

A Business Professional's Guide to the Zambia Development Agency (ZDA) Act for Solar Manufacturing

A Strategic Guide to the ZDA Investment Framework

Content Partner: J. v. G. technology GmbH

Turnkey solar module production lines — since 1997

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Technical Overview: The ZDA Act for Solar Manufacturing in Zambia



Created as part of the PVKnowHow Knowledge Network



Prepared by J.v.G. Technology GmbH



European specialists in turnkey solar module production lines

Key Project Data

100–3...

Typical Entry Scale

Standard manufacturing capacity range for a new facility

\$6–15M

Investment Range

Depending on automation level (semi-auto vs. fully automated)

9–18 mo

Ramp-Up Period

From equipment delivery to full commercial production

2 Types

Line Configurations

Semi-automated and fully automated turnkey production lines

 Region: Zambia / Sub-Saharan Africa · Source: PVKnowHow / J.v.G. Technology GmbH

Role of the Zambia Development Agency (ZDA)

Mandate & Structure

- Statutory body under the Ministry of Commerce, Trade and Industry
- Established under ZDA Act No. 17 of 2022
- Draws operating mandate from ITBD Act No. 18 of 2022
- Single-window investment regulator for Zambia

Investor Services

- Issues the Certificate of Registration (CoR) – the investment licence
- Facilitates immigration permits, land acquisition, and utility connections
- Operates an e-dashboard for real-time application status tracking
- Maintains on-site desks in major MFEZs (Lusaka South, Lusaka East)

Key Incentives: Tax, Duty & VAT

Corporate Income Tax

- 0% corporate tax rate for qualifying investments in MFEZs and priority sectors
- Threshold: \geq \$500,000 USD for foreign investors; \geq \$50,000 for local investors
- Manufacturing and energy both qualify as priority sectors under the ITBD Act

Customs Duty Relief

- 0% import duty on capital equipment and machinery for five years
- Covers production line equipment, electrical infrastructure, and specialized vehicles
- Accelerated 100% straight-line depreciation on all new plant and machinery

VAT & Dividend Concessions

- VAT deferment available on imported inputs during pre-operational phase
- Reduced withholding rate on dividends declared by ZDA-approved energy enterprises
- VAT intending trader status available for energy sector companies for up to 10 years

Strategic Advantages for Solar Manufacturing

1

Dual Sector Eligibility

Solar module production qualifies under both the "Manufacturing" and "Energy" priority sectors — maximising incentive access

2


MFEZ Infrastructure

Zambia operates 5 MFEZs and 2 Industrial Parks, each with backbone electricity, water, telecom, and road infrastructure in place

3

Regional Export Platform

SADC and COMESA membership provides preferential tariff access; a CoR can unlock priority grid-connection and export facilitation

 In 2025, Zambia's Energy Regulation Board cleared 62 new energy licences worth ZMW 11 billion — demonstrating active market momentum and regulatory capacity.

Eligibility Criteria for ZDA Incentives

Investor Category	Minimum Investment Threshold	Incentive Access
Foreign Investor	USD 500,000 (priority sector / MFEZ)	Full fiscal & non-fiscal package
Citizen-Owned Company (50.1%+ Zambian)	USD 100,000	Full fiscal & non-fiscal package
Citizen Empowered (25.1%–50% Zambian)	USD 150,000	Full fiscal & non-fiscal package
Local Investor (100% Zambian)	USD 50,000 (post-2024 amendment)	Same incentives as foreign investors
Expansion Project	Meets applicable threshold above	Equal footing with new (greenfield) ventures

Application Process: Certificate of Registration

1 — **1 – Company Registration**
Register a legal entity in Zambia with the Patents and Companies Registration Agency (PACRA)
Required before any ZDA application can proceed

2 — **2 – Prepare Application Package**
Completed ZDA application form; comprehensive business plan including project scope, financial projections, market analysis, and employment forecasts
Incomplete documentation is the most common cause of delays

3 — **3 – Submit to ZDA**
Submit physically at ZDA's Premium House, Independence Avenue, Lusaka — or via the online portal
Track application status in real time via ZDA's e-dashboard

4 — **4 – Review & Approval**
With complete documentation, a decision is typically reached within a few months
Budget two to six weeks per additional sector permit after CoR issuance

5 — **5 – Certificate of Registration Issued**
CoR officially unlocks all associated fiscal and non-fiscal incentives
Plan CoR renewal nine months before expiry to avoid lapses in incentive status

Risk & Security Considerations

Investment Protections

- ZDA Act provides statutory guarantees against state nationalization
- Zambia is a signatory to several international investment protection agreements
- Investment guarantees are embedded in the ITBD Act framework
- Free facilitation for immigration permits, land acquisition, and utility access

Operational Risk Factors

- Documentation completeness is critical — poorly prepared business plans cause delays
- Multiple secondary licences may be required; budget 2–6 weeks per permit
- Engage a local consultant familiar with ministry sign-off sequences
- Quantify employment creation and export impact clearly in the business plan

FAQ Highlights

Is my investment legally protected?

Yes. The ZDA Act provides statutory investment guarantees, including explicit protection against state nationalization. Zambia is also party to multiple international investment protection agreements.

How long does the approval process take?

With complete documentation, initial CoR decisions are often reached within a few months. Additional sector licences each require approximately 2–6 weeks. The ZDA e-dashboard provides real-time status updates.

Can an existing business qualify?

Yes. The 2024 amendment introduced the "expansion project" category, which qualifies on equal footing with new greenfield ventures, provided the applicable investment threshold is met.

The Turnkey Manufacturing Approach

Line Configuration

- Semi-automated lines: suitable for 100–200 MW/yr entry-scale
- Fully automated lines: optimised for 200–300 MW/yr and above
- On-site team training included — no prior manufacturing experience required

Capex Profile

- Semi-automated: lower initial investment; moderate throughput
- Fully automated: higher upfront cost; lower unit cost at volume
- Total investment range: \$6–15 million depending on automation and scale

Ramp-Up Pathway

- Typical ramp-up: 9–18 months from equipment delivery to full production
- Phased production ramp reduces early-stage financial exposure
- An experienced European turnkey provider reduces the learning curve for new manufacturers

📄 Process: Turnkey solar module manufacturing · Application: Zambia / Sub-Saharan Africa · Source: PVKnowHow / J.v.G. Technology GmbH

Strategic Conclusion

1 Zambia offers a legally structured, incentive-rich framework

The ITBD Act provides predictable, enforceable protections and fiscal benefits for qualifying solar manufacturers

3 A regional export platform via SADC and COMESA

Zambia's central location and trade access create a practical base for serving Southern and Eastern African markets beyond domestic demand

5 Engage PVKnowHow / J.v.G. Technology GmbH for a feasibility assessment

A structured assessment can validate scale, capex, and implementation requirements for a bankable entry into Zambia's solar module market

2 Dual Sector Eligibility strengthens the investment case

Zambia's solar manufacturing opportunity spans both manufacturing and energy, aligning industrial development with domestic power needs and long-term market demand

4 The turnkey manufacturing approach lowers entry barriers

End-to-end support for plant design, equipment selection, commissioning, and training reduces execution risk and shortens the path to production



About the Content Partner

J. v. G. technology GmbH – The DESERT Company

Founded in 1997 in Bavaria, Germany. Family-owned engineering company specializing in turnkey solar module production lines.

More than 90 factory projects delivered worldwide.

On-site team training included – no prior manufacturing experience required.

Key areas:

Turnkey PV manufacturing lines | DESERT Technology® |
TÜV-certified module designs | Factory planning to production

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Source:

<https://www.pvknowhow.com/countries/zambia/zambia-development-agency-solar-manufacturing/>

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