

Zambia

Sustainable Investment Requirements



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About the paper

This is a national companion guide to the publication *The Business Guide for Sustainability in Foreign Investments*. The companion guide presents an overview of Zambia's environmental and social regulations for investment operations in agroprocessing and light manufacturing. It also provides contacts of relevant national ministries and enforcement bodies.

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For more information on PIGA, see: <http://www.intracen.org/piga/>

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Foreword by ITC

Foreign investment in Zambia unlocks opportunities to reach new regional and global markets and better serve the local market. The actions taken by business managers have tremendous spillover effects, not only for the local economy, but for the social and environmental conditions of the local population. As part of the post-pandemic recovery, investing sustainably is essential.

National legislation, regional trade agreements, and market demand all trend towards increased consideration for social and environmental practices. Beyond the business case for sustainability, international firms and local business must be aware of the requirements in their country of operation in order to avoid repercussions and remain competitive.

This national companion guide provides the mandatory social and environmental requirements for investing in Zambia in agroprocessing and light manufacturing. The guide details the steps businesses must take in their investment journey and the respective agencies they will contact along the way. The recommendations as well as the tools, such as sustainability checklists and resource directories, provide practical support to investors in their journey to improve their business practices.

This is a companion guide to the publication *The Business Guide for Sustainability in Foreign Investments*, which makes the business case for sustainable investment and provides common sustainability practices that firms must consider when starting operations in a foreign country.

This guide is an outcome of the research conducted for the Partnership for Investment and Growth in Africa, funded by the United Kingdom's Foreign, Commonwealth & Development Office. It is based on insights of ministries, investors, businesses and experts at the International Trade Centre.

Pamela Coke-Hamilton
Executive Director
International Trade Centre

Foreword by the Zambia Development Agency

Zambia is in southern Africa. The country has a growing population of about 17.9 million, around 40% of whom live in urban areas. The increase in population translates into greater demand for jobs. Creating much-needed jobs calls, to a large extent, for investments into the economy.

The Zambia Development Agency (ZDA), a government agency mandated to attract investments in Zambia, has developed this guide with support from the International Trade Centre's Partnership for Investment and Growth in Africa (PIGA) project. The guide provides potential investors with the necessary information on the country's legal and environmental requirements to set up, operate and decommission a business. Investors targeting Zambia must comply with the relevant environmental regulations. This is important because it promotes environmental sustainability. Investors are, therefore, advised to engage with the Zambia Environmental Management Agency to get firsthand and up-to-date information about the environmental requirements for companies operating in Zambia. To ensure that a smooth relationship exists between workers and employer to their benefit, Zambia has put in place requisite labour laws. The country is also in the process of developing the labour code. This guide outlines the current labour laws and workplace provisions for easy reference by investors targeting the country.

We would like to thank our partners and the PIGA project for developing this guide. We implore all investors targeting Zambia to use this guide to prevent unnecessary non-compliance, but most importantly to ensure positive impacts on people, the planet and the investor's own profits. This is the triple bottom line that ZDA is encouraging all its investors to consider.

Mukula Makasa

Acting Director General
Zambia Development Agency

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About ITC

Established in 1964, the International Trade Centre (ITC) is the joint agency of the World Trade Organization and the United Nations. Its mission is to foster inclusive and sustainable economic development and contribute to achieving the United Nations Global Goals for Sustainable Development.

ITC is the only development agency that is fully dedicated to supporting the internationalization of small and medium-sized enterprises. It helps these businesses in developing and transition economies become more competitive and connected to international markets for trade and investment, thus raising incomes and creating job opportunities, especially for women, young people and poor communities. ITC works with policymakers, trade and investment support institutions, exporters and other stakeholders in the public and private sectors to enable export success of small firms in developing countries and transition economies.

Read more at <http://www.intracen.org/>

About the Partnership for Investment and Growth

The Partnership for Investment and Growth in Africa (PIGA) is part of Manufacturing Africa, a flagship programme of the United Kingdom's Foreign, Commonwealth & Development Office facilitating foreign direct investment with high development impact into selected African countries.

Under Manufacturing Africa, PIGA aims to contribute to job creation and sustainable growth in Ethiopia, Kenya, Mozambique and Zambia by helping these countries attract foreign direct investment, specifically Chinese investment, in the agroprocessing and light manufacturing sectors. PIGA is also designed to enhance the capacity of these countries for effective investment promotion.

ITC implements PIGA in cooperation with the China Council for the Promotion of International Trade and the China–Africa Development Fund.

<http://www.intracen.org/piga/>

About the Zambia Development Agency

The Zambia Development Agency is a statutory body established in 2006 by an Act of Parliament (ZDA Act, No. 11 of 2006) to improve service delivery by operationalizing the concept of 'one-stop shop'. The agency became operational in January 2007. It operates as a semi-autonomous institution, with its board of directors appointed by the minister responsible for the Commerce, Trade and Industry Ministry.

The primary objective of the agency is to foster economic growth and development by promoting trade and investment in Zambia through an efficient, effective and coordinated private sector-led economic strategy.

The agency's mandate is to promote and facilitate trade, investment and enterprise development in Zambia. It works with relevant authorities to reduce the cost of doing business in the country by simplifying the process of formalities such as licensing.

<http://www.zda.org.zm/>

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Acronyms

Unless otherwise specified, all references to dollars (\$) are to United States dollars, and all references to tons are to metric tons.

EIA	Environmental impact assessment
ITC	International Trade Centre
PIGA	Partnership for Investment and Growth in Africa
ZEMA	Zambia Environmental Management Agency

Chapter 1

Sustainability requirements in Zambia

Key messages

- Investors are required to obtain an environmental licence for their proposed development, which is granted following the successful production and review of an environmental impact assessment (or project report/brief for low-risk projects).
- The environmental impact assessment or project report process determines environmental requirements for the specific business.
- Compliance with environmental impact assessment requirements and all relevant environmental regulations will be monitored and businesses must submit an environmental audit every year, depending on the details of the national legislation.
- Non-compliance with environmental requirements can result in improvement orders, which, if not followed, can result in closure, imprisonment and/or financial penalties.
- A range of legislation covers labour laws, and the company must understand and comply with relevant legislation. This chapter summarizes only the key points.
- Investors must register their organizations with the Directorate of Occupational Safety and Health Services and enlist an approved Organizational Safety and Health Act adviser.
- Land regulations should be taken into account, particularly in terms of leasing or purchasing land, where it is vital to ensure that alternative community or tribal rights are considered and respected.

When investing in manufacturing or agroprocessing in Zambia, it is vital to comply with the national legislation in matters relating to environmental management and working conditions for employees. The following section provides an overview of general principles applicable for investors in any country and specific legal requirements in Zambia.

General principles

- Do not ask favours from influential government representatives to shortcut processes. This is likely to lead to compliance problems at a later stage. Speak to the relevant government departments and follow their guidance and requirements.
- Do not rely exclusively on foreign investors already working in the country for second-hand knowledge that may be out of date or inaccurate. Make sure you understand what is required from relevant government departments.
- It is usually necessary to hire a specialist (i.e. individual consultant or firm) to undertake a project brief, environmental impact assessment (EIA),¹ environmental audit or decommissioning plan to ensure an objective assessment process. Environmental institutions in Zambia maintain lists of registered qualified professional companies or individual experts who can provide these services.
- Allocate sufficient time for the EIA process. Engage with the relevant environmental agency as soon as you register a business. Six to 12 months is a reasonable timeframe for a full EIA, including public consultation and review, improvements and approval by the appropriate environmental authority, at which point an environmental licence can be granted for the proposed investment.
- Comply with land use plans where they have been developed on a participatory basis and passed into law to guide spatial development of a region or urban area.
- Be aware of differences in the local method for defining basic salary and remuneration packages. Confusion in this area could lead to a failure to comply with local labour laws.
- Try to obtain national legislation translated into your own language, as well as useful publications and updates on legislative changes (which business associations often produce). These can become outdated, however, and speaking directly to the relevant government department is usually best.
- Specific regulations may be negotiated for the operations of a particular business, with a trade union body representing your workers. This would subsequently be reflected in a legally binding collective bargaining agreement.

Environmental and labour requirements

Investors must follow a set of environmental and labour regulations when setting up a business in Zambia, during operations or when decommissioning a site due to closure or relocation. These are summarized below, with references to relevant legislation.

¹ Note that EIAs are sometimes referred to as environmental and social impact assessments. The requirements and contents of the assessment remain the same.

Country background

Zambia is an attractive destination that offers investment opportunities in agriculture and agroprocessing, manufacturing, energy, mining, construction, telecommunications, health and tourism. The investment climate is a stable macroeconomic environment, with a stable political system, investment guarantees and good security. The country boasts a beautiful natural environment and many fertile areas for agricultural production. Its population is about 17.9 million, around 40% of which live in urban areas. Lusaka, the capital city, has a population of 2 million. Zambia gained independence from the United Kingdom in 1964.

Language: English is the official language while other main local languages include Bemba, Lozi, Lunda, Luvale, Nyanja and Tonga. About 66 other indigenous languages and dialects are spoken across the country.

Environmental regulations and guidelines

The following environmental regulations must be observed in Zambia:

- Environmental Management Act (2011)²
- Environmental Impact Assessment Regulations (1997)³
- Environmental Management Licensing Regulations (2013)⁴
- Environmental Protection and Pollution Control Act (1999)⁵
- Air Pollution Control Regulations (1996)⁶
- Solid Waste Management Act (2018)⁷
- Extended Producer Responsibility Regulations (Product lifecycle) (2018)⁸

² National Assembly of Zambia (2011). The Environmental Management Act, 2011. Available from <http://www.parliament.gov.zm/node/7348>

³ Zambia Environmental Management Authority (2013). The Environmental Protection and Pollution Control (Environmental Impact Assessment) Regulations, 1997. Available from <http://www.zema.org.zm/index.php/publications/environmental-legislation/environmental-regulations/>

⁴ Zambia Environmental Management Authority (2013). The Environmental Management (Licensing Regulations) 2013. Available from <http://www.zema.org.zm/index.php/publications/environmental-legislation/environmental-regulations/>

⁵ Replaced by the Environmental Management Act, 2011.

⁶ Statutory Instrument 141 of 1996 (1996). Air Pollution Control (Licensing and Emission Standards) Regulations (Cap. 204). Available from <http://extwprlegs1.fao.org/docs/pdf/zam48235.pdf>

⁷ National Assembly of Zambia (2018). The Solid Waste Regulation and Management Act, 2018 (N.A.B No. 20 of 2019). Available from <http://www.parliament.gov.zm/node/7855>

⁸ Zambia Environmental Management Agency (2018). Press release 'Issuance of Statutory Instrument No. 65 on Extended Producer Responsibility Regulations'. Available from <http://www.zema.org.zm/index.php/lusaka-3rd-december-2018-issuance-of-statutory-instrument-no-65-on-extended-producer-responsibility-regulations/>

Environmental impact assessments

Investors must comply with the following environmental management requirements as they set up, operate and decommission a business.

1. Obtaining an environmental licence for a proposed investment

- An environmental licence for a proposed investment is granted depending on an environmental impact assessment of the project. This determines the environmental and social conditions required by law.
- Investors must first notify the Zambia Environmental Management Agency (ZEMA) of their proposed development, via a letter that sets out the details of the proposed investment, followed by a physical meeting, if required.
- To secure an environmental licence, investors must submit an application to ZEMA at the central or provincial level. The documentation set out in the EIA regulation must accompany applications.
- Investors cannot start developing a project brief or EIA until the terms of reference have been jointly developed with, and approved by, ZEMA.
- All activities that could have an environmental impact must be subject to a pre-evaluation procedure, to determine the category of the activity and the procedures of the EIA to be carried out. Investments that ZEMA determines to require an EIA fall into one of the following categories, with different requirements:
 - **High risk:** Pre-feasibility environmental study, including the terms of reference for the environmental impact study, which follows and includes an environmental management plan, a biodiversity balance management plan (when applicable), a report of the physical and socioeconomic assessment (when applicable), and a public consultation report. In this category, a report from expert reviewers precedes the pre-feasibility environmental study and the EIA.
 - **Medium risk:** Terms of reference and respective simplified environmental study, including an environmental management plan and a public consultation report.
 - **Low risk:** Report with proposed good practices on environmental management.
- Once the environmental assessment of the activity has been conducted, the competent authority notifies the applicant and supervisory entities, and issues an environmental permit within 15 business days after the payment of fees.
- Environmental fees are fixed and are to be paid to ZEMA. These are subject to change.
- After an environmental licence is granted for the project, the investor has up to two years to begin the project. An extension can be requested, although this may require the submission of an updated EIA.

2. Environmental audit to assess compliance with requirements

- One year after operations start, an environmental monitoring report must be submitted to ZEMA to explain how the business is complying with the environmental management requirements specified in its approved EIA. This process must be repeated once a year.
- All companies must comply with the environmental legislation and guidelines, listed in the box above.
- ZEMA may require the company to mitigate any issues of non-compliance; it must do this immediately or face financial and/or legal penalties.
- ZEMA has the authority to inspect a business once a year to verify that the business is complying with the environmental management requirements specified in its approved EIA.

3. Emission and hazardous waste licence

- Besides an environmental licence, investors involved in industrial or other operations involving sewage systems must obtain an emissions and hazardous waste licence once the factory is set up, but before production begins.
- This licence is available through ZEMA and requires an application, effluent analysis report, certificate of incorporation, waste water treatment plant design highlights, site plan layout indicating sampling points and a copy of the EIA.
- Fees, which are based on the amount of waste and emissions, are paid to ZEMA. The effluent discharge permit process takes 28 days.

4. Decommissioning a site at closure

- A decommissioning plan is required as part of the initial EIA. As the decommissioning process may happen years later, at the time of closure, an updated decommissioning plan must be prepared and submitted to ZEMA.
- ZEMA will advise the company what improvements it must make to the plan. A full decommissioning report must be submitted to ZEMA once the remediation work is completed, detailing evidence of compliance with the measures set out in the decommissioning plan.

Labour laws and workplace provisions

The following labour legislation must be observed in Zambia:

- The Employment Code Act (2019)⁹
- Minimum Wages and Conditions of Employment (General) Order (2011, amended in 2012)¹⁰
- Minimum Wages and Conditions of Employment (Shop Workers) Order (2011, amended in 2012)¹¹
- Minimum Wages and Conditions of Employment (Domestic Workers) Order (2011, amended in 2012)¹²
- The Workers Compensation Act (2019)¹³
- The Factories Act¹⁴
- The Occupational Health and Safety Act¹⁵
- Persons with Disabilities Act (2012)¹⁶
- Mental Health Act (2019)¹⁷
- The Industrial and Labour Relations Act (2008)¹⁸
- Labour Code (draft legislation expected to be released in 2020)
- Zambia Development Agency Act (2006)¹⁹
- Prohibition of the Employment of Young Persons and Children (Hazardous Labour) Order²⁰
- Citizens Economic Empowerment Act (2006)²¹

Summary of key labour law provisions

The legislation listed above specifies many other laws and conditions, and investors should make sure they understand and comply with what is relevant to their business.

Minimum wage: This is specified for different categories under Zambia's various Minimum Wages and Conditions of Employment Orders. The minimum wage includes

⁹ National Assembly of Zambia (2019). The Employment Code Act, 2019. Available from <http://www.parliament.gov.zm/sites/default/files/documents/acts/The%20Employment%20Code%20Act%20No.%203%20of%202019.pdf>

¹⁰ National Assembly of Zambia (2019). The Minimum Wage and Conditions of Employment Act. Available from <http://www.parliament.gov.zm/node/1231>

¹¹ National Assembly of Zambia (2011). The Minimum Wage and Conditions of Employment (Shop Workers) Order, 2011 (S.I. No. 1 of 2011). Available from https://www.ilo.org/dyn/natlex/natlex4_detail?p_lang=en&p_isn=96083&p_country=ZMB&p_count=182

¹² National Assembly of Zambia (2011). The Minimum Wage and Conditions of Employment (Domestic Workers) Order, 2011. Available from <https://www.ilo.org/dyn/travail/docs/2276/>

allowances for transport, lunch, housing and children's medical care and education. All of these allowances are specified under different statutory wage orders.

Working hours:

- Maximum eight hours/day and 48 hours/ week
- If the nature of work so requires, some working days can be shortened. In other cases, they can be increased to a maximum of 10 hours/day.

Overtime:

- Eight hours/day and 48 hours/week
- The maximum working hours in a week are 48 hours for both general and domestic workers, and 45 hours for shop workers other than managers.
- The weekly hour limit for a watchperson is 60 hours, spread over six days. A watchperson who works more than 60 hours a week is entitled to 1.5 times his/her regular hourly wage rate.
- At a minimum, an employer must grant employees on each working day a meal break of one hour and one health break of at least 20 minutes, or two health breaks of at least 10 minutes each.

¹³ National Assembly of Zambia (2019). The Workers' Compensation Act. Available from <http://www.parliament.gov.zm/node/1226>

¹⁴ National Assembly of Zambia (2019). The Factories Act. Available from <http://www.parliament.gov.zm/node/1464>

¹⁵ National Assembly of Zambia (2010). Occupational Health and Safety Act, 2010 [No. 36 of 2010]. Available from https://www.ilo.org/dyn/natlex/natlex4.detail?p_lang=en&p_isn=94968

¹⁶ National Assembly of Zambia (2012). The Persons with Disabilities Act 2012. Available from <http://www.parliament.gov.zm/node/3123>

¹⁷ National Assembly of Zambia (2019). The Mental Health Act, 2019 [N.A.B. No. 6 of 2019]. Available from <http://www.parliament.gov.zm/node/7944>

¹⁸ National Assembly of Zambia (2019). Industrial and Labour Relations Act. Available from <http://www.parliament.gov.zm/node/1224>

¹⁹ National Assembly of Zambia (2016). The Zambia Development Agency (Amendment) to the Zambia Development Agency Act, 2010. Available from <http://www.parliament.gov.zm/node/6489>

²⁰ Supplement to the Republic of Zambia Government Gazette (2013). Prohibition of the Employment of Young Persons and Children (Hazardous Labour) Order, 2013 (S.I. No. 121 of 2013). Available from https://www.ilo.org/dyn/natlex/natlex4.detail?p_lang=en&p_isn=95833&p_classification=04

²¹ Government Gazette, Supplement (2006). Citizens Economic Empowerment Act, 2006. (Act No. 9 of 2006). Available from https://www.ilo.org/dyn/natlex/natlex4.detail?p_lang=&p_isn=75393&p_classification=05

Overtime: Work done in excess of normal weekly working hours is compensated by the premium of at least 150% of the normal hourly wage rate. The law does not clearly specify the limits to overtime.

Rest days: An employee is entitled to a rest day of at least 24 consecutive hours in every period of seven consecutive days. An employer shall pay an employee who works on a public holiday or on a weekly rest day. When the public holiday or weekly rest day does not form part of the employee's normal working week, the employer must pay double the employee's hourly rate of pay.

Paid leave: A worker who remains in continuous employment for 12 months is entitled to two days of annual leave/paid holidays for each month of service. Total annual leave is 24 working days per year and is independent of weekly rest days and public holidays.

Paid public holidays: Workers are entitled to paid festival (public and religious) holidays. Festival holidays in Zambia are: New Year's Day (1 January), International Women's Day, Youth Day (12 March), Good Friday, Holy Saturday, Easter Monday, Labour Day (1 May), Africa Day (25 May), Hero's Day (1 July), Unity Day (2 July), Farmers' Day (5 August), Prayer Day (18 October), Independence Day (24 October) and Christmas Day (25 December).

Maternity leave: Employers must provide fully paid leave for a period of 14 weeks for a worker with two years of continuous service with the employer from the date of first engagement or since the last maternity leave taken, and a medical certificate confirming the pregnancy. It is funded by the employer with no support from government.

Nursing: During a period of six months from the date of the birth of her child, a female employee is entitled to two nursing breaks of 30 minutes each or one nursing break of one hour, at a time of her convenience. The nursing breaks must not be deducted from the number of paid hours.

Paternity leave: A male employee who remains in continuous employment with the same employer for a period of 12 months is entitled to at least five continuous working days of paternity leave, to be taken within seven days of the birth of his child.

Sick leave: If an employee is incapacitated due to illness or injury not occasioned by the employee's work with the company, the employee is entitled to sick leave as follows:

- An employee on a short-term contract must be paid in full for the equivalent of 26 working days of the sick leave, and thereafter paid half of his/her regular wages for the equivalent of the next 26 working days of the sick leave; or
- An employee on a long-term contract must be paid his/her full wage during the first three months of the sick leave, and thereafter paid half of his/her regular wages for the next three months of the sick leave.

Absence from work/compassionate leave: In addition to paid annual leave, an employee is entitled to the following:

- Compassionate leave with full pay for a period of at least 12 days in a calendar year if the employee has:
 - (a) lost a spouse, parent, child or dependent, or
 - (b) a justifiable reason for compassionate leave.
- Leave with pay for a period not exceeding seven days in a calendar year to care for a sick spouse, child or dependent. This type of leave is only granted to an employee who has worked for six months or more at the company.
- Three days of paid leave per year to cover responsibilities related to the care, health or education of that employee's child, spouse or dependent.

Medical insurance: Zambia's Employment Code Act guarantees certain benefits such as housing, health and maternity leave benefits, and eligibility for overtime pay. Under the employment code, all workers are entitled to medical care, medicine and transportation, which was previously mandatory only for protected employees. The Government is also creating a national insurance system under the National Health Insurance Act. The National Health Insurance Management Authority has announced plans to impose a basic health insurance contribution of 1% of pay for employees and employers, which will be collected by a central fund.

Work injuries: Employers are required to compensate employees who suffer an occupational injury or fatality in accordance with the 2019 Workers' Compensation Act.

Disability rights: Employers are required to comply with the 2012 Persons with Disabilities Act.

Occupational health and safety requirements: Employers in Zambia must comply with the Factories Act and the Occupational Health and Safety Act, which provide provisions and standards for securing a safe and healthy working environment. Employers must ensure the health, safety and welfare of employees at the workplace, and maintain an occupational environment adapted to employees' physical, physiological and psychological ability. It is important to develop a safety- and health-conscious culture in the workplace and encourage reporting of injuries and accidents.

Housing and other needs: An employer must provide a worker with housing, a loan or an advance towards the purchase or construction of a house, a lender guarantee for a mortgage or house loan on behalf of the employee, or pay the employee housing allowance under:

- A collective agreement registered under the Industrial and Labour Relations Act;
- A contract of employment; or
- The general conditions of service of the company.

An employer must ensure that an employee receives an adequate supply of water and sanitation facilities at the workplace.

Trade unions: Zambia's constitution and the Industrial and Labour Relation Act provide for freedom of association and allow workers and employers to join and form unions.

Preventing child labour: An employer must not employ a child (16 years of age or less) in a public or private industrial workplace or in any of its branches. Investors should refer to the 2019 Employment Code Act for more detailed requirements.

Labour inspection: The Ministry of Labour has a mandate to inspect private sector facilities to check compliance and require improvements, if needed.

Penalties for non-compliance of employers: The legislation (particularly in the 2019 Employment Code Act) sets out a variety of penalties for employers who fail to comply with the relevant legislation.

Resolving workplace disputes: Disputes are settled in the Industrial Relations Court.




Ownership rights to land and other land assets: The 1995 Lands Act is the principal land legislation, and the 1985 Administrative Circular No. 1 guides land allocation. However, the lack of a coherent national policy and the ad hoc guidance of land management and administration have left several issues and challenges without adequate policy direction. The 2017 draft National Land Policy issued by the Ministry of Lands and Natural Resources sought to address these gaps, but it has not yet been ratified due to reservations among traditional leaders.

Chapter 2





Summary checklist





Potential investors in the agroprocessing and light manufacturing sectors in Zambia should consider various environmental and labour requirements when setting up their business operations. The steps included in the checklist below refer to different categories of procedures that investors must follow to obtain their investment certificate and start running their business.²²

Figure 1 Checklist: Environmental and labour requirements for investors

Legend of icons per investment stage:	
	No legal labour and environmental requirements set at the investment stage.
	No legal labour and environmental requirements are set at this stage, however investors should take into account certain considerations.
	Investors need to comply with legal labour and environmental requirements at this stage.
	<p>1. Starting a business in Zambia</p> <p>No legal labour or environmental requirements are set at this stage for investors considering opening a business in Zambia. Nonetheless, investors should consider the following:</p> <ul style="list-style-type: none"> • Collect information about the labour legal system and environmental regulation in the invested country. • Understand which sustainability factors will be affected by the investment and include this analysis in project design. • Understand the social, environmental, economic and political context of Zambia. Refer to the PIGA Investment Guide Zambia for more information.
	<p>2. Business registration and investor registration</p> <p>No legal labour or environmental requirements are set at this stage for investors considering opening a business in Zambia.</p>

²² The steps are retrieved from the ITC PIGA Investment Guide Mozambique (2018) and include one additional step (No. 13).

	<p>3. Taxpayer identification and value-added tax registration</p> <ul style="list-style-type: none"> Employers may need to enrol the company and employees in the National Pension System. <p>Relevant legislation: Citizens Economic Empowerment Act</p> <p>Institutions involved in the process: Zambia Development Agency, Zambia Revenue Authority</p>
	<p>4. Opening a bank account</p> <p>No legal social or environmental requirements are set at this stage for investors considering opening a business in Zambia.</p>
	<p>5. Land procedures, construction permits, power connection and water connection</p> <ul style="list-style-type: none"> Acquisition of state land, for an investor as defined within the Zambia Development Agency Act <p>Relevant legislation: Zambia Development Agency Act (2006)</p> <ul style="list-style-type: none"> To acquire customary land, written consent of the area chief and approval from the director of National Parks and Wildlife is required <p>Relevant legislation: Environmental Management Act (2011)</p> <ul style="list-style-type: none"> A series of documents must be submitted to the Ministry of Lands and Natural Resources and Environmental Protection offices checking for completeness <p>Relevant legislation: Environmental Management Act (2011)</p> <ul style="list-style-type: none"> A construction permit, including prior submission of land survey plan, is required for construction projects <p>Relevant legislation: Environmental Impact Assessment Regulation (1997) and Environmental Management Licensing Regulations (2013)</p> <ul style="list-style-type: none"> Investments including ownership of buildings with waste and emissions production require an emissions and hazardous waste licence, depending on waste water treatment with water connection <p>Relevant legislation: Solid Waste Management Act (2018)</p> <p>Institutions involved in the process: Ministry of Lands and Natural Resources and Environmental Protection, ZEMA, Zambia Development Agency</p>
	<p>6. Business permits</p> <ul style="list-style-type: none"> Investors providing food for employees must obtain a health clearance and food hygiene licence <p>Relevant legislation: The Employment Code Act (2019)</p> <ul style="list-style-type: none"> Investments including the ownership of buildings require a fire certificate Relevant legislation: The Employment Code Act 2019, and the Occupational Health and Safety Act (2010) <p>Institution involved in the process: Zambia Development Agency</p>

	<p>7. Labour</p> <p>Investors in Zambia must adhere to a set of labour standards on minimum wage, contracts, collective bargaining and other workers' rights.</p> <ul style="list-style-type: none"> • Minimum wage, contracts, settlement of disputes, leave, welfare and housing <p>Relevant legislation: The Employment Code Act 2019)</p> <ul style="list-style-type: none"> • Conduct of industrial relations, worker/employer organizations, collective bargaining, arbitration and consultation <p>Relevant legislation: The Industrial and Labour Relations Act (2008)</p> <ul style="list-style-type: none"> • Minimum wages, working conditions, medical coverage, leave and maternity benefits for those not covered through collective bargaining <p>Relevant legislation: The Minimum Wage and Conditions of Employment Order (2011), and the Employment of Young Persons and Children Act</p> <p>Institutions involved in the process: Ministry of Labour and Social Security and the Zambia Development Agency</p>
	<p>8. Immigration and work permits</p> <p>All foreign nationals in Zambia require authorization from the Department of Immigration to work in the country</p> <p>See www.zambiaimmigration.gov.zm</p> <p>Institution involved in the process: Zambia Department of Immigration</p>
	<p>9. Investing in multifacility economic zones</p> <p>No legal labour or environmental requirements are set at this stage for investors considering opening a business in Zambia.</p>
	<p>10. Licence to manufacture excisable goods</p> <p>All manufacturers and importers of excisable goods in Zambia, including all investors in the light manufacturing and agroprocessing sectors, must obtain a licence from the Zambia Revenue Authority.</p> <p>Relevant legislation: Environmental Management Act (2011) and Extended Producers Responsibility Regulations (2018)</p> <p>Institution involved in the process: Zambia Revenue Authority</p>



11. Legal consideration after the start of business operations

Environment:

- Environmental audit to assess compliance with requirements established by the EIA

Relevant legislation: Environmental provisions described in step 5

Institution involved in the process: ZEMA

Labour:

- Labour provisions described in step 7

Institution involved in the process: Ministry of Labour and Social Security

Chapter 3

Directory of institutions and strategies

Local institutions often have dedicated units that can provide background context or suggestions to investors on more sustainable production processes or business approaches, within the context of their specific region. Factors to be discussed with local institutions include:

- Location selection to maximize sustainable outcomes and minimize risks to local populations and the environment;
- Sustainable sourcing and production techniques;
- Where to source raw materials;
- Recruitment of local workforce;
- Vertically integrated supply chains – linking to value chains;
- Circular opportunities, including with other businesses;
- Resilience to the impacts of climate change and biodiversity loss evident now and likely in the future.

A list of the most important government institutions and business associations available in Zambia follows:

Ministry of Commerce, Trade and Industry is the principal Zambian government body responsible for administering national policy for private sector development. It coordinates industrial, commercial and trade matters and liaises with public and private sector organizations to facilitate the implementation of government sector policies related to trade and industry.

Website: www.mcti.gov.zm

Address: 10th Floor New Government Complex, Nasser Road, Lusaka

Phone: +260 211 228301

E-mail: info@MCTI.gov.zm

Ministry of Labour and Social Security is a government institution responsible for formulating and administering policies as well as regulating activities in the labour and employment sector, with the goal of enhancing the sector's contribution to sustainable labour and economic development for the benefit of the Zambian people. Portfolio functions for the ministry include employment policy; factories; industrial and labour relations; labour policy; monitoring productivity; occupational assessment services; social safety net policy; and social security policy.

Website: www.mlss.gov.zm/

Address: New Government Complex, Independence Avenue, P.O. Box 32186,
Kamwala, Lusaka, 10101

Phone: +260 211 221432

Fax: +260 211 225169

E-mail: info@MLSS.gov.zm

National Institute for Scientific and Industrial Research carries out research and development activities in various areas, including agriculture, natural resources and products, environment and water resources, minerals and industrial raw materials, electrical and electronic power conditioning and protection, textile testing and services, information and communications technology, and information systems.

Website: www.nisir.org.zm

Address: KK International Airport Road, 15302, Lusaka

Phone: +260 211 281013

National Technology Business Centre links developed and proven technologies from various local and international sources with local technology seekers (i.e. business community and entrepreneurs), for the creation of wealth and employment.

Website: www.ntbc.co.zm

Address: 8th Floor, New Government Complex Nasser road, 51310, Lusaka

Phone: +260 211 222 409

Zambia Development Agency was created in 2007 after the amalgamation of five statutory bodies that, up until that point, operated independently to foster economic growth and development by promoting trade and investment through an efficient, effective and coordinated private sector-led economic development strategy. The agency is responsible for trade development, investment promotion, enterprise restructuring, the development of green field projects, small enterprise development, trade and industry fund management, and contributing to skills training.

Website: www.zda.org.zm

Address: Privatization House, Nasser Road, P.O. Box 30819, Lusaka

Phone: +260 211 220177 / 223859

E-mail: zda@zda.org.zm

Zambia Environmental Management Agency is an independent environmental regulator and coordinating agency, established through the 2011 Environmental Management Act. The agency is mandated to protect the environment and control pollution to protect the health and welfare of people, animals, plants and the broader environment. Regional offices are located in Ndola, Chipata, Livingstone, Solwezi and Chirundu.

Website: <http://www.zema.org.zm>

Address: Plot 6975, Ridgeway Corner, Church and Suez Roads, Lusaka

Phone: +260 211 253 140

E-mail: [Online form](#)

Zambia/Lusaka Chamber of Commerce and Industry is the umbrella organization representing businesses across the country and across all sectors of the economy.

Website: www.zambiachamber.org

Address: Lusaka Showgrounds

Phone: +260 974674382

E-mail: secretariat@zacci.co.zm / membership@zacci.co.zm

Zambia Association of Manufacturers is a business association that represents the interests of the entire manufacturing sector and other related economic and/or production sectors in Zambia.

Website: www.zam.co.zm

Address: Mopani Parade Showgrounds, Great East Road, Lusaka

Phone: +260 211 253696

E-mail: info@zam.co.zm

National development strategies

- Zambia's 7th National Development Plan²³
- The Zambia Development Agency 2018–2021 Strategic Plan²⁴
- National Financial Inclusion Strategy (NFIS) 2017–2022²⁵
- Local Content Strategy²⁶
- National Industrial Policy²⁷
- Investment Strategy²⁸
- SME Development Policy²⁹
- Export Strategy³⁰
- Industrialization and Job Creation Strategy³¹

²³ Ministry of National Development Planning (2017). Seventh National Development Plan 2017–2021. Available from <http://extwprlegs1.fao.org/docs/pdf/zam170109.pdf>

²⁴ Zambia Development Agency (2017). 2018-2021 ZDA Strategic Plan. Available from <https://www.zda.org.zm/index.php/publications/>

²⁵ Ministry of Finance Economic Management Department (2017). National Financial Inclusion Strategy 2017–2022. Available from <https://boz.zm/National-Financial-Inclusion-Strategy-2017-2022.pdf>

²⁶ Ministry of Commerce, Trade and Industry (nd). Strategy Paper on the Promotion of Local Content. Available from <https://www.zda.org.zm/index.php/publications/>

²⁷ Ministry of Commerce, Trade and Industry (2018). National Industrial Policy. Available from <https://www.zda.org.zm/index.php/publications/>

²⁸ NEPAD-OECD (2011). Highlights of the Policy Framework for Investment in Zambia. Available from <http://www.oecd.org/investment/investmentfordevelopment/47662751.pdf>

²⁹ Zambia Development Agency (2015). SMEs are the Cornerstone of Development – ZDA. Available from <http://www.zda.org.zm/?q=content/smes-are-cornerstone-development-zda>

³⁰ Common Market for Eastern and Southern Africa (2019). Trade Policy and Export Strategy for Zambia launched. Available from <https://www.comesa.int/trade-policy-and-export-strategy-for-zambia-launched/>

³¹ Ministry of Commerce, Trade and Industry (n.d.). Strategy Paper on Industrialisation and Job Creation. Available from https://www.mcti.gov.zm/?wpfb_dl=49

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