia's Industrialisation



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Transformation Strategic Plan

2024–2033

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Portfolio as at 2024



Energy & Infrastructure

Bangweulu Power Company	20%
INDENI Petroleum Refinery	100%
Infratel Corporation	100%
Lusaka South MFEZ	100%
Ngonye Power Company	20%
ZESCO	100%



Mining, Agriculture & Forestry

KAGEM Mining	25%
Kawambwa Tea Industries	100%
Mununshi Fruit Company	100%
ZAFFICO Plc	62.88%
ZAMPALM	100%
ZCCM-IH Plc	60.3%



Transport & Communication

Mpulungu Harbour Corporation	100%
Times Printpak	100%
Zambia Airways	55%
Zambia Cargo & Logistics	100%
Zambia Daily Mail	100%
Zambia Railways	100%
ZAMTEL	100%



Manufacturing

Marcopolo Tiles Company	22.6%
Mulungushi Textiles	100%
Nitrogen Chemicals of Zambia	100%
Superior Milling Company	100%
Kalene Hills Fruit Company	100%
Eastern Tropical Fruits	70%
Chitambo Agro Processing	80%



Banking & Financial Services

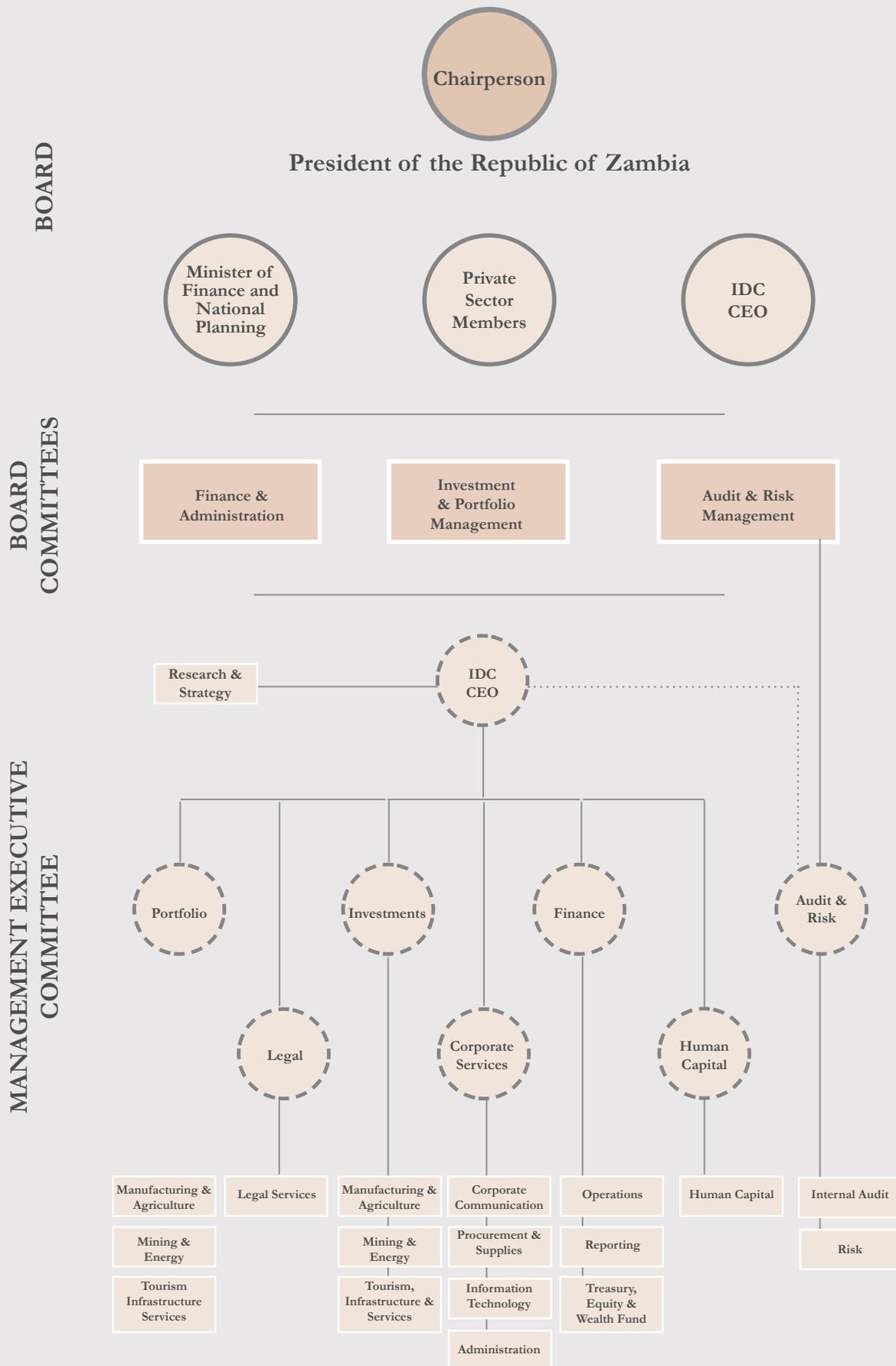
Indo Zambia Bank	40%
Zambia Industrial Commercial Bank	25%
Zambia Re-insurance	28.17%
ZANACO Bank Plc	24.8%
ZSIC-GI	100%
ZSIC-LIFE	100%



Health, Tourism & Real Estate

Lusaka Trust Hospital	45%
Mukuba Hotel	100%
Mulungushi International Conference Centre	100%
Mulungushi Village Complex	100%

Corporate Governance Structure



Exterior view of the IDC Office building in
Lusaka. 📷 IDC



Foreword

Foreword



Our vision is to transform IDC into Africa's best-performing Wealth Fund and investment partner of choice. This plan reflects our deep commitment to creating a vibrant, resilient economy that benefits all Zambians.

pathway to growth that leverages innovative funding models, enhanced governance, and strategic investments in key sectors such as agriculture, MINING, energy, manufacturing, and tourism. This will enable IDC to not only support Zambia's current economic needs but also secure prosperity for future generations.

Our vision is to transform IDC into Africa's best-performing Wealth Fund and investment partner of choice. This plan reflects our deep commitment to creating a vibrant, resilient economy that benefits all Zambians. Through prudent investment and sound management of our diverse portfolio, we will unlock new opportunities for growth, fostering industrialization and creating tens of thousands of jobs in the process.

A key pillar of this transformation is portfolio transformation where IDC is committed to restructuring and capitalising its subsidiaries, we aim to boost the profitability of our portfolio and achieve ZMW 7 billion in dividend income by 2033. This strategic shift is crucial to ensuring that our portfolio not only supports national development but also delivers sustainable returns for the Zambian people.

As we embark on this transformative journey, I am confident that with the dedication of our team, the continued support of our stakeholders, and the resolve to succeed, the IDC will achieve its ambitious objectives and make an indelible contribution to Zambia's long-term development.

I invite all stakeholders to join us in this effort as we strive to make Zambia a beacon of economic strength and innovation in Africa.

It is with great pride that I present the Industrial Development Corporation (IDC) 2024-2033 Transformation Strategic Plan. This Plan represents a bold vision and a comprehensive roadmap that will guide the IDC in its evolution into a Wealth Fund and an active driver of Zambia's sustainable economic development.

The challenges of the past decade have underscored the need for a transformative approach to how we manage and invest the nation's resources. We have seen notable achievements, yet we acknowledge the pressing need to reshape our strategies to better address Zambia's socioeconomic challenges and to position IDC as a catalyst for industrialization, wealth creation, and job generation.

The IDC 2024-2033 Transformation Strategic Plan has been meticulously crafted to tackle these challenges head-on. Drawing from international best practices, we have realigned our mandate and defined a clear

Cornwell Muleya
Chief Executive Officer



Executive Summary

Executive Summary

The Industrial Development Corporation (IDC), established in January 2014, is a State-Owned Enterprise (SOE) under the ownership of Zambia's Minister of Finance. IDC's mandate is to maximize long-term shareholder value by acting as an active investor and shareholder in key sectors of the economy, driving industrialization and job creation. The Corporation manages a diverse portfolio of 35 companies across sectors including energy, infrastructure, mining, agriculture, transport, and manufacturing, positioning IDC as a significant player in Zambia's economic growth and development.

The 2024 to 2033 Transformation Strategic Plan was developed to address the limitations of the previous model, where IDC's impact on the Zambian economy and its citizens was minimal as well as to rethink and reform IDC's inadequate funding model, which heavily relied on dividends and management fees from subsidiaries. The new Plan aligns with international best practices and focuses on tackling Zambia's socioeconomic challenges, positioning IDC as a catalyst for economic development, job creation, and industrialization.

During the 2021 to 2023 period, IDC made strides in several areas, particularly in shareholder support and industrialization projects. However, it faced significant challenges including financial constraints, the underperformance of key subsidiaries, and the impacts of the COVID-19 pandemic and currency depreciation. During the past strategic period, IDC's financial performance showed mixed results. In 2021, the group achieved ZMW 40.1 billion in revenue, with an EBITDA of ZMW 3.4 billion and a profit after tax of ZMW 332 million. However, 2022 saw a downturn, with revenue dipping to ZMW 37.8 billion and EBITDA dropping to ZMW 2.3 billion, resulting in a net loss of ZMW 3 billion. Despite these challenges, IDC demonstrated resilience in 2023, with revenue rebounding to ZMW 40.2 billion and EBITDA rising to ZMW 4.9 billion, though the group still recorded a net loss of ZMW 2.7 billion, driven by rising financing costs and depreciation. Additionally, dividend income grew by 68% over the three years, from ZMW 633 million to ZMW 1.06 billion.



The new Plan aligns with international best practices and focuses on tackling Zambia's socioeconomic challenges, positioning IDC as a catalyst for economic development, job creation, and industrialization.

An internal and external environmental analysis (PESTEL and SWOT) revealed strengths such as a diverse portfolio and strong shareholder support, while weaknesses included an imbalanced portfolio heavily reliant on the energy sector and underperforming subsidiaries. External threats such as macroeconomic instability and political interference were also identified.

The 2024–2033 Plan outlines a new vision *'To be Africa's best performing Wealth Fund and Investment Partner of choice.'*, with a mission *'To secure, manage and diversify Zambia's wealth for current and future generations by making strategic investments that drive sustainable economic development.'* Core values include professionalism, transparency, integrity, innovation, and collaboration. The Transformation Plan is anchored in five strategic focus areas: Wealth Creation; Portfolio Transformation; Priority Sector Investments; Green and Circular Economy; People and Culture and Operational Excellence.

IDC aims to transform into a Wealth Fund, serving as a cornerstone for Zambia's long-term economic stability. The focus will be on growing revenue by 20% year-on-year, capitalizing on innovative funding mechanisms and diverse investment opportunities. Portfolio Transformation: To enhance financial stability and boost profitability, IDC will focus on transforming its subsidiaries by reducing losses in unprofitable ones and increasing growth in profitable subsidiaries. The goal is to achieve ZMW 7 billion in dividend income by 2033. This will be done through restructuring, recapitalization, operational efficiency improvements, and fostering intra-group trading to optimize resource use and reduce costs.

Priority Sector Investments: IDC plans to spearhead industrialization with a robust pipeline of US\$1 billion in investment projects, commissioning 24 new projects by 2033, and creating 40,000 direct jobs. Key investments will be in agriculture, energy, manufacturing, and tourism, including the expansion of mega farms, development of aquaculture, renewable energy projects, and infrastructure upgrades. Green and circular economy: Position IDC as a leader in the green and circular economy by implementing six green projects by 2033.

People and Culture: IDC will focus on creating a high-performance work culture, becoming an employer of choice. Human capital governance will ensure optimal staffing, performance management, and alignment with IDC's expansion and transformation goals. Operational Excellence: IDC will enhance its governance structures to ensure transparency, accountability, and operational

US\$1 billion in investment projects, commissioning 24 new projects by 2033, and creating 40,000 direct jobs

Portfolio Transformation: To enhance financial stability and boost profitability, IDC will focus on transforming its subsidiaries by reducing losses in unprofitable ones and increasing growth in profitable subsidiaries.

efficiency. The Corporation will streamline processes, promote oversight, and ensure that strategic objectives are met. This includes legal reforms to address legislative challenges and enhance business efficiency.

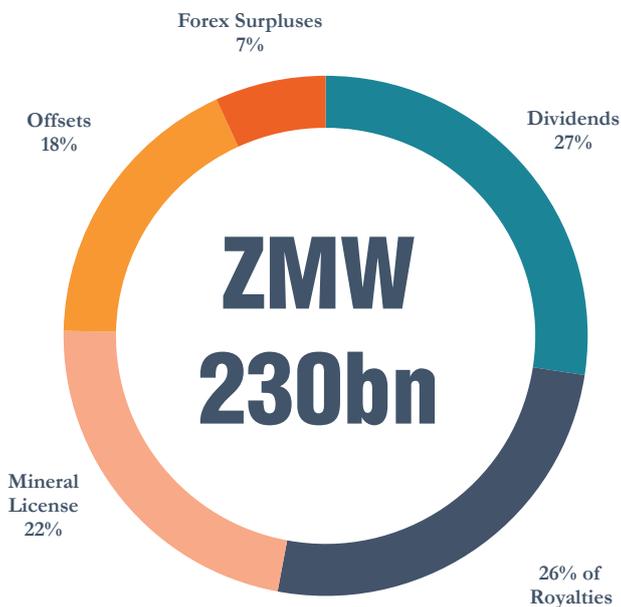
To ensure successful implementation of the Transformation Strategic Plan, an implementation and monitoring framework has been developed, anchored on the Golden Thread Performance Management Framework. This framework ensures that strategic objectives are aligned and cascaded across all levels of the organization. Monitoring will occur through a robust performance management system. This system will enable continuous tracking of progress, ensure accountability, and facilitate timely adjustments to achieve IDC's ambitious transformation goals. Regular reviews and assessments will ensure that strategic initiatives remain on course and deliver the intended outcomes.



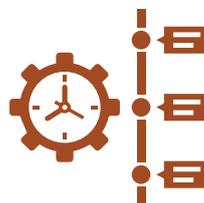
A wood stacker stacking wooden poles at the ZAFFICO Pole Treatment Plant in Kalulushi. ZAFFICO.

2024 - 2035 Strategic Targets

Wealth Fund



ZMW 111bn
20%
 Minimum ROI



95%
 Adherence to project timeline

0 Reoccurrence of internal control audit citations

20% Growth in revenue YoY



200mm USD
 Annual Forex earnings



40,000 JOBS
 Agric., energy, mining, tourism, infrastructure & manufacturing

100% Subsidiary corrective interventions implemented

24 Projects
 6 agriculture
 6 manufacturing
 5 energy
 4 infrastructure
 2 tourism
 1 mining

↑ 73%
 Contribution of Non-dividend revenue

90%
 Staff retention



Introduction

Introduction

Incorporated in January 2014, the Industrial Development Corporation Limited (IDC) is a State-Owned Enterprise (SOE) owned by the Minister of Finance in accordance with the Minister of Finance (Incorporation) Act Cap 349 of the Laws of Zambia. IDC was established to create and maximise long-term shareholder value as an active investor and shareholder of successful enterprises, and actively invest in key sectors of the economy to drive industrialisation and job creation.

As of 31st December 2023, the IDC portfolio comprised of 35 companies, divided into 26 subsidiaries and 9 investees. The portfolio demonstrated a diverse and strategic investment spread across key economic sectors:

- The Energy and Infrastructure sector had 4 subsidiaries and 2 investees;
- The Transport and Communication sector comprised 7 subsidiaries only;
- The Banking and Financial Services sector included 2 subsidiaries and 4 investees;
- The Mining, Agriculture, and Forestry sector comprised 3 subsidiaries and 1 investee;
- Lastly, the Manufacturing sector was made up of 7 subsidiaries and 2 investees.

This diverse distribution highlights the broad scope of IDC's portfolio.

Corporate Governance of the IDC

The IDC Board of Directors provides overall governance, guidance, and direction in the management of the Corporation's assets and investments. The Board, chaired by the President of the Republic of Zambia, is comprised of three (3) Cabinet Ministers, two (2) Public Servants, seven (7) Private Sector members and the Group Chief Executive Officer.

To assist the Board in its responsibilities, specific authority is delegated to three (3) Board Committees chaired by non-executive Directors who are independent of management. These are the Finance and Administration Committee, Audit and Risk Committee, and the Investment and Portfolio Committee.

The Management Executive Committee (MEC) is responsible for the day-to-day management of the Corporation. Its primary responsibilities include strategy implementation, talent development, and overseeing the Corporation's financial performance, all contributing to the delivery of IDC's vision and mission. MEC is Chaired by the Group Chief Executive Officer and supported by seven (7) executive chiefs in charge of Portfolio, Investments, Finance, Legal, Corporate Services, Human capital and Internal Audit. These

executives work collaboratively to ensure IDC's strategic objectives are met.

Rationale for the Transformation Strategy

The rationale behind the development of the IDC 2024 to 2033 Strategic Plan was necessitated by the recognition of the limitations of the existing model, where the IDC was seen as having little or no direct impact in the lives of ordinary Zambians, the imperative of adhering to international best practices, and the urgent need to address Zambia's persistent socioeconomic challenges. The Transformation Strategy is premised on focusing on new ways to generate and manage revenues, implementing governance reforms, operational enhancements, and investment excellence. During this strategic period, IDC aims to position itself as a catalyst for economic development, job creation, and industrialization.

Key elements of the transformation strategy include:

- i. Mandate Revision:** Establishing IDC as a Wealth Fund (WF) in Zambia aimed at securing long-term economic stability and growth, with a focus on identifying viable funding sources, implementing strategic investment practices, ensuring robust governance and transparency, establishing a solid legal framework, fostering capacity building, and engaging in international partnerships.
- ii. Governance Reforms:** Strengthening structures for accountability and performance through the establishment of independent, professional boards leaning towards the private sector; enforcement of accountability measures; implementation of performance management contracts; and demand for long-term strategic planning.
- iii. Operational Reforms:** Enhancing efficiency and financial stability through organizational restructuring and redesign, recapitalization and refinancing of selected assets through strategic equity partnerships, debt management, revenue enhancement, and promotion of intra-group trading and import substitution policies.

- iv. **Investment Excellence:** Building a preferred investment partner brand through revised investment policies and guidelines, realignment of the investment pipeline, efficient project turnaround, digitization of project management processes, and adherence to environmental, social, and governance (ESG) principles.
- v. **Legislative Reforms:** working with different sectors to enhance legislation aimed at protecting and bringing transparency to Zambia’s mineral extractive industry, tourism industry and financial services sectors to reduce the risks of illicit financial inflows and outflows.

The transformation agenda is underpinned by a clear vision for 2033, which includes a heavy leaning on agriculture and becoming Zambia’s largest exporter of Agri-products, establishing IDC as a premier employer, enhancing Foreign Direct Investment (FDI) by promoting partnerships with investors, working on avenues for food and energy security, and making a significant contribution to the country’s GDP.

Methodology of Developing the Strategic Plan

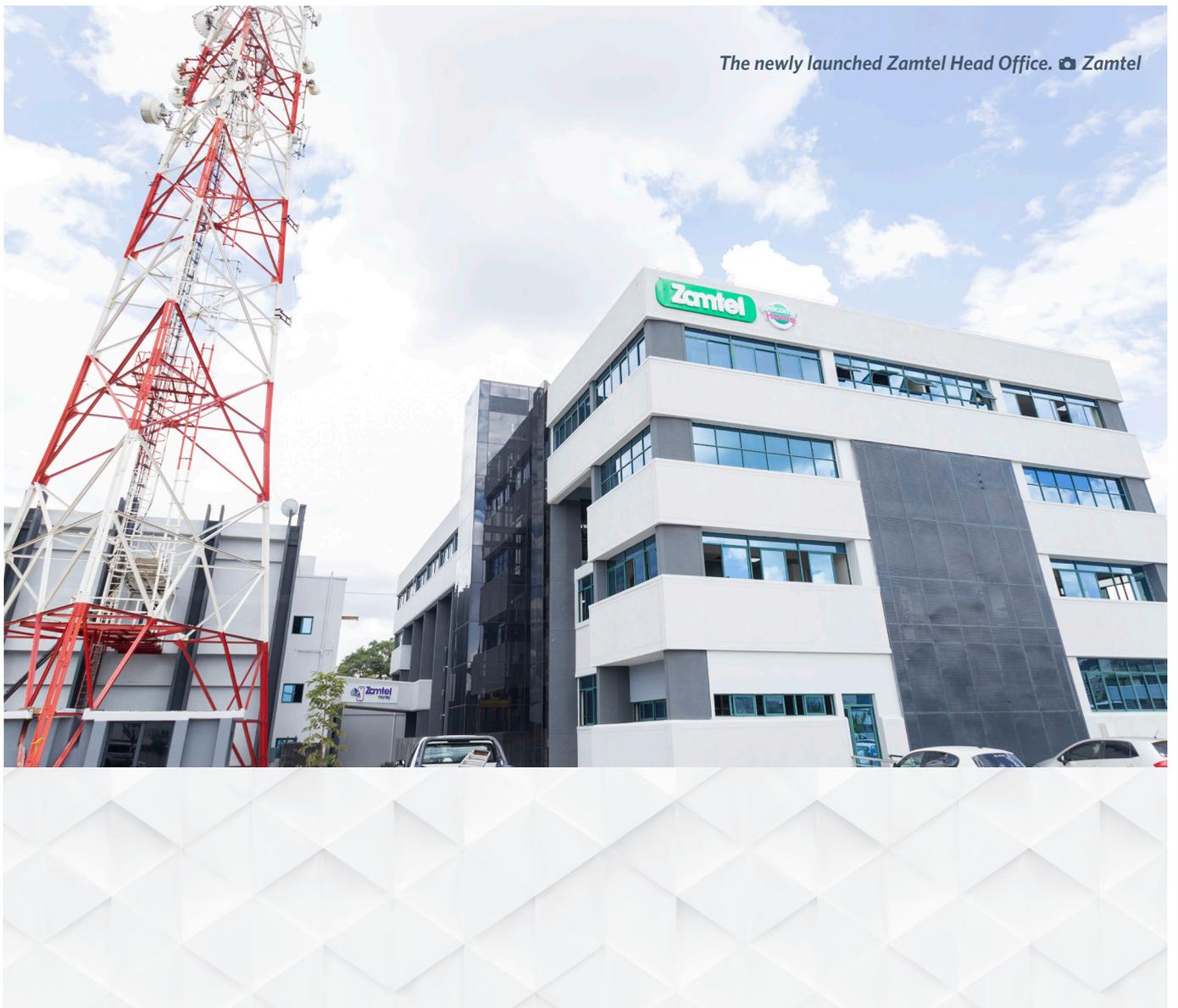
The development of the 2024-2033 Strategic Plan began with a comprehensive review of the 2021-2025 Strategic Plan, focusing on analysis of the performance metrics, target achievement, and the alignment of strategic goals with actual outcomes. This review also entailed interrogating the underlying assumptions and strategic objectives to assess their continued relevance. Building on the lessons learned from the previous plan, the transformation strategy was formulated using a blend of Strategic Alignment and Goal-Based Planning models. This approach made the development process both introspective through learning from past experiences and forward-looking, paving the way for a more effective and impactful strategy.

- i. **Performance Evaluation:** A performance review of the corporate balanced scorecard and strategic metrics under the respective strategic objectives. This evaluation was essential for identifying areas of success and gaps, ensuring that the IDC’s future goals are built on solid data and performance insights.



- ii. **Stakeholder Consultation:** Engagement with key stakeholders such as government ministries, subsidiaries, Board of Directors, IDC management and staff. The consultations were essential for understand their expectations and defining their roles in the attainment of the Corporations’ nationwide mandate.
- iii. **Environmental Analysis:** A detailed internal and external environmental analysis was performed to identify emerging opportunities and threats, ensuring that IDC’s strategy is responsive to the broader socioeconomic and market contexts.
- iv. **Strategic Alignment:** Ensuring consistency between the Corporation’s mandate, strategy, and internal operations while adapting the corporate ethos (vision, mission, goals, and values) to align with the new strategic direction.
- v. **Goal-Based Planning:** This entailed establishing clear, measurable outcomes and defining actionable strategies. Specific targets and key performance indicators (KPIs) were established to monitor and guide progress, ensuring that each strategic initiative is both achievable and measurable. An implementation plan outlining strategic initiatives, output targets, KPIs, timelines, and key drivers was developed. This plan serves as a roadmap for the successful execution of IDC’s strategic objectives, ensuring clarity and accountability across the Corporation.

By adopting this approach, the 2024-2033 Strategic Plan aims to position the IDC as a catalyst for sustainable economic growth, increased impact, and effective delivery of its mandate, while simultaneously building a strong foundation for future generations through the wealth fund.



The newly launched Zamtel Head Office. 📷 Zamtel

2021 - 2023

Strategic Performance

2021 - 2023 Strategic Plan Performance

During the strategic period, IDC achieved notable successes in several areas, particularly in shareholder support, group financial performance and the execution of key industrialization projects.

Shareholder Support

During the strategic period, IDC expended a total of **ZMW 3.7 billion** to support key strategic initiatives focused on the turnaround and expansion of its subsidiaries. These funds were disbursed through a combination of **shareholder loans**, revenue from dividends, debt instruments, and other financial mechanisms.

The disbursements were allocated to the following subsidiaries to support their transformation and address pressing needs:

1. **Mukuba Hotel:** Funds were directed towards the rehabilitation of the hotel, upgrading its facilities to enhance competitiveness.
2. **Kawambwa Tea Industries Limited:** The capital supported the procurement and installation of a tea packaging machine and irrigation equipment, which were crucial for improving production efficiency and expanding market reach.
3. **ZESCO:** Received financial support to strengthen its operational capabilities.
4. **ZSIC Life:** Provided with a shareholder loan to enhance its operational capacity.
5. **Superior Milling:** Supported with working capital to stabilize and scale its operations.
6. **Zambia Daily Mail Limited (ZDML) and Times Printpak:** These media companies were allocated funds predominantly for the winding down of Times Printpak.
7. **Zambia Cargo and Logistics Limited:** Supported to bolster logistics capabilities, enhancing the subsidiary's ability to service the transportation sector effectively.

Group Oversight

IDC continued to enhance its oversight framework to foster a performance-driven culture within its subsidiaries. This was achieved through the implementation of target-based Performance

Management Contracts (PMCs). These contracts were signed with each board establishing clear accountability and reinforcing oversight mechanisms ensuring that subsidiaries were on track to achieve their financial and operational targets. During the period spanning 2021 to 2023, subsidiary performance exhibited fluctuations. In 2021, the average performance reached 76.6%, with a range of 54.5% to 91.3%. However, in 2022, performance declined to an average of 64.1%, with a wider range of 17.5% to 85.5%. By 2023, a slight improvement was observed, with an average of 68.8% and a range of 38.0% to 88.6%.

The variations in annual performance among our subsidiaries demonstrate the effectiveness of our approach in setting challenging but achievable transformation targets. This strategy encourages continuous improvement and fosters a culture of high performance across the Group.

To enhance corporate governance, IDC revised the composition of subsidiary boards to be dominated by private sector professionals, limiting public servant representation to one member per board. A public call was issued to invite qualified individuals to join these boards. This transparent process ensured the recruitment of competent and experienced professionals from diverse sectors. The focus on professionalism and competence across all subsidiaries was critical to improving board performance and accountability. Implementing these key initiatives was key to strengthening the subsidiaries' ability to meet performance expectations.

Profitability, Dividends and Liabilities in the Portfolio

The IDC Portfolio recorded a positive performance by the close of the review period, 31st December 2023, operational subsidiaries showed positive performance in 2023, with the number of profitable companies increasing to 10, from 9 in 2022. This improvement was aligned to a reduction in group loss, falling from ZMW3.0 billion in 2022 to ZMW2.7 billion in 2023. Additionally, EBITDA saw a significant rise, reaching ZMW4.9 billion in 2023 compared to ZMW2.3 billion the previous year.

Dividend declaration also witnessed positive developments. The number of companies paying dividends rose to 8 in 2023 compared to 6 in 2021, however, this was still lower than the 10 that were recorded in 2022. Notably, dividend income to IDC increased by 68% over the past three years compared to the period between 2016 and 2020. This translated to a rise from ZMW633 million to ZMW1.06 billion. Looking at the sectoral breakdown, Mining, Agriculture & Forestry subsidiaries contributed the majority (around 65%) of the total dividend income in the past three years, with Banking & Financial Services accounting for the remaining 30%.

IDC (Entity) Financial Position 2021 – 2023

During the strategic period from 2021 to 2023, the entity's total assets showed a mixed performance. Assets decreased by 16.4% from ZMW28.2 billion in 2021 to ZMW23.6 billion in 2022, and then increased to ZMW25.6 billion in 2023, reflecting a 8.7% increase. Shareholder equity followed a similar trend, declining by 21.5% from ZMW23.4 billion in 2021 to ZMW18.3 billion in 2022, before partially recovering to ZMW18.8 billion in 2023, representing a 2.4% increase from 2022. The main driver behind these trends was a decline in investment in subsidiaries. Investment in subsidiaries slumped by 16.7% from ZMW19.9 billion in 2021 to ZMW16.6 billion in 2023.

Financial Performance 2021 – 2023

Figure 1: Dividend Income Received 2021 - 2023, ZMW'million

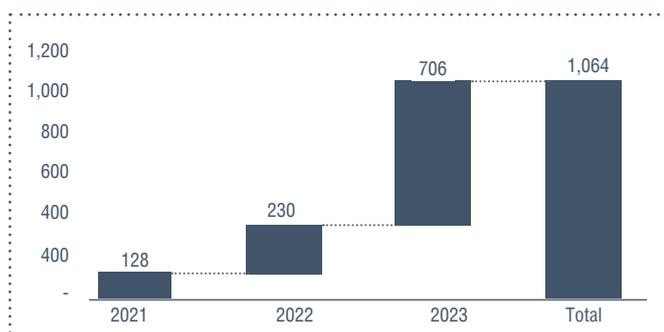
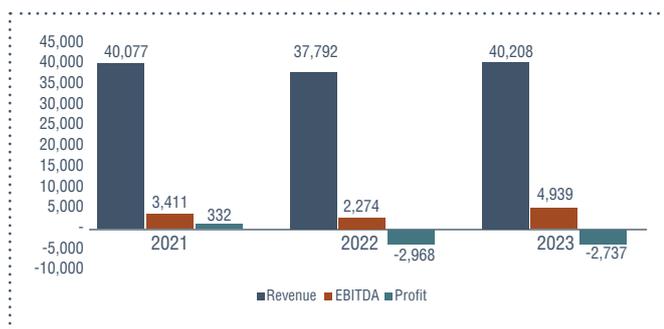


Figure 3: Group Financial Performance 2021 - 2023, ZMW'million



Group Financial Performance 2021 – 2023

The Group's financial performance exhibited a rollercoaster movement during the strategic period of 2021 to 2023. The 2021 financial year marked a successful year with revenue reaching ZMW40.1 billion, EBITDA at ZMW3.4 billion, and a profit after tax of ZMW332 million. However, 2022 presented challenges, with EBITDA declining to ZMW2.3 billion, revenue dipped to ZMW37.8 billion and the group incurred a loss after tax of ZMW-3.0 billion.

The Group demonstrated resilience in 2023. Revenue saw a slight uptick to ZMW40.2 billion and EBITDA climbed further to ZMW4.9 billion. Nevertheless, financing cost increases and depreciation following capitalization resulted in another loss after tax of ZMW-2.7 billion.

Group Financial Position

The Group's financial position from 2021 to 2023 reflects a growth in total assets. Assets grew from ZMW165.0 billion in 2021 to ZMW188.2 billion in 2023, with ZESCO, ZCCM-IH, ZAFFICO, LSMFEZ, and Infratel (as of December 31, 2023) contributing 91% as the top five subsidiaries. Notably, 92% of assets fall within two key sectors: Energy Resources & Infrastructure (61%) and Mining, Agriculture & Forestry (31%).

However, shareholder equity decreased from ZMW41.1 billion in 2021 to ZMW23.8 billion in 2023. This decline was primarily due to a 244% decrease in ZCCM-IH's equity, driven by increased long-term borrowing.

Figure 2: IDC (Entity) Financial Position 2021 – 2023

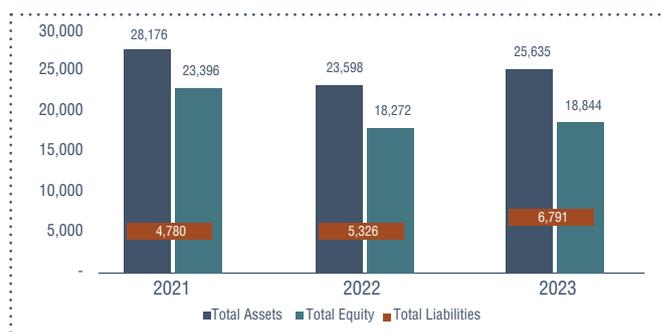
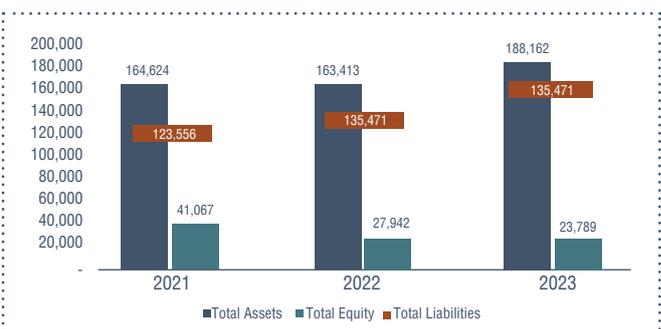


Figure 4: Group Financial Position, ZMW'million



Liabilities also increased from ZMW124 billion in 2021 to ZMW164 billion in 2023. The Energy Resources & Infrastructure sector holds 58% of these liabilities, while Mining, Agriculture & Forestry holds 38%.

Industrialisation

During the strategic period January 2021 to December 2023, the IDC achieved several significant milestones:

- 1. Kalene Hills Fruit Processing Company:** Commissioned on 27th July 2022 by the President of the Republic of Zambia, Dr. Hakainde Hichilema, this initiative onboarded over 1,500 farmers, significantly bolstering the agricultural value chain in the region. The project is a vital part of IDC's efforts to enhance agro-processing and create sustainable livelihoods for local farmers.
- 2. Eastern Tropical Fruits Company:** The installation of fruit processing equipment at the Eastern Tropical Fruits Company was successfully completed. This project is crucial for enhancing fruit processing capacity in the Eastern Province.
- 3. Mununshi Fruit Company Limited:** The company generated ZMW4.1 million in revenue from a 30-hectare pilot project. Encouraged by this success, Mununshi has embarked on an 80-hectare expansion, demonstrating its commitment to scaling operations and contributing to the agricultural sector.
- 4. Chitambo Agro Processing Limited :** The Chitambo Agro cassava milling plant project was established to capitalize on the region's growing cassava production. By providing a reliable market, adding value through processing, and creating jobs,

the project aims to enhance the local cassava value chain. Construction is nearing completion at 95%, and essential preparations, including operational assessments, feedstock validation, and staff training, are on track for completion by early 2024 and commissioning during the year.

- 5. Agro Luswishi:** The Agro Luswishi is a 7,872-hectare IDC project, aims to boost agricultural infrastructure, food production, job creation, and economic development in Lufwanyama. Key achievements include a successful 30-hectare onion pilot with a 900 tons yield, a 700-hectare joint venture for maize, wheat, and soybeans, and 400 hectares of land cleared for planting.
- 6. Industrial Resources Limited (IRL)** was established to serve as the investment vehicle for the IDC and the Zambian government in the mining sector, with a focus on areas such as primary production, beneficiation, refining, and value addition. The strategic aim is to use IRL to drive Zambia's industrialization and value chain integration in the mining sector, positioning the country as a more comprehensive player in mining beyond raw material extraction.

IDC's strategy involves positioning IRL for partnerships with renowned global investors through special purpose vehicles (SPVs) and joint ventures. These collaborations are expected to bring in capital, expertise, and technology, enhancing Zambia's ability to process and add value to its mineral resources domestically, thereby maximizing economic benefits.





2021 – 2023

Strategic Challenges

2021 – 2023 Strategic Challenges

The implementation of IDC's Corporate Plan encountered several significant obstacles. These challenges hampered the Corporation's ability to effectively execute its strategic objectives. Key issues included financial constraints, underperformance of key subsidiaries, legislative and regulatory barriers, the impact of the COVID-19 pandemic, and currency depreciation.

Financial Challenges and Funding Constraints

During the plan period, IDC experienced a significant mismatch between its cashflow, primarily driven by dividends, and its project pipeline. This made it difficult to meet recurring debt financing costs in a sustainable manner. The challenge also impacted capital-raising efforts for portfolio restructuring and project implementation. Additionally, IDC faced external funding challenges due to constrained Sovereign Fiscal Space, characterized by tightened liquidity, high interest rates, and reduced investor risk appetite. Development Finance Institutions (DFIs), a source of cheaper capital, were hesitant to lend due to Zambia's sovereign debt levels, viewing IDC's risk as sovereign risk. This, along with historical poor performance and high default rates among some subsidiaries, compounded IDC's difficulties.

Performance of key subsidiaries

Compounding IDC's challenges was the situation at ZESCO, which represents over 70% of IDC's balance sheet. ZESCO's performance was negatively impacted by load management issues, high indebtedness to Independent Power Producers (IPPs), and low tariffs, dragging down the overall financial health of IDC. Additionally, the poor performance of key subsidiaries such as ZAMTEL, Zambia Railways (ZRL), and Nitrogen Chemicals of Zambia (NCZ) further eroded IDC's bottom line, as these entities, despite their size, failed to contribute positively.

Legislative and regulatory challenges impeding business

During the strategic period, the Corporation faced significant legislative and regulatory challenges that affected its operations and those of its subsidiaries. Key issues arose from various recently enacted laws, including delays stemming from the requirement for Attorney General approval under the Constitution of Zambia (Amendment) Act No. 2 of 2016, and expanded procurement obligations under the Public Procurement Act No. 8 of 2020. There was also ambiguity surrounding

IDC's inclusion under the Emoluments Commission Act No. 1 of 2022. Furthermore, IDC's classification as a public entity under the Public Debt Management Act No. 15 of 2022 complicated its capital-raising activities, while the Zambia Development Agency Act No. 17 of 2022 raised concerns about the treatment of IDC as a state asset in relation to its subsidiaries. Collectively, these regulations created administrative bottlenecks, delaying IDC's ability to execute its projects efficiently.

Covid- 19 Pandemic

The covid-19 pandemic, which was declared an international Public Health Emergency and a global pandemic in March 2020, had a major impact on economic, commercial, and social activities countrywide and globally. The Corporation faced various operational and investment challenges in the period under review due to the pandemic. There was disruption in supply chains, a contraction in tourism and hospitality activities, a drop in global prices of copper, and a decline in the transport sector activities. IDC's subsidiaries, including Zambia Airways, ZCCM-IH, Mulungushi International Conference Centre, Mukuba Hotel, among others, operate in the sectors that were affected. Additionally, the Zambia International Trade Fair ceased operations due to pandemic-related restrictions, prompting IDC to devise a new strategic direction for this subsidiary.

Currency Depreciation

The volatility of the Kwacha continued to affect the operations of IDC and its subsidiaries throughout the strategic period. Depreciation of the kwacha resulted in significantly large exchange losses for subsidiaries with dollar denominated liabilities such as ZESCO and ZAMTEL. Additionally, IDC faced challenges due to the depreciation of the Kwacha, which significantly impacted projects involving imported equipment. The increase in the Kwacha value of imported goods during the strategic period led to substantial cost variations, further straining project budgets and complicating financial planning for ongoing initiatives.

Environmental Analysis

Environmental Analysis

External

This section examines the various external factors influencing IDC's operations, using the PESTEL analysis framework. This model assesses key elements in the political, economic, social, technological, environmental, and legal environments that have a direct or indirect impact on IDC's strategic objectives and operational effectiveness.

Political Environment

Zambia's political climate is generally a peaceful and stable one. Reports from the USAID – Democracy, Human Rights and Governance Department, describe Zambia as model in the region of peaceful and multi-party-political transitions. This track record is substantiated by its ranking by the Fitch Risk Index, where Zambia scored 36.7%, which is a medium ranking according to the World Bank Governance Indicators For the IDC to carry out its mandate and achieve its strategic objectives effectively, political stability is of prime importance. Political interference has the potential to affect the operations both in IDC and the subsidiaries within the Group. To mitigate this risk, IDC is committed to upholding strong corporate governance principles by undertaking Governance Reforms, ensuring transparency and accountability across its operations.

Economic Environment

Zambia's economic climate has been turbulent over the past year, marked by rising inflation, a weakening exchange rate, and a severe drought impacting manufacturing and agriculture. Economic growth for Q1 2024 was projected at 4.4% but dropped to 2.3%. Inflation rose to 13.2% in January from 13.1% in December 2023, while the exchange rate fell to ZMW26.3 per US dollar. These developments have created a challenging business environment and placed the economy in a fragile position. In response, Zambia concluded a debt restructuring agreement in principle with its international bondholders. This is expected to improve the economic outlook by fostering stability and growth, strengthening the Kwacha, and enhancing currency market confidence. The deal has also unlocked funding through budget support and grants from cooperating partners. Increased investor confidence is expected to bolster IDC's ability to attract strategic equity partners, whose involvement will be vital in ensuring the financial and operational success of projects by leveraging external expertise and capital.

Social Cultural

According to Zamstats, as of September 2022, the country's total population was 19.6 million, with 11.8 million people living in the rural areas and 7.9 million living in the urban areas. Additionally, 22% of Zambians were employed in the formal sector, while 78% were employed in the informal sector. Through development of the pipeline projects, IDC will continue to foster value addition where prime resources are located, leverage on skill and capacity building and create employment opportunities primarily in the rural areas, where there is huge unemployment gap.

Technological Environment

The growing need to digitalize operations, driven by advances in Information and Communication Technology (ICT), has led IDC to prioritize upgrading its ICT infrastructure and processes in investment-targeted areas. To boost resource extraction efficiency, the Corporation will adopt advanced mining technologies, including modern machinery and AI-driven exploration. IDC will also invest in technology and innovation tailored to its priority sectors. Recognizing the value of beneficiation and value addition, IDC aims to transform raw materials into higher-value products locally. By leveraging cutting-edge technologies, this strategy supports import substitution and maximizes the economic potential of Zambia's natural resources.

Environmental

Zambia lies in the tropical region, with a subtropical climate and abundant natural resources. IDC recognizes its responsibility to protect the environment by promoting responsible investment practices. It is committed to integrating Environmental, Social, and Governance (ESG) principles into its policies to support sustainable development and safeguard resources for future generations. IDC will explore green bond financing to support renewable energy projects focused on sustainability. To reinforce its commitment, IDC will actively engage local communities, ensuring stakeholders are informed and involved throughout project development.

Legal Environment

The government plays a crucial role in the marketplace by enforcing product quality, safety, and environmental protection laws to safeguard consumers and the environment. However, these regulations can sometimes have unintended consequences, such as raising the cost of entry into industries, disrupting competitive practices, or impacting profitability. In the past, changes in regulatory regimes have occasionally hindered strategic direction and business operations. To address these challenges, IDC will continue to contribute to policy formulation and advocate for pro-business legal reforms. The Corporation also plans to intensify stakeholder engagement and lobbying efforts to amend key legislative barriers that impede service delivery and business efficiency.

Institutional Assessment

Institutional internal assessment was conducted to analysis the company's status. The analysis identified several gaps and provided appropriate interventions. Further, a SWOT analysis was conducted and identified the factors within and outside the Company in respect to Strengths, Weaknesses, Opportunities and Threats that would facilitate or hinder the implementation of the Company's corporate strategy.

Strengths

The Corporation's key strengths are as follows:

- a) **Strong Shareholder Support:** The Corporations benefit from strong government backing, which enables it to align its activities with national priorities. IDC enjoys access to strategic resources, which significantly enhance its ability to pursue large-scale investments and development projects. This strong support not only facilitates smooth operational execution but also helps IDC secure the resources and partnerships necessary to drive Zambia's economic transformation, positioning the Corporation as a key agent in achieving the country's long-term growth objectives.
- b) **Diversified Portfolio:** The broad diversification of its portfolio allows IDC to build synergies between different sectors, which enhances the effectiveness of its investments and creates opportunities for cross-sector collaboration. By spreading investments across various industries, IDC is able to mitigate sector-specific risks and reduce its exposure to downturns in any single market. This diversification strategy also strengthens the Corporation's ability to maintain financial stability, ensuring that it remains resilient in fluctuating economic environments.
- c) **Large Asset Base:** The Group's large asset base serves as a cornerstone for its financial strength. This extensive and diverse portfolio provides the Corporation with the leverage to secure favourable financing terms, fund new investments, and drive growth across multiple sectors. This robust portfolio of assets base ensures that the Corporation is well-positioned to weather economic challenges and maintain its financial resilience.
- d) **National Mandate:** IDC was established with a national mandate from the government to serve as the key driver of Zambia's industrialization. As an arm of the government, IDC is tasked with managing and growing state-owned enterprises (SOEs) while creating new industries that promote economic development. Its role extends across various sectors of the economy, enabling the corporation to drive Zambia's economic diversification and contribute to sustainable growth in both urban and rural areas.
- e) **Competence, expertise, and experience of workforce:** The Corporation prides itself with suitably qualified, robust and professional employees who are driven by a performance work culture and a strong value system. The IDC has a pool of diverse skills and talent with technical capacity to deliver on its broad mandate. The IDC will strive to recruit specialized talent in the priority sectors - planned projects.
- f) **Partner of choice:** IDC's experience across 12 sectors such as energy, mining, manufacturing, and financial services enables it to act as an informed and strategic partner. This diverse exposure has provided IDC with critical insights into various industries, allowing it to mitigate risks and capitalize on opportunities effectively. As a result, partners benefit from reduced risk exposure and sector expertise. This positioning makes IDC an attractive partner for local and international investors looking to tap into Zambia's economy without incurring significant risks typically associated with new market ventures.
- g) **Proven Track Record:** Over its 10- year history, IDC has played a critical role in Zambia's Economic Development. With a unique mandate to manage state assets and invest in key sectors across Zambia, IDC has successfully commissioned notable greenfield projects the Corporation has commissioned since its inception are Infratel Corporation, Zambia Airways, Mununshi Banana Plantation, Kalene Hills, Chitambo Agro-and Processing Plant. IDC's commitment to growth is ongoing, as evidenced by projects such as Fig Tree in Chibombo and Eastern Tropical in Eastern Province

of Zambia which are earmarked for commissioning in 2025.

Furthermore, IDC has refined its operational mandate and developed efficient systems and processes, enabling the Corporation to manage investments strategically and fulfil its industrialization goals. IDC will leverage its experience and operational capability to ensure continuous growth in executing its triple mandate of portfolio transformation, industrialization and wealth creation.

Weaknesses

The Corporation's major weaknesses are as follows:

- a) **Imbalanced Portfolio:** IDC, despite its portfolio diversity, holds an imbalanced portfolio, with approximately 70% of the group's value concentrated in the energy sector. This over-reliance on one sector poses a significant risk, as any disruption in the energy sector—such as regulatory changes, market downturns, or operational challenges—could lead to group-wide underperformance. To mitigate this risk, IDC plans to focus on further diversifying its investments into other strategic sectors such as agriculture, manufacturing, and mining. Expanding its investments across a broader range of industries will help safeguard IDC's overall stability and reduce its vulnerability to sector-specific shocks.
- b) **Inadequate funding model:** IDC's current funding model is inadequate due to its heavy reliance on dividend income and management fees from subsidiaries to sustain operations. This overdependence has limited the funds available for reinvestment into new projects, thereby restricting IDC's capacity to drive long-term growth and expand its portfolio.

In response, IDC's Transformation Strategy includes plans to undertake innovative funding initiatives. By diversifying its operational funding sources, the Corporation can reduce its reliance on dividend

income. This approach will free up more resources for reinvestment in strategic projects, allowing IDC to more effectively fulfil its mandate of economic diversification and industrial growth across Zambia.

- c) **Underperforming Subsidiaries:** Several IDC subsidiaries, such as Zamtel, ZCCM-IH, and Zambia Railways, have reported significant losses due to factors like foreign exchange volatility, operational inefficiencies, and high debt burdens. These underperforming entities continue to strain IDC's overall financial performance.
- d) **High Debt and Financial Liabilities:** IDC has subsidiaries with high levels of debt, including companies that are technically insolvent, such as Nitrogen Chemicals of Zambia and Times Printpak. These liabilities create financial pressure and limit IDC's capacity to invest in new projects.
- e) **Operational Inefficiencies in Some Subsidiaries:** Several IDC subsidiaries operate with outdated business models and face operational inefficiencies, which negatively impact their profitability and, in turn, IDC's overall portfolio performance. For instance, entities like Zambia Daily Mail and Mulungushi Village struggle with high costs and low demand for services, affecting their long-term viability. This inefficiency drags down IDC's ability to optimize returns across its portfolio and hinders its capacity for growth.
- f) **Inadequate Staffing:** IDC operates with a lean organizational structure, which, while efficient in some areas, leads to inadequate staffing in key roles. Additionally, limited automation of systems and processes further reduces operational efficiency. This creates challenges in delivering optimal performance, particularly when scaling operations or implementing new projects. To address these issues, increasing automation and scaling up staffing in specialized areas will be critical for improved performance.

Opportunities

The Corporation's key opportunities are as follows:

- a) **Transformation into a Wealth Fund:** IDC's ongoing transition into a Wealth Fund opens avenues for long-term financial sustainability and economic stability. This transformation allows IDC to manage Zambia's financial resources more effectively and invest strategically across sectors, positioning itself as a catalyst for intergenerational wealth and development.
- b) **Sectoral Diversification:** While IDC is concentrated in the energy sector, it has the opportunity to expand its investments into priority sectors such as agriculture, tourism, manufacturing, infrastructure and mining. This diversification would help mitigate risks, foster job creation, and stimulate economic growth.
- c) **Strategic Partnerships:** IDC can leverage strategic partnerships with the private sector, both domestically and internationally. These collaborations can attract capital, improve operational efficiencies, and drive innovation in industries across the project pipeline.
- d) **Digitalization and Technological Adoption:** There are significant opportunities for IDC to enhance its operations through digitalization and automation. By adopting advanced technologies, IDC can improve efficiencies in subsidiaries, streamline processes, and reduce operational costs.
- e) **Access to Alternative Funding Mechanisms:** IDC has the opportunity to explore innovative funding sources, such as investment activities, asset divestitures, green financing and specialised capital raising programs. This would reduce reliance on dividends from subsidiaries and provide more resources for reinvestment in large-scale industrial projects.
- f) **Development of Strategic Industries:** As Zambia seeks to diversify its economy, IDC can play a key role in fostering strategic industries such as renewable energy, agro-processing, and mining. By leading investments in these sectors, IDC can boost Zambia's global competitiveness and contribute to sustainable development.
- g) **Government Policy Alignment:** IDC's close alignment with government policy provides

opportunities to capitalize on favorable regulatory environments and national development priorities. This ensures access to strategic resources and supports projects that align with Zambia's industrialization goals.

Threats

Potential threats to achievement of the strategic objectives are as follows:

- a) **Policy Changes:** Shifts in government policy, either directly affecting IDC or altering the broader business climate, could impede the Corporation's ability to achieve its objectives. Sudden regulatory changes or shifts in government priorities may create uncertainty and disrupt IDC's strategic plans.
- b) **Macro-Economic Factors:** Adverse macroeconomic conditions, such as fluctuating exchange rates, inflation instability, high interest rates, and market liquidity challenges, pose significant risks. These factors can increase operational costs and reduce profitability, necessitating effective economic forecasting and mitigation systems to manage the impact.
- c) **Climate Change, Pandemics, and Natural Disasters:** Environmental threats such as climate change, pandemics, and natural disasters can disrupt IDC's operations and its subsidiaries. These events can affect supply chains, production capacity, and market demand, making it crucial for IDC to enhance its risk management frameworks and prepare for such events.
- d) **Undue Political Interference:** As a wholly state-owned enterprise, IDC is at risk of political interference, which could negatively impact its operational independence and strategic direction. Political influence may result in misaligned priorities or delays in decision-making, hindering IDC's ability to execute its plans effectively.
- e) **Regulatory Challenges:** Navigating a complex web of laws, regulations, and compliance requirements can create uncertainty and operational inefficiencies for IDC. The multiplicity of regulations may slow down projects, increase costs, and limit the flexibility needed for business innovation and growth.

STAKEHOLDERS

Stakeholder	Role
IDC Board of Directors	Lead strategic direction, inform sector transformation initiatives, and manage stakeholder collaborations.
Subsidiaries and investee companies	Expect oversight, operational efficiency, and corporate governance to enhance enterprise value.
Government	Set strategic direction for economic sectors and expect IDC to act as implementing arm for rural development and job creation through industrialization.
Private Sector Entities	Invest in infrastructure and innovation to drive industrial growth, aligning with national economic goals.
Cooperating Partners	Provide technical and financial assistance to support sustainable development.
Associations & Cooperatives	Focus on capacity building, modern techniques, and skills enhancement for members.
Local Communities	Facilitate local engagement and support for IDC initiatives, ensuring alignment with community needs and aspirations.
Research Institutions	Conduct sector-specific research and innovation, focusing on sustainable practices and technologies.
Financial Institutions	Provide financial services, credit facilities, and investment in sectoral growth and transformation projects.
Defence Forces	Contribute to and benefit from investments in agriculture, to support food security for the country.
Regulators & Development Agencies	Ensure IDC's compliance with laws and facilitate foreign investments and business development.
Small and Medium Enterprises	Drive economic growth through innovation, local employment, and community development.
Investors	International and local investors look to IDC as a strategic equity partner, seeking alignment with Zambian Government policies
IDC Employees	Employees expect IDC to foster a professional and conducive work environment that promotes individual development and ensures transparent communication of management and board decisions.
General Public	Anticipate effective use of wealth fund resources and developmental impact from IDC projects, including job creation.

Table 1: Key Stakeholders

Strategic Direction

Corporate Ethos

IDC is committed to driving Zambia's economic transformation through strategic investments and fostering sustainable development. Guided by a clear vision, mission, and a set of core values, IDC's strategic direction for the next 10 years focuses on achieving its long-term objectives of economic diversification, operational excellence, and the creation of lasting wealth for Zambia.



Vision Statement

To be Africa's best performing Wealth Fund and Investment Partner of choice.



Mission Statement

To secure, manage and diversify Zambia's wealth for current and future generations by making strategic investments that drive sustainable economic development.



Core Values

In all our dealings and undertakings, IDC will uphold the following core values which are critical in driving the IDC's transformation strategy and achieving its long-term goals of economic diversification, enhanced operational effectiveness, and sustainable development.

- **Professionalism:** We shall uphold the highest standards of professionalism in all our interactions and operations. We expect the same level of dedication and ethical behaviour from those we do business with, ensuring a culture of respect, competence, and reliability.
- **Transparency:** We shall be open and accountable for our investments and business undertakings. By maintaining clear and honest communication with all stakeholders, we shall build trust and foster an environment of integrity and ethical conduct.
- **Integrity:** We shall strive to adhere to the highest moral and ethical principles. Integrity shall be the foundation of our decision-making process, ensuring that we operate with honesty, fairness, and respect for all individuals and entities we engage with.
- **Collaboration:** We shall value and respect each other's contributions in the combined effort to achieve success through teamwork and cooperative partnerships. We shall leverage collective strengths to achieve common goals and drive mutual growth, both within our organization and with external stakeholders.
- **Distinction:** We shall continuously strive for distinction and aim to achieve superior performance, foster innovation, and deliver exceptional value to our stakeholders.
- **Innovation:** We shall foster an environment that nurtures creativity and continuous improvement by encouraging innovative thinking and embracing new technologies and methodologies.

STRATEGIC FOCUS

The strategic focus for the next 10 years will be driven by the following focus areas:



Wealth Creation

The purpose of transforming IDC into a wealth fund is to serve as the cornerstone of Zambia's agenda to harness its wealth for future generations, capitalizing on diverse investment opportunities while maintaining a prudent approach to risk. This transition to a wealth fund brings into focus the need for a long-term outlook in investment policy for the entity going forward. The key objectives of the wealth fund include securing the country's financial future, supporting economic diversification, and generating sustainable financial returns through wealth preservation, intergenerational equity, and economic stabilization. IDC plans to grow the revenue of the fund by 20% year on year to over ZMW200million by 2033. This strategic objective is aligned with national economic priorities and development strategies which include long-term capital growth and diversified investments across asset classes, regions, and sectors to mitigate risks and optimize returns.



Portfolio Transformation

IDC will actively manage its investments in subsidiaries, aligning them with national economic goals to contribute to the wealth fund's growth. We have planned strategies to transform subsidiaries to profitability and enhance the sustainable performance of the portfolio, ensuring returns on investment for continued growth of the Group and the economy. Key sector interventions have been tailored to specific subsidiary needs, transforming operations to sustainable levels. The 10-year portfolio transformation program aims to increase dividend income to ZMW 7 billion by 2033.



Priority Sector Investments

To advance its industrialization and job creation agenda, IDC will develop a robust pipeline of US\$ 1 billion investment projects, prioritized for their economic impact and alignment with national goals. The Corporation aims to commission twenty-four projects by 2033, which are expected to create 40,000 direct jobs. Adherence to project timelines is set at a minimum standard of 95% to ensure effective implementation.



Green and Circular Economy

IDC aims to lead the way in sustainable economic development by embedding ESG principles across its investments, advancing green projects, and upholding environmental responsibility. This approach not only positions IDC as a responsible industry leader but also aligns with Zambia's broader climate and sustainability goals. In the ten year strategic period, IDC plans to develop six green projects.



People and Culture

We believe that our people are our greatest asset. We strive to be an employer of choice, known for our excellent performance culture, our commitment to personal and professional growth, and our dedication to creating a positive and supportive work environment for continuous improvement. We are committed to creating a workplace where every individual feels valued, empowered, is innovative and inspired to contribute their unique perspectives and talents. To achieve this, we are committed to: Cultivating a high-performance culture; Driving operational efficiency; Prioritizing employee welfare; and Fostering professional growth.



Operational Excellence

IDC is committed to improving its governance and accountability frameworks to ensure transparency and effective oversight. This involves refining processes, policies, and organizational structures to align with best practices and regulatory requirements. By doing so, IDC aims to promote a culture of accountability, integrity, and operational efficiency across all levels of the organization. IDC plans to fully automate its operations by the end of the strategic period. This will streamline processes, improve efficiency, and enhance decision-making capabilities. In terms of financial management, IDC is dedicated to producing audited financial statements in a timely manner, adhering to corporate governance principles and ensuring financial transparency. Additionally, IDC will undertake legal reforms to address legislative and regulatory challenges, ensuring that transformative initiatives are executed efficiently throughout the strategic period and beyond.

STRATEGIC OBJECTIVES



Strategic Objective 1

To achieve a 20% year -on-year growth in Fund revenue



Strategic Objective 2

To grow dividend revenue to ZMW 7 billion by 2033



Strategic Objective 3

To create 40,000 direct jobs through US1.5 billion investments in agriculture, manufacturing, energy, and tourism ventures.



Strategic Objective 4

Position IDC as a leader in the Green and Circular Economy by implementing six green projects by 2033.



Strategic Objective 5

To foster a high-performance, inclusive, and engaging work environment to enhance organizational capacity and its competitiveness.



Strategic Objective 6

To Enhance IDC's operational efficiency for effective service delivery.

Table 2: Strategic Objectives

The Zambia Airways Boeing 737-800 at the Kenneth Kaunda International Airport. 📷 Zambia Airways



STRATEGIC OBJECTIVES

Strategic Objective 1

To achieve a 20% year -on-year growth in Fund revenue

IDC will implement strategic initiatives designed to operationalise the Wealth Fund and generate sustainable returns. These initiatives will enhance IDC's role as a Fund manager through prudent investment strategies, positioning itself as a key player with a national mandate. This objective will be achieved through a two-pronged approach: establishing a robust legal and operational framework and securing resources for long-term growth.

Legal Reforms:

The path to achieving this objective starts with transformation of the legal landscape. IDC will advocate for legislative amendments that allow for the innovative funding mechanisms to be operative and institutionalised.

Operationalisation of the Fund:

Through the Wealth Fund, IDC will implement prudent investment practices that focus on generating sustainable returns while supporting national development goals. This will involve developing a robust investment strategy that prioritizes investments with strong financial returns alongside positive social and environmental impact.

Resource Mobilization

To ensure long-term sustainability, IDC will implement a resource mobilization plan with the goal of growing the fund's to K230 billion by 2033. Alongside this, the focus will be on diversifying its income streams to achieve a consistent 20% annual growth in Fund revenue.

Funding Mechanism

The Wealth Fund will be capitalized through multiple sources of revenue, including natural resource revenues, foreign exchange reserves, privatization proceeds, enhanced procurement and mineral licensing practices, and fiscal surpluses, ensuring a robust and resilient financial foundation.

a) Natural Resources:

To diversify revenue streams and reduce reliance on dividends, IDC plans to generate capital from natural resources. Approximately 10% of revenue from key resources like copper, gold, and sugilite will be directed to the Wealth Fund. This contribution is expected to exceed K1 billion by the end of 2024 and grow significantly to K32 billion by 2033.

b) Specialised Procurement Programs:

IDC will leverage procurement structures involving offset and counter-investment programs following UNICITRAL rules to generate revenue and mitigate risks associated with traditional procurement methods. These programs encourage technology transfer, knowledge sharing, and local job creation, ultimately benefiting the IDC and the Zambian

economy. This approach is expected to yield K1.2 billion by the end of 2024 and grow to K3.3 billion by 2033.

c) Specialised Mineral Licensing Program:

This program aims to consolidate existing mineral licenses, enabling a comprehensive exploration effort to map all mineral reserves within the tenements. IDC will then issue licenses with structured fees based on the underlying value of each reserve. This approach ensures transparency and maximizes revenue potential. Revenue from this program is projected to reach K900 million by the end of 2024 and grow to K28 billion by 2033, exceeding USD 1 billion during the strategic period.

d) Investment Returns:

IDC's investment portfolio is expected to generate K300 million in dividends and other receipts by the end of 2024, growing to over K60 billion by 2033. This diversification strategy will reduce reliance on a single income stream and contribute to long-term financial stability.

e) Foreign Exchange Reserves:

To maximize returns, IDC will allocate approximately 5% of Zambia's excess foreign exchange reserves to the Wealth Fund. These reserves will be strategically invested to generate higher yields. Income from this fund is expected to rise from K160 million in 2028 to K3.8 billion by 2033.

f) SEP Proceeds:

Zambia can channel proceeds from identified Strategic Equity Partners in state-owned enterprises, into the Wealth Fund. These proceeds shall then be channelled towards emerging projects that will contribute to economic and industrial development.

g) Budget Surpluses:

Allocating a portion of fiscal surpluses could also seed the Wealth Fund. This will enable the IDC to have a sufficient budget to fund projects in the investment pipeline that need more funding.

Funding Model

The funding model adopted by the IDC in pursuance of its mandate is shown in the diagram below:

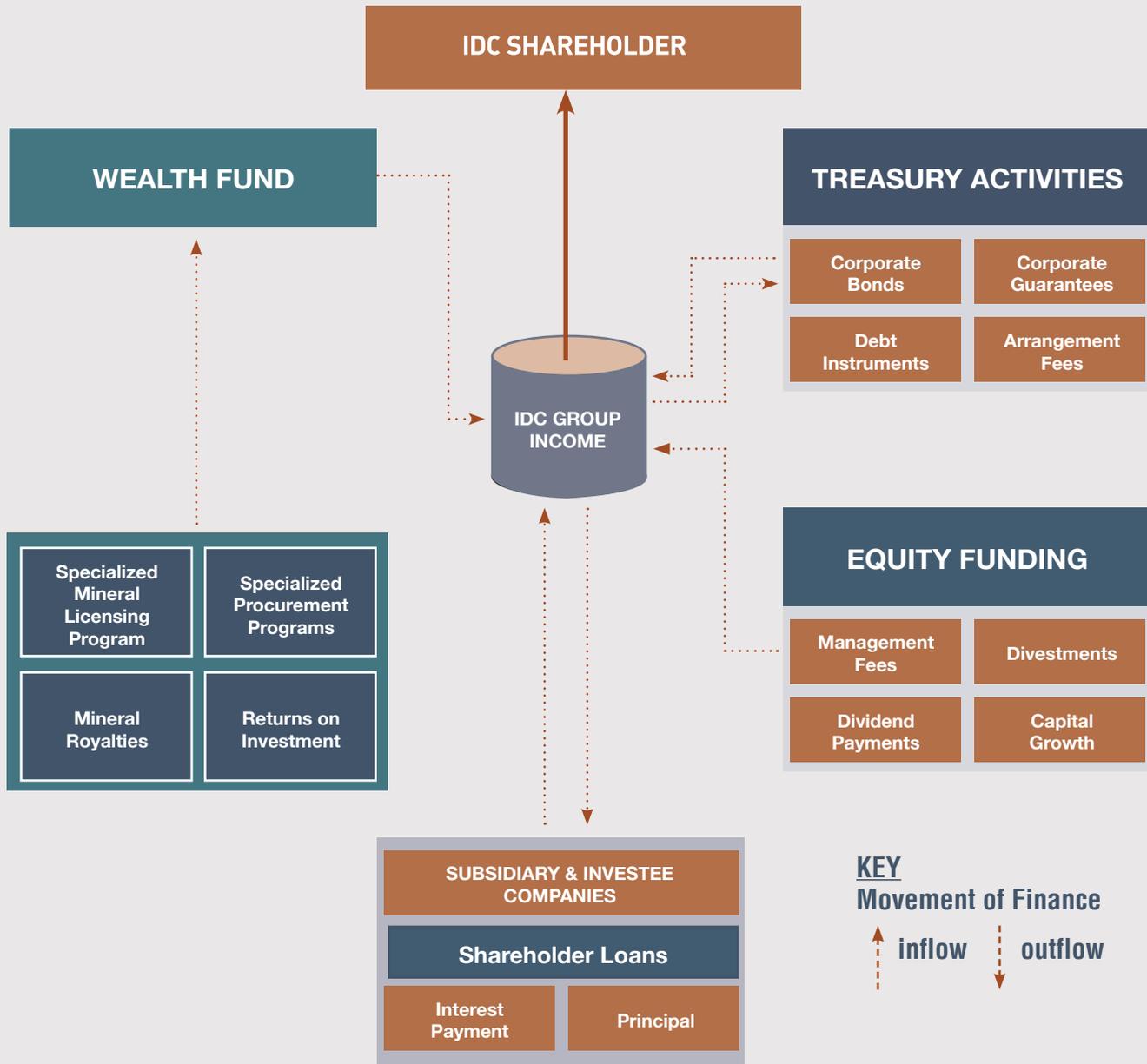


Figure 5: Funding Model

Strategic Objective 2

To grow dividend revenue to ZMW 7 billion by 2033

The strategies employed to achieve this portfolio transformation will focus on enhancing IDC's oversight and support frameworks, strengthening subsidiary corporate governance, improving financial performance across subsidiaries, building capacity within the organisation, and promoting intra-group trade. This multi-faceted approach aims to create a robust and sustainable growth trajectory, ensuring that each subsidiary operates at its highest potential and contributes significantly to the overall dividend revenue target.

Portfolio transformation:

The IDC Portfolio Transformation Strategy will prioritize key performance indicators (KPIs) such as revenue growth, profit margins, and annual profit targets to drive sustainable progress. Central to this approach is managing the reduction of losses in unprofitable subsidiaries while simultaneously increasing profit growth in profitable ones. By achieving EBITDA and gross profit margin targets, the strategy aims to enhance financial stability across the portfolio.

A critical aspect of the strategy is improving the execution of performance management contracts, ensuring that subsidiaries align operational efficiency with the overarching corporate strategy. Additionally, boosting the number of subsidiaries declaring dividends will be a key driver of overall dividend revenue growth, directly supporting IDC's financial sustainability and long-term goals. Through these efforts, the corporation aims to ensure that both operational and financial targets are met, promoting a more robust and profitable portfolio.

Restructuring and recapitalisation:

IDC's restructuring and recapitalization plans for its subsidiaries focus on enhancing operational structures, improving financial health, and solidifying market positions. This initiative involves comprehensive assessments followed by strategic interventions tailored to optimize each subsidiary's performance.

For Kawambwa Tea, the strategy includes expanding the tea plantation and adding value through processing and packaging, which will help drive both local and export growth. Similarly, Zambezi Cashew will see its plantation expanded, with additional value added through processing and product diversification, enabling it to tap into broader markets.

The Mulungushi Village Complex will undergo infrastructure upgrades and expansion, with new amenities developed to enhance its market appeal and improve customer experience. For Zambia Cargo and Logistics and Mpulungu Harbour, IDC's focus will be on expanding and modernizing regional port facilities to boost capacity. Additionally, these efforts will be complemented by improvements in logistical capabilities and operational efficiency, enhancing the overall competitiveness of these assets in regional trade.

Promoting Intra-Group Trading and Import Substitution:

IDC is promoting intra-group trading among its

subsidiaries to leverage synergies, reduce operational costs, and optimize resource utilization. By fostering collaboration between subsidiaries, the corporation aims to create a more integrated and efficient system that maximizes internal strengths and capabilities.

Debt management and revenue enhancement:

IDC will implement comprehensive strategies focused on debt management and revenue enhancement to improve the financial standing of its subsidiaries. This involves reducing debt levels through proactive management, restructuring, and exploring alternative financing solutions. At the same time, IDC aims to enhance revenue streams by adopting innovative business models and making operational improvements across its portfolio.

Improving subsidiary governance structures:

Strengthening corporate governance within subsidiaries by revising board compositions, implementing performance management contracts, and enhancing oversight and accountability measures. IDC will implement policies to establish independent and professionally diverse boards for subsidiaries. These boards will be responsible for ensuring strategic direction, governance, and oversight, aligning with international best practices.

Long term strategic planning:

Mandating the development of long-term strategic plans spanning 10-15 years for each subsidiary to ensure comprehensive and adaptable planning aligned Group strategy, national development plans and changing economic conditions.

Strengthen human capacity within the Group:

The Corporation plans to enhance its Human Capital function and develop mechanisms for optimal intra-group talent utilization.

Performance Management Contracts:

IDC will implement performance management contracts for senior executives in subsidiaries, including clear performance indicators and targets aligned with strategic objectives. The Corporation will introduce stringent accountability measures for all management levels in subsidiaries. This also includes regular audits, transparent reporting practices, and consequences for underperformance or mismanagement.

Portfolio Transformation Interventions

The focus area in the second strategic objective is a comprehensive portfolio transformation program aimed at optimizing its investments and enhancing operational efficiencies. This strategic initiative involves a thorough review of all subsidiary companies in the Group, evaluating their current relevance, performance, and strategic importance. The transformation plan includes potential divestitures, restructuring, and strategic partnerships to foster future growth. The transformation framework categorizes subsidiaries into four quadrants, each with distinct strategies that will enable IDC to streamline its portfolio for effective turnaround.

FULL DIVESTITURE	Superior Milling Company Limited	HOLD	
	Zambia Int. Trade Fair		
PARTIAL DIVESTITURE/SEP	Infratel		HOLD & TURN AROUND
	Zamtel		
	Mulungushi Village Complex		
	Zampalm		
	ZCCM-IH		
	Zambezi Cashews Company		
	Kalene Hills/ Eastern Tropical/Mununshi		
	Nitrogen Chemicals of Zambia		
	Zambia Cargo and Logistics		
	Zaffico Pic		
	Indo Zambia Bank	HOLD	
	Zanaco Bank		
Kagem Mining			
Marcopolo Tiles			
Zambia Industrial Com. Bank (ZICB)			
Zambia Reinsurance			
Ngonye Power/Bangweulu Power			
ZSIC GI/ZSIC Life	HOLD & TURN AROUND		
Lusaka Trust Hospital			
Mukuba Hotel			
Indeni Energy			
Zambia Railways/ Zambia Airways			
Zambia Daily Mail / Times Printpak			
Zesco Limited			
Mulungushi Int. Conference Centre			
Kawambwa Tea Industries			
Mpulungu Harbour			

Figure 6: Portfolio Transformation Matrix

Hold

These companies are listed under the Hold quadrant based on their growth potential and ability to sustain positive revenue growth, margins, and free cash flow. During the strategic period, IDC will retain its shareholding in these companies while positioning itself as an active shareholder with a strategic presence, particularly in subsidiaries where it holds minority shares. IDC will continue to support and maintain these subsidiaries, ensuring they remain aligned with broader corporate and economic strategies without immediate plans for major changes or divestitures.

Hold and Turnaround

These assets are retained for their strategic value and potential for improved performance through strategic interventions and operational restructuring. Currently facing liquidity constraints, these subsidiaries are strategic national assets and key sector players, often holding monopoly positions. The Corporation plans to implement turnaround strategies focusing on enhanced

oversight, asset portfolio rebalancing, improved industry standards, and gradual organizational restructuring. Identified subsidiaries will be considered for public listing once sustained profitability is achieved.

Partial Divestiture

Partial divestiture is recommended for the assets that require external expertise and capital for growth and competitiveness but still hold strategic value that warrants IDC retaining a significant stake. IDC plans to engage strategic partners for expansion while retaining significant control to safeguard national interests. This approach ensures that IDC can benefit from the subsidiary's growth while leveraging external resources and expertise.

Full Divestiture

Assets under full divestiture are those that no longer align with IDC's strategic goals or are not viable within the IDC framework. Divestment will allow IDC to optimize resource allocation and focus on more strategically aligned investments.

Strategic Objective 3

To create 40,000 direct jobs through US\$1.5 billion investments in agriculture, manufacturing, energy, and tourism ventures.

This objective underscores IDC's commitment to driving industrialization and ensuring economic stability. To achieve this, IDC will position itself as the national Vehicle for strategic investments by fostering strong collaborations and ensuring that its processes and systems are agile and responsive to stakeholder expectations.

Priority Sector Investments

Agriculture

To contribute to energy and food security through investment in agriculture and energy sectors. IDC plans to extensively acquire mega farms across Zambia's 10 provinces in collaboration with the private sector. Over the next 10 years, the Corporation aims to acquire 22,000 hectares dedicated to crop cultivation, ensuring food security for the nation. This includes the acquisition of additional hectares of land for mega farms Agro-Luswishi and Nansanga.

In addition, IDC will develop aquaculture farms to help close the current national fish production deficit of 74,000 metric tonnes by producing 10,000 tonnes of fish annually. Further, IDC will establish a tractor and implements assembly plant and facilitate financing mechanisms for smallholder and emergent farmers, promoting agricultural mechanization and improving productivity.

Energy

IDC plans to operationalize Zambia Power Corporation (ZPC) with the development of 1,000 mini grids in collaboration with the Presidential Delivery Unit (PDU). The primary objective is to provide reliable and accessible electricity to off-grid or underserved communities. These mini grids are expected to boost economic activities impacting one million people across Zambia. In addition, ZPC will develop a 480MW renewable energy pipeline in partnership with strategic technical and equity partners, consisting of five renewable energy projects.

ZPC will also secure a Power Trading License and Southern Africa Power Pool (SAPP) membership to facilitate the import and export of power, contributing to regional energy stability, increased foreign exchange earnings, and reduced energy deficits in partnering countries.

Mining

Operationalization of Industrial Resources Limited (IRL) IDC plans to operationalize IRL as a strategic arm of the Corporation to anchor the mineral development program which is an anchor strategic initiative in strategic transformation. The IDC mineral development program has four facets:

- **Mineral Licensing Program:** The program aims to unlock the potential of dormant and underutilized licenses, generating significant revenue and promoting economic development.
- **Mineral Trading:** IDC's strategic intent is to enhance Zambia's position in the global mining market, ensuring we capture maximum value from our natural resources.
- **Mining Value Chain Participation:** IDC plans to invest in mining operations, either directly or through strategic partnerships, to develop and optimize mineral extraction and processing.
- **Gold Aggregation Program:** IDC plans to establish 3 Gold market centers and secure offtakes agreements by the end of year 1.

Tourism

IDC aims to significantly expand conference capacity at the Mulungushi International Conference Centre (MICC), increasing delegate seats from 2,000 to 6,000 by 2026 through the development of a 120-key 5-star hotel and a 150-key 3-star hotel. The Tourism Investment Corporation will also be operationalized to develop key tourism assets in the Northern Circuit (Kasaba Bay, Lumangwe, and Ntumbachusi Falls), Western Circuit (Kafue and Liuwa National Parks), and hostels managed by the Hostels Board of Management.

Additionally, IDC will create a Meetings, Incentives, Conferences, and Exhibitions (MICE) Strategy in collaboration with the Ministry of Tourism, Zambia Tourism Board, and Zambia Development Agency to boost marketing, partnerships, and infrastructure development.

Manufacturing

IDC plans to develop sustainable industries in textiles and tomato agro-processing. The textile industry aims to establish local end-to-end value addition in cotton, with a weaving capacity of 40,000 meters per day, knitting capacity of 60 tonnes per day, and annual production of over 30,000 garments. This will create 2,985 jobs, transfer specialized skills to locals, and provide market facilities for small-scale farmers. In Chisamba District, the tomato agro-processing industry will process 10,000 tonnes

annually, creating 153 jobs, reducing imports of tomato paste and sauces, and offering market facilities to farmers while curbing wastage of fruits and vegetables during peak seasons.

To create sustainable jobs through investment in labour intensive projects:

IDC plans to create 40,000 direct jobs through investments in key sectors such as agriculture, manufacturing, energy, and tourism. The Corporation plans to focus on sectors that are labour-intensive, such as agriculture, where it aims to develop mega farms at Agro Luswishi and Luombwa Agro. These projects alone are expected to create 5,000 direct jobs.

Revised Investment Policies and Guidelines:

Implement comprehensive investment policies that include a detailed analysis of investment structures. This will involve an in-depth understanding of shareholding percentages, their rationale, and their impact on IDC's control and influence over investments.

Realignment of Investment Pipeline:

IDC will strategically align its investment pipeline to focus on specific sectors, investment size, and innovative funding models. This realignment is aimed at enhancing the success rate of project implementation and maximizing returns. A target of 95% adherence to project timelines has been set for the strategic period.

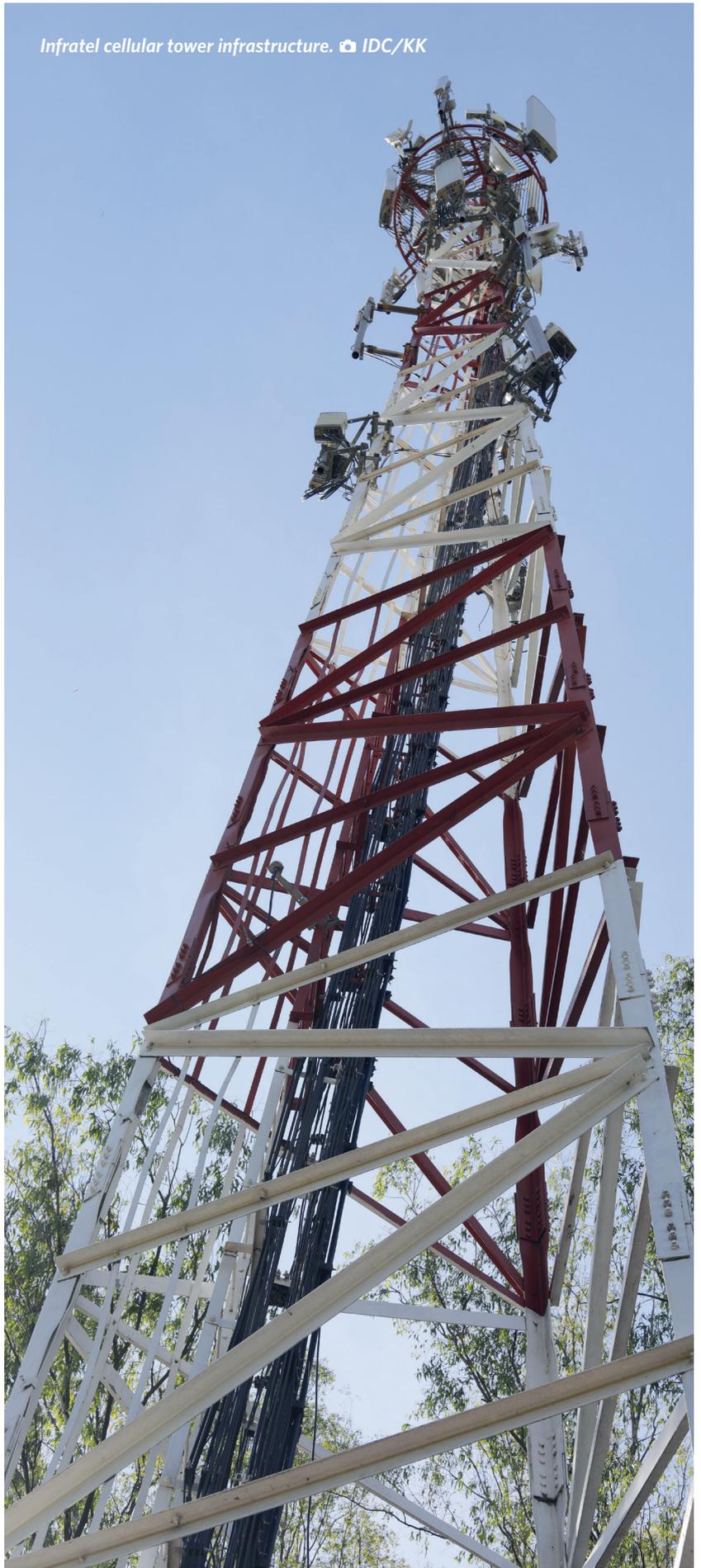
Digitization of Project Management Processes:

Implement advanced digital tools for project management to increase efficiency, transparency, and accountability in handling investments. Identify and integrate cutting-edge business models and technological advancements to foster agility in decision-making.

Investment in Independent Studies for Project Viability:

Conduct and invest in independent studies and market research to bolster project viability, risk assessment, and access to financing.

Infratel cellular tower infrastructure. IDC/KK



Strategic Objective 4

Position IDC as a leader in the Green and Circular Economy by implementing six green projects by 2033.

To advance as a leader in sustainable industrial practices, IDC is focusing on robust environmental, social, and governance (ESG) frameworks and practical initiatives that prioritize green investments, social responsibility, and environmental stewardship.



Palm trees germinating in the ZAMPALM nursery.
© IDC/MML

Green & Circular Economy Handbook and Group ESG Policy

To establish foundational principles for IDC's commitment to environmental sustainability, a Green and Circular Economy Handbook will be developed by the end of 2024. This handbook will serve as an essential guide, facilitating the design of an ESG framework that informs policies across the IDC Group.

A Group-wide ESG Policy will be developed to embed sustainable practices throughout IDC and its subsidiaries. Expected by the end of 2024, this Policy will outline IDC's standards for environmental management and social responsibility. The ESG policy will be circulated across all subsidiaries promoting sustainable practices.

Securing Funding for Green Initiatives

To operationalize IDC's sustainability vision, funding will be secured for six green projects, with funding efforts beginning in 2024 and continuing annually. Each project will be carefully structured to attract partnerships and funding. Targeted funding sources include government grants, international agencies and private investments.

Operationalizing Six Major Green Projects

IDC plans to implement six significant green projects across the agriculture, energy, and tourism sectors by 2033. Each project will focus on reducing environmental impact and enhancing resource efficiency. IDC will prioritise renewable technologies and emphasis will be placed on investments in renewable energy, energy efficiency, and technologies that lower greenhouse

gas emissions. IDC will form strategic partnerships to maximize the impact and scalability of these projects.

Environmental Management and Responsibility

IDC will conduct comprehensive environmental and social impact assessments (ESIAs) on all projects before implementation to align with global climate goals and promote responsible resource use. Every investment will undergo an assessment to identify and reduce its environmental footprint. IDC will ensure efficient use of water, land, and raw materials while exploring eco-friendly initiatives to reduce environmental harm.

Social Responsibility and Community Engagement

Ensuring safe, high-quality products and supporting community welfare are central to IDC's social responsibility. To uphold these values, IDC will establish and maintain rigorous standards and certifications for all products, guaranteeing that they meet consumer safety and quality expectations. Corporate Social Responsibility initiatives will be rolled out in project locations to support local communities through social investment and sustainable development programs to contribute positively to the local communities.

Risk Management

Due diligence will be a crucial component in assessing all investments. A comprehensive risk profile will be developed for all projects in the investment pipeline. Projects identified as high-risk will include mitigation strategies to manage and reduce any significant impacts.

Strategic Objective 5

To Foster a High-Performance, Inclusive, and Engaging Work Environment to Enhance Organizational Capacity and its Competitiveness.

This objective is designed to support IDC's transformation into a leading wealth fund and investment partner by ensuring it has the capacities to deliver on its mandate. IDC plans to formulate and implement a strategic workforce aligned with IDC's expansion and transformation goals, revise the performance management systems to promote excellence and align individual performance with corporate objectives, invest in continuous staff training and development programs to enhance skills and capacity, and foster a positive organizational culture through robust change management initiatives and employee engagement strategies. At the entity level, IDC will embark on several initiatives to enhance human capital management:

Revision of IDC's Organizational Structure:

The envisioned modifications to the IDC organogram will involve restructuring the Treasury and Equity unit to better integrate with the finance function and to incorporate activities associated with the wealth fund. Additionally, there will be an increased emphasis on sector specialization, which is essential to effectively support the IDC's Transformation program.

Salary Structure and Conditions of Service:

IDC will conduct a comprehensive review and develop a new salary structure and conditions of service to ensure competitiveness in attracting and retaining top talent. This initiative aims to align compensation and benefits with industry standards, reinforcing IDC's ability to attract skilled professionals and retain key employees crucial for achieving its strategic objectives. IDC will review and update policies and procedures to ensure compliance with regulatory standards and alignment with industry best practices. To support the evolving needs of the organization, IDC will invest in training and development programs aimed at enhancing the capacity and skills of its workforce, ensuring that employees are well-equipped to meet both current and future organizational demands.

Change Management for Strategic Transformation:

A robust Change Management program will ensure a seamless transition toward our strategic goals. The program will be launched with the dual aims of

implementing change effectively and minimizing disruption to workflows while maximizing the benefits of this change. To prepare for the transformed IDC, employees will receive comprehensive training and resources essential for their success.

Recognizing the unique perspectives of shareholders and key stakeholders is crucial in crafting a tailored approach to their engagement. Effective sensitization about the transformation framework and clarifying the critical role these stakeholders play in the implementation of our long-term plan will be central to our strategy.

Group Human Capital Management

IDC's Group Human Capital Management strategy will focus on aligning the workforce with the corporation's growth and operational goals. With close to 40,000 employees, by 2033, across industries such as mega farms, energy, mining, transport infrastructure, and tourism, IDC will prioritize strategic recruitment to meet expansion needs, particularly in project management to enhance self-reliance and accountability. A comprehensive review of the Group Human Capital Policy will ensure consistency across subsidiaries and alignment with IDC's objectives. Each subsidiary will implement optimal organizational structures suited to their operations, while revising performance management systems, human capital policies, and salary structures to enhance efficiency and drive productivity.



Strategic Objective 6

To Enhance IDC’s operational efficiency for effective service delivery.

Governance Reforms: Strengthening structures for accountability and performance through the establishment of independent, professional boards leaning towards the private sector; enforcement of accountability measures; implementation of performance management contracts; and demand for long-term strategic planning.

Two-Tier Governance Structure

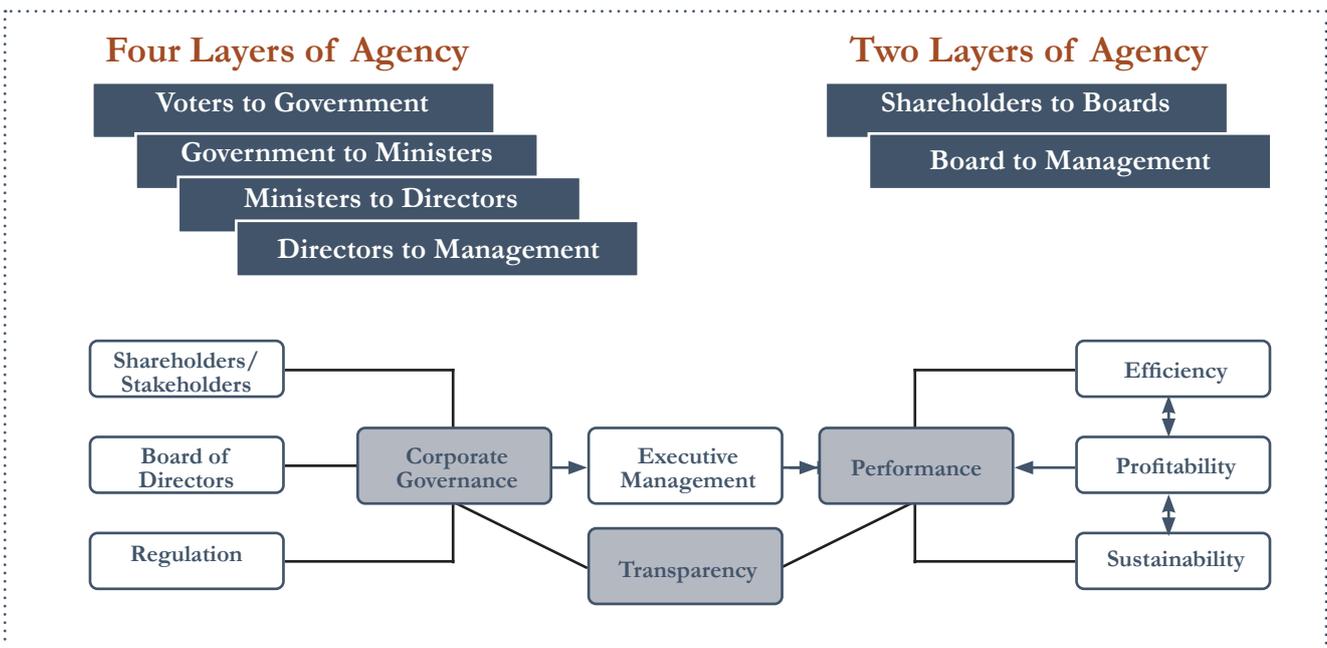


Figure 7: Two Tier Governance Structure

The IDC will execute Corporate Governance reforms aimed at improving operational efficiency. The composition of the Board of the IDC is being changed to comprise members chosen from the private sector based on clear criteria which includes a track record of success in business and in the different professions. The Board will be accountable to shareholders according to clearly defined reporting structures in line with the objectives of the entity and the Companies Act. The anticipated outcome of these revisions is the elimination of bureaucratic processes, leading to improved efficiencies and the establishment of streamlined governance structures.

Implementation of Board Nomination and Appointment Policy

A strong Board Nomination and Appointment Policy will be instituted to facilitate the selection and appointment of qualified individuals to the IDC Board. This policy will aim to enhance board diversity, expertise, and accountability, thereby fostering stronger corporate governance practices across the organization.

Subsidiary Group Policy Alignment

In alignment with the corporate governance reforms, the IDC will review and revise various Group circulars and policies pertaining to its subsidiaries. This process will ensure coherence and consistency in governance practices across the entire corporate group, promoting congruence and operational synergy.

Legislative Reforms: The Corporation plans to intensify stakeholder engagement and lobbying efforts aimed at amending significant legislative barriers that obstruct service delivery. These laws include the Public Procurement Act No. 8 of 2020, Emoluments Commission Act No. 1 of 2022, Public Debt Management Act No. 15 of 2022, Zambia Development Agency Act No. 17 of 2022, and the Mines and Minerals Act of 2015. The objective of these advocacy efforts is to reduce bureaucratic hurdles and enhance operational efficiency, enabling the Corporation to better fulfil its mandate and drive economic development.

Act	Impact
Mines and Minerals Act of 2015 revision to operationalise the Mineral licensing programme	Given the 4,800 dormant and expired licenses and an assumed average auction price of \$500,000 per license, it is projected that the Mineral Licensing Program will yield about USD 217 million in revenue over its initial four years of operation.
Revision of Public Procurement Act No. 8 of 2020 as amended by Act No. 17 of 2023 to address clauses affecting efficient delivery by IDC and operationalise the Zambia Offset and Countertrade Programme.	By streamlining the approval process and reducing procurement timelines for goods and services, IDC can enhance its competitive edge. National debt surged from USD 3.54 billion in 2010 to USD 18.8 billion in 2023, largely due to infrastructure projects: Implementing a countertrade requirement of 10% to 30% could have generated USD 1.56 billion to USD 4.58 billion in reciprocal benefits, which are crucial for boosting strategic sectors key to Zambia's growth.
Constitution of Zambia (amendment) Act No. 2 of 2016	Enforcement of the Act's provisions in accordance with the law regarding contracts where the government is neither a participant nor has an interest to remedy misalignment which often leads to lengthy processes that can cause transactions to fail.
Amend Public Finance Management Act of 2018	Provide for IDC to establish a Wealth Fund.
Emoluments Commission Act No. 1 of 2022	Rectify the inconsistencies between the provisions of the Emoluments Commission Act and those of the Companies Act and the Constitution.
Zambia Development Agency Act No. 17 of 2022	Clarify the privatisation role of the ZDA, specifically regarding the limitations that apply to subsidiaries of State-Owned Enterprises.
Public Debt Management Act No. 15 of 2022	Revise provisions that weaken established governance frameworks and extend the time required to raise capital, thereby adversely affecting project timelines and failing to meet the expectations of shareholders and investors.

Table 3: Compendium of Legal Reforms

Brand excellence and increased investor confidence:

IDC will embark on a comprehensive rebranding program to enhance its corporate image and boost investor confidence among key stakeholders. This initiative includes the implementation of a robust communication strategy designed to raise awareness of the positive impacts of IDC's investments. Additionally, IDC will roll out group-wide corporate social responsibility programs aimed at addressing the challenges faced by the communities in which the IDC Group operates. By participating in targeted sector-focused investment promotion missions, IDC will further increase its visibility and attractiveness to potential investment partners and markets, thereby strengthening its position as a premier investment partner.

Enhanced enterprise risk management:

The Corporation will enhance entity risk management by implementing the enterprise risk management framework that supports its strategic objectives, enhances resilience, and ensures long-term sustainability.

Research and development:

The IDC will undertake relevant business research to ensure informed decision making, project planning and portfolio monitoring. Strategic research and analysis on market trends, industry developments, and economic conditions will enable the Corporation to identify opportunities and provide insights into competitive landscapes and emerging markets to inform strategic investments.

Conducive work environment:

IDC will enhance employee productivity and well-being by providing work tools and adhering to occupational health and safety standards. This includes regular upgrades of equipment and technology, safety training programs, and continuous monitoring and improvement of workplace conditions to meet and exceed industry benchmarks.

Efficient business processes:

IDC will deploy a robust enterprise resource planning software to automate business processes and implement quality management systems.



Strategic Risk Assessment



Strategic Risk Assessment

The following section highlights the primary strategic risks, along with the corresponding mitigation measures designed to drive strategic success and enhance organizational resilience.

Table 4: Risk Assessment

Risk Category	Risk	Impact	Risk Mitigation Strategies	Risk Owner
Strategic	Political interference	Results in suboptimal business decisions and governance risks.	<ul style="list-style-type: none"> Undertake governance reforms with clear implementation timelines. Ensure adherence to corporate governance best practices through annual compliance audits. Ensure timely and transparent stakeholder engagement with a defined communication plan 	CEO & CLO
	Overreliance on dividend income	Increased financial vulnerability for the corporation if subsidiaries underperform	<ul style="list-style-type: none"> Diversify funding sources by securing alternative revenue streams. Operationalize the wealth fund with targeted capitalisation and timelines. 	CFO
	Sector concentration	Increased exposure to sector-specific risks and limits diversification benefits	<ul style="list-style-type: none"> Diversify portfolio with defined sector targets. Explore and propose opportunities in emerging sectors 	CPO
	Macroeconomic instability	Impacts investment decisions, cost structures and overall business performance	<ul style="list-style-type: none"> Conduct regular economic impact assessments with semi-annual reports. Develop contingency plans. Maintain financial resilience with a set minimum capital buffer. 	CEO CFO
Investment (Wealth fund)	Inadequate initial capital allocation	Delayed implementation, reduced investment capacity	<ul style="list-style-type: none"> Secure diverse funding sources with a minimum funding threshold. Diversify funding sources with defined allocation targets. Proactive engagement of stakeholders 	CFO
	Non-compliance with existing legal and regulatory frameworks	Legal penalties, delayed operationalisation, and reputational damage.	<ul style="list-style-type: none"> Advocate for legal reforms with documented proposals. 	CLO
Portfolio	Poor subsidiary performance	Reduced overall group profitability and shareholder value	<ul style="list-style-type: none"> Strengthen governance and oversight. Enhance quarterly PMC monitoring. Conduct business diagnostics and ensure implementation of performance improvement plans. Promote intragroup business with measurable cross-business synergies. 	CPO

Risk Category	Risk	Impact	Risk Mitigation Strategies	Risk Owner
Financial	Inadequate capitalisation	Limited business expansion, weakened financial stability, and reduced performance.	<ul style="list-style-type: none"> Implement a structured recapitalization and restructuring plan with defined milestones. Explore alternative financing options and report quarterly on funding progress. Onboard strategic equity partners (SEPs) Optimize cost structures in subsidiaries with defined reduction targets. Implement financial prudence measures. Enhance cash flow management with quarterly liquidity reports 	CFO CPO
	High legacy debts	Strained cash flow and reduced investment capacity	<ul style="list-style-type: none"> Execute a structured debt restructuring plan in subsidiaries with clear timelines. Execute time to pay agreements with creditors. Enhance revenue collection by setting and monitoring annual collection targets. 	CFO CPO
	Liquidity constraints	Inability to meet financial obligations and fund growth initiatives.	<ul style="list-style-type: none"> Strengthen cash flow forecasting with quarterly financial monitoring. Optimize working capital with a set minimum liquidity buffer. Secure short-term financing with predefined credit line thresholds. 	CFO
Project	Inadequate capital raise	Limited funding for growth initiatives and new projects	<ul style="list-style-type: none"> Explore capital market opportunities with a defined pipeline of funding sources. Revise Investments policy and guidelines Develop and implement a capital-raising strategy with quarterly progress tracking. Secure green financing with specific ESG-aligned projects. Execute asset divestitures based on a set financial target. 	CFO CIO
	Delayed operationalisation of projects	Cost overruns, revenue delays, and missed strategic opportunities.	<ul style="list-style-type: none"> Develop detailed project plans and project schedules with clear deliverables and timelines. Strengthen project planning and execution by undertaking quarterly progress evaluation meetings. 	CIO
Market	Foreign currency volatility	Impacts earnings, increases costs, and affects investment decisions.	<ul style="list-style-type: none"> Diversify foreign exchange exposures and set target. Monitor currency trends with monthly FX assessments. 	CFO
	Adverse interest rate movements	Increases borrowing costs and reduced profitability.	<ul style="list-style-type: none"> Monitor market interest rates and implement risk mitigation measures quarterly 	CFO
ESG	Failure to align with sustainability trends and requirements	Loss of investor confidence and regulatory non-compliance.	<ul style="list-style-type: none"> Implement a Group ESG Policy Implement sustainability reporting with annual disclosures. Invest in green initiatives with specific project tracking. Secure green bond financing with a target capital raise. 	CEO CIO CFO

Risk Category	Risk	Impact	Risk Mitigation Strategies	Risk Owner
Regulatory & Compliance	Legislative impediments	Operational inefficiencies, increased compliance costs, regulatory fines, and business disruptions.	<ul style="list-style-type: none"> Propose legislative reforms. Conduct compliance audits. Advocate for continuous policy improvements with documented stakeholder engagements. 	CLO
People	Poor people culture	Impacts employee morale, engagement, and overall productivity	<ul style="list-style-type: none"> Implement change management initiatives and undertake post-implementation assessments. Execute employee engagement programs. Promote leadership development through targeted training. 	CHCO
	Inadequate skills and expertise	Delayed execution of strategic initiatives and business performance	<ul style="list-style-type: none"> Implement targeted training programs. Promote knowledge-sharing initiatives. 	CHCO
	Inadequate organizational staffing	Operational inefficiencies and potential business disruptions.	<ul style="list-style-type: none"> Ensure timely recruitment of critical positions. Review organisational structure to ensure alignment to planned objectives. 	CHCO
Operational	Operational inadequacies and inefficiencies	Reduces productivity, increases costs, and affects service delivery	<ul style="list-style-type: none"> Ensure development and implementation of SOPs. Review implementation of Governance reforms Enhanced Enterprise risk management Ensure compliance to policies and procedures. Review and streamline business operations 	CIA
	Business resilience	Loss of business and operational disruptions	<ul style="list-style-type: none"> Implement business continuity plans and conduct BCP tests 	CIA
ICT	Inadequate ICT infrastructure and processes	Impairs operational efficiency, data management, and digital transformation efforts.	<ul style="list-style-type: none"> Invest in modern IT infrastructure. Digitalisation and automation of key processes with clear timelines 	CCSO
	Cybersecurity Threats	Increased risk of data breaches, operational disruptions, and financial losses	<ul style="list-style-type: none"> Strengthen cybersecurity measures with regular audits. Conduct annual penetration tests. Undertake annual IT security compliance tests. IT security awareness training 	CCSO
Reputation	Brand management	Poor brand visibility and reputational loss	<ul style="list-style-type: none"> Develop and implement brand strategy and guidelines. Develop and implement communication strategy 	CCSO

Critical Success Factor

Critical Success Factor

For the successful implementation of this 2024-2033 Transformation Strategic Plan, several critical success factors must be carefully considered and addressed. These factors are integral to ensuring the effective execution of the strategy and achieving the intended economic outcomes:

- i. **Robust Governance Framework:** Strengthening governance structures is essential for ensuring transparency, accountability, and effective oversight. This includes refining decision-making processes, setting clear responsibilities, and ensuring regular performance reviews at both corporate and subsidiary levels.
- ii. **Adequate Funding Mechanisms:** IDC must secure diversified funding sources to reduce reliance on dividends and management fees.
- iii. **Skilled Workforce and Capacity Building:** IDC needs a highly skilled workforce to drive its strategic objectives. This includes recruiting specialized talent in key sectors, fostering continuous staff development, and creating a performance-driven culture through clear KPIs and incentives.
- iv. **Technology and Automation:** The successful implementation of the Strategic Plan hinges on IDC achieving its goal of becoming fully automated. This includes investing in technology solutions that improve efficiency, streamline operations, and enhance data-driven decision-making.
- v. **Legal and Regulatory Reforms:** IDC must address legislative and regulatory challenges by implementing necessary legal reforms.
- vi. **Stakeholder Alignment:** Effective collaboration with key stakeholders—including the government, private sector partners, cooperating entities, and local communities—is crucial. IDC should maintain open lines of communication to ensure its goals are aligned with national priorities and community needs.
- vii. **Risk Management Framework:** The strategic risk framework will be ensure mitigation of identified risks in line with the Corporate risk appetite. IDC should regularly review and update its risk mitigation strategies to adapt to changing circumstances.
- viii. **Performance Monitoring and Evaluation:** IDC will require a strong monitoring and evaluation system using the Corporate BSC and regular progress reviews. This will ensure timely tracking of the implementation of the Strategic Plan and allow for adjustments to meet performance targets.



Assumptions

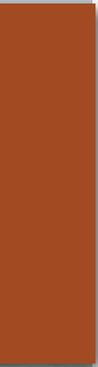
Assumptions

The critical assumptions for the successful implementation of the 2024-2033 Plan for the IDC include:

- i. Revenue Assumptions:
 - a. Total Revenue Growth: Over 10 years, total revenue is expected to reach ZMW 120 billion.
 - b. Wealth Fund Interest: A significant ZMW 100 billion is projected from the interest on the Wealth Fund, deriving primarily from mining licenses, Zambia Offset Programs, and mineral royalties.
 - c. Investment Dividends: Dividends of ZMW 35 billion, with ZMW 30 billion expected from new entrants responding to IDC's transformation initiatives.
 - d. Lease Income: ZMW 0.5 billion is forecast from co-venture farm leases, with ZMW 30 billion in unconsolidated net assets.
 - e. Wealth Fund Investments: Interest from Wealth Fund investments should generate ZMW 75 billion.
- ii. Asset Growth:
 - a. Total Assets: Expected to grow 2x, from ZMW 200 billion to ZMW 400 billion.
 - b. Wealth Fund Impact: The activation of the Wealth Fund is projected to triple the IDC balance sheet from ZMW 200 billion to ZMW 600 billion, with ZMW 190 billion coming from re-invested interest from the Wealth Fund.
- iii. Equity Growth: Driven primarily by profit after tax increases from the Wealth Fund investments and sources associated with the Wealth Fund
- iv. The number of jobs projected to be created reflect direct job creation only.
- v. Stable exchange and inflation rates based on the 2023 average.
- vi. Positive GDP growth throughout the strategic period.
- vii. Stable political, economic, and social environment.
- viii. Continued support from the Shareholder.
- ix. Retention of corporate governance structures of the IDC.



The Kenneth Kaunda Wing at Mulungushi International Conference Centre in Lusaka. © IDC/KK



Monitoring & Evaluation Systems

Monitoring and Evaluation Systems

Plan Implementation

To operationalize the Strategic Plan, an Implementation Plan has been developed, anchored on the *Golden Thread Performance Management Framework*.

This framework ensures that strategic objectives are effectively cascaded through all levels of the organization and aligned with individual and departmental performance targets. The key features of the framework include:

- i. **Corporate Balanced Score Card (BSC):** This outlines IDC's high-level goals and translates them into measurable organizational performance objectives, ensuring alignment with strategic priorities.
- ii. **Strategic Metric Framework:** Defines the performance measures for each strategic objective during the strategic period. These measures guide the establishment of annual operational targets.
- iii. **Departmental (Operational) Work Plans:** These are used for planning and budgeting, with short-term activities and projects costed for the current year.
- iv. **Individual Performance Measures and Targets:** Departmental targets are cascaded to individual staff members, with performance measures and targets set annually.
- v. **Corporate and Staff Performance Review:** Regular reviews of departmental work plans and individual KPIs will be conducted to ensure progress.

This plan shall be integrated into the annual work plans of internal departments, containing detailed tasks and

performance targets for the strategic period. Monitoring will occur at several levels:

- i. **Board-Level Monitoring:** The IDC Board shall monitor management's progress towards strategic objectives on a quarterly basis through the Corporate Balanced Scorecard.
- ii. **CEO Office Reviews:** The CEO's office shall conduct quarterly reviews of progress against annual work plans and strategic goals.
- iii. **Employee Performance Assessments:** Staff KPIs and performance assessments shall be linked to operational and strategic objectives, ensuring individual contributions align with corporate goals.

Additionally, subsidiary performance shall be monitored by the IDC Board and responsible departments. Each subsidiary's board of directors shall sign a Performance Management Contract, outlining annual performance targets, which shall be reviewed quarterly by IDC.

Review of the Strategic Plan

The Strategic Plan will undergo a comprehensive review every two and a half years to assess the progress of its implementation. This review will evaluate IDC's performance against the outlined objectives and identify any necessary adjustments to ensure the plan remains aligned with IDC's strategic goals. These periodic evaluations will allow IDC to maintain flexibility and responsiveness, ensuring that its strategies continue to support its long-term mission of driving industrialization and economic development. Through these reviews, IDC will be able to adapt to changing conditions, capitalize on opportunities, and address challenges effectively.



APPENDIX

Corporate Balanced Scorecard

Perspectives	Weight (100%)	Objectives	Performance Measures	Chief Responsible
Financial	35%	Profitability	Group Revenue	CPO/CFO
			Entity Revenue	CFO
			Group Profit After tax	CPO/CFO
			Entity Profit after tax	CFO
			Group Liquidity (Current ratio)	CPO/CFO
		Enhanced shareholder value	Entity Liquidity (Current ratio)	CFO
			Group Retained Earnings	CPO/CFO
			Entity Retained Earnings	CFO
		Priority Sector Investments	Entity Costs (Admin & Staff Expenses)	CFO
			Group Asset growth	CPO/CFO
Stakeholder	35%	Portfolio Transformation	Entity Asset growth	CFO
			Return on Investment	CFO
			Capital Raise for IDC investments and capitalisation of subsidiaries	CFO
			Number of subsidiaries paying dividends	CPO/CFO
			Increase in number of profitable companies	CPO
		Priority Sector Investments	Increase in number of Companies reducing loses	CPO
			Reduce in number of insolvent subsidiaries	CPO
			Achieve a group corporate governance score	CLO/CPO/CFO/CIA
			Operationalised Projects	CIO/CPO
			Commercialised Projects	CIO/CPO
Internal	15%	Operational Efficiency	Jobs Created (Subsidiary & Projects)	CIO/CPO/CHCO
			Risk mitigation (percentage of mitigation measures implemented)	CIA/ALL CHIEFS
			Adherence to policies and operating procedures (% of closure of non-compliance audits observations by all chiefs)	CIA/ALL CHIEFS
			Implement all business automation projects for the year	CCSO
			IDC brand perception index	CCSO/ALL CHIEFS
Organisational Capacity	15%	Staff Management	Resourcing of the Entity	CHCO
			Staff Percentage Performance	CHCO/ALL CHIEFS
			Staff Retention	CHCO/ALL CHIEFS
			Staff Engagement	CHCO
			Implementation of staff development plan	CHCO

Wealth Creation Implementation Framework

STRATEGIC FOCUS: Wealth Creation				
STRATEGIC OBJECTIVE 1: To achieve a 20%/year on year growth in Fund Revenue.				
Expected Outcomes	Measures	Targets	Strategies/ Initiatives	Responsible Directorate
Enhanced intra-group business	Percentage Performance	75% of good and services procured from with the Group divided by total expenditure of goods and services procurable from within the Group by subsidiaries annually	<ul style="list-style-type: none"> Develop and implement policies and monitoring mechanisms to ensure growing business between companies and assure product and service quality 	Portfolio
Improved statutory compliance	% compliance against the statutory obligations	100% subsidiaries supported annually.	<ul style="list-style-type: none"> Ensure provision of technical capacity and support to ensure compliance and tax optimisation 	Finance
Reduced occurrence of subsidiary citations in the annual Auditor General's Report	% of statutory compliance audits passed without major findings at Entity Level	100% of statutory compliance audits passed without major findings	<ul style="list-style-type: none"> Conduct quarterly risk assessments to identify potential compliance risks and prioritize mitigation efforts 	Finance
Improved subsidiary corporate governance	# of occurrences % reduction	Zero reoccurrence of audit citations annually 20% Y-O-Y reduction in audit queries	<ul style="list-style-type: none"> Ensure that subsidiaries maintain a good control environment 	Finance
	% performance	100% performance of subsidiaries by end of 2025	<ul style="list-style-type: none"> Ensure groupwide implementation of 'the Code of Corporate Governance' Enhance corporate governance monitoring and evaluation systems 	Portfolio

STRATEGIC FOCUS: Wealth Creation				
STRATEGIC OBJECTIVE 1: To achieve a 20% year on year growth in Fund Revenue.				
Expected Outcomes	Measures	Targets	Strategies/ Initiatives	Responsible Directorate
Increased productivity of subsidiary human capital	% Performance	100% Subsidiaries have optimal staff establishment by 2025 All subsidiaries within 35% productivity ratio of staff costs vs revenue by end of 2024	<ul style="list-style-type: none"> Undertake organisational redesigning and rightsizing to establish optimal structure Ensure adherence to the productivity ratio 	Human Capital
Enhanced subsidiary innovation	% of sales from new products % Increase in production capacity	5% share of revenue from New Products/ Services by 2025 100% Process optimisation or upgrade of existing processes	<ul style="list-style-type: none"> Ensure subsidiaries with economics of scale adopt proactive approaches with strong research orientation (R & D) Ensure subsidiaries focused on operations to adopt a reactive approach of adapting proven innovations 	Portfolio
Enhanced subsidiary product/service excellence	# of patents, copyrights or trademarks % performance	10 new intellectual properties registered by subsidiaries by end of 2025 100% of subsidiaries to have quality assurance policy guidelines document	<ul style="list-style-type: none"> Enforce the development and implementation of the quality assurance policy guidelines 	Internal Audit
Enhanced group human capital utilisation	Group skills audit conducted	95% of identified skill gaps from the audit that are filled within a year.	<ul style="list-style-type: none"> Implement a skill management system to track employee skills, identify gaps, and match individuals to appropriate projects. Develop training programs that align with the identified skill gaps from the audit. Implement job rotation programs to expose staff to different roles and broaden their skill sets. 	Human Capital

Portfolio Transformation Implementation Framework

STRATEGIC FOCUS: Portfolio Transformation				
STRATEGIC OBJECTIVE 2: To grow dividend revenue to ZMW 7 billion by 2033.				
Expected Outcomes	Measures	Targets	Initiatives	Responsible Directorate
Portfolio Transformation.	# of subsidiaries that have implemented the transformation initiatives	10 subsidiaries that have implemented the transformation initiatives	<ol style="list-style-type: none"> Operationalization of ZAMCARGO dry port at Walvis Bay in Namibia and expansion to Nacala and Mtwara by 2024 Diversify LSMFEZ revenues through finalization of power supply agreement with Zesco by 2024 Complete the construction of NCZ blending plant and the green ammonia project by 2024 Complete and operationalize the OMC Model Development and secure a trade finance line for INDENI by 2025 Implementation of the ZESCO's Long-term Generation Strategy Implementation of the KTIL turnaround plan aimed at Cashflow stabilization and the expansion of the plantation by 4,000Ha ZRL to development of a sustainable roadmap Zambia Airways to re-negotiate terms to partnership agreements with ET and revise their business plan. To divest from SMCL to ZNS by 2024 Completion of ESIA and engagement with TA for Mpulungu Harbour Port Modernisation by 2024 	Portfolio
	% of subsidiaries declaring dividends	100% of Subsidiaries Achieving Revenue and profit Targets by 2033.	Promoting Intra-Group Trading and import substitution.	Portfolio
	Subsidiaries to achieve 80% of PMC Target by 2033.	All the Subsidiaries to achieve 80% of PMC Target by 2033.	<ul style="list-style-type: none"> Quarterly Performance Reviews Monthly reports on key metrics for effective interventions. 	Portfolio

STRATEGIC FOCUS: Portfolio Transformation				
STRATEGIC OBJECTIVE 2: To grow dividend revenue to ZMW 7 billion by 2033.				
Expected Outcomes	Measures	Targets	Initiatives	Responsible Directorate
Restructuring and Recapitalization.	# of Subsidiaries recapitalised	100% Capital raised for 3 subsidiaries.	<ul style="list-style-type: none"> Raise ZMW 960,644,984.25 for Kawambwa tea by 2028. Raise ZMW K1,080 million FOR ZAFFICO. Support capital raise for conference facility with capacity of 500 delegates by December 2026 for Mukuba hotel. 	Finance
	# of Subsidiaries restructured		<ul style="list-style-type: none"> Zamtel debt restructuring of USD 67.5mn and network modernisation/expansion strategy 	Portfolio
On-Boarding Strategic Equity Partners.	# of SEP's onboarded under Portfolio.	On-board SEPS for 4 projects under portfolio companies.	<ul style="list-style-type: none"> US\$ 389.5 million raised through onboarding of SEP by 2029 for Zamtel. Onboard SEP for ZAMPALM Kalene Hills 	
	SEP's onboarded under Portfolio.		<ul style="list-style-type: none"> Eastern Tropical Fruits Fig tree 	
	# of SEP's onboarded under Portfolio	<ul style="list-style-type: none"> On-board SEPS for 6 Investment projects; 	<ul style="list-style-type: none"> Industrial Resources Limited Zambia Power Company Co-Venture Farms 	Investment
		<ul style="list-style-type: none"> Identification of Suitable Investors for Projects/Companies, Based on Funding Requirements and Long-Term Strategy. 	MICC Hotel development	
			Active participation in Local and International Investor Conferences.	

STRATEGIC FOCUS: Portfolio Transformation				
STRATEGIC OBJECTIVE 2: To grow dividend revenue to ZMW 7 billion by 2033.				
Expected Outcomes	Measures	Targets	Initiatives	Responsible Directorate
Job Creation.	# of jobs created.	Create jobs under 2 projects through portfolio interventions. <ul style="list-style-type: none"> Leverage synergies, reduce costs and optimize resource utilization. 	<ul style="list-style-type: none"> Create 20,000 direct jobs and 58,000 indirect jobs through Zaffico project. Create 700 jobs through Zambia Cashews project. Promoting Intra-Group Trading and Import Substitution. 	<ul style="list-style-type: none"> Portfolio
Lower strain on IDC cashflow.	Subsidiary financial performance	<ul style="list-style-type: none"> Manage and reduce subsidiary debt levels. Ensure comprehensive and adaptable planning that is aligned to the group strategy. 	<ul style="list-style-type: none"> Debt management and revenue enhancement. Long term strategic planning. 	<ul style="list-style-type: none"> Portfolio

Priority Sector Investments Implementation Framework

STRATEGIC FOCUS: Priority Sector Investments				
STRATEGIC OBJECTIVE 3: To create 40,000 direct jobs through US\$1.5billion investments in agriculture, manufacturing, energy and tourism ventures.				
Expected Outcomes	Measures	Targets	Initiatives	Responsible Directorate
Enhanced project appraisal processes	Standardised framework in place.	Framework established by Investment Policy Guideline approved by Sept 2024	<ul style="list-style-type: none"> Revise Investment policy and guidelines. 	Investment
Efficient Project operationalisation	Updated investment policy guidelines	14 approved projects reach commercial operationalisation by 2025	<ul style="list-style-type: none"> Invest in training of officers in investment and project appraisal Adherence to project milestones Enhanced capacity in project management 	Investment
Job creation	# of projects commercially operationalised	40,000 jobs created by end of 2033	<p>Ensure successful implementation of the following key sectors:</p> <ul style="list-style-type: none"> Agriculture Manufacturing Energy Mining Infrastructure Tourism 	Investment
Financial Sustainability	Net Present Value (NPV) over project life	100% positive NPV at project appraisal for all projects	<ul style="list-style-type: none"> Ensure that scoping and implementation of projects is cost effective and efficient. 	Investment
	Return on Investment (ROI) from SWF	<ul style="list-style-type: none"> Minimum of 20% ROI 	<ul style="list-style-type: none"> Ensure optimal and diversified investments 	Investment

STRATEGIC FOCUS: Priority Sector Investments				
STRATEGIC OBJECTIVE 3: To create 40,000 direct jobs through US1.5billion investments in agriculture, manufacturing, energy and tourism ventures.				
Expected Outcomes	Measures	Targets	Initiatives	Responsible Directorate
Increased Private Sector Participation	% of co-investments	70% of greenfield co-investments 30% of brownfield co-investments	<ul style="list-style-type: none"> Undertake investment promotions and missions. Develop database of potential projects needing strategic partners Ensure information relevant to potential partners is readily available Develop mineral trading Structure. Develop 3 gold market centres. Identify 3 small scale mining clusters. Develop mineral trading structure. Handover of gold marketing centres to IRL. Develop and execute IRL agency agreements with Zambia gold. Develop metal marketing company in partnership with Mercuria. 	Investment
Priority Sector Engagement: Mining	% Operationalisation of Industrial Resources Limited.	100% operationalisation of IRL by March 2025.		Investment
Manufacturing	% Commissioning of ETF % Construction of Fig- tree Processing Plant	100% commissioning of ETF 100% construction of ETF processing plant by Dec 2024	Invest in projects in projects for modernization and mechanization.	Investment
Agriculture	# of Establishment of Mega Farms.	44,000ha	<ul style="list-style-type: none"> Additional hectares of land for mega farms Agroluswishi Additional hectares of land for mega farms Nansanga Invest in renewable energy projects. Deploy 600MW. 	Investment
Energy	% Operationalisation of ZPC	100% operationalisation of ZPC by dec 2024.	<ul style="list-style-type: none"> Achieve 220MW capacities for Siavonga, Ndeke. Achieve Wind: 130MW capacities. Achieve Nambala solar: 30-50MW. Obtain SAPP power trading license. 	Investment

STRATEGIC FOCUS: Priority Sector Investments
STRATEGIC OBJECTIVE 3: To create 40,000 direct jobs through US\$1.5billion investments in agriculture, manufacturing, energy and tourism ventures.

Expected Outcomes	Measures	Targets	Initiatives	Responsible Directorate
Tourism	% Operationalisation of TTC	100% Operationalisation	<ul style="list-style-type: none"> Secure concession agreement for kasaba bay. MICC Hotel development. Timely onboarding of project manager and engineering, procurement, and Construction (EPC) contractor. Completion of the 3 star and 5star hotels. 	Investment
Develop a handbook outlining basic Green and Circular Economy principles to inform the development of an Environmentally Sustainable Governance (ESG) Framework.	Brief Handbook written to kickstart the design ESG	By end of 2024	<ul style="list-style-type: none"> Conduct Comprehensive Literature Review Draft the Handbook Share the draft handbook with identified experts for review and feedback Incorporate feedback to improve the quality and accuracy of the content. 	Research and Strategy
Implement at least six major green projects and initiatives across the Agriculture, Energy, and Tourism sectors.	# of major Green Projects and initial done in Agriculture, Energy and Tourism.	6 Green Projects operationalized or completed by 2033	<ul style="list-style-type: none"> Conduct a thorough assessment of the potential for green projects and initiatives in the Agriculture, Energy, and Tourism sectors. Develop Project Proposals Identify potential funding sources (e.g, government grants, international agencies, private investments). Establish partnerships with key stakeholders (e.g, government, NGOs, private sector). 	Investment Directorate

Green and Circular Economy Implementation Framework

STRATEGIC FOCUS: Green and Circular Economy

STRATEGIC OBJECTIVE 4: Position IDC as a leader in the Green and Circular Economy by implementing six green projects by 2033.

Expected Outcomes	Measures	Targets	Strategies/ Initiatives	Responsible Directorate
Corporate and Group adherence to sustainable practices	Completion of a brief handbook to guide the ESG framework	By Q1 of 2025	<ul style="list-style-type: none"> Conduct a comprehensive literature review Draft the handbook Engage identified experts for review and feedback Incorporate feedback to improve quality and relevance 	Corporate Communications
	ESG Group Policy Developed	IDC ESG Policy developed by Q4 of 2024	<ul style="list-style-type: none"> Develop and Circulate the Group ESG policy Promote sustainable practices within IDC subsidiaries. 	Corporate Communications
Secured Funding for Green Initiatives	Six green projects funding secured	Identified funding sources and secured capital by end of each financial year, starting 2024	<ul style="list-style-type: none"> Identify funding from government grants, international agencies, and private investments 	Treasury and Equity
Operationalize Six Green Projects	Number of operational or completed projects in Agriculture, Energy, and Tourism sectors	Six projects by 2033	<ul style="list-style-type: none"> Prioritize investments in renewable energy, energy efficiency, and technologies that reduce greenhouse gas emissions. Develop project proposals Establish partnerships with key stakeholders 	Investments

STRATEGIC FOCUS: Green and Circular Economy				
STRATEGIC OBJECTIVE 4: Position IDC as a leader in the Green and Circular Economy by implementing six green projects by 2033.				
Expected Outcomes	Measures	Targets	Strategies/ Initiatives	Responsible Directorate
Environmental management and responsibility	Environmental and social assessment reports	Environmental and social assessments undertaken on all IDC projects prior to implementation.	<ul style="list-style-type: none"> Assess and mitigate the environmental impact of all investments, ensuring alignment with global climate targets. Promotion of sustainable use of natural resources, including water, land, and raw materials. Implement eco-friendly initiatives to reduce environmental impact. Implement policies for waste reduction, recycling, and sustainable procurement. 	Investments
Social responsibility	# of projects adhered to industry standards and regulations	Product standards and certifications attained for applicable products produced ensuring consumer protection and quality assurance. 80% Adherence to industry standards and regulations	<ul style="list-style-type: none"> Provide safe and quality products and services that meet consumer needs and expectations. 	Investments
Risk management	CSR Initiatives undertaken Risk Profile	# of Corporate Social Responsibility initiatives undertaken in project locations Risk assessment undertaken on all projects in the investment pipeline	<ul style="list-style-type: none"> Support local communities through social investment and community development initiatives. Conduct risk assessments for all potential investments. Provide clear mitigation strategies for the identified risks. 	Corporate Communications Risk

People & Culture Implementation Framework

STRATEGIC FOCUS: People & Culture				
STRATEGIC OBJECTIVE 5: To Foster a High-Performance, Inclusive, and Engaging Work Environment to Enhance Organisational Capacity and its Competitiveness.				
Expected Outcomes	Measures	Targets	Initiatives	Responsible Directorate
Revised organisation structure & Governance	Develop new Organisational structure.	Realigned organisational structure approved by the board by end August 2024.	<ul style="list-style-type: none"> Hiring Organisation restructuring Consultant through Procurement to transform IDC into a lean Structure Internal comprehensive review of the organizational structure for IDC and propose a new one with job grades. Develop job descriptions for the roles on the structure Board approval of proposed structure. 	Human Capital
	% Alignment of HC strategy to Corporate Strategy by December 31 st , 2024.	100 % Alignment of HC strategy to Corporate Strategy by December 31 st , 2024.	Develop Human Capital Strategy	Human Capital
Talent Sourcing	% Implementation	100% Implementation to the recruitment plan by 2033	Implementation of the 2024-2033 Recruitment Plan	Human Capital

STRATEGIC FOCUS: People & Culture				
STRATEGIC OBJECTIVE 5: To Foster a High-Performance, Inclusive, and Engaging Work Environment to Enhance Organisational Capacity and its Competitiveness.				
Expected Outcomes	Measures	Targets	Initiatives	Responsible Directorate
Enhanced Staff Welfare	% Implementation		<ul style="list-style-type: none"> Implementation of Staff Social Club Benefits Implementation of Wellness Programs Implementation of Team Building Programmes Implementation of Leave Management 	Human Capital
Competitive salary compensation and benefits necessary to retain talent.	Undertake salary and benefits survey	Complete salary and benefits survey by end of 2024	<ul style="list-style-type: none"> Implementation of competitive salaries and conditions of service to attract and retain to talents. 	Human Capital
Performance Management and Reward System that is aligned to the Transformed IDC.	Review of Salary Structure & Terms and Conditions of Service	Implementation of revisions by end of 2024	<ul style="list-style-type: none"> Finalise with Emoluments Commission on salaries and conditions of service applicable to IDC 	Human Capital
Trained staff with enhanced capacity to deliver on the mandate of the Transformed IDC.	% Implementation of revised performance management system	100% Implementation	<ul style="list-style-type: none"> Review and revise the Performance Management and Reward Systems. 	Human Capital
Enriched employee experience	% Implementation of skills development and training plan	95% implementation	<ul style="list-style-type: none"> Invest in training and development for staff. 	Human Capital
Enhanced employee performance	% staff satisfaction levels attained	80% staff satisfaction levels attained annually	<ul style="list-style-type: none"> Invest in training and development for staff. 	Human Capital
	% staff turnover annually	≤ 10% staff turnover annually	<ul style="list-style-type: none"> Invest in training and development for staff. 	Human Capital
	% Staff Percentage Performance	75% Staff Percentage Performance attained half and full year at, respectively.	<ul style="list-style-type: none"> Invest in training and development for staff. 	Human Capital

STRATEGIC FOCUS: People & Culture					
STRATEGIC OBJECTIVE 5: To Foster a High-Performance, Inclusive, and Engaging Work Environment to Enhance Organisational Capacity and its Competitiveness.					
Expected Outcomes	Measures	Targets	Initiatives	Responsible Directorate	
Enhanced Group Human Capital Management	% of staff costs against revenue	35 % of staff costs against revenue	<ul style="list-style-type: none"> Invest in training and development for staff. 	Human Capital	
	Approved Group HC policy	Group Human Capital Policy implemented by 2026	<ul style="list-style-type: none"> Review, Revise and Develop Group HC Policies 	Human Capital	
	% of projects supported with HC technical Support	100% of projects supported with HC technical Support		Human Capital	

Operational Excellence Implementation Framework

STRATEGIC FOCUS: Operational Excellence				
STRATEGIC OBJECTIVE 6: To Enhance IDC's operational efficiency for effective service delivery.				
Expected Outcomes	Measures	Targets	Strategies/ Initiatives	
Revised organisation structure benchmarked against the Gulf Cooperation Council (GCC) with Sector Specialists able to deliver on the new IDC strategic focus for 2024 and beyond.	Approved Organisational structure.	Realigned organisational structure approved by the board by end August 2024.	<ul style="list-style-type: none"> Hiring Organisation restructuring consultants through procurement to transform IDC into a lean structure. Internal Comprehensive review of the organizational structure for IDC and propose a new one with job grades. Develop job descriptions for the roles on the structure. Develop and implement staff development and retention strategies. 	Responsible Directorate Human Capital
Enhanced performance of Human Capital	% performance	75% implementation of staff development and training plan annually (optimised staff skills, competences, and abilities)		Human Capital
Improved working environment	% adherence	100% implementation of occupational health and safety standards	<ul style="list-style-type: none"> Implementation of health and safety standards of the Employment Code Act and best practice 	Administration and ICT
	% availability	95% Service availability to both internal and external client	<ul style="list-style-type: none"> Ensure the provision of working tools (equipment, systems. etc) 	
	% adherence	100% adherence to the ICT policy annually	<ul style="list-style-type: none"> Adherence to the ICT policy 	

STRATEGIC FOCUS: Operational Excellence				
STRATEGIC OBJECTIVE 6: To Enhance IDC's operational efficiency for effective service delivery.				
Expected Outcomes	Measures	Targets	Strategies/ Initiatives	Responsible Directorate
Improved decision-making framework	Thematic papers on key strategic topics are developed	1 analytical publication per quarter Performance review reports submitted to MEC in form of quarterly and annual reports.	<ul style="list-style-type: none"> Undertake relevant business research for decision making project implementation and portfolio monitoring. Ensure effective corporate planning. Enhance enterprise-wide monitoring & evaluation system. 	Research and Strategy
Increased efficiency	SOPs implemented. Compliance rate % performance	All departments to attain 100% compliance to the respective Standard Operating Procedure Manuals, policies, and guidelines annually 75% business processes automated by end of 2025.	<ul style="list-style-type: none"> Developing quality management systems for quality assurance Ensure deployment of robust Enterprise Resource Planning to automate business processes 	Internal Audit and Corporate Services
Enhanced Entity Risk Management	% of identified risks mitigated from the RCSA Quarterly	95% of the risks identified mitigated within a quarter	<ul style="list-style-type: none"> Ensures that risks are continuously monitored and addressed, preventing them from escalating. 	Risk
Increased visibility and Brand Awareness	Baseline established. % increase	Conduct baseline survey by Q4 2024 10% increase in brand awareness annually	<ul style="list-style-type: none"> Engagement of consulting firm to conduct baseline survey. Implement communication strategy 	Corporate services



Aerial view of the tea estate at Kawambwa Tea Industries Limited and the adjacent old (right) and new (left) tea processing factories. © IDC/KK





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