



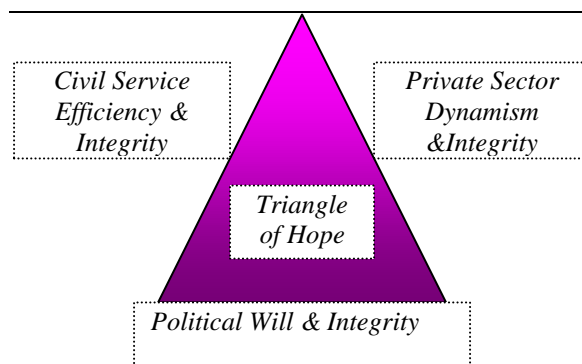
Dato' Jegathesan

THE TRIANGLE OF HOPE:

Strategic Action Initiatives for Economic Development

Background Note:

In January 2005, President Mwanawasa visited Japan. Apart from securing over US\$ 600 million in debt relief from the Japanese, he also asked JICA for help in the area of investment promotion. JICA engaged the services of Dato' Jegathesan, a Malaysian international consultant with a lot of hands-on experience in promoting investments. Dato Jega conducted three seminars to raise awareness about the importance of the three forces (i.e. MPs, Senior Civil servants and private sector) to work together in reducing poverty through job and wealth creation. These forces form the three sides of the Triangle of Hope. When these forces act with integrity, then citizens of a nation can hope to lead better lives.



ToH Objectives:

The main objective of the program is to assist in the creation of an environment in which the private sector create more jobs and generate greater wealth. To encourage private sector increase their levels of investments, the Government will create a conducive investment and business environment by providing efficient, effective public services and facilities and performance-based, time-bound incentives. This entails streamlining Government approval and licensing procedures, and providing transparent incentives to all would-be investors.

The ToH investment promotion initiative will employ the Quadrant Strategy to attain the ultimate objective of job and wealth creation. The four stages are:

1. Putting in place the best Investment and Business Environment through improved policies, streamlined Govt. Machinery, rules, regulations, laws and incentives that conform to international best practice. These will be widely publicized, will be non-discriminatory, and all the government functionaries will have the same information and

tell the same story about the services, facilities and incentives that government will offer. This should help Zambia offer the Competitive Advantage that will drive down the cost of doing business in Zambia.

2. Government and Private sector entities that are interested in getting access to capital (through JVs, etc) or technology and equipment should prepare Project or Business Profiles.
3. The Government will develop and implement an Investment Promotion Strategy where the information on available business opportunities in Zambia will be widely distributed to investors at home and abroad. A Cabinet Minister or a Senior Govt. Officer will lead a team of officials from public and private sector during investment promotion missions.
4. During the Implementation Stage, Government agencies will use knowledge gained on best practices to facilitate the quick implementation of approved projects through the entire Govt. system from National level to ("on the ground") the grassroots level, so that Jobs and Wealth can be created for Zambians and Companies can attain profits in being in a globally competitive environment and thereby contribute to the expansion of the Zambian Economy.

The Process:

In August 2005, H.E. President Mwanawasa appointed twelve Task Forces composed of members from the civil service and private sector to prepare recommendations for Cabinet consideration. A six-man ToH Steering Committee was also appointed to supervise their work. The Task Forces that were created are:

- i) Air Cargo Hub, In-Land ports
- ii) Agriculture
- iii) Banking and Finance
- iv) Cotton
- v) Education
- vi) Government Streamlining
- vii) Health
- viii) Information Communication Technology (ICT)
- ix) Multi-Facility Economic Zones (MFEZ)
- x) Mining
- xi) Small and Medium Enterprises (MSME)
- xii) Tourism

In January 2006, the twelve Task Forces reported back to president Mwanawasa and his Cabinet. Using these recommendations, officials from relevant Ministries prepared Cabinet Memorandums, all of which have been approved by Cabinet, except for four of them.

In August 2005, stakeholders participated in discussion of the Terms of Reference (TORs) that the lead consultant developed for the Task Forces. The Task Force core members were chosen on the basis that they are the experts in their field and have the competence and understanding of issues to be dealt with under this program. JICA, through University of Zambia, provided services of local Consultants for each of the Task Forces.

Since work on ToH started there have been a lot of progress that has not been shared with the general public. For example, University of Zambia made an exploratory visit to Malaysia to look for institutions it could partner with in Joint Venture. Melcome Group of companies also visited Malaysia and has established valuable contacts to expand their

business portfolio in Zambia. A consultant from the Malaysia National Association of Private Education Institutions visited Zambia in August 2006 and promised to further look at the opportunities available in Zambia. A promotional booklet to showcase Zambia as a base for Investment & Profits is being prepared & specific Business and Investment profiles are being drawn up for new and expansion of projects.

The Zambian Government will use these as part of its Investment Promotion Strategy. Some recommendations will require immediate action instead of waiting for completion of the Action Agenda Report, and then start the long process of changing policies, rules, regulations and laws. Therefore for fiscal incentives, the national budget (speech) will be used to quickly execute the recommendations. Statutory Instruments will be used to amend or improve upon certain pieces of legislation to implement recommendations that are of urgent nature.

In the spirit of increased collaboration among not only Government agencies, but also cooperating partner agencies, it is expected that there is going to be a lot of collaboration with other programs that are dealing with more or less similar issues. Already PSD program released resources for officials to identify land banks that will be used for various business purposes.

Monitoring & Evaluation Framework:

The line Ministries prepared the Implementation Plans using the approved set of recommendations. Roles and responsibilities have already been assigned. A

Monitoring and Evaluation framework is in place; each responsible Ministry is completing the M&E matrix and prepares a brief Progress Report for presentation to the ToH Steering Committee. The ToH Steering Committee uses this information to compile Quarterly reports for submission to the Inter-Ministerial Technical Committee (IMTC) of Cabinet Ministers. I make quarterly presentations to the full Cabinet.

Note that this is a temporary arrangement because with time it is expected that government agencies will then assume full responsibility for facilitating business and investment in Zambia.



Monitoring & Evaluation Meeting (All the relevant Ministries present. Chaired by Special Assistant to the President and/or Deputy Secretary to the Cabinet)

Current Status of the Implementation Frameworks (2010)

In regard to the monitoring framework, the meetings of the ToH Frameworks are held periodically, at State House and are chaired by the Special Assistant to the President for Economic Affairs, who is the Chairman of the ToH Steering Committee. In January 2010 the TOH Steering Committee received M&E matrix from the TOH implementing Ministries. The meeting observed that there was need to review the fiscal related recommendations as some of the recommendations were tacitly addressed in the Zambia Development Act. Ministry of Finance and National Planning was tasked to assess all tax related recommendations and indicate the progress made in implementation. The Ministry of Finance and National Planning presented the assessment of fiscal related recommendations to the TOH Steering Committee in April 2010 which noted the recommendations that were already implemented and those that could not be implemented. The meeting directed that all TOH implementing ministries hold review meetings to identify bottlenecks to implementation and propose measures to fast track the process and the time frame for implementation. The review meetings were held in April and May 2010. The next TOH Steering Committee to receive the M&E matrix on the 12 Action Agenda will be held in July 2010.

Investment Promotion

Since 2007 to date, a number of investment promotion missions have been taken under the auspices of the Triangle of Hope. The first targeted Malaysia, out of which a Malaysian business delegation visited Zambia in March

2007. Out of this Mission and the subsequent conference held in Lusaka, some business ventures have already been agreed upon. One of them is a company assembling Mobile hand sets. The mobile phone plant was established in 2008 and was officially opened in 2009 at the presence of H.E. President Rupiah B. Banda. They are currently exporting their products to Zimbabwe, hoping that the market is going to be expanded to other countries in SADC (Southern Africa Development Community).



MMobile factory (Lusaka)

In late 2007 and early 2008, another thrust was made to India, which resulted in the Zambia Asia International Business, Investment and Trade Conference (AIBTC) taking place in Lusaka at the end of January 2008. Resulting from the thrust in India and the Lusaka conference, a Memorandum of Understanding (MoU) has already been signed with Lifeline Hospital of India and a local company, towards the setting up of a hospital

specializing in Key Hole surgery. This will be the first of its kind in Africa.

The most recent investment promotion mission to India was taken place in March 2010. ZDA, in cooperation with the Zambia High Commission, has organized business seminars and one on one meetings with the prospective investors in New Delhi, Mumbai and Chennai. Following the mission, a number of the companies engaging in the business of agriculture, health, education, to name a few, visited Zambia to meet with the government officials and private sectors and to visit the potential sites.



Indian Delegation with His Excellency the President of the Republic of Zambia (State House, Lusaka)

The Development of the Lusaka Multi Facility Economic Zone.

As a direct consequence of the investment promotion to Malaysia and the framework for the Multi, Facility Economic Zone, (MFEZ) some hectares of land has been identified in Lusaka towards the development of the Lusaka South MFEZ and industrial park. Consequently the Government of Zambia, in conjunction with Kulim Hi-tech Park of Malaysia and a JICA Study team are in the process of preparing a Mater Plan and Feasibility studies for the Zone.



Zambian Delegation visited Kulim High Tech Park in Malaysia

Zambia Development Agency (ZDA)

In addition to JICA supporting the investment thrusts undertaken towards Malaysia and India,

under the ToH, JICA facilitated a Knowledge Based Training Workshop for all staff of the Zambia Development Agency in October 2007. This was intended to begin the process of creating capacity for ZDA officials. JICA has introduced KAIZEN approach to ZDA for its capacity development in 2010.



Zambia Development Agency (ZDA) (Lusaka)



KAIZEN Training by a Japanese Expert (ZDA)

For more details¹ on the Triangle of Hope, please contact:

The Special Assistant to the President for Economic Affairs – (Chairperson of the ToH Steering Committee),
P.O. Box 30208,
State House,
Lusaka, ZAMBIA.
Tel: +260-1-253497
Fax: +260-1-252397

The Permanent Secretary
Ministry of Commerce, Trade and Industry
P.O. Box 31968,
New Government Complex
Lusaka, ZAMBIA
Tel: +260-1-223617
Fax: +260-1-226984
E-mail: psmcti@zamnet.zm
E-mail: comtrade@zamnet.zm

Director General
Zambia Development Agency
Privatization House,
P.O. Box 30819,
Lusaka, ZAMBIA.
Tel: 220177,223859
Fax: 225270
E-mail: zda@zda.org.zm
Website: www.zda.org.zm