



Internal News

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IN THIS EDITION

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PERFORMANCE IN 2021 AND 2022**

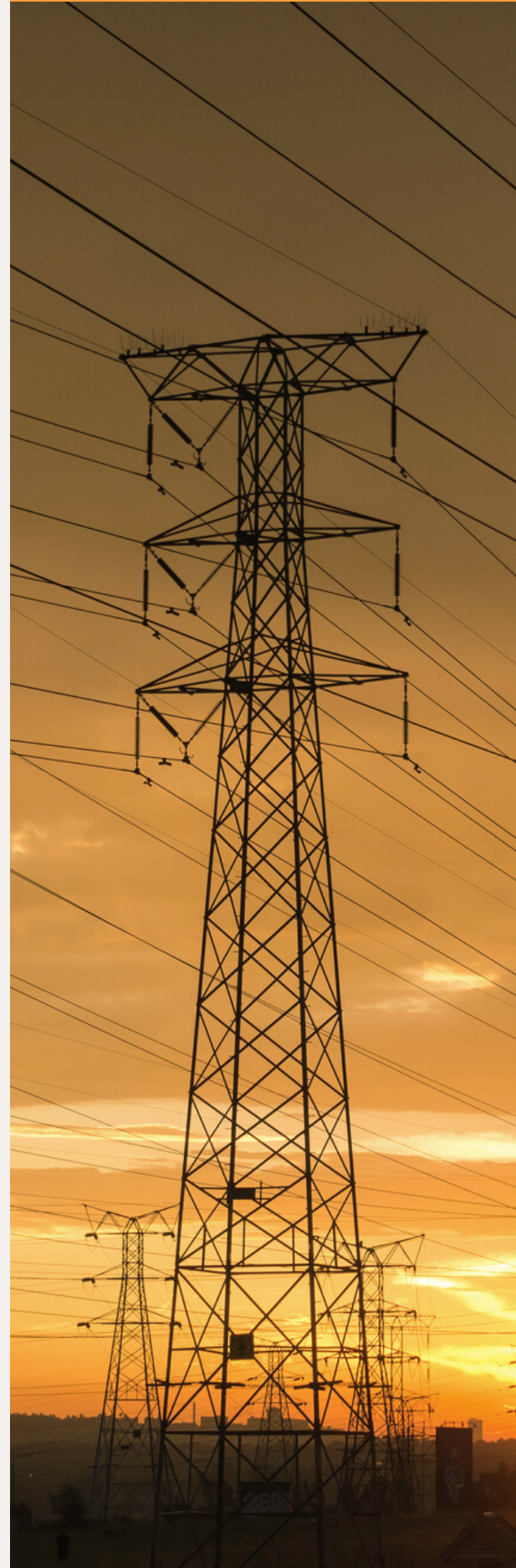
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**ZESCO RENEWABLES AND
INFRASTRUCTURE EXPANSION PLANS
RECEIVE ACSZ TOP ACCOLADES**

Table of contents

- 01** FOREWORD
- 02** ZESCO RENEWABLES AND INFRASTRUCTURE EXPANSION PLANS RECEIVE ACSZ TOP ACCOLADES
- 03** ZESCO, ERB SIGN NEW KPI FRAMEWORK AMIDST MARKED PERFORMANCE IN 2021 AND 2022
- 04** ZESCO BOARD CHAIRPERSON SHARES RENEWABLE ENERGY INVESTMENT OPPORTUNITIES WITH ROTARIANS
- 05** 3,781 ILLEGAL POWER CONNECTIONS DECLARED AS ZESCO ENDS 90 DAY AMNESTY
- 06** ZESCO HOLDS PUBLIC HEARING ON RESETTLEMENT AND COMPENSATION ACTION PLAN FOR LTDRP PROJECT
- 07** MWATA KAZEMBE EXTOLS ZESCO FOR SUPPORTING TRADITIONAL CEREMONIES
- 08** ZESCO UNITED SHARPENS SQUAD AHEAD OF THE 2023/24 LEAGUE SEASON



FOREWORD

We are back with another special edition of the internal news bulletin covering recent activity highlights.

ZESCO Limited was exhibitor and sponsor of the 95th Zambia Agricultural and Commercial Show held from 2 to 7 August 2023 with the theme "Inclusive Economic Transformation". The Corporation bagged two accolades namely the Best Renewables Energy Exhibit and the Best Infrastructure Development Exhibit.

To affirm its commitment to running an efficient and effective power utility offering excellent service to its customers in an accountable and transparent manner, The Corporation signed the Key Performance Indicator (KPI) Framework for the period 2023 to 2025 with the Energy Regulation Board (ERB). The Framework is the sixth for ZESCO and the first for the current Corporate Leadership Team. The signing of the KPIs conforms to the Energy Regulation Act number 12 of 2019 and the Electricity Act of 2019, which mandates the ERB to undertake operational performance monitoring of enterprises in the Energy Sector.

ZESCO's Strategic Plan for the period 2022 to 2023 received a big YES from Cabinet, putting into effect the five key focus areas of the ten-year plan that have a strategic feed into the country's 8th National Development Plan. Cabinet's approval of the strategic plan was followed by a resounding appeal from the Managing Director to all employees for an immediate attitude change and work culture shift for the strategic plan to succeed. We have highlighted the key strategic focus areas in this edition for your attention.

ZESCO's footprint in supporting the preservation of Zambia's cultural heritage was once again illuminated at this year's Mutomboko ceremony which marked Senior Chief Mwata Kazembe's 25-years reign over the people of the Lunda Kingdom. The corporation through its corporate social investment provided both technical and financial support towards the success of the ceremony.

ZESCO's expanded footprint in the renewable's energy space has received stakeholder recognition among them the Rotarians who invited the Board Chairperson as speaker to the topic Role of renewable energy in Zambia's sustainable development at a meeting held on July 21, 2023, in Lusaka.

Vandalism, illegal power connections impede ZESCO's quest to deliver excellent services, efficiently and effectively. To provide erring members of the public an opportunity to report illegal power connections, the Corporation initiated a 90-day countrywide amnesty which ended on 30 June 2023 with a record 3,781 cases recorded.

In sport, ZESCO United Football Club's quest to add a 10th league title has been boosted by player signings the notable ones being the acquisition of Zambian international shot stopper Toaster Nsabata and striker, Abraham Siankombo from South African side Sekhukhune and Zanaco FC, respectively. United Head Coach George Lwandamina will be expecting his side to wrestle for the title and secure qualification for CAF interclub football when the 2023/24 league season kicks off on August 19, 2023.



ZESCO RENEWABLES AND INFRASTRUCTURE EXPANSION PLANS RECEIVE ACSZ TOP ACCOLADES

ZESCO Limited’s expansion plans in the renewables energy space and infrastructure development have received top accolades at the just ended 95th Zambia Agricultural and Commercial Show held from 2 to 7 August in Lusaka with the theme “Inclusive Economic Transformation”

In a showcase the Corporation’s positioning as the country’s engine of economic growth enabling of inclusive economic transformation through the provision of excellent electricity services and innovative value adding services to all segments of society, ZESCO put up a convincing case to emerge winner of the Best Renewable Energy Exhibit and winner of the Best Infrastructure Development Exhibit.

The two accolades are dedicated to all employees for putting in their best to ensure that the Corporation’s plans are set in motion and yield stakeholder recognition and support.

GET TO KNOW THE ZESCO STRATEGIC PLAN

During meetings with employees stationed at Malambo Road Workshop, Malaiti House and Head Office, ZESCO Managing Director, Eng. Victor Benjamin Mapani implored all employees to take a keen interest in the content of the Corporation’s 10-year strategic plan for the period 2022 to 2031.

This is with the understanding that employees, as the primary implementors of the plan, anchored its success.

In this edition of the Bulletin, we share with you the five areas of strategic focus as contained in the strategic plan. In editions to follow, we shall highlight the detailed initiatives that are supportive of each area of strategic focus.



CUSTOMER SATISFACTION



FINANCIAL SUSTAINABILITY



EXPANDED INFRASTRUCTURE



EFFECTIVE MAINTENANCE



OPTIMIZED HUMAN CAPITAL



ZESCO, ERB SIGN NEW KPI FRAMEWORK AMIDST MARKED PERFORMANCE IN 2021 AND 2022

The Energy Regulation Board (ERB) says ZESCO Limited has in the past two years made considerable progress to attain the set Key Performance Indicators giving confidence that it would eventually attain the set performance mark of 75 percent.

ERB Board Chairperson, Mr. Reynolds Bowa made his observation at the signing ceremony of the new Key Performance Indicator Framework for the period 2023 to 2025 held on 29 July 2023 at the ERB Head Office in Lusaka. The KPI Framework is the 6th for the Corporation and the first for the current Corporate Leadership Team.

“A score of 37 percent in 2020. A score of 46 percent in 2021, and a score of 49 percent in 2022. So, in the last three years, there was a failure to attain the minimum benchmark against these KPIs. What should be noted for our own interests as consumers is that although this is a failure, it does represent steady progression. The worst of those numbers is in 2020. 2021 was better; 2022 was even much better, and our own expectation is that 2023 will hopefully not be a performance below the benchmark but one that is above.

“We always like to think of ourselves as regulator rather than a policeman. It is in our interest to ensure success and we support success rather than aspiring to punish failure,” Eng. Bowa said.

According to the Chairperson, ZESCO had scored 43,25 percent in 2021 and 48.58 percent in 2022 signaling a steady and encouraging improvement.

With the new framework in force, the ERB’s approval of tariff adjustments, as per the multi-year tariff regime approved in May 2023, will be conditional and subject to ZESCO attaining the set KPIs.

The KPI framework is composed of 11 thematic areas being: new customer connections; postpaid billing; financials; efficiency; system losses; staff productivity; quality of service; power generation; safety; customer service; and power quality.

Within the new KPI Framework, ZESCO is compelled to embark on initiatives that will increase efficiency by reducing energy losses, operational costs, optimising debt collection, utilisation of power plants, monitoring, and installing power quality monitors.

The signing of the KPIs is in conformity with the Energy Regulation Act number 12 of 2019 and the Electricity Act of 2019, which mandates the ERB to undertake operational performance monitoring of enterprises in the Energy Sector.

ZESCO Limited Board Member, Mr. Charles Kaisala assured the Corporation’s customers and all of its stakeholders that the signing of the KPI Framework was a binding agreement of an accountable and transparent service provider committed to deliver quality services.

Mr. Kaisala confirmed that while the ERB had in May 2023 approved a multi-year tariff regime for a five-year period (2023 – 2027), the tariff adjustments were conditional and subject to ZESCO meeting the set operational and commercial performance indicators.

The Board Member said that considering that ZESCO’s areas of strategic focus contained in its strategic plan for the period 2022 – 2023 to a large extent mirrored the KPIs, the Corporation was incentivized to ensure it successfully attained the KPIs and avoided the associated penalties.

He assured that the framework would enhance what ZESCO had to achieve in its strategic plan as it would act as a catalyst to accelerate the achievement of the Company’s objectives.

” In the new framework, ZESCO will be penalised for poor performance. I assure the regulator, that ZESCO cannot afford to be non-compliant; it is in its best interest to comply with all 11 thematic areas of this new framework.

On a quarterly basis, ZESCO’s performance will be evaluated across the 11 core business areas.



ZESCO BOARD CHAIRPERSON SHARES RENEWABLE ENERGY INVESTMENT OPPORTUNITIES WITH ROTARIANS

Rotary Club Palisa of Lusaka is an extension of Rotary International whose purpose is to bring together business and professional leaders in order to provide humanitarian services, encourage high ethical standards in all vocations and to advance goodwill and peace around the world.

On 21 July 2023, Rotarians converged at Lusaka's Pamodzi Hotel, to better understand and explore opportunities presented by the recent call for more investment in sustainable renewable energy with guest speaker being ZESCO Limited Board Chairperson, Mr. Vickson Ncube.

"We support communities and change lives focusing on the areas of environment conservation, economic development, water and sanitation health, basic education and literacy, maternal health and child welfare, disease prevention and treatment, peace and conflict resolution.

"We invited Mr Ncube to share his views on the role played by renewable energy in Zambia's sustainable development. This topic is of great interest to us because we have an environment conservation project in Zambia. Mr Ncube encouraged us to continue actively taking part in environment conservation projects to enlarge sources of renewable energy," said Connie Karuku, president elect Rotary Club Palisa of Lusaka.

And in his presentation, Mr Ncube encouraged Rotarians to take advantage of the investment opportunities in the Zambian energy sector.

"Zambia has a huge opportunity for renewable energy investments. ZESCO has been signing Power Purchase Agreements with potential power project developers. Right now, we are sitting on close to 4,500 MW of renewable energy that is to come into Zambia, between now and the next 10 years. However, that may not be enough to meet the constantly growing demand for electricity.

"This is where the opportunities lie for the Rotarians. We have this unmet demand, a lot of sun, and wind. If we can find the right partners that we can work with to bring solutions to the energy challenge in Zambia; we can do it the green way."

The Board Chairperson added that Rotarians had a rich relationship with communities which can be used to extend renewable energy investments.

"Rotarians are people who like working with communities. There is an opportunity to provide off-the-grid energy solutions. Instead of looking for big power generation projects that require extensive power transmission and distribution networks, we can go to communities.

"Find a small community and create a solar energy base just for that community, so that they are now on the grid. We need to wean our communities from charcoal production and consumption which is detrimental to the environment. We have a great opportunity in this country to get sustainable development through these solutions including off grid solutions where we can target the communities."

Government's resolve to reduce dependence on hydroelectric power by shifting focus towards other renewable sources of energy such as wind, geothermal and solar has already started yielding positive results. However, the road to success rests on sound investment in renewable energy projects from local and foreign companies.



3,781 ILLEGAL POWER CONNECTIONS DECLARED AS ZESCO ENDS 90 DAY AMNESTY

On 30 June 2023 ZESCO Limited ended the 90-day amnesty on illegal power connections and extensions during which period the public was encouraged to normalise electricity connections.

The amnesty which took effect on 1 April 2023 was motivated by the escalating number of illegal power connections and extensions that posed a safety risk to the community due to the unsafe way in which some of the connections are carried out.

At the end of the amnesty period, a total of 3,781 members of the public had come forward to normalise their power supply connections.

ZESCO Head – Security Services, Hamulondo Kapika says the response from the public has been positive and encouraging.

“Initially they were skeptical and slow to report cases but with time the numbers increased because they realised that ZESCO wanted to serve them better. We listened when they asked for an extension in the amnesty from the initial 30 to 90 days. This allowed us to accommodate more applications from the members of the public who are now able to vend normally,” he said.

The Security Head, however, noted that despite receiving positive response from the public, the vice remains rampant across the country.

“Illegal connections are rampant across the country, but worse in densely populated townships in major cities. There are still a lot of people entertaining illegal connections and meter bypasses. We still appeal to them to come forward and report themselves to ZESCO so that we can clean up the system and serve them better.”

And ZESCO has appealed to members of the public to desist from engaging in fraudulent acts which are costing the corporation substantial amounts of money in revenue losses.

“Illegal connections compromise the quality of service to our customers. They also carry serious risks that endanger the lives of our customers. ZESCO is also losing a lot of money every year due to theft of electricity through illegal connections. Therefore, we are appealing to them to stop these acts and avoid prosecution,” Kapika added.



ZESCO HOLDS PUBLIC HEARING ON RESETTLEMENT AND COMPENSATION ACTION PLAN FOR LTDRP PROJECT

ZESCO Limited is implementing the Lusaka Transmission Distribution and Rehabilitation (LTDRP) project whose primary objective is to improve the quality and reliability of power supply in Lusaka an area in which 40 percent of the non-mining electricity consumers are concentrated.

On 28 July 2023, ZESCO Limited held a successful public hearing to discuss matters surrounding the disclosure of the Resettlement and Compensation Action Plan (RCAP), in respect of the LTDRP, specifically the Industrial Matero 33 kV distribution Line.

In his welcoming remarks, ZESCO Deputy Director - Distribution and Planning, Mr. Arnold Ng'uni stated that collaboration among key project stakeholders was cardinal to the effective attainment of the project objectives.

And Senior Projects Manager for the LTDRP, Mr. John Chirwa was gratified with the high project stakeholder turnout and participation at the meeting which he said exemplified a good partnership between ZESCO and the communities in the project area.

ZESCO Head - Environment, Ms. Bonje Muyunda described the public hearing as progressive. "This is a very progressive meeting. We are delighted to get feedback from all the stakeholders. We will ensure that all their submissions including concerns are incorporated in the RCAP document," she said.



Participants who included Local area ward counselors expressed happiness with the feedback provided by ZESCO representatives after the question-and-answer session.

They called on the Corporation to intensify engagements with the members of the Matero Community in order to raise awareness on the impact of the project.

ZESCO will continue to engage all stakeholders and projects affected persons in order to capture their views and concerns on the project as these are critical in the successful implementation of the Project.



MWATA KAZEMBE EXTOLS ZESCO FOR SUPPORTING TRADITIONAL CEREMONIES

Senior Chief Mwata Kazembe of the Lunda speaking people of Luapula Province has urged corporate entities to sustain their contribution in preserving Zambia's cultural heritage.

Addressing ZESCO Limited staff that paid a courtesy call on him on July 29, 2023, at his palace in Mwanabombwe district ahead of the Mutomboko celebrations, Senior Chief Mwata Kazembe said the country risked losing its customs if culture was not preserved.

The year 2023 marked 25 years of Mwata Kazembe's rule over the Lunda Kingdom.

"I wish to thank ZESCO for the support you continue to render to traditional ceremonies. It is important for us as a people to continue celebrating and preserving our rich culture because this defines who we are and where we are coming from."

And ZESCO Limited Director - Distribution and Customer Services, Mr. Peter Chamfya said traditional ceremonies continue to offer the power utility a rare platform to connect with its stakeholders.

Mr Chamfya as representative of ZESCO's Corporate Leadership Team said traditional ceremonies enhance the power utility company's chances of attaining its 10-year strategic plan.

"One of the key pillars of our strategic plan is customer centricity. This platform offers us an opportunity to connect, interact and build long-term relationships with our customers. It is a chance for ZESCO to provide information, receive feedback from its customers.

"Furthermore, traditional ceremonies symbolize our culture as a people. They are important to us because this is one way that history is passed on from generation to generation," he said.

Meanwhile ZESCO reiterated its' commitment to play a crucial role in helping the country promote and preserve its national heritage by providing technical and financial support towards the successful hosting of the Mutomboko ceremony.

ZESCO, through its corporate social services spiced up Senior Chief Mwata Kazembe's 25th anniversary celebrations at the helm of the Lunda people by building an ablution block located at the main arena used for Mutomboko celebrations in Mwanabombwe.

ZESCO UNITED'S SHARPENS SQUAD AHEAD OF THE 2023/24 LEAGUE SEASON

Nine-times Zambian Super League Champions ZESCO United have continued to bolster their squad ahead of what is expected to be an exciting league season.

United who finished behind Zambia's envoys in the CAF Confederation Cup and Champions League, MUZA FC and Power Dynamos respectively will be on a mission to wrestle for the title which they surrendered to Red Arrows two seasons ago.

Veteran Head Coach George Lwandamina managed to catapult the club to a third-place finish after being offered the managerial position midway through the 2022/23 league campaign.

Last season, Lwandamina made strategic recruitments which saw the acquisition of Lindo Mkhonta, Denis Nya, and Lazarous Kambole.

The opening of the summer transfer window has seen United strengthen their squad with Tanzanian giants, Young Africans agreeing to stretch Kambole's loan move to United to a year.

One of the marquee signing of the transfer window so far is the acquisition of Abraham Siankombo on a two-year deal.

Siankombo 25 is expected to bring joy to United's striking force which laboured for goals last season. The former Zanaco striker is expected to complement Kambole upfront and enhance United's firepower.

Zambian international goalkeeper, Toaster Nsabata has also re-committed his future to ZESCO United after a brief stint at South African Premier League side Sekhukhune.

Nsabata who rejoins the club on a two-year contract is expected to play an important role at United ahead of the 2023/24 football season which starts next month.

Others who have joined the Zambian Super League giants include, Congolese defender, Lebeau Madi Binemo on a three-year contract.

Binemo joins the nine-times league champions after successful stints with Congolese giants TP Mazembe and St. Eloi Lupopo.

Meanwhile United have secured the services of former River Plate midfielder Samson Ngoma on a five-year deal.

United have also clinched a two-year loan agreement with Nkwazi for the services of Pride Mwansa.

All is set for what is expected to be another exciting MTN Super League title race which kicks-off on August 19, 2023.

